



**ICI PAKISTAN LTD.**

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# ICI Pakistan Limited

## Financial Statements



# Auditors' Report to the Members

We have audited the annexed unconsolidated balance sheet of **ICI Pakistan Limited** (the Company) as at **30 June 2016** and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
  - i) the unconsolidated balance sheet and unconsolidated profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for changes as stated in note 44 to the accompanying unconsolidated financial statements with which we concur;
  - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30 June 2016** and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Date: 30 August, 2016

Karachi



E&Y Ford Rhodes  
Chartered Accountants  
Shariq Ali Zaidi

# Unconsolidated Balance Sheet

As at June 30, 2016

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	<b>17,040,334</b>	14,236,363
Intangible assets	4	<b>16,460</b>	28,318
		<b>17,056,794</b>	14,264,681
Long-term investments	5	<b>1,462,976</b>	1,222,976
Long-term loans	6	<b>356,330</b>	324,610
Long-term deposits and prepayments	7	<b>33,594</b>	30,777
		<b>1,852,900</b>	1,578,363
		<b>18,909,694</b>	15,843,044
<b>Current assets</b>			
Stores, spares and consumables	8	<b>811,963</b>	653,582
Stock-in-trade	9	<b>5,296,746</b>	4,921,766
Trade debts	10	<b>1,640,447</b>	1,431,370
Loans and advances	11	<b>391,342</b>	323,696
Trade deposits and short-term prepayments	12	<b>428,713</b>	412,133
Other receivables	13	<b>726,683</b>	909,710
Taxation - net		<b>2,236,155</b>	2,054,870
Cash and bank balances	14	<b>146,287</b>	119,612
		<b>11,678,336</b>	10,826,739
<b>Total assets</b>		<b>30,588,030</b>	26,669,783




Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
1,500,000,000 (June 30, 2015: 1,500,000,000) ordinary shares of PKR 10 each		<b>15,000,000</b>	15,000,000
Issued, subscribed and paid-up capital	15	<b>923,591</b>	923,591
Capital reserves	16	<b>309,643</b>	309,643
Unappropriated profit		<b>13,183,294</b>	11,483,846
<b>Total equity</b>		<b>14,416,528</b>	12,717,080
<b>Surplus on revaluation of property, plant and equipment</b>	17	<b>829,645</b>	576,458
<b>Non-current liabilities</b>			
Provisions for non-management staff gratuity	18	<b>90,867</b>	87,422
Long-term loans	19	<b>3,652,586</b>	1,493,943
Deferred tax liability - net	20	<b>1,430,789</b>	1,181,167
		<b>5,174,242</b>	2,762,532
<b>Current liabilities</b>			
Trade and other payables	21	<b>7,731,736</b>	7,717,908
Accrued mark-up		<b>77,663</b>	56,658
Short-term borrowings and running finance	22	<b>1,964,433</b>	1,883,592
Current portion of long-term loans		<b>393,783</b>	955,555
		<b>10,167,615</b>	10,613,713
<b>Total equity and liabilities</b>		<b>30,588,030</b>	26,669,783
<b>Contingencies and commitments</b>	23		

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

  
**Muhammad Sohail Tabba**  
Chairman / Director

  
**Asif Jooma**  
Chief Executive

  
**Muhammad Abid Ganatra**  
Chief Financial Officer

# Unconsolidated Profit and Loss Account

For the year ended June 30, 2016

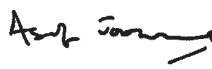
Amounts in PKR '000

	Note	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>Turnover</b>	25.1	<b>42,689,368</b>	42,593,948
Sales tax, commission and discounts	24	<b>(5,734,931)</b>	(5,078,620)
Net turnover		<b>36,954,437</b>	37,515,328
Cost of sales	25.2	<b>(30,475,911)</b>	(31,725,574)
<b>Gross profit</b>		<b>6,478,526</b>	5,789,754
Selling and distribution expenses	27	<b>(2,118,142)</b>	(1,781,989)
Administration and general expenses	28	<b>(881,677)</b>	(963,658)
<b>Operating result</b>		<b>3,478,707</b>	3,044,107
Other charges	29	<b>(284,840)</b>	(231,373)
Finance costs	30	<b>(383,298)</b>	(402,787)
		<b>(668,138)</b>	(634,160)
Other income	31	<b>687,697</b>	293,547
<b>Profit before taxation</b>		<b>3,498,266</b>	2,703,494
Taxation	32	<b>(655,080)</b>	(577,786)
<b>Profit after taxation</b>		<b>2,843,186</b>	2,125,708
<b>Basic and diluted earnings per share (PKR)</b>	33	<b>30.78</b>	23.02

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



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

# Unconsolidated Statement of Comprehensive Income

For the year ended June 30, 2016

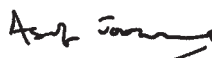
Amounts in PKR '000

	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>Profit after taxation</b>	<b>2,843,186</b>	2,125,708
Items to be reclassified to profit or loss in subsequent periods:		
Loss on hedge during the year	(2,285)	(461)
Income tax relating to hedging reserve	731	128
	(1,554)	(333)
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress	1,554	333
	-	-
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial (loss) / gain on defined benefit plans	(18,030)	167,444
Income tax effect	4,070	(49,811)
	(13,960)	117,633
<b>Total comprehensive income for the year</b>	<b>2,829,226</b>	2,243,341

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



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

# Unconsolidated Cash Flow Statement

For the year ended June 30, 2016

Amounts in PKR '000

	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>Cash flows from operating activities</b>		
Profit before taxation	3,498,266	2,703,494
Adjustments for:		
Depreciation and amortisation - note 3.5 and 4.1	1,899,238	1,657,278
Loss / (gain) on disposal of operating fixed assets - note 29 and 31	2,701	(5,532)
Provision for staff retirement benefit plan - note 18.1.1	25,925	38,071
Provision for non-management staff gratuity and eligible retired employees' medical scheme	32,450	11,583
Interest on short-term bank deposits	(2,067)	(649)
Dividend from investment in equity shares - note 31	-	(40,000)
Dividend from subsidiary - note 31	(150,000)	-
Dividend from associate - note 31	(458,375)	(150,000)
Interest expense	324,229	354,795
Provision for doubtful debts - note 40.6	10,190	26,195
Provision for slow moving and obsolete stock-in-trade note 9.1	22,254	36,000
Provision for slow moving and obsolete stores and spares - note 8.2	4,060	15,044
Provisions and accruals no longer required written back - note 31	(369)	(9,936)
	5,208,502	4,636,343
Movement in:		
Working capital (Ref. 1)	(385,950)	453,029
Long-term loans	(31,720)	(71,133)
Long-term deposits and prepayments	(2,817)	(2,935)
Cash generated from operations	4,788,015	5,015,304
Payments for :		
Staff retirement benefit plans - note 18.1.2	(65,511)	(60,477)
Non-management staff gratuity and eligible retired employees' medical scheme	(29,677)	(24,088)
Taxation	(709,498)	(824,476)
Interest	(303,223)	(357,846)
<b>Net cash generated from operating activities</b>	<b>3,680,106</b>	<b>3,748,417</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	(4,518,496)	(3,855,116)
Proceeds from disposal of operating fixed assets	11,010	11,995
Interest received on bank deposits	795	649
Investment in associate	(240,000)	(720,000)
Dividend from investment in equity shares	-	40,000
Dividend received	608,375	150,000
<b>Net cash used in investing activities</b>	<b>(4,138,316)</b>	<b>(4,372,472)</b>

Amounts in PKR '000

	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>Cash flows from financing activities</b>		
Long-term loans obtained / (repaid)	1,596,871	(737,529)
Dividends paid	(1,192,827)	(817,123)
<b>Net cash generated from / (used in) financing activities</b>	<b>404,044</b>	<b>(1,554,652)</b>
Net decrease in cash and cash equivalents	(54,166)	(2,178,707)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(1,763,980)</b>	<b>414,727</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>(1,818,146)</b>	<b>(1,763,980)</b>

#### Ref. 1: Movement in working capital

##### *(Increase) / decrease in current assets*

Stores, spares and consumables	(162,441)	(109,370)
Stock-in-trade	(397,236)	(375,130)
Trade debts	(219,270)	(599,216)
Loans and advances	(67,276)	(122,639)
Trade deposits and short-term prepayments	6,554	(12,062)
Other receivables	184,299	511,085
	<b>(655,370)</b>	<b>(707,332)</b>

##### *Increase in current liabilities*

Trade and other payables	269,420	1,160,361
	<b>(385,950)</b>	<b>453,029</b>

##### **Cash and cash equivalents at the end of the year comprise of:**

Cash and bank balances - note 14	146,287	119,612
Short-term borrowings and running finance - note 22	(1,964,433)	(1,883,592)
	<b>(1,818,146)</b>	<b>(1,763,980)</b>

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

  
**Muhammad Sohail Tabba**  
Chairman / Director

  
**Asif Jooma**  
Chief Executive

  
**Muhammad Abid Ganatra**  
Chief Financial Officer

# Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2016

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total
<b>As at July 01, 2014</b>	<b>923,591</b>	<b>309,643</b>	<b>10,004,193</b>	<b>11,237,427</b>
Final dividend for the year ended June 30, 2014 @ PKR 4.00 per share	-	-	(369,436)	(369,436)
Interim dividend for the year ended June 30, 2015 @ PKR 5.00 per share	-	-	(461,796)	(461,796)
	-	-	<b>(831,232)</b>	<b>(831,232)</b>
Profit for the year	-	-	2,125,708	2,125,708
Other comprehensive income for the year, net of tax	-	-	117,633	117,633
<b>Total comprehensive income</b>	-	-	<b>2,243,341</b>	<b>2,243,341</b>
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 17	-	-	67,544	67,544
	-	-	<b>67,544</b>	<b>67,544</b>
<b>As at June 30, 2015</b>	<b>923,591</b>	<b>309,643</b>	<b>11,483,846</b>	<b>12,717,080</b>
Final dividend for the year ended June 30, 2015 @ PKR 6.50 per share	-	-	(600,337)	(600,337)
Interim dividend for the year ended June 30, 2016 @ PKR 6.50 per share	-	-	(600,337)	(600,337)
	-	-	<b>(1,200,674)</b>	<b>(1,200,674)</b>
Profit for the year	-	-	2,843,186	2,843,186
Other comprehensive income for the year, net of tax	-	-	(13,960)	(13,960)
<b>Total comprehensive income</b>	-	-	<b>2,829,226</b>	<b>2,829,226</b>
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 17	-	-	70,896	70,896
	-	-	<b>70,896</b>	<b>70,896</b>
<b>As at June 30, 2016</b>	<b>923,591</b>	<b>309,643</b>	<b>13,183,294</b>	<b>14,416,528</b>

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

  
**Muhammad Sohail Tabba**  
Chairman / Director

  
**Asif Jooma**  
Chief Executive

  
**Muhammad Abid Ganatra**  
Chief Financial Officer

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

## 1 Status and nature of Business

ICI Pakistan Limited ("the Company") is incorporated in Pakistan and is listed on The Pakistan Stock Exchange. 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 merchandising 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.

## 2 Summary of significant accounting policies

### 2.1 Statement of compliance

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

### 2.2 Basis of preparation

These unconsolidated 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 measured at revalued amounts; and
- b) Provision for management staff gratuity, non-management staff gratuity, and eligible retired employees' medical scheme are stated at present value.

The preparation of unconsolidated 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 unconsolidated 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.

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

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 profit.

## 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 capitalised 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 subsidiary and associates are stated at cost less provision for impairment, if any.

Other investments that are stated at available for sale are measured at fair value plus directly attributable transaction costs. For investments traded in active market, fair value is determined by reference to quoted market price and the investments for which a quoted market price is not available, or the fair value cannot be reasonably calculated, are measured at cost, subject to impairment review at each balance sheet date.

## 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 up to the balance sheet date.

## 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 up to the balance sheet date.

## 2.8 Trade debts and other receivables

Trade debts and other receivables are recognised at original invoice amount less provision for doubtful debts and other receivables, if any. A provision for doubtful debts 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). Bad Debts are written off when identified.

## 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. Short term 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**

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

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

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 property, plant and equipment" 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 property, plant and equipment" account to accumulated profit / loss 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 except eligible retired employees' medical scheme 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 termination 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 accrual for compensated absences in respect of employees for which these are earned up to the balance sheet date. The accrual has been recognised on the basis of actuarial valuation.

## **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) and Ijarah contracts are charged to the profit and loss account on a straight-line basis over the period 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.

## **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 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 re-translated into Pak Rupees at the foreign exchange rates at the balance sheet date. Exchange differences are taken to the profit and loss account.

## **2.20 Functional and presentation currency**

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

## **2.21 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.

# Notes to the Unconsolidated Financial Statements

## For the year ended June 30, 2016

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.

### 2.22 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.

### 2.23 Dividend

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

### 2.24 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.

### 2.25 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.

### 2.26 Off-setting

Financial assets and liabilities are offset and the net amount is reported in the unconsolidated 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 PKR '000

	As at June 30, 2016	As at June 30, 2015
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### 3. Property, plant and equipment

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

Operating fixed assets - note 3.2	15,878,014	12,573,587
Capital work-in-progress - note 3.7	1,162,320	1,662,776
	<b>17,040,334</b>	<b>14,236,363</b>

3.2 The following is a statement of operating fixed assets:

	Land		Lime beds	Buildings		Plant and	Railway	Rolling	Furniture	Total
	Freehold	Leasehold	on freehold land	On freehold land	On leasehold land	machinery	sidings	stock and vehicles	and equipment	
	Note 3.3			Note 3.3		Note 3.3 & 3.4				
As at June 30, 2016										
<b>Net carrying value basis</b>										
Opening net book value (NBV)	468,308	-	123,116	727,144	1,144,223	9,889,973	-	22,826	197,997	12,573,587
Addition / transfer - note 3.2.1	22,713	-	92,052	42,856	832,025	3,685,378	-	4,347	65,516	4,744,887
Revaluation	28,697	-	13,842	3,826	82,529	322,014	-	-	-	450,908
Disposal (at NBV)	-	-	(39)	-	(6,966)	(5,665)	-	(622)	(420)	(13,712)
Depreciation charge - note 3.5	-	-	(13,566)	(69,169)	(121,985)	(1,597,679)	-	(11,093)	(64,164)	(1,877,656)
Closing net book value	519,718	-	215,405	704,657	1,929,826	12,294,021	-	15,458	198,929	15,878,014
<b>Gross carrying value basis</b>										
Cost / revaluation	519,718	562,166	359,553	2,963,939	3,088,418	28,630,883	297	127,628	708,059	36,960,661
Accumulated depreciation	-	(562,166)	(144,148)	(2,259,283)	(1,158,592)	(16,336,861)	(297)	(112,171)	(509,129)	(21,082,647)
Closing net book value	519,718	-	215,405	704,656	1,929,826	12,294,022	-	15,457	198,930	15,878,014
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 25	3 to 33.33	3.33 to 50	3.33	10 to 33.33	10 to 50	
As at June 30, 2015										

As at June 30, 2015

<b>Net carrying value basis</b>										
Opening net book value (NBV)	438,021	-	133,860	265,384	1,080,087	8,665,237	-	26,402	147,015	10,756,006
Addition / transfer - note 3.2.1	30,287	-	923	518,133	168,800	2,599,384	-	9,435	108,792	3,435,754
Disposal (at NBV)	-	-	-	-	(387)	(5,731)	-	-	(345)	(6,463)
Depreciation charge - note 3.5	-	-	(11,667)	(56,373)	(104,277)	(1,368,917)	-	(13,011)	(57,465)	(1,611,710)
Closing net book value	468,308	-	123,116	727,144	1,144,223	9,889,973	-	22,826	197,997	12,573,587
<b>Gross carrying value basis</b>										
Cost / revaluation	468,308	562,166	251,479	2,915,687	2,167,867	24,532,344	297	126,369	656,419	31,680,936
Accumulated depreciation	-	(562,166)	(128,363)	(2,188,543)	(1,023,644)	(14,642,371)	(297)	(103,543)	(458,422)	(19,107,349)
Closing net book value	468,308	-	123,116	727,144	1,144,223	9,889,973	-	22,826	197,997	12,573,587
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 25	3 to 33.33	3.33 to 50	3.33	10 to 33.33	10 to 50	

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>3.2.1</b> Additions to plant and machinery include transfer from capital work-in-progress. It also includes borrowing cost for various projects determined using capitalization rate of 6.00% (June 30, 2015: 9.20%) amounting to:	<b>132,085</b>	109,705

**3.2.2** Operating fixed assets include the following major spare parts and stand by equipment:

Cost	<b>399,471</b>	384,087
Net book value	<b>160,745</b>	181,539

**3.3** Subsequent to revaluations on October 1, 1959, September 30, 2000, December 15, 2006 and December 31, 2011 which had resulted in a surplus of PKR 14.207 million, PKR 1,569.869 million, PKR 667.967 million and PKR 712.431 million respectively as at June 30, 2016, further revaluation was conducted resulting in revaluation surplus net of deferred tax liability of PKR 320.701 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 equipment held with Searle Pakistan Limited, Breeze Pharmaceutical Limited and Maple Pharmaceutical (Private) Limited (toll manufacturers) are as follows:

	As at June 30, 2016	As at June 30, 2015
Cost	<b>8,111</b>	8,111
Net book value	<b>4,168</b>	4,900

	For the year ended June 30, 2016	For the year ended June 30, 2015
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**3.5** The depreciation charge for the year has been allocated as follows:

Cost of sales	<b>1,820,918</b>	1,553,688
Selling and distribution expenses	<b>20,862</b>	15,015
Administration and general expenses	<b>35,876</b>	43,007
	<b>1,877,656</b>	1,611,710

**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:

	As at June 30, 2016	As at June 30, 2015
<b>Net book value</b>		
Freehold land	<b>191,741</b>	169,028
Buildings	<b>2,420,733</b>	1,743,972
Plant and machinery	<b>11,553,572</b>	9,471,538
	<b>14,166,046</b>	11,384,538

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>3.7</b> Capital work-in-progress comprises of:		
Civil works and buildings	<b>443,249</b>	327,797
Plant and machinery	<b>528,556</b>	844,743
Miscellaneous equipment	<b>28,825</b>	88,840
Advances to suppliers / contractors	<b>70,571</b>	353,678
Designing, consultancy and engineering fee	<b>91,119</b>	47,718
	<b>1,162,320</b>	1,662,776

**3.7.1** This includes interest charged in respect of long-term loans obtained for various projects determined using capitalization rate of 5.48% (June 30, 2015: 8.83%) amounting to: **5,498** 30,873

**3.7.2** The following is the movement in capital work-in-progress during the year:

Balance at the beginning of the year	<b>1,662,776</b>	896,051
Addition during the year	<b>4,183,925</b>	4,167,569
	<b>5,846,701</b>	5,063,620
Transferred to operating fixed assets during the year	<b>(4,684,381)</b>	(3,400,844)
Balance at the end of the year	<b>1,162,320</b>	1,662,776

**3.8** Details of operating fixed assets disposals having net book value in excess of PKR 50,000 are as follows:

As at June 30, 2016						
	Mode of sale	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyers
<b>Plant and machinery</b>						
65 Ktpa plant, Sodium bicarbonate plant and commissioning cost	Scrap	27,813	23,967	4,859	644	Ghourri Scrap Dealer Mandi Bahauddin
<b>Building on leasehold land</b>						
Infrastructure refurbishment	Bidding	14,261	7,545	6,716	1,020	Awan Brothers Karimpura, Khewra and Ghourri Scrap Dealer Mandi Bahauddin
<b>Furniture and equipments</b>						
HP server for PIII and IBM	Scrap	5,824	5,534	290	320	M/s Sh. Auyoub, Sheikhupura
<b>Rolling stock &amp; vehicles</b>						
Fleet car	Auction	622	-	622	4,615	Syed Nadeem Raza Ali, Karachi

As at June 30, 2015

<b>Plant and machinery</b>						
Boiler, Deaerator and other assets	Scrap	48,370	44,614	3,756	2,124	Hanif Ghourri Malakwal District Mandi Bahauddin
<b>Building on leasehold land</b>						
Old quarter's doors and windows	Bidding	499	288	211	89	Anjum Wood Craft Khewra
<b>Furniture and equipments</b>						
Dell Laptops	Insurance Claim	250	107	143	155	PICIC Insurance

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

## 4 Intangible assets

As at June 30, 2016			
	Software	Licenses	Total
<b>Net carrying value basis</b>			
Opening net book value (NBV)	1,980	26,338	28,318
Addition / transfer	6,096	3,628	9,724
Amortisation charge - note 4.1	(1,546)	(20,036)	(21,582)
Closing net book value	6,530	9,930	16,460
<b>Gross carrying amount</b>			
Cost	179,407	200,674	380,081
Accumulated amortisation	(172,877)	(190,744)	(363,621)
Closing net book value	6,530	9,930	16,460
Rate of amortisation % per annum	20	20 to 50	
As at June 30, 2015			
<b>Net carrying value basis</b>			
Opening net book value (NBV)	10,368	53,893	64,261
Addition / transfer	1,124	8,501	9,625
Amortisation charge - note 4.1	(9,512)	(36,056)	(45,568)
Closing net book value	1,980	26,338	28,318
<b>Gross carrying amount</b>			
Cost	173,311	197,046	370,357
Accumulated amortisation	(171,331)	(170,708)	(342,039)
Closing net book value	1,980	26,338	28,318
Rate of amortisation % per annum	20	20 to 50	
	<b>For the year ended June 30, 2016</b>	For the year ended June 30, 2015	

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

Cost of sales	4,491	14,219
Selling and distribution expenses	2,632	4,649
Administration and general expenses	14,459	26,700
	<b>21,582</b>	45,568



Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015		
<b>5. Long-term investments</b>				
<b>Unquoted - at cost</b>				
Subsidiary				
– ICI Pakistan PowerGen Limited (wholly owned)				
7,100,000 ordinary shares (June 30, 2015: 7,100,000) of PKR 100 each - note 5.1	<b>710,000</b>	710,000		
Provision for impairment loss - note 5.2	<b>(209,524)</b>	(209,524)		
	<b>500,476</b>	500,476		
Associate				
- NutriCo Pakistan (Private) Limited 40% ownership (June 30, 2015: 30%) - note 5.3				
200,000 ordinary shares (June 30, 2015: 125,000 ) of PKR 1,000 each and premium of PKR 3,800 (June 30, 2015: PKR 4,760) per share	<b>960,000</b>	720,000		
<b>Others</b>				
Equity security available-for-sale				
– Arabian Sea Country Club Limited				
250,000 ordinary shares (June 30, 2015: 250,000) of PKR 10 each	<b>2,500</b>	2,500		
	<b>1,462,976</b>	1,222,976		
<b>5.1</b> As of the balance sheet date, the value of the Company's investment on the basis of net assets of ICI Pakistan PowerGen Limited (the Subsidiary) as disclosed in its audited financial statements for the year ended June 30, 2016:	<b>831,156</b>	871,533		
<b>5.2</b> The Company has reassessed the recoverable amount of the Subsidiary as at the balance sheet date and based on its assessment no material adjustment is required to the carrying amount stated in the financial statement.				
<b>5.3</b> During the year, the Company invested remaining PKR 240 million against right issue in NutriCo Pakistan (Private) Limited upon approval of shareholders in EOGM resulting in increase in shareholding from 30% to 40% effective from April 01, 2016.				
	<b>As at June 30, 2016</b>	<b>As at June 30, 2015</b>		
<b>6. Long-term loans</b>				
<b>Considered good</b>				
Due from executives and employees - note 6.1	<b>356,330</b>	324,610		
<b>6.1 Due from executives and employees</b>				
	<b>Motor car</b>	<b>House building</b>	<b>Total</b>	<b>Total</b>
Due from executives - note 6.2, 6.3 and 6.4	<b>222,846</b>	<b>59,008</b>	<b>281,854</b>	245,006
Receivable within one year	<b>(35,603)</b>	<b>(33,028)</b>	<b>(68,631)</b>	(53,352)
	<b>187,243</b>	<b>25,980</b>	<b>213,223</b>	191,654
Due from employees - note 6.3			<b>177,367</b>	164,926
Receivable within one year			<b>(34,260)</b>	(31,970)
			<b>143,107</b>	132,956
			<b>356,330</b>	324,610
Outstanding for period:				
- less than three years but over one year			<b>274,688</b>	125,397
- more than three years			<b>81,642</b>	199,213
			<b>356,330</b>	324,610
<b>6.2</b> Reconciliation of the carrying amount of loans to executives:				
Balance at the beginning of the year			<b>245,006</b>	202,734
Disbursements during the year			<b>124,213</b>	108,155
Received during the year			<b>(87,365)</b>	(65,883)
Balance at the end of the year			<b>281,854</b>	245,006
<b>6.3</b> 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.				
<b>6.4</b> The maximum aggregate amount of loans due from the executives at the end of any month during the year:			<b>301,009</b>	245,006

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>7. Long-term deposits and prepayments</b>		
Deposits	28,209	27,323
Prepayments	5,385	3,454
	<b>33,594</b>	<b>30,777</b>
<b>8. Stores, spares and consumables</b>		
Stores - note 8.1	99,618	55,811
Spares - note 8.1	744,789	663,018
Consumables	115,074	103,300
	<b>959,481</b>	<b>822,129</b>
Provision for slow moving and obsolete stores and spares - note 8.2	(147,518)	(168,547)
	<b>811,963</b>	<b>653,582</b>
<b>8.1</b> The above amounts include stores and spares in transit:	<b>69,357</b>	27,516
<b>8.2</b> Movement of provision for slow moving and obsolete stores and spares is as follows:		
Balance at the beginning of the year	168,547	184,735
Charge for the year - note 28	4,060	15,044
Write-off during the year	(25,089)	(31,232)
Balance at the end of the year	<b>147,518</b>	<b>168,547</b>
<b>9. Stock-in-trade</b>		
Raw and packing material includes in-transit PKR 814.638 million (June 30, 2015: PKR 430.910 million) - note 9.3	2,269,497	2,070,383
Work-in-process	140,179	96,034
Finished goods include in-transit PKR Nil (June 30, 2015: PKR 348.217 million)	3,019,011	2,882,416
	<b>5,428,687</b>	<b>5,048,833</b>
Provision for slow moving and obsolete stock-in-trade - note 9.1		
- Raw material	(11,381)	(13,659)
- Finished goods	(120,560)	(113,408)
	<b>(131,941)</b>	<b>(127,067)</b>
	<b>5,296,746</b>	<b>4,921,766</b>
<b>9.1</b> Movement of provision for slow moving and obsolete stock-in-trade is as follows:		
Balance at the beginning of the year	127,067	97,708
Charge for the year - note 28	22,254	36,000
Write-off during the year	(17,380)	(6,641)
Balance at the end of the year	<b>131,941</b>	<b>127,067</b>
<b>9.2</b> Stock amounting to PKR 338.822 million (June 30, 2015: PKR 498.295 million) is measured at net realisable value and expense amounting to PKR 10.999 million (June 30, 2015: PKR 9.465 million) has been charged to cost of sales.		
<b>9.3</b> Raw and packing materials held with various toll manufacturers:	<b>242,400</b>	556,110

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>10. Trade debts</b>		
<b>Considered good</b>		
- Secured	354,530	168,723
- Unsecured	1,579,697	1,474,293
	<b>1,934,227</b>	<b>1,643,016</b>
<b>Considered doubtful</b>	<b>43,955</b>	<b>40,987</b>
	<b>1,978,182</b>	<b>1,684,003</b>
Provision for:		
- Doubtful debts - note 40.4 and 40.6	(43,955)	(40,987)
- Discounts payable on sales	(293,780)	(211,646)
	<b>(337,735)</b>	<b>(252,633)</b>
	<b>1,640,447</b>	<b>1,431,370</b>

**10.1** The above balances include amounts due from the following associated undertakings which are neither past due nor impaired:

<b>Secured</b>		
ICI Pakistan PowerGen Limited	265	1,273
<b>Unsecured</b>		
Yunus Textile Mills Limited	179	15,190
Lucky Textile Mills Limited	948	4,231
Lucky Knits (Private) Limited	472	499
Oil & Gas Development Company Limited	14	-
NutriCo Pakistan (Private) Limited	2,393	11,095
Feroze 1888 Mills Limited	331	377
	<b>4,602</b>	<b>32,665</b>

## 11. Loans and advances

<b>Considered good</b>		
Loans due from:		
Director and executives - note 11.1	82,097	59,667
Employees	34,260	31,970
	<b>116,357</b>	<b>91,637</b>
Advances to:		
Executives	10,604	8,118
Employees	411	319
Contractors and suppliers	261,572	219,513
Others	2,398	4,109
	<b>274,985</b>	<b>232,059</b>
	<b>391,342</b>	<b>323,696</b>
<b>Considered doubtful</b>	-	-
	<b>391,342</b>	<b>323,696</b>

**11.1** The maximum aggregate amount of loans due at the end of any month during the year from:

Directors	14,142	9,315
Executives	68,691	12,401

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>12. Trade deposits and short-term prepayments</b>		
Trade deposits	<b>37,796</b>	28,194
Short-term prepayments	<b>390,917</b>	383,939
	<b>428,713</b>	412,133

## 13. Other receivables

### Considered good

Duties, sales tax and octroi refunds due	<b>474,309</b>	328,126
Commission and discounts receivable	<b>28,046</b>	25,002
Receivable from principal - note 13.1	<b>184,950</b>	483,504
Others	<b>39,378</b>	73,078
	<b>726,683</b>	909,710

### Considered doubtful

	<b>1,622</b>	1,622
	<b>728,305</b>	911,332
Provision for doubtful receivables - note 13.2	<b>(1,622)</b>	(1,622)
	<b>726,683</b>	909,710

**13.1** This includes receivable from a foreign vendor in relation to margin support guarantee: **118,528** 401,706

### 13.2 Movement of provision for doubtful receivables

Balance at the beginning of the year	<b>1,622</b>	20,237
Write-off during the year	-	(18,615)
Balance at the end of the year	<b>1,622</b>	1,622

## 14. Cash and bank balances

### Cash at banks:

- Short-term deposits - note 14.1	<b>135,878</b>	106,000
- Current accounts	<b>4,696</b>	9,047

Cash in hand **5,713** 4,565

	<b>146,287</b>	119,612
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**14.1** Represent security deposits from customers that are placed with various banks at pre-agreed rate maturing at various dates. These are interest based arrangements. The mark-up on these deposits ranges from 6.00% to 7.00% (June 30, 2015: 10.00%) and these term deposits are readily encashable without any penalty.

Amounts in PKR '000

As at June 30, 2016 (Numbers)	As at June 30, 2015		As at June 30, 2016	As at June 30, 2015
<b>15. Issued, subscribed and paid-up capital</b>				
<b>83,734,062</b>	83,734,062	Ordinary shares of PKR 10 each fully paid in cash	<b>837,341</b>	837,341
<b>211,925</b>	211,925	Ordinary shares of PKR 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation (note 15.1)	<b>2,119</b>	2,119
<b>16,786</b>	16,786	Ordinary shares of PKR 10 each issued as fully paid bonus shares	<b>168</b>	168
<b>8,396,277</b>	8,396,277	Ordinary shares issued pursuant to the previous scheme as fully paid for consideration of investment in associate (note 15.2)	<b>83,963</b>	83,963
<b>92,359,050</b>	92,359,050		<b>923,591</b>	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 01, 1987.

**15.2** With effect from October 01, 2000, the Pure Terephthalic Acid (PTA) Business of the Company was demerged under a scheme of arrangement dated December 12, 2000 approved by the shareholders and sanctioned by the High Court of Sindh.

**15.3** As at June 30, 2016, Lucky Holdings Limited together with Gadoon Textile Mills and Lucky Textile Mills Limited held 86.67% (June 30, 2015: 86.72%) shares, while institutions held 8.25%, and individuals and others held the balance of 5.08%.

	As at June 30, 2016	As at June 30, 2015
<b>16. Capital reserves</b>		
Share premium - note 16.1	<b>309,057</b>	309,057
Capital receipts - note 16.2	<b>586</b>	586
	<b>309,643</b>	309,643

**16.1** Share premium includes the premium amounting to PKR 0.902 million received on shares issued for the Company's Polyester Plant installation in 1980 and share premium of PKR 464.357 million representing the difference between nominal value of PKR 10 per share of 12,618,391 ordinary shares issued by the Company and the market value of PKR 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.

**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.

	As at June 30, 2016	As at June 30, 2015
<b>17. Surplus on revaluation of property, plant and equipment</b>		
Balance at the beginning of the year	<b>576,458</b>	639,372
Revaluation surplus - note 3.2 and 3.3	<b>450,908</b>	-
Deferred tax liability recognised on surplus - note 20	<b>(130,207)</b>	-
	<b>320,701</b>	-
Adjustment due to change in tax rate - note 20.1	<b>3,382</b>	4,630
Transferred to unappropriated profit in respect of incremental depreciation during the year - net of deferred tax	<b>(70,896)</b>	(67,544)
Balance at the end of the year	<b>829,645</b>	576,458

# Notes to the Unconsolidated Financial Statements

## For the year ended June 30, 2016

Amounts in PKR '000

	As at June 30, 2016				As at June 30, 2015			
<b>18. Provisions for non-management staff gratuity</b>	<b>90,867</b>				<b>87,422</b>			
<b>18.1 Staff retirement benefits</b>								
	2016				2015			
		Funded	Unfunded			Funded	Unfunded	
	Pension	Gratuity	Total		Pension	Gratuity	Total	
<b>18.1.1 The amounts recognised in the profit and loss account against defined benefit schemes are as follows:</b>								
Current service cost	16,554	38,673	55,227	3,389	16,808	37,326	54,134	3,158
Interest cost	85,424	52,368	137,792	7,661	113,592	69,378	182,970	9,455
Expected return on plan assets	(123,707)	(44,814)	(168,521)	-	(152,025)	(48,038)	(200,063)	-
Past service cost / (reversal)	-	1,427	1,427	(1,427)	-	1,030	1,030	(1,030)
Net (reversal) / charge for the year	(21,729)	47,654	25,925	9,623	(21,625)	59,696	38,071	11,583
<b>Other comprehensive income:</b>								
Loss / (gain) on obligation	54,496	28,629	83,125	1,579	16,941	(33,989)	(17,048)	3,448
(Gain) on plan assets	(43,712)	(22,962)	(66,674)	-	(104,216)	(49,628)	(153,844)	-
Net (gain) / loss	10,784	5,667	16,451	1,579	(87,275)	(83,617)	(170,892)	3,448
<b>18.1.2 Movement in the net assets / (liability) recognised in the balance sheet are as follows:</b>								
Opening balance	410,328	(112,336)	297,992	(87,422)	301,428	(196,734)	104,694	(77,842)
Net reversal / (charge) - note 18.1.1	21,729	(47,654)	(25,925)	(9,623)	21,625	(59,696)	(38,071)	(11,583)
Other comprehensive (income) / loss	(10,784)	(5,667)	(16,451)	(1,579)	87,275	83,617	170,892	(3,448)
Contributions / payments during the year	-	65,511	65,511	7,757	-	60,477	60,477	5,451
Closing balance	421,273	(100,146)	321,127	(90,867)	410,328	(112,336)	297,992	(87,422)
<b>18.1.3 The amounts recognised in the balance sheet are as follows:</b>								
Fair value of plan assets - note 18.1.5	1,453,265	555,929	2,009,194	-	1,365,979	470,938	1,836,917	-
Present value of defined benefit obligation - note 18.1.4	(1,031,992)	(656,075)	(1,688,067)	(90,867)	(955,651)	(583,274)	(1,538,925)	(87,422)
Net asset / (liability)	421,273	(100,146)	321,127	(90,867)	410,328	(112,336)	297,992	(87,422)
The recognized asset / (liability) of funded gratuity is netted off against recognized asset / (liability) of funded pension and recorded accordingly.								
<b>18.1.4 Movement in the present value of defined benefit obligation:</b>								
Opening balance	955,651	583,274	1,538,925	87,422	973,534	575,925	1,549,459	77,842
Current service cost	16,554	38,673	55,227	3,389	16,808	37,326	54,134	3,158
Interest cost	85,424	52,368	137,792	7,661	113,592	69,378	182,970	9,455
Benefits paid	(80,133)	(48,296)	(128,429)	(7,757)	(165,224)	(66,396)	(231,620)	(5,451)
Actuarial loss / (gain)	54,496	28,629	83,125	1,579	16,941	(33,989)	(17,048)	3,448
Past service cost / (reversal)	-	1,427	1,427	(1,427)	-	1,030	1,030	(1,030)
Closing balance	1,031,992	656,075	1,688,067	90,867	955,651	583,274	1,538,925	87,422
<b>18.1.5 Movement in the fair value of plan assets:</b>								
Opening balance	1,365,979	470,938	1,836,917	-	1,274,962	379,191	1,654,153	-
Expected return	123,707	44,814	168,521	-	152,025	48,038	200,063	-
Contributions	-	65,511	65,511	-	-	60,477	60,477	-
Benefits paid	(80,133)	(48,296)	(128,429)	-	(165,224)	(66,396)	(231,620)	-
Actuarial gain	43,712	22,962	66,674	-	104,216	49,628	153,844	-
Closing balance - note 18.1.7	1,453,265	555,929	2,009,194	-	1,365,979	470,938	1,836,917	-

Amounts in PKR '000

18.1.6 Historical information	June 30			December 31	
	2016	2015	2014	2013	2012
Present value of defined benefit obligation	<b>1,778,934</b>	1,626,347	1,627,301	1,699,987	2,264,010
Fair value of plan assets	<b>(2,009,194)</b>	(1,836,917)	(1,654,153)	(1,655,974)	(1,509,900)
Net (asset) / liability	<b>(230,260)</b>	(210,570)	(26,852)	44,013	754,110

18.1.7 Major categories / composition of plan assets are as follows:	2016	2015
Debt instruments	<b>72.37%</b>	77.04%
Equity at market value	<b>26.95%</b>	23.37%
Cash / Others	<b>0.67%</b>	-0.41%

Fair value of plan asset	Pension	Gratuity	Pension	Gratuity
	As at June 30, 2016	As at June 30, 2015	As at June 30, 2015	As at June 30, 2015
<b>Investment</b>				
National savings deposits	<b>256,738</b>	<b>17,051</b>	262,604	15,580
Government bonds	<b>852,610</b>	<b>327,732</b>	820,415	310,846
Mutual funds - equity	<b>60,873</b>	<b>38,750</b>	-	-
Corporate bonds	-	-	-	5,777
Shares	<b>274,215</b>	<b>167,694</b>	285,632	143,569
Cash	<b>8,829</b>	<b>11,590</b>	4,807	764
Benefits due	-	<b>(6,888)</b>	(7,479)	(5,598)
Total	<b>1,453,265</b>	<b>555,929</b>	1,365,979	470,938

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.

Actual return on plan assets during the year **239,346** 206,290

	2016	2015
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#### 18.1.8 The principal actuarial assumptions at the reporting date were as follows:

Discount rate	<b>7.75%</b>	9.33%
Future salary increases - Management	<b>5.75%</b>	7.25%
Future salary increases - Non-management	<b>3.25%</b>	4.67%
Future pension increases	<b>2.50%</b>	4.00%

#### 18.1.9 Impact of changes in assumptions on defined benefit scheme is as follows:

Assumption	1% Increase	1 % Decrease
Discount rate	<b>(90,986)</b>	<b>102,009</b>
Salary increase	<b>68,684</b>	<b>(62,440)</b>
Pension increase	<b>34,504</b>	<b>(31,154)</b>
	<b>As at June 30, 2016 (Unaudited)</b>	As at June 30, 2015 (Audited)

#### 18.1.10 During the year, the Company contributed in the fund as follows:

Provident fund	<b>78,419</b>	68,222
Defined contribution superannuation fund	<b>67,207</b>	58,470

#### 18.2 Provident fund

Size of the fund (net assets)	<b>1,113,253</b>	1,018,560
Cost of investments made (actual investments made)	<b>1,046,679</b>	969,253
Percentage of investments made (cost of investments)	<b>94%</b>	95%
Fair value of investments	<b>1,106,842</b>	994,698



# Notes to the Unconsolidated Financial Statements

## For the year ended June 30, 2016

Amounts in PKR '000

### 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:

	As at June 30, 2016 (Unaudited)		As at June 30, 2015 (Audited)	
	Investments	% of investment as size of the fund	Investments	% of investment as size of the fund
<b>On fair value</b>				
Pakistan Investment Bonds	591,735	53%	581,239	58%
Treasury Bill	-	-	8,552	1%
Regular Income Certificates	19,034	2%	18,000	2%
Mutual Funds	138,215	12%	97,346	10%
Shares	357,858	32%	289,561	29%
	<b>1,106,842</b>	<b>100%</b>	<b>994,698</b>	<b>100%</b>

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

	As at June 30, 2016	As at June 30, 2015
<b>19 Long-term loans</b>	<b>3,652,586</b>	<b>1,493,943</b>
Loans from banking companies / financial institutions - note 19.1:		
<b>Interest based arrangement</b>		
<b>Long-term finance facility</b>		
United Bank Limited (UBL)	1,282,342	221,719
Faysal Bank Limited (FBL)	74,717	-
MCB Bank	217,086	-
<b>Other long-term loan</b>		
Allied Bank Limited (ABL)	416,668	750,001
United Bank Limited (UBL)	2,000,000	800,000
<b>Shariah compliant</b>		
<b>Islamic term finance</b>		
Standard Chartered Bank (Pakistan) Limited (SCB)	-	400,000
Meezan Bank Limited (MBL)	55,556	277,778
	<b>4,046,369</b>	<b>2,449,498</b>
<b>Current portion shown under current liabilities</b>	<b>(393,783)</b>	<b>(955,555)</b>
	<b>3,652,586</b>	<b>1,493,943</b>

### 19.1 Terms and conditions of these loans are as follows:

Lenders	Mark-up / Profit rate	Limit	Loan duration	Grace period
United Bank Limited	SBP Rate + 50 bps	1,500,000	10 Years	2 Years
Faysal Bank Limited	SBP Rate + 45 bps	250,000	10 Years	2 Years
MCB Bank	SBP Rate + 30 bps	1,500,000	10 Years	2 Years
Meezan Bank Limited	3MK + 25 bps	500,000	3 Years	9 Months
Allied Bank Limited	3MK + 25 bps	1,000,000	4 Years	1 Year
United Bank Limited	3MK + 25 bps	2,000,000	5 Years	2 Years

These loans are secured against the fixed assets of Polyester and Soda Ash Business amounting to PKR 2,500 million and PKR 6,375 million respectively. Mark-up is payable on quarterly basis.



Amounts in PKR '000

		As at June 30, 2016				As at June 30, 2015		
		Opening	Charge/ (Income)	Recognized in surplus on revaluation	Closing	Opening	Charge	Closing
<b>20</b>	<b>Deferred tax liability - net</b>							
	<b>Deductible temporary differences</b>							
	Provisions for retirement benefits, doubtful debts and others	(230,018)	(9,258)	-	(239,276)	(259,368)	29,350	(230,018)
	Retirement fund provisions	(15,421)	(4,070)	-	(19,491)	(65,232)	49,811	(15,421)
	<b>Taxable temporary differences</b>							
	Property, plant and equipment - note 20.1	1,426,606	132,743	130,207	1,689,556	1,418,318	8,288	1,426,606
		<b>1,181,167</b>	<b>119,415</b>	<b>130,207</b>	<b>1,430,789</b>	<b>1,093,718</b>	<b>87,449</b>	<b>1,181,167</b>
						<b>As at June 30, 2016</b>		<b>As at June 30, 2015</b>
<b>20.1</b>	Charge during the year includes amount adjusted in surplus on revaluation of property, plant and equipment on account of change in tax rate of:					<b>3,382</b>		4,630
<b>21</b>	<b>Trade and other payables</b>							
	Trade creditors - note 21.1 and 21.2					<b>1,747,144</b>		1,764,655
	Bills payable					<b>2,556,974</b>		2,962,835
	Accrued expenses - note 21.3					<b>1,846,717</b>		1,448,765
	Technical service fee / royalty - note 21.4					<b>19,778</b>		21,401
	Workers' profit participation fund - note 21.5					<b>188,002</b>		148,200
	Workers' welfare fund					<b>169,625</b>		98,334
	Distributors' security deposits - payable on termination of distributorship - note 21.6					<b>101,113</b>		104,761
	Contractors' earnest / retention money					<b>10,245</b>		10,946
	Running account with customers - note 21.7					<b>301,656</b>		155,339
	Unclaimed dividends					<b>70,648</b>		62,802
	Payable for capital expenditure					<b>547,635</b>		811,979
	Accrual for compensated absences - note 21.8					<b>31,249</b>		31,249
	Others					<b>140,950</b>		96,642
						<b>7,731,736</b>		7,717,908
<b>21.1</b>	This amount includes payable to ICI Pakistan PowerGen Limited, a related party on account of purchase of electricity:					<b>454,082</b>		543,022
<b>21.2</b>	This amount includes exchange loss on forward exchange contracts:					-		3,380
<b>21.3</b>	This amount includes Pensioner medical liability of:					<b>10,602</b>		9,696
<b>21.4</b>	This amount includes royalty payable to Lucky Holdings Limited, the Holding Company:					<b>18,993</b>		20,701

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>21.5 Workers' profit participation fund</b>		
Balance at the beginning of the year	148,200	107,446
Allocation for the year - note 29	184,314	142,434
	332,514	249,880
Interest on funds utilised in the Company's businesses at 86.25% (June 30, 2015: 30%) per annum - note 30	3,692	2,746
Payment to the fund	(148,204)	(104,426)
Balance at the end of the year	188,002	148,200
<b>21.6</b> Interest on security deposits from certain distributors is payable at mark-up ranging from 6.00% to 7.00% (June 30, 2015: 10%) per annum as specified in the respective agreements.		
<b>21.7</b> Included herein are amounts due to the following associated undertakings:		
Gadoon Textile Mills	-	238
Yunus Textile Mills	106	267
Fazal Textile Mills	-	342
Lucky Cement Limited	1,039	-
	1,145	847
<b>21.8</b> This figure is based on actuarial valuation and estimation.		
<b>22 Short-term borrowings and running finance</b>	1,964,433	1,883,592
Short-term borrowings and running finance facility from various banks aggregated to PKR 7,281 million (June 30, 2015: PKR 5,171 million) and carry mark-up during the year ranging from relevant KIBOR + 0.10% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.22% on utilized limits (June 30, 2015: relevant KIBOR + 0.10% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.28% on utilized limits). These facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Company.		
<b>22.1 Export refinance</b>	388,741	241,962
The Company has export refinance facility of upto PKR 1,200 million (June 30, 2015: PKR 800 million) available from Faysal Bank Limited as at June 30, 2016 out of which PKR 388.741 million was utilized (June 30, 2015: PKR 241.962 million). 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 (SBP) rate (currently 3.5%) + 0.25% per annum (June 30, 2015: SBP rate 5% + 0.25% per annum).		
<b>22.2 Money market</b>	300,000	-
During the year the Company had obtained a money market loan of PKR 300 million from United Bank Limited for a term of 1 month at plain Kibor.		
<b>22.3 Short-term running finance - secured</b>	1,275,692	1,641,630

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
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## 23 Contingencies and commitments

### 23.1 Claims against the Company not acknowledged as debts are as follows:

Local bodies	1,100	8,527
Others	28,529	28,529
	<b>29,629</b>	<b>37,056</b>

#### 23.1.1 Collectorate of customs - classification issue in PCT heading

Collectorate of customs raised demand of PKR 71.938 million during 2014-15 against the Company on the ground that Company is classifying two of its imported product in wrong PCT Heading. Company took the matter in high court as well as with Custom authorities considering that the same HS Code is being used globally as per manufacturer's product specification. As a consequence of this, PKR 3.514 million has been waived during current year reducing the demand to PKR 68.924 million. Furthermore, during the year ended June 30, 2016, further two consignments were withheld by Directorate General of Intelligence and Investigation of FBR for the same reasons. On the basis of an independent laboratory report the Company is confident that there is no merit in the claim and is expecting favorable decision, therefore no provision has been made in this respect.

#### 23.2 Also refer note 43 to these unconsolidated financial statements for income and sales tax contingencies.

	As at June 30, 2016	As at June 30, 2015
<b>23.3</b> Commitments in respect of capital expenditure including various projects of the Soda Ash business:	<b>2,193,478</b>	2,627,142

#### 23.4 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:

<b>Year</b>		
2015-16	-	57,839
2016-17	64,050	45,988
2017-18	44,247	23,848
2018-19	28,227	6,641
2019-20	6,550	-
	<b>143,074</b>	<b>134,316</b>
Payable not later than one year	64,050	57,839
Payable later than one year but not later than five years	79,024	76,477
	<b>143,074</b>	<b>134,316</b>

<b>23.5</b> Outstanding foreign exchange contracts entered into by the Company amounted to:	-	383,000
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# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

## 24. Operating segment results

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	
	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015
Sales										
Afghanistan	-	-	34,502	3,343	-	-	8,711	4,755	43,213	8,098
India	-	-	704,327	818,352	-	-	-	-	704,327	818,352
United Kingdom	-	-	-	-	-	-	2,192	-	2,192	-
	-	-	738,829	821,695	-	-	10,903	4,755	749,732	826,450
Inter-segment	-	-	-	-	-	-	4,610	14,662	4,610	14,662
Local	14,235,639	16,673,511	12,653,113	11,385,584	10,265,352	9,106,882	4,739,851	4,549,642	41,893,955	41,715,619
	14,235,639	16,673,511	13,391,942	12,207,279	10,265,352	9,106,882	4,755,364	4,569,059	42,648,297	42,556,731
Commission / toll income	-	-	-	-	-	-	45,681	51,879	45,681	51,879
Turnover	14,235,639	16,673,511	13,391,942	12,207,279	10,265,352	9,106,882	4,801,045	4,620,938	42,693,978	42,608,610
Sales tax	(414,677)	(326,967)	(1,848,888)	(1,658,439)	(141,338)	(125,378)	(540,998)	(491,330)	(2,945,901)	(2,602,114)
Commission and discounts	(393,753)	(472,358)	(702,375)	(414,120)	(1,413,689)	(1,247,771)	(279,213)	(342,257)	(2,789,030)	(2,476,506)
	(808,430)	(799,325)	(2,551,263)	(2,072,559)	(1,555,027)	(1,373,149)	(820,211)	(833,587)	(5,734,931)	(5,078,620)
Net turnover	13,427,209	15,874,186	10,840,679	10,134,720	8,710,325	7,733,733	3,980,834	3,787,351	36,959,047	37,529,990
Cost of sales - note 26	(13,765,271)	(15,792,527)	(7,432,444)	(7,288,848)	(6,195,958)	(5,614,000)	(3,086,848)	(3,044,861)	(30,480,521)	(31,740,236)
Gross profit	(338,062)	81,659	3,408,235	2,845,872	2,514,367	2,119,733	893,986	742,490	6,478,526	5,789,754
Selling and distribution expenses - note 27	(243,280)	(238,369)	(310,371)	(278,420)	(1,266,174)	(1,017,286)	(298,317)	(247,914)	(2,118,142)	(1,781,989)
Administration and general expenses - note - 28	(274,325)	(298,843)	(241,827)	(279,111)	(232,148)	(224,288)	(133,377)	(161,416)	(881,677)	(963,658)
Operating result	(855,667)	(455,553)	2,856,037	2,288,341	1,016,045	878,159	462,292	333,160	3,478,707	3,044,107

### 24.1 Segment assets

- note 24.5 and 25.3 8,085,224 8,726,169 16,782,250 14,144,573 7,011,907 6,261,565 3,152,394 2,644,678 26,888,899 23,391,937

### 24.2 Unallocated assets

3,699,131 3,277,846

30,588,030 26,669,783

### 24.3 Segment liabilities

- note 24.5

and 25.4

12,368,868 12,038,656 2,034,908 2,193,698 2,187,208 2,355,636 734,635 720,757 9,182,743 8,923,695

### 24.4 Unallocated liabilities

6,159,114 4,452,550

15,341,857 13,376,245

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

### 24.6 Depreciation and amortization

- note 3.5 and 4.1

819,631 651,348 1,016,718 944,005 29,723 26,474 33,166 35,451 1,899,238 1,657,278

### 24.7 Capital expenditure

222,744 1,869,978 3,937,224 2,224,678 47,953 87,956 46,234 29,492 4,254,155 4,212,104

### 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.

Amounts in PKR '000

	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>25. Reconciliations of reportable segment turnover, cost of sales, assets and liabilities</b>		
<b>25.1 Turnover</b>		
Total turnover for reportable segments - note 24	<b>42,693,978</b>	42,608,610
Elimination of inter-segment turnover - note 24	<b>(4,610)</b>	(14,662)
Total turnover	<b>42,689,368</b>	42,593,948
<b>25.2 Cost of sales</b>		
Total cost of sales for reportable segments - note 26	<b>30,480,521</b>	31,740,236
Elimination of inter-segment purchases - note 26	<b>(4,610)</b>	(14,662)
Total cost of sales	<b>30,475,911</b>	31,725,574
	<b>As at June 30, 2016</b>	As at June 30, 2015
<b>25.3 Assets</b>		
Total assets for reportable segments	<b>26,888,899</b>	23,391,937
Taxation recoverable	<b>2,236,155</b>	2,054,870
Long-term investments - note 5	<b>1,462,976</b>	1,222,976
Total assets	<b>30,588,030</b>	26,669,783
<b>25.4 Liabilities</b>		
Total liabilities for reportable segments	<b>9,182,743</b>	8,923,695
Short-term borrowing and running finance - note 22	<b>1,964,433</b>	1,883,592
Long-term loan - note 19	<b>4,046,369</b>	2,449,498
Accrued mark-up	<b>77,663</b>	56,658
Unclaimed dividends - note 21	<b>70,648</b>	62,802
Total liabilities	<b>15,341,856</b>	13,376,245

# Notes to the Unconsolidated Financial Statements

## For the year ended June 30, 2016

Amounts in PKR '000

### 26. Cost of sales

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	
	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>Raw and packing materials consumed</b>										
Opening stock	665,385	878,010	405,275	552,167	690,608	636,348	295,456	272,819	2,056,724	2,339,344
Purchases										
Inter-segment	4,106	14,662	-	-	504	-	-	-	4,610	14,662
Others	10,982,051	12,796,443	2,506,983	2,140,074	2,031,953	1,869,484	1,427,390	1,681,793	16,947,377	18,487,794
	10,986,157	12,811,105	2,506,983	2,140,074	2,031,457	1,869,484	1,427,390	1,681,793	16,951,987	18,502,456
	11,651,542	13,689,115	2,912,258	2,692,241	2,722,065	2,505,832	1,722,846	1,954,612	19,008,711	20,841,800
Closing stock - note 9	(644,917)	(665,385)	(625,823)	(405,275)	(767,844)	(690,608)	(219,532)	(295,456)	(2,258,116)	(2,056,724)
Raw material consumed	11,006,625	13,023,730	2,286,435	2,286,966	1,954,221	1,815,224	1,503,314	1,659,156	16,750,595	18,785,076
Salaries, wages and benefits - note 26.1	436,141	396,114	751,389	742,219	25,203	5,585	58,076	49,005	1,270,809	1,192,923
Stores and spares consumed	188,411	169,137	144,872	113,416	(691)	2	11,304	14,829	343,896	297,384
Conversion fee paid to contract manufacturers	-	-	-	-	376,652	399,695	9,382	10,554	386,034	410,249
Oil, gas and electricity	1,029,957	1,328,146	2,825,500	2,882,548	-	-	18,023	14,434	3,873,480	4,225,128
Rent, rates and taxes	1,649	1,008	1,338	1,185	13,983	4,000	30,062	18,369	47,032	24,562
Insurance	19,194	16,772	27,232	25,957	34	14	1,306	1,894	47,766	44,637
Repairs and maintenance	11,812	6,587	1,463	856	3,281	290	5,380	5,269	21,936	13,002
Depreciation and amortisation charge - note 3.5 and 4.1	801,217	627,248	999,894	924,969	6,051	487	18,247	15,203	1,825,409	1,567,907
Technical fees	-	-	-	-	3,035	1,386	2,876	2,793	5,911	4,179
Royalty	-	-	-	-	3,605	2,635	-	-	3,605	2,635
General expenses	211,454	179,196	188,528	169,304	7,413	1,115	29,684	17,367	437,079	366,982
Opening stock of work-in-process	72,137	143,343	-	-	13,391	16,447	10,506	5,551	96,034	165,341
Closing stock of work-in-process - note 9	(96,152)	(72,137)	-	-	(36,743)	(13,391)	(7,284)	(10,506)	(140,179)	(96,034)
Cost of goods manufactured	13,682,445	15,819,144	7,226,651	7,147,420	2,369,435	2,233,489	1,690,876	1,803,918	24,969,407	27,003,971
Opening stock of finished goods	484,382	395,205	182,030	24,303	1,668,871	1,291,836	433,725	366,603	2,769,008	2,077,947
Finished goods purchased	-	62,560	157,720	299,155	4,090,211	3,780,829	1,414,880	1,320,782	5,662,811	5,463,326
	14,166,827	16,276,909	7,566,401	7,470,878	8,128,517	7,306,154	3,539,481	3,491,303	33,401,226	34,545,244
Closing stock of finished goods - note 9	(401,556)	(484,382)	(133,957)	(182,030)	(1,922,505)	(1,668,871)	(440,433)	(433,725)	(2,898,451)	(2,769,008)
Provision for slow moving and obsolete stocks - note 28	-	-	-	-	(10,054)	(23,283)	(12,200)	(12,717)	(22,254)	(36,000)
	13,765,271	15,792,527	7,432,444	7,288,848	6,195,958	5,614,000	3,086,848	3,044,861	30,480,521	31,740,236

#### 26.1 Staff retirement benefits

Salaries, wages and benefits include amount in respect of staff retirement benefits: 35,853      29,710

**27. Selling and distribution expenses**

	<b>Polyester</b>		<b>Soda Ash</b>		<b>Life Sciences</b>		<b>Chemicals</b>		<b>Company</b>	
	<b>For the year ended June 30, 2016</b>	For the year ended June 30, 2015	<b>For the year ended June 30, 2016</b>	For the year ended June 30, 2015	<b>For the year ended June 30, 2016</b>	For the year ended June 30, 2015	<b>For the year ended June 30, 2016</b>	For the year ended June 30, 2015	<b>For the year ended June 30, 2016</b>	For the year ended June 30, 2015
Salaries and benefits - note 27.1	<b>44,052</b>	51,474	<b>42,058</b>	36,762	<b>609,675</b>	490,878	<b>142,537</b>	95,828	<b>838,322</b>	674,942
Repairs and maintenance	<b>149</b>	97	<b>1,241</b>	2,087	<b>4,783</b>	4,740	<b>2,771</b>	2,545	<b>8,944</b>	9,469
Advertising and publicity expenses	<b>25,100</b>	2,544	<b>10,902</b>	6,473	<b>207,042</b>	143,544	<b>10,677</b>	7,331	<b>253,721</b>	159,892
Rent, rates and taxes	<b>527</b>	416	<b>3,136</b>	2,294	<b>13,847</b>	8,546	<b>1,363</b>	1,227	<b>18,873</b>	12,483
Insurance	<b>-</b>	-	<b>312</b>	317	<b>10,887</b>	9,767	<b>3,245</b>	2,695	<b>14,444</b>	12,779
Lighting, heating and cooling	<b>125</b>	118	<b>2,328</b>	2,227	<b>4,482</b>	3,709	<b>4,772</b>	7,780	<b>11,707</b>	13,834
Depreciation and amortisation charge - note 3.5 and 4.1	<b>-</b>	-	<b>108</b>	92	<b>14,403</b>	13,972	<b>8,983</b>	5,600	<b>23,494</b>	19,664
Outward freight and handling	<b>18,287</b>	7,405	<b>127,031</b>	116,473	<b>106,930</b>	89,805	<b>72,058</b>	74,544	<b>324,306</b>	288,227
Travelling expenses	<b>9,486</b>	9,621	<b>3,806</b>	3,249	<b>167,703</b>	144,124	<b>21,638</b>	21,200	<b>202,633</b>	178,194
Postage, telegram, telephone and telex	<b>1,578</b>	1,166	<b>1,771</b>	1,388	<b>18,096</b>	19,917	<b>3,651</b>	3,577	<b>25,096</b>	26,048
Royalty	<b>134,272</b>	158,742	<b>108,407</b>	101,347	<b>-</b>	-	<b>-</b>	-	<b>242,679</b>	260,089
General expenses	<b>9,704</b>	6,786	<b>9,271</b>	5,711	<b>108,326</b>	88,284	<b>26,622</b>	25,587	<b>153,923</b>	126,368
	<b>243,280</b>	238,369	<b>310,371</b>	278,420	<b>1,266,174</b>	1,017,286	<b>298,317</b>	247,914	<b>2,118,142</b>	1,781,989

**27.1 Staff retirement benefits**

Salaries and benefits include amount in respect of staff retirement benefits: **6,629** 11,758

**28. Administration and general expenses**

Salaries and benefits - note 28.1	<b>169,001</b>	178,663	<b>150,715</b>	165,383	<b>121,191</b>	118,139	<b>85,988</b>	82,952	<b>526,895</b>	545,137
Repairs and maintenance	<b>3,341</b>	3,089	<b>3,889</b>	3,601	<b>5,935</b>	5,970	<b>763</b>	1,133	<b>13,928</b>	13,793
Advertising and publicity expenses	<b>1,454</b>	1,781	<b>1,730</b>	1,915	<b>564</b>	967	<b>419</b>	457	<b>4,167</b>	5,120
Rent, rates and taxes	<b>6,017</b>	9,041	<b>3,047</b>	7,164	<b>1,747</b>	2,731	<b>659</b>	1,548	<b>11,470</b>	20,484
Insurance	<b>1,058</b>	596	<b>1,265</b>	713	<b>4,220</b>	4,824	<b>399</b>	227	<b>6,942</b>	6,360
Lighting, heating and cooling	<b>6,573</b>	5,625	<b>4,526</b>	3,984	<b>12,654</b>	10,849	<b>4,525</b>	861	<b>28,278</b>	21,319
Depreciation and amortisation charge - note 3.5 and 4.1	<b>18,414</b>	24,100	<b>16,716</b>	18,944	<b>9,269</b>	12,015	<b>5,936</b>	14,648	<b>50,335</b>	69,707
Provision for doubtful debts - note 40.6	<b>548</b>	2,956	<b>-</b>	-	<b>6,752</b>	2,218	<b>2,890</b>	21,021	<b>10,190</b>	26,195
Provision for slow moving and obsolete stock-in-trade- note 9.1	<b>-</b>	-	<b>-</b>	-	<b>10,054</b>	23,283	<b>12,200</b>	12,717	<b>22,254</b>	36,000
Provision for slow moving and obsolete stores and spares - note 8.2	<b>-</b>	-	<b>4,060</b>	15,044	<b>-</b>	-	<b>-</b>	-	<b>4,060</b>	15,044
Travelling expenses	<b>7,834</b>	7,784	<b>5,518</b>	5,299	<b>8,491</b>	6,759	<b>2,318</b>	4,739	<b>24,161</b>	24,581
Postage, telegram, telephone and telex	<b>3,244</b>	3,179	<b>2,649</b>	2,899	<b>4,100</b>	2,648	<b>1,571</b>	1,481	<b>11,564</b>	10,207
General expenses	<b>56,841</b>	62,029	<b>47,712</b>	54,165	<b>47,171</b>	33,885	<b>15,709</b>	19,632	<b>167,433</b>	169,711
	<b>274,325</b>	298,843	<b>241,827</b>	279,111	<b>232,148</b>	224,288	<b>133,377</b>	161,416	<b>881,677</b>	963,658

**28.1 Staff retirement benefits**

Salaries and benefits include amounts in respect of staff retirement benefits: **22,073** 8,650

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>29. Other charges</b>		
Auditors' remuneration - note 29.1	4,932	4,439
Donations - note 29.2	20,000	20,145
Workers' profit participation fund - note 21.5	184,314	142,434
Workers' welfare fund	71,393	55,173
Loss on disposal of operating fixed assets	2,701	-
Others	1,500	9,182
	<b>284,840</b>	<b>231,373</b>
<b>29.1 Auditors' remuneration</b>		
Statutory audit fee	2,756	2,505
Half yearly review and other certifications	1,271	1,120
Out of pocket expenses	905	814
	<b>4,932</b>	<b>4,439</b>
<b>29.2</b> Represents provision in respect of donation to ICI Pakistan Foundation (Head office, Karachi). Mr. Asif Jooma, Director of the Group, Mr. Suhail Aslam Khan, Mr. Arshaduddin Ahmed, Ms. Saima Kamila Khan and Ms. Fathema Zuberi, Executives of the Company are amongst the Trustees of the Foundation.		
<b>30. Finance costs</b>		
Mark-up	260,200	292,444
Interest on workers' profit participation fund - note 21.5	3,692	2,746
Discounting charges on receivables	55,748	59,230
Exchange losses	59,070	47,467
Guarantee fee and others	4,588	900
	<b>383,298</b>	<b>402,787</b>
<b>31. Other income</b>		
<b>Income from financial assets</b>		
<b>Income from related party</b>		
Service fee from related party - note 31.1	1,980	1,980
<b>Income from other financial assets</b>		
Profit on short-term and call deposits - note 31.2	2,067	649
	<b>4,047</b>	<b>2,629</b>
<b>Income from non-financial assets</b>		
Scrap sales	60,309	68,403
Sales from scrap raw materials	12,754	11,795
Gain on disposal of operating fixed assets	-	5,532
Provisions and accruals no longer required written back	369	9,936
Dividend from investment in equity shares	-	40,000
Dividend from associate	458,375	150,000
Dividend from subsidiary	150,000	-
Sundries	1,843	5,252
	<b>687,697</b>	<b>293,547</b>

**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.

**31.2** These are interest-based arrangements.



Amounts in PKR '000

	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>32. Taxation</b>		
Current	<b>528,213</b>	535,518
Deferred	<b>126,867</b>	42,268
Net tax charged - note 32.1	<b>655,080</b>	577,786

### 32.1 Tax reconciliation

Profit before taxation	<b>3,498,266</b>	2,703,494
Tax @ 32% (June 30, 2015: 33%)	<b>1,119,445</b>	892,153
Effect of credit under section 65B	<b>(355,500)</b>	(245,834)
Effect of change in tax rate on opening deferred tax liability	<b>(41,612)</b>	(36,922)
Tax impact due to change of FTR ratio	-	(51,183)
Dividend from Powergen (taxed at 0% instead of 32%)	<b>(48,000)</b>	-
Super tax	<b>91,709</b>	75,289
Tax effect of dividend taxed at 12.5% instead of 32% (June 30, 2015: taxed at 10.00% instead of 33%)	<b>(89,383)</b>	(43,700)
Tax effect of items not deductible for tax purposes	-	5,410
Others	<b>(21,579)</b>	(17,427)
Net tax charged	<b>655,080</b>	577,786
Average effective tax rate	<b>18.73%</b>	21.37%

### 33. Basic and diluted earning per share (EPS)

Profit after taxation for the year	<b>2,843,186</b>	2,125,708
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue during the year	<b>92,359,050</b>	92,359,050
<b>PKR</b>		
Basic and diluted earning per share (EPS)	<b>30.78</b>	23.02

### 34. Remuneration of chief executive, directors and executives

The amounts charged in the financial statements for the remuneration, including all benefits, to the chief executive, directors and executives of the Company were as follows:

	Chief Executive		Directors		Executives		Total	
	For the year ended June 30, 2016	For the Year ended June 30, 2015	For the year ended June 30, 2016	For the Year ended June 30, 2015	For the year ended June 30, 2016	For the Year ended June 30, 2015	For the year ended June 30, 2016	For the Year ended June 30, 2015
Managerial remuneration	<b>49,844</b>	47,375	<b>32,117</b>	30,716	<b>807,571</b>	726,562	<b>889,532</b>	804,653
Retirement benefits	<b>8,197</b>	7,754	<b>5,712</b>	5,463	<b>177,700</b>	155,569	<b>191,609</b>	168,786
Group insurance	<b>45</b>	29	<b>45</b>	29	<b>5,605</b>	4,242	<b>5,695</b>	4,300
Rent and house maintenance	<b>1,096</b>	961	-	-	<b>235,874</b>	207,184	<b>236,970</b>	208,145
Utilities	<b>844</b>	656	-	-	<b>59,640</b>	52,059	<b>60,484</b>	52,715
Medical expenses	<b>85</b>	59	<b>335</b>	45	<b>48,165</b>	36,098	<b>48,585</b>	36,202
	<b>60,111</b>	56,834	<b>38,209</b>	36,253	<b>1,334,555</b>	1,181,714	<b>1,432,875</b>	1,274,801
Number of persons as at the balance sheet date	<b>1</b>	1	<b>1</b>	1	<b>574</b>	521	<b>576</b>	523

**34.1** The directors and certain executives are provided with free use of the Company leased cars in accordance with their entitlement. The chief executive is provided with free use of Company leased car, certain household equipment and maintenance when needed.

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>34.2</b> Remuneration paid to Chairman during the year:	-	-
<b>34.3</b> During the year fee paid to non-executive directors for attending board and other meetings which is not part of remuneration amounts to:	<b>2,813</b>	4,375
	<b>As at and for the year ended June 30, 2016</b>	As at and for the year ended June 30, 2015
<b>34.4</b> Total number of employees as at the balance sheet date	<b>1,325</b>	1242
Average number of employees during the year	<b>1,303</b>	1204

## 35. Transactions with related parties

The related parties comprise the holding company (Lucky Holdings Limited), the ultimate parent company (Lucky Cement Limited) and related group companies, local associated companies, 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 unconsolidated financial statements are as follows:

		For the year ended June 30, 2016	For the year ended June 30, 2015
Relationship with the company	Nature of transaction		
<b>Holding Company</b>	Dividend	<b>896,952</b>	625,591
	Royalty	<b>242,679</b>	260,089
<b>Subsidiary Company</b>	Purchase of electricity	<b>456,720</b>	829,302
	Sale of goods and material	<b>13,825</b>	5,320
<b>Associated companies</b>	Purchase of goods, materials and services	<b>101,833</b>	44,459
	Sale of goods and materials	<b>1,477,802</b>	1,457,755
	Dividend	<b>143,755</b>	99,523
	Reimbursement of expenses	<b>61,760</b>	43,197
<b>Key management personnel</b>	Remuneration paid	<b>182,620</b>	157,650
	Post employment benefits	<b>30,850</b>	29,210

**35.1** As at June 30, 2016 ICI's finished goods amounting to PKR 73 million (June 30, 2015: PKR 27 million) and PKR 24 million (June 30, 2015: PKR Nil) were kept at warehouses of Fazal Textile Mills and Gadoon Textile Mills respectively. No rental expense is charged for this arrangement. Had it been an arm's length transaction, rental equivalent to market value of PKR 1.2 million (June 30, 2015: PKR 0.960 million) and PKR 0.600 million (June 30, 2015: PKR Nil) respectively would have been charged.

## 36. Plant capacity and annual production

- in metric tonnes:

	For the year ended June 30, 2016		For the year ended June 30, 2015	
	Annual Name Plate Capacity	Production	Annual Name Plate Capacity	Production
Polyester	<b>122,250</b>	<b>118,859</b>	122,250	115,711
Soda Ash	<b>350,000</b>	<b>337,869</b>	350,000	308,499
Chemicals - note 36.2	-	<b>12,950</b>	-	13,299
Sodium Bicarbonate	<b>40,000</b>	<b>29,330</b>	26,000	27,840

**36.1** Production of Soda Ash as compared to last year was greater due to commissioning of coal fired boilers 3 and 4, dense ash and light ash projects. Annual name plate capacity of Sodium Bicarbonate also increased due to commissioning of RSB project. Out of total production of 337,869 metric tonnes soda ash, 26,396 metric tonnes were transferred for production of Sodium Bicarbonate.

**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 as at the balance sheet date approximate their fair values.

**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 minimize 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.

**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. The Company mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances. At the balance sheet date, the interest rate profile of the Company's interest-bearing financial instruments were:

	Carrying Amount	
	As at June 30, 2016	As at June 30, 2015
<b>Fixed rate instruments</b>		
Financial assets - note 14	<b>135,878</b>	106,000
Financial liabilities - note 19 and 21	<b>(1,675,258)</b>	(326,480)
	<b>(1,539,380)</b>	(220,480)
<b>Variable rate instruments</b>		
Financial liabilities - note 19 and 22	<b>(4,436,656)</b>	(4,111,371)
	<b>(4,436,656)</b>	(4,111,371)

**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 balance sheet 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 year would have been PKR 44.367 million (June 30, 2015: PKR 41.114 million).

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

## 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. When the management expects future depreciation of Pak Rupee, the Company enters 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 separate foreign currencies:

	CNY	EURO	USD	GBP
<b>As at June 30, 2016</b>				
Other receivables	<b>3,583</b>	<b>406</b>	<b>18,944</b>	<b>49</b>
Cash and bank balances	-	-	-	-
	<b>3,583</b>	<b>406</b>	<b>18,944</b>	<b>49</b>
Trade and other payables	-	<b>(140,419)</b>	<b>(1,801,105)</b>	<b>(5,978)</b>
Gross balance sheet exposure	<b>3,583</b>	<b>(140,013)</b>	<b>(1,782,161)</b>	<b>(5,929)</b>
<b>As at June 30, 2015</b>				
Other receivables	-	3,103	14,432	-
Cash and bank balances	-	-	7,525	-
	-	3,103	21,957	-
Trade and other payables	-	(123,418)	(1,772,713)	(1,097,018)
Gross balance sheet exposure	-	(120,315)	(1,750,756)	(1,097,018)

Significant exchange rates applied during the year were as follows:

	Average rate		Spot rate	
	For the year ended June 30, 2016	For the year ended June 30, 2015	As at June 30, 2016	As at June 30, 2015
<b>PKR per</b>	<b>PKR</b>		<b>PKR</b>	
EURO	<b>115.73</b>	121.72	<b>116.80</b>	112.95
USD	<b>104.35</b>	101.46	<b>104.83</b>	101.80
GBP	<b>155.15</b>	159.58	<b>141.43</b>	159.90
CNY	<b>16.22</b>	-	<b>15.78</b>	-

## 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 year by PKR 19.245 million (June 30, 2015: PKR 29.681 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2016, if Pak Rupee (PKR) had weakened / strengthened by 1% against other currencies, with all other variables held constant, the effect on the Company profit before tax at June 30, 2016 and June 30, 2015 would be as follows:

	Increase / decrease in exchange rates	Effect on Profit before tax (CNY)	Effect on Profit before tax (EURO)	Effect on Profit before tax (USD)	Effect on Profit before tax (GBP)
<b>2016</b>					
Pak Rupee	+1%	<b>(36)</b>	<b>1,400</b>	<b>17,822</b>	<b>59</b>
Pak Rupee	-1%	<b>36</b>	<b>(1,400)</b>	<b>(17,822)</b>	<b>(59)</b>
<b>2015</b>					
Pak Rupee	+1%	-	1,203	17,508	10,970
Pak Rupee	-1%	-	(1,203)	(17,508)	(10,970)

**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 regularly 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 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 balance sheet date is as follows:

	As at June 30, 2016	As at June 30, 2015
<b>40.1 Financial assets</b>		
Long-term investments - note 5	962,500	722,500
Long-term loans - note 6	356,330	324,610
Long-term deposits - note 7	28,209	27,323
Trade debts - note 10	1,640,447	1,431,370
Loans and advances - note 11	391,342	323,696
Trade deposits - note 12	37,796	28,194
Other receivables - note 13	252,374	581,584
Bank balances - note 14	140,574	115,047
	<b>3,809,572</b>	<b>3,554,324</b>

**40.2** The Company has placed its funds with banks which are rated A1+ by PACRA and A-1+ by JCR-VIS

**40.3 Financial assets**

- Secured	838,232	593,407
- Unsecured	2,971,340	2,960,917
	<b>3,809,572</b>	<b>3,554,324</b>

**40.4** The ageing of trade debts and loans and advances at the balance sheet date is as follows:

<b>Not past due</b>	<b>1,855,857</b>	<b>1,636,936</b>
<b>Past due but not impaired:</b>		
Not more than three months	160,408	120,055
<b>Past due and impaired:</b>		
More than three months and not more than six months	8,805	3,709
More than six months and not more than nine months	734	177
More than nine months and not more than one year	22,545	8,328
More than one year	27,395	26,848
	<b>219,887</b>	<b>159,117</b>
Provision for:		
- Doubtful debts - note 10	(43,955)	(40,987)
- Doubtful loans and advances - note 11	-	-
	<b>(43,955)</b>	<b>(40,987)</b>
	<b>2,031,789</b>	<b>1,755,066</b>

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

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>40.5</b> The maximum exposure to credit risk for past due at the balance sheet date by type of counterparty was:		
Wholesale customers	<b>10,962</b>	22,657
Retail customers	<b>172,969</b>	111,125
End-user customers	<b>35,956</b>	25,335
	<b>219,887</b>	159,117
Provision for:		
- Doubtful debts - note 10	<b>(43,955)</b>	(40,987)
	<b>175,932</b>	118,130

## 40.6 Movement of provision for doubtful debts, loans and advances

	Trade debts	Loans and advances	Total	Total
Balance at the beginning of the year	<b>40,987</b>	-	<b>40,987</b>	100,956
Additional provision - note 28	<b>10,190</b>	-	<b>10,190</b>	26,195
Written off during the year	<b>(7,222)</b>	-	<b>(7,222)</b>	(86,164)
Balance at the end of the year	<b>43,955</b>	-	<b>43,955</b>	40,987

**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:

	As at June 30, 2016	As at June 30, 2015
Textile and chemicals	<b>475,256</b>	511,797
Glass	<b>63,940</b>	72,237
Paper and board	<b>32,157</b>	92,091
Pharmaceuticals	<b>235,235</b>	323,162
Paints	<b>36,855</b>	18,181
Banks	<b>146,287</b>	119,612
Loans, advances and others	<b>1,232,301</b>	778,585
	<b>2,222,031</b>	1,915,665
Provision for:		
- Doubtful debts - note 10	<b>(43,955)</b>	(40,987)
	<b>2,178,076</b>	1,874,678

**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 other price risk except investment in subsidiary which is carried at cost against which provision for impairment has been provided in these unconsolidated financial statements.

**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. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

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
<b>As at June 30, 2016</b>			
<b>Financial liabilities</b>			
Trade creditors - note 21	1,747,144	(1,747,144)	(1,747,144)
Bills payable - note 21	2,556,974	(2,556,974)	(2,556,974)
Accrued mark-up	77,663	(77,663)	(77,663)
Accrued expenses - note 21	1,846,717	(1,846,717)	(1,846,717)
Technical service fee / royalty - note 21	19,778	(19,778)	(19,778)
Distributors' security deposits - payable on termination of distributorship - note 21	101,113	(108,191)	(108,191)
Contractors' earnest / retention money - note 21	10,245	(10,245)	(10,245)
Unclaimed dividends - note 21	70,648	(70,648)	(70,648)
Payable for capital expenditure - note 21	547,635	(547,635)	(547,635)
Others - note 21	140,950	(140,950)	(140,950)
Long-term loans - note 19	4,046,369	(4,046,369)	(393,783)
Short-term borrowings and running finance - note 22	1,964,433	(1,964,433)	(1,964,433)
	<b>13,129,669</b>	<b>(13,136,747)</b>	<b>(9,484,161)</b>

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

As at June 30, 2015

<b>Financial liabilities</b>			
Trade creditors - note 21	1,764,655	(1,764,655)	(1,764,655)
Bills payable - note 21	2,962,835	(2,962,835)	(2,962,835)
Accrued mark-up	56,658	(56,658)	(56,658)
Accrued expenses - note 21	1,448,765	(1,448,765)	(1,448,765)
Technical service fee / royalty - note 21	21,401	(21,401)	(21,401)
Distributors' security deposits - payable on termination of distributorship - note 21 & 21.5	104,761	(114,189)	(114,189)
Contractors' earnest / retention money - note 21	10,946	(10,946)	(10,946)
Unclaimed dividends - note 21	62,802	(62,802)	(62,802)
Payable for capital expenditure - note 21	811,979	(811,979)	(811,979)
Others - note 21	96,642	(96,642)	(96,642)
Long-term loan	2,449,498	(2,449,498)	(955,555)
Short-term borrowings and running finance - note 22	1,883,592	(1,883,592)	(1,883,592)
	<b>11,674,534</b>	<b>(11,683,962)</b>	<b>(10,190,019)</b>



# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

## 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, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt. The gearing ratio as at June 30, 2016 and June 30, 2015 is as follows:

	As at June 30, 2016	As at June 30, 2015
Long-term loans - note 19	4,046,369	2,449,498
Short-term borrowings and running finance - note 22	1,964,433	1,883,592
<b>Total debt</b>	<b>6,010,802</b>	4,333,090
Cash and bank balances - note 14	(146,287)	(119,612)
<b>Net debt</b>	<b>5,864,515</b>	4,213,478
Share capital	923,591	923,591
Capital reserves	309,643	309,643
Unappropriated profit	13,183,294	11,483,846
<b>Equity</b>	<b>14,416,528</b>	12,717,080
<b>Capital</b>	<b>20,281,043</b>	16,930,558
<b>Gearing ratio</b>	<b>28.92%</b>	24.89%

## 43. Accounting estimates and judgements

### Income taxes

The Company takes into account the current income and sales tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the authorities 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:

In the case of assessment year 1998-99, the Appellate Tribunal Inland Revenue (The Tribunal) on September 19, 2008 had set aside the assessments made by FBR. The re-assessment was finalized by the department on June 29, 2010 in which the issues pertaining to date of commissioning of PTA's plant & the tax depreciation claimed thereon, restriction of cost of capitalization of PTA plant and addition to income in respect of trial production stocks were decided against the Company. The Company had filed an appeal against the said order before the CIR (Appeals) which was decided on November 24, 2015 in which the issue of date of commissioning of PTA's plant & the tax depreciation claimed thereon and the issue of addition to income in respect of trial production stocks were decided in Company's favour however the issue of restriction of cost of capitalization of PTA plant was decided against the Company. The Company and FBR have filed the appeals on respective matters decided against them in Tribunal the hearing of which is yet to be conducted.

In the case of assessment year 2001-2002, FBR had made an assessment on May 29, 2002 while deciding the issues related to claim and carry forward of depreciation pertaining to PTA's assets in our favor. The depreciation related to PTA's assets was claimed by the Company in assessment year 2001-02 and the unabsorbed part was carried forward and adjusted till tax year 2010. FBR reopened the income tax assessment for the assessment year 2001-02 under section 122(5A) of the Income Tax Ordinance, 2001 on the ground that demerger of PTA business from ICI Pakistan was effective from the completion date i.e.



August 6, 2001 which falls in assessment year 2002-03. This was challenged by the Company in the High Court which upheld the Company's contention that FBR did not have the right to reopen this finalized assessment of assessment year 2001-02 under the Income Tax Ordinance, 2001 since assessment year 2001-02 pertained to the period in which Income Tax Ordinance, 1979 was effective. FBR filed an appeal in the Supreme Court against the High Court's order which also maintained the decision of High Court that the cases finalized under the old law of 1979 cannot be reopened under the new law of 2001. After the Supreme Court's decision, FBR issued an order under section 66A of the old law i.e. Income Tax Ordinance, 1979. In response, the Company filed an appeal before the Tribunal which decided the case in Company's favor on the basis that order issued on May 7, 2012 was barred by time. Consequently, FBR filed an appeal in the Sindh High Court however on June 13, 2016, the High Court maintained Tribunal's decision and the case was decided in favour of the Company. FBR has filed an appeal in the Supreme Court against the Sindh High Court's decision which is pending.

In the case of 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 FBR's notice which stated that the effective date of PTA's demerger was August 6, 2001 (falling in assessment year 2002-03) rather than the effective date given in the Scheme of Arrangement as October 1, 2000 (which falls in assessment year 2001-02). The notice had raised certain issues relating to vesting of PTA assets by the Company. On March 18, 2015, the Supreme Court has passed an interim order stating that this case has nexus with the case of assessment year 2001-02 and hearing will take place once the High Court decides the case in assessment year 2001-02. The High Court has decided the matter on June 13, 2016 in assessment year 2001-02 however no hearing has been conducted since then in the subject case assessment year 2002-2003.

In the case of Tax Years 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010, FBR had made disallowances on the matters related to provisions charged under various heads, financial charges, gain on disposal of fixed assets, exchange loss, proration of expenses against capital gains and interest free loans offered to employees. The CIR (Appeals) has allowed all the issues in Tax Years 2003 to 2010 in our favor (except 2 issues in tax year 2003 and 2010) against which appeals have been filed by FBR in the Tribunal. On the 2 issues pertaining to tax year 2003 and 2010 decided against us, we have filed an appeal in the Tribunal against CIR (Appeals)'s decision. No hearings have yet taken place.

In course of conducting a sales tax audit for the period July 2012 to June 2013, DCIR of FBR raised certain issues with respect to exemption and zero-rating / reduced rate benefit available to the Company on its sales. On September 12, 2014 the Company received an order in which demand of PKR 952 million was raised. An appeal was filed with CIR(A) which was decided against the Company however directions were given to DCIR to amend the original order if the returns are revised by the Company subject to approval of FBR itself. The application for revision of return filed by the Company is pending with FBR. The Company being aggrieved has filed a suit in the Sindh High Court for relief in which the Court has granted ad-interim relief till the next date of hearing which is yet to take place. The Company is confident that there is no merit in this claim of FBR regarding revenue loss and hence, considering no probability that the case would be decided against the Company, no provision in respect of this has been made in these financial statements.

### **Pension and Gratuity**

Certain actuarial assumptions have been adopted as disclosed in note 18 to the unconsolidated 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 equipment with a corresponding effect on the depreciation charge and impairment.

## **44. Standards, amendments and interpretations adopted during the year**

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

# Notes to the Unconsolidated Financial Statements

## For the year ended June 30, 2016

### 44.1 New standards

The Company has adopted the following new standards to IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements  
 IFRS 11 – Joint Arrangements  
 IFRS 12 – Disclosure of Interests in Other Entities  
 IFRS 13 – Fair Value Measurements  
 IAS 27 (Revised 2011) – Separate Financial Statements  
 IAS 28 (Revised) – Investment in associates and joint ventures

The adoption of the above standards did not have any material effect on these unconsolidated financial statements.

#### Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

Standards or Interpretation	Effective date (annual periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IAS 1 – Presentation of financial statements: Disclosure initiative – clarification on materiality, disaggregation and subtotals, Note, Other Comprehensive Income (OCI) (Amendments)	January 01, 2016
IAS 7 – Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortisation (Amendment)	January 01, 2016
IAS 16 – Property, Plant and Equipment and IAS 41 Agriculture: Bearer Plants (Amendments)	January 01, 2016
IAS 27 – Separate Financial Statements: Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after January 01, 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard	IASB effective date (annual periods beginning on or after)
IFRS 9 Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019

The Company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

#### 45. Post balance sheet events - dividends

The Directors in their meeting held on August 30, 2016 have recommended a final dividend of PKR 9.00 per share (June 30, 2015: PKR 6.50 per share) in respect of year ended June 30, 2016. This dividend is in addition to interim dividend paid of PKR 6.50 per share during the current year. The unconsolidated financial statements for the year ended June 30, 2016 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

The Finance Act, 2015 introduced a tax on every public company at the rate of 10% of such undistributed reserves which exceeds the amount of its paid-up capital. However, this tax shall not be applied in case of a public company which distribute cash dividend equal to at least either 40% of its after tax profits or 50% of its paid-up capital, within the prescribed time after the end of the relevant tax year.

Based on the pattern of distribution of dividend by the Company, the distributed dividend already meets the minimum dividend requirement as aforesaid. Accordingly, the Company would not be liable to pay tax on its undistributed reserves as of June 30, 2016.

#### 46. Date of authorisation

These financial statements were authorised for issue in the Board of Directors meeting held on August 30, 2016.

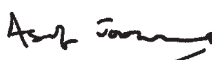
#### 47. General

**47.1** Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

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



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2016

	12 months			
	January - December			
	2007 Restated	2008 Restated	2009	
<b>Balance Sheet</b>				
Equity	11,368,830	12,448,126	13,482,796	
Revaluation reserves	1,012,167	962,795	931,846	
<b>Equity and Revaluation Reserve</b>	<b>12,380,997</b>	<b>13,410,921</b>	<b>14,414,642</b>	
Non current liability	119,571	612,954	1,208,117	
Current liability	6,263,805	4,446,810	5,799,898	
<b>Total equity and liabilities</b>	<b>18,764,373</b>	<b>18,470,685</b>	<b>21,422,657</b>	
Non current assets	9,741,603	10,435,258	10,297,489	
Current assets	9,022,770	8,035,427	11,125,168	
<b>Total assets</b>	<b>18,764,373</b>	<b>18,470,685</b>	<b>21,422,657</b>	
<b>Profit and Loss Account</b>				
Turnover	25,988,351	31,921,873	32,399,181	
Net turnover	23,024,123	27,798,915	28,429,897	
Cost of sales	18,205,369	22,303,138	22,754,005	
Gross profit	4,818,754	5,495,777	5,675,892	
Operating result	2,984,004	3,052,360	3,027,654	
Profit before taxation	2,768,523	2,812,778	3,072,506	
Profit after taxation	1,784,800	1,862,738	2,044,738	
<b>Summary of Cash Flows</b>				
Cash generated from / (used in) operations	4,312,406	1,188,392	4,938,310	
Net cash generated from / (used in) operating activities	4,093,537	969,809	4,476,231	
Net cash used in investing activities	(1,397,436)	(1,780,969)	(938,043)	
Net cash generated from / (used in) financing activities	(868,583)	(832,815)	(1,041,018)	
<b>Cash and cash equivalents at December 31 / June 30</b>	<b>3,615,056</b>	<b>1,971,081</b>	<b>4,468,251</b>	

Amounts in PKR '000

				12 months			
				July - June			
	2010	2011 Restated	2012 Restated	2012-13 Restated	2013-14	2014-15	2015-16
	14,548,093	9,066,723	9,024,890	9,788,989	11,237,427	12,717,080	14,416,528
	907,352	824,207	740,656	698,536	639,372	576,458	829,645
	<b>15,455,445</b>	<b>9,890,930</b>	<b>9,765,546</b>	<b>10,487,525</b>	<b>11,876,799</b>	<b>13,293,538</b>	<b>15,246,173</b>
	1,093,190	1,340,306	1,593,267	3,067,815	3,486,365	2,762,532	5,174,242
	5,482,037	9,280,988	9,355,282	7,389,365	7,574,254	10,613,713	10,167,615
	22,030,672	20,512,224	20,714,095	20,944,705	22,937,418	26,669,783	30,588,030
	10,152,415	9,154,438	10,898,077	11,330,538	12,500,614	15,843,044	18,909,694
	11,878,257	11,357,786	9,816,018	9,614,167	10,436,804	10,826,739	11,678,336
	22,030,672	20,512,224	20,714,095	20,944,705	22,937,418	26,669,783	30,588,030
	39,532,506	38,348,591	37,809,433	39,627,119	42,698,659	42,593,948	42,689,368
	35,129,980	35,516,114	34,681,563	36,267,761	38,233,477	37,515,328	36,954,437
	28,443,690	30,910,029	30,688,097	32,193,170	33,581,636	31,725,574	30,475,911
	6,686,290	4,606,085	3,993,466	4,074,592	4,651,841	5,789,754	6,478,526
	3,712,566	2,378,449	1,624,634	1,986,737	2,225,934	3,044,107	3,478,707
	3,731,516	2,294,653	1,496,223	1,749,207	1,980,964	2,703,494	3,498,266
	2,428,826	1,531,430	973,661	1,158,701	1,702,216	2,125,708	2,843,186
	3,716,187	4,127,104	(1,963,689)	(164,272)	4,818,897	5,015,304	4,788,015
	2,334,428	2,875,020	(3,176,714)	(971,364)	3,806,585	3,748,417	3,680,106
	(752,830)	(509,814)	(2,125,793)	(940,727)	(2,400,932)	(4,372,472)	(4,138,316)
	(1,388,027)	(2,151,436)	(796,407)	1,453,483	933,274	(1,554,652)	404,044
	4,661,822	4,633,322	(1,465,592)	(1,924,200)	414,727	(1,763,980)	(1,818,146)

# Pattern of Shareholding

as at June 30, 2016

No. of Shareholders	Categories		No. of Shares
	From	To	
6307	1	100	211,946
2622	101	500	629,197
633	501	1000	465,339
616	1001	5000	1,345,082
74	5001	10000	515,654
40	10001	15000	507,876
7	15001	20000	129,105
16	20001	25000	358,813
7	25001	30000	193,117
1	30001	35000	33,569
3	35001	40000	108,662
2	40001	45000	81,400
8	45001	50000	376,268
2	50001	55000	104,470
3	55001	60000	171,918
3	60001	65000	190,078
1	75001	80000	79,500
2	80001	85000	166,339
1	85001	90000	86,300
1	100001	105000	104,965
1	115001	120000	119,687
1	130001	135000	130,500
3	135001	140000	413,944
1	140001	145000	141,579
3	160001	165000	487,996
1	190001	195000	193,916
1	300001	305000	302,482
1	305001	310000	307,281
1	450001	455000	451,900
1	455001	460000	457,750
1	505001	510000	506,920
1	700001	705000	701,875
1	2225001	2230000	2,229,188
1	5075001	5080000	5,077,180
1	5980001	5985000	5,980,917
1	68995001	69000000	68,996,337
<b>10369</b>			<b>92,359,050</b>

# Pattern of Shareholding

as at June 30, 2016

S.No.	Categories of Shareholders	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouses and minor children	3	531,019	0.57
2	Associated Companies, Undertakings and related Parties	3	80,054,434	86.68
3	NIT and ICP	0	0	0
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	26	461,457	0.50
5	Insurance Companies	19	2,920,774	3.16
6	Modarabas and Mutual Funds	32	2,244,703	2.43
7	Shareholders holding 10%	1	68,996,337	74.70
8	General Public :			
	a. Local	10,105	3,907,867	4.23
	b. Foreign	2	1,119	0.00
9	Others	179	2,237,677	2.42
	<b>Total (excluding : shareholders holding 10%)</b>	<b>10,369</b>	<b>92,359,050</b>	<b>100.00</b>



# Pattern of Shareholding

as at June 30, 2016

## ADDITIONAL INFORMATION

Shareholder's Category	Number of Shareholders / folios	Number of Shares Held	%
<b>i. Associated Companies, Undertakings and Related Parties (name wise details)</b>			
GADOON TEXTILE MILLS LIMITED	1	5,980,917	6.48
LUCKY HOLDINGS LIMITED	1	68,996,337	74.70
LUCKY TEXTILE MILLS LIMITED	1	5,077,180	5.50
	<b>3</b>	<b>80,054,434</b>	<b>86.68</b>
<b>ii. Mutual Funds (name wise details)</b>			
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	2,838	0.00
CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	1	193,916	0.21
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	141,579	0.15
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1	322	0.00
CDC - TRUSTEE DAWOOD ISLAMIC FUND	1	5,000	0.01
CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	1	63,500	0.07
CDC - TRUSTEE FAYSAL BALANCED GROWTH FUND	1	15,000	0.02
CDC - TRUSTEE FAYSAL ISLAMIC ASSET ALLOCATION FUND	1	40,500	0.04
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	1,688	0.00
CDC - TRUSTEE FIRST DAWOOD MUTUAL FUND	1	5,000	0.01
CDC - TRUSTEE FIRST HABIB STOCK FUND	1	5,000	0.01
CDC - TRUSTEE LAKSON EQUITY FUND	1	130,500	0.14
CDC - TRUSTEE LAKSON TACTICAL FUND	1	17,750	0.02
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1	86,300	0.09
CDC - TRUSTEE MCB PAKISTAN ISLAMIC STOCK FUND	1	60,000	0.06
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	457,750	0.50
CDC - TRUSTEE MEEZAN BALANCED FUND	1	116	0.00
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	701,875	0.76
CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	1	136,470	0.15
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	33,569	0.04
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	40,900	0.04
CDC - TRUSTEE PAKISTAN SARMAHA MEHFOOZ FUND	1	25,000	0.03
CDC-TRUSTEE PAK. INT. ELEMENT ISLAMIC ASSET ALLOCATION FUND	1	61,600	0.07
CONFIDENCE MUTUAL FUND LTD	1	7	0.00
DOMINION STOCK FUND LIMITED	1	168	0.00
GOLDEN ARROW SELECTED STOCKS FUND	1	7	0.00
SAFEMUTUAL FUND LIMITED	1	256	0.00
SECURITY STOCK FUND LIMITED	1	36	0.00
	<b>28</b>	<b>2,226,647</b>	<b>2.41</b>
<b>iii. Directors and their spouse (s) and minor children (name wise details)</b>			
MR. ASIF JOOMA	1	506,920	0.55
MR. KAMAL A CHINYOY	1	11,599	0.01
MR. KHAWAJA IQBAL HASSAN	1	12,500	0.01
	<b>3</b>	<b>531,019</b>	<b>0.57</b>
<b>iv. Executives</b>	<b>49</b>	<b>12,386</b>	<b>0.01</b>
<b>v. Public Sector Companies and Corporations</b>	<b>2</b>	<b>2,229,832</b>	<b>2.41</b>
<b>vi. Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds</b>	<b>53</b>	<b>1,304,298</b>	<b>1.41</b>
<b>vii. Shareholder Holding five percent or more voting Rights in the Listed Company (name wise details)</b>			
GADOON TEXTILE MILLS LIMITED	1	5,980,917	6.48
LUCKY HOLDINGS LIMITED	1	68,996,337	74.70
LUCKY TEXTILE MILLS LIMITED	1	5,077,180	5.50
	<b>3</b>	<b>80,054,434</b>	<b>86.68</b>
<b>viii. Others &amp; General Public</b>	<b>10,231</b>	<b>6,000,434</b>	<b>6.50</b>
<b>Total (excluding : shareholders holding 5% )</b>	<b>10,369</b>	<b>92,359,050</b>	<b>100</b>
<b>ix. Details of trading in the shares by the Directors, CEO, CFO, Company Secretary and their spouses.</b>			

During the year Mr. Kamal A Chinoy, Director purchased 10,500 shares of the Company and 4 shares were inherited by him. The requisite returns in this respect were filed with the regulatory authorities in addition to informing the Board and the Stock Exchange of the said transaction as required under the CCG. Other than these, the Directors, CEO, CFO, Company Secretary and their spouses and minor children did not carry out any transaction in the shares of the Company during the financial year.



# Notice of 65<sup>th</sup> Annual General Meeting

Notice is hereby given that the Sixty-Fifth Annual General Meeting of ICI Pakistan Limited will be held on Tuesday, October 25, 2016, at 10:30 a.m. at ICI House, 5 West Wharf, Karachi, to transact the following business:

1. To receive, consider and adopt the accounts of the Company for the year ended June 30, 2016, the report of the Auditors thereon and the report of the Directors.
2. To declare and approve Final Cash dividend @ 90% i.e. Rs. 9/- per ordinary share of Rs.10/- each for the year ended June 30, 2016, as recommended by the Directors, payable to the Members whose names appear in the Register of the Members as at October 18, 2016.
3. To appoint the Auditors of the Company and to fix their remuneration.

By Order of the Board



**Saima Kamila Khan**  
Company Secretary

October 4, 2016  
Karachi

1. Share Transfer Books of the Company will remain closed from October 19, 2016 to October 25, 2016 (both days inclusive). Transfers received in order at the office of our Shares Registrar, FAMCO Associates (Pvt) Limited, 8-F, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi, by the close of business on October 18, 2016 will be considered in time, to entitle the transferees to the Final Cash dividend and to attend Annual General Meeting.
2. All Members are entitled to attend and vote at the Meeting. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote for him/her. A proxy must be a Member of the Company.
3. An instrument of proxy applicable for the Meeting is being provided with the notice sent to Members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: [www.ici.com.pk](http://www.ici.com.pk).
4. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must, to be valid, be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
5. Members are requested to submit a copy of their Computerized National Identity Card/Smart National Identity Card/National Tax Certificate (CNIC/SNIC/NTN), if not already provided and notify immediately changes, if any, in their registered address to our Shares Registrar, FAMCO Associates (Pvt) Ltd.
6. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

## A. For Attending the Meeting:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original CNIC/SNIC or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

## B. For Appointing Proxies:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC/SNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC/SNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his original CNIC/SNIC or original passport at the time of the Meeting.
- (v) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

# Notice of 65<sup>th</sup> Annual General Meeting

## **Consent For Circulation Of Audited Financial Statements And Notice Of AGM Through E-Mail.**

Pursuant to SRO No.787(1)2014, dated September 8, 2014, the SECP has allowed circulation of Audited Financial Statements (Annual Report) along with the notice of the Annual General Meeting (AGM) to the shareholders via email. Therefore, all those members who wish to receive a soft copy of the Annual Report alongwith notice of AGM, may send their written consent and email addresses to the Company's Share Registrar, FAMCO Associates (Pvt.) Ltd. For convenience of the members, a "Standard Request Form" for electronic transmission may be downloaded from the Company's website i.e. [www.ici.com.pk](http://www.ici.com.pk). In this regard, a letter seeking consent of the shareholders has already been sent separately to their registered address.

### **Submission of CNIC/SNIC (Mandatory)**

Pursuant to the directives of the SECP, CNIC/SNIC numbers of shareholders are **MANDATORILY** required to be mentioned on dividend warrants. Shareholders are therefore, requested to submit a copy of their valid CNIC/SNIC (if not already provided) to the Company's Share Registrar, FAMCO Associates (Pvt.) Ltd. 8-F, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi. In the absence of a member's valid CNIC/SNIC, the Company will be constrained to withhold dispatch of dividend warrants to such members.

### **Dividend Mandate (Optional)**

Please note that under Section 250 of the Companies Ordinance, 1984, shareholders may, if they so desire, elect to receive their cash dividend directly in their bank accounts instead of receiving it through dividend warrants. In this regard and in pursuance of the directives of the SECP vide Circular No. 18 of 2012 dated June 5, 2012 and Notice No.8(4) SM/CDC 2008 dated April 5, 2013, Shareholders wishing to exercise this option, may submit their written request to the Company's Share Registrar, giving particulars as required in the mandate letter attached at the end of this Annual Report.

### **Revised Treatment of Withholding Tax**

Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and pursuant to Finance Act 2016, effective July 1, 2016, a new criteria for withholding of tax has been introduced by Federal Board of Revenue ("FBR"). According to the revised criteria, tax is to be withheld based on 'Filer' and 'Non-Filer' status of shareholders @ 12.5% and 20% respectively where 'Filer' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (<http://www.fbr.gov.pk/>) or a holder of "Taxpayer's Card" and 'Non-Filer' means a person who is not a filer.

Furthermore, according to recent clarification provided by the FBR; in case a Folio/CDS Account is jointly held, each joint-holder is to be treated separately as Filer or Non-Filer. In terms of the said clarification; tax of each joint-holder has been deducted on the gross dividend amount determined by bifurcating the shareholding of each joint-holder on equal proportions, except where shareholding proportion of joint-holder(s) is pre-defined as per the records of the Company's Share Registrar and thus tax rates are applied in line with respective proportions.

Those shareholders who are holding Folio/CDS jointly; are requested to notify (in writing) any change in their shareholding proportions to Company's Share Registrar (in case of physical shareholding) or their Participants/CDC Investor Account Services so that their revised shareholding proportions are considered by the Company in all prospective dividend payouts of the Company, if any.

### **Exemption from Deduction of Income Tax / Zakat**

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

# Form of Proxy

## 65<sup>th</sup> Annual General Meeting

I / We \_\_\_\_\_

of \_\_\_\_\_

being member(s) of ICI Pakistan Limited holding \_\_\_\_\_

ordinary shares hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him / her \_\_\_\_\_

of \_\_\_\_\_ who is / are also member(s) of ICI Pakistan Limited as my/our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the Sixty-Fifth Annual General Meeting of the Company to be held on October 25, 2016 and at any adjournment thereof.

As witness my / our hand / seal this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signed by the said \_\_\_\_\_

in the presence of 1. \_\_\_\_\_

2. \_\_\_\_\_

Folio / CDC Account No.

Signature

This signature should agree with the specimen registered with the Company.

### Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, ICI House, 5 West Wharf, Karachi, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

### For CDC Account Holders / Corporate Entities:

In addition to the above the following requirements have to be met:

- i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC / SNIC (Computer National Identity Card / Smart National Identity Card) numbers shall be mentioned on the form.
- ii) Attested copies of CNIC / SNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his original CNIC / SNIC or original passport at the time of the meeting.
- iv) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

**The Company Secretary  
ICI Pakistan Limited  
ICI House  
5 West Wharf  
Karachi-74000**

Affix  
Correct  
Postage



**ICI PAKISTAN LTD.**

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# ICI Pakistan Limited and its Subsidiary Company Consolidated Financial Statements

# Report of the Directors

for the year Ended June 30, 2016

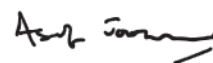
The Directors are pleased to present their report together with the audited Group results of ICI Pakistan Limited for the year ended June 30, 2016. The ICI Pakistan Group comprises of ICI Pakistan Limited and ICI Pakistan PowerGen Limited (PowerGen), a wholly owned subsidiary.

The Directors' report, providing a commentary on the performance of ICI Pakistan Limited for the year ended June 30, 2016 has been presented separately.

Net turnover of PowerGen for the year stands at PKR 389 million which is 45% lower than the corresponding period last year. This was mainly due to 27% lower electricity sales on the back of lower demand from the Polyester plant of ICI Pakistan Limited after the commissioning of its own steam and power project. Additionally, 47% drop in fuel prices over the SPLY also contributed to lower net turnover. As a result, the operating profit declined by 19% compared to the corresponding period last year (PKR 91 million versus PKR 112 million in the SPLY).



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive

Dated: August 30, 2016

Karachi

# Auditors' Report to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **ICI Pakistan Limited** (the Holding Company) and its subsidiary company (together referred to as Group) as at **30 June 2016** and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of the Holding Company and its subsidiary company namely ICI Pakistan PowerGen Limited. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Holding Company and its subsidiary company as at **30 June 2016** and the results of their operations for the year then ended.

Date: August 30, 2016

Karachi



E&Y Ford Rhodes  
Chartered Accountants  
Shariq Ali Zaidi

# Consolidated Balance Sheet

As at June 30, 2016

Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	<b>17,164,769</b>	14,388,924
Intangible assets	4	<b>16,460</b>	28,318
		<b>17,181,229</b>	14,417,242
Long-term investments	5	<b>963,667</b>	774,724
Long-term loans	6	<b>357,637</b>	326,515
Long-term deposits and prepayments	7	<b>33,594</b>	30,777
		<b>1,354,898</b>	1,132,016
		<b>18,536,127</b>	15,549,258
<b>Current assets</b>			
Stores, spares and consumables	8	<b>861,544</b>	709,198
Stock-in-trade	9	<b>5,317,357</b>	4,943,409
Trade debts	10	<b>1,640,067</b>	1,431,094
Loans and advances	11	<b>392,362</b>	325,259
Trade deposits and short-term prepayments	12	<b>430,649</b>	413,250
Other receivables	13	<b>804,400</b>	984,272
Taxation - net		<b>2,234,248</b>	2,054,870
Cash and bank balances	14	<b>258,962</b>	120,447
		<b>11,939,589</b>	10,981,799
<b>Total assets</b>		<b>30,475,716</b>	26,531,057



Amounts in PKR '000

	Note	June 30, 2016	June 30, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
1,500,000,000 (June 30, 2015: 1,500,000,000) ordinary shares of PKR 10 each		<b>15,000,000</b>	15,000,000
Issued, subscribed and paid-up capital	15	<b>923,591</b>	923,591
Capital reserves	16	<b>309,643</b>	309,643
Unappropriated profit		<b>13,341,517</b>	11,755,187
<b>Total equity</b>		<b>14,574,751</b>	12,988,421
<b>Surplus on revaluation of property, plant and equipment</b>	17	<b>995,330</b>	722,369
<b>Non-current liabilities</b>			
Provisions for non-management staff gratuity	18	<b>90,867</b>	87,422
Long-term loans	19	<b>3,652,586</b>	1,493,943
Deferred tax liability - net	20	<b>1,430,789</b>	1,181,167
		<b>5,174,242</b>	2,762,532
<b>Current liabilities</b>			
Trade and other payables	21	<b>7,322,763</b>	7,212,275
Accrued mark-up		<b>77,663</b>	56,658
Short-term borrowings and running finance	22	<b>1,937,184</b>	1,833,247
Current portion of long-term loans		<b>393,783</b>	955,555
		<b>9,731,393</b>	10,057,735
<b>Total equity and liabilities</b>		<b>30,475,716</b>	26,531,057
<b>Contingencies and commitments</b>	23		

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

  
**Muhammad Sohail Tabba**  
Chairman / Director

  
**Asif Jooma**  
Chief Executive

  
**Muhammad Abid Ganatra**  
Chief Financial Officer

# Consolidated Profit and Loss Account

For the year ended June 30, 2016

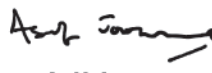
Amounts in PKR '000

	Note	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>Turnover</b>	25.1	<b>42,755,505</b>	42,714,445
Sales tax, commission and discounts	24	<b>(5,801,068)</b>	(5,199,116)
Net turnover		<b>36,954,437</b>	37,515,329
Cost of sales	25.2	<b>(30,382,757)</b>	(31,611,583)
<b>Gross profit</b>		<b>6,571,680</b>	5,903,746
Selling and distribution expenses	27	<b>(2,118,142)</b>	(1,781,989)
Administration and general expenses	28	<b>(882,030)</b>	(963,890)
<b>Operating result</b>		<b>3,571,508</b>	3,157,867
Other charges	29	<b>(291,692)</b>	(244,838)
Finance costs	30	<b>(384,245)</b>	(403,568)
		<b>(675,937)</b>	(648,406)
Other income	31	<b>83,919</b>	142,415
Share of profit from an associate	5	<b>407,318</b>	202,224
<b>Profit before taxation</b>		<b>3,386,808</b>	2,854,100
Taxation	32	<b>(656,987)</b>	(577,786)
<b>Profit after taxation</b>		<b>2,729,821</b>	2,276,314
<b>Basic and diluted earnings per share (PKR)</b>	33	<b>29.56</b>	24.65

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



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

# Consolidated Statement of Comprehensive Income

For the year ended June 30, 2016

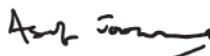
Amounts in PKR '000

	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>Profit after taxation</b>	<b>2,729,821</b>	2,276,314
Items to be reclassified to profit or loss in subsequent periods:		
Loss on hedge during the year	(2,285)	(461)
Income tax relating to hedging reserve	731	128
	(1,554)	(333)
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress	1,554	333
	-	-
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial (loss) / gain on defined benefit plans	(18,030)	167,444
Income tax effect	4,070	(49,811)
	(13,960)	117,633
<b>Total comprehensive income for the year</b>	<b>2,715,861</b>	2,393,947

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



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

# Consolidated Cash Flow Statement

For the year ended June 30, 2016

Amounts in PKR '000

	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>Cash flows from operating activities</b>		
Profit before taxation	3,386,808	2,854,100
Adjustments for:		
Depreciation and amortisation - note 3.5 and 4.1	1,954,311	1,710,131
Loss / (gain) on disposal of operating fixed assets - note 29 and 31	2,701	(5,532)
Provision for staff retirement benefit plan - note 18.1.1	26,084	38,423
Provisions for non-management staff gratuity and eligible retired employees' medical scheme	32,450	11,675
Interest on short-term bank deposits	(8,151)	(649)
Dividend from investment in equity shares - note 31	-	(40,000)
Share of profit from associate - note 5	(407,318)	(202,224)
Interest expense	324,240	354,854
Provision for doubtful debts - note 40.6	10,190	26,195
Provision for slow moving and obsolete stock-in-trade - note 9.1	22,254	36,000
Provision for slow moving stores and spares - note 8.2	4,060	15,044
Provisions and accruals no longer required written back - note 31	(369)	(9,936)
	5,347,260	4,788,081
Movement in:		
Working capital (Ref. 1)	(284,954)	268,948
Long-term loans	(31,122)	(69,990)
Long-term deposits and prepayments	(2,818)	(2,935)
Cash generated from operations	5,028,366	4,984,104
Payments for :		
Staff retirement benefit plans - note 18.1.2	(65,683)	(60,787)
Non-management staff gratuity and eligible retired employees' medical scheme	(29,677)	(24,419)
Taxation	(709,498)	(824,476)
Interest	(303,234)	(357,904)
<b>Net cash generated from operating activities</b>	<b>3,920,274</b>	<b>3,716,518</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	(4,525,879)	(3,778,146)
Proceeds from disposal of operating fixed assets	11,010	11,995
Interest received on bank deposits	6,754	649
Investment in associate	(240,000)	(720,000)
Dividend from investment in equity shares	-	40,000
Dividend from associate	458,375	150,000
<b>Net cash used in investing activities</b>	<b>(4,289,740)</b>	<b>(4,295,502)</b>

Amounts in PKR '000

	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>Cash flows from financing activities</b>		
Long-term loans obtained / (repaid)	1,596,871	(737,529)
Dividends paid	(1,192,827)	(817,123)
<b>Net cash generated from / (used in) financing activities</b>	<b>404,044</b>	<b>(1,554,652)</b>
Net increase / (decrease) in cash and cash equivalents	34,578	(2,133,636)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(1,712,800)</b>	<b>420,836</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>(1,678,222)</b>	<b>(1,712,800)</b>

**Ref. 1: Movement in working capital**

**(Increase) / decrease in current assets**

Stores, spares and consumables	(156,406)	(106,574)
Stock-in-trade	(396,202)	(372,191)
Trade debts	(219,163)	(573,579)
Loans and advances	(66,734)	(122,280)
Trade deposits and short-term prepayments	5,747	(12)
Other receivables	181,269	504,413
	<b>(651,489)</b>	<b>(670,223)</b>

**Increase in current liabilities**

Trade and other payables	366,535	939,171
	<b>(284,954)</b>	<b>268,948</b>

**Cash and cash equivalents at the end of the year comprise of:**

Cash and bank balances - note 14	258,962	120,447
Short-term borrowings and running finance - note 22	(1,937,184)	(1,833,247)
	<b>(1,678,222)</b>	<b>(1,712,800)</b>

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

  
**Muhammad Sohail Tabba**  
Chairman / Director

  
**Asif Jooma**  
Chief Executive

  
**Muhammad Abid Ganatra**  
Chief Financial Officer

# Consolidated Statement of Changes in Equity

For the year ended June 30, 2016

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total
<b>As at July 01, 2014</b>	<b>923,591</b>	<b>309,643</b>	<b>10,125,694</b>	<b>11,358,928</b>
Final dividend for the year ended June 30, 2014 @ PKR 4.00 per share	-	-	(369,436)	(369,436)
Interim dividend for the year ended June 30, 2015 @ PKR 5.00 per share	-	-	(461,796)	(461,796)
	-	-	<b>(831,232)</b>	<b>(831,232)</b>
Profit for the year	-	-	2,276,314	2,276,314
Other comprehensive income for the year, net of tax	-	-	117,633	117,633
<b>Total comprehensive income</b>	-	-	<b>2,393,947</b>	<b>2,393,947</b>
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 17	-	-	66,778	66,778
	-	-	<b>66,778</b>	<b>66,778</b>
<b>As at June 30, 2015</b>	<b>923,591</b>	<b>309,643</b>	<b>11,755,187</b>	<b>12,988,421</b>
Final dividend for the year ended June 30, 2015 @ PKR 6.50 per share	-	-	(600,337)	(600,337)
Interim dividend for the year ended June 30, 2016 @ PKR 6.50 per share	-	-	(600,337)	(600,337)
	-	-	<b>(1,200,674)</b>	<b>(1,200,674)</b>
Profit for the year	-	-	2,729,821	2,729,821
Other comprehensive income for the year, net of tax	-	-	(13,960)	(13,960)
<b>Total comprehensive income</b>	-	-	<b>2,715,861</b>	<b>2,715,861</b>
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 17	-	-	71,143	71,143
	-	-	<b>71,143</b>	<b>71,143</b>
<b>As at June 30, 2016</b>	<b>923,591</b>	<b>309,643</b>	<b>13,341,517</b>	<b>14,574,751</b>

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

  
**Muhammad Sohail Tabba**  
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**Asif Jooma**  
Chief Executive

  
**Muhammad Abid Ganatra**  
Chief Financial Officer



# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

## 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 Pakistan Stock Exchange.

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 merchandising 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.

## 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 (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

### 2.2 Basis of preparation

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

- certain classes of property, plant and equipment (i.e. freehold land, buildings on freehold and leasehold land and plant and machinery) have been measured at revalued amounts; and
- provision for management staff gratuity, non-management staff gratuity and eligible retired employees' medical scheme are stated at present value.

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.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

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.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies.

The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. The financial statements of the associate are prepared for the same reporting period as the Group.

## 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 profit.

## 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 Investments

Investments that are stated at available for sale are measured at fair value plus directly attributable transaction costs. For investments traded in active market, fair value is determined by reference to quoted market price and the investments for which a quoted market price is not available, or the fair value cannot be reasonably calculated, are measured at cost, subject to impairment review at each balance sheet date.



## **2.7 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 up to the balance sheet date.

## **2.8 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 up to the balance sheet date.

## **2.9 Trade debts and other receivables**

Trade debts and other receivables are recognised at original invoice amount less provision for doubtful debts and other receivables, if any. A provision for doubtful debts 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). Bad Debts are written off when identified.

## **2.10 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.

The Subsidiary's profits and gains derived from power generation are exempt from tax under clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 and are also exempt from turnover tax under clause 11A of Part IV of the Second Schedule of the Income Tax Ordinance, 2001.

### **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.

## **2.11 Cash and cash equivalents**

Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks. Short term 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.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

## 2.12 Impairment

### Financial assets

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.

## 2.13 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on revaluation of property, plant and equipment" 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 property plant and equipment" account to unappropriated profit / loss through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

## 2.14 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 termination 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 accrual for compensated absences in respect of employees for which these are earned up to the balance sheet date. The accrual has been recognized on the basis of actuarial valuation.

## **2.15 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) and Ijarah contracts are charged to the profit and loss account on a straight-line basis over the period of the lease.

## **2.16 Trade and other payables**

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

## **2.17 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.

## **2.18 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.

## **2.19 Financial liabilities**

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

## **2.20 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 re-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



# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

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 PKR '000

	As at June 30, 2016	As at June 30, 2015
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### 3 Property, plant and equipment

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

Operating fixed assets - note 3.2	16,001,818	12,713,226
Capital work-in-progress - note 3.7	1,162,951	1,675,698
	<b>17,164,769</b>	<b>14,388,924</b>

3.2 The following is a statement of operating fixed assets:

	Land		Lime beds	Buildings		Plant and	Railway	Rolling	Furniture	Total
	Freehold	Leasehold	on freehold land	On freehold land	On leasehold land	machinery	sidings	stock and vehicles	and equipment	
	Note 3.3			Note 3.3		Note 3.3 & 3.4				
As at June 30, 2016										
Net carrying value basis										
Opening net book value (NBV)	468,308	-	123,116	736,692	1,144,223	10,020,066	-	22,826	197,995	12,713,226
Addition / transfer - note 3.2.1	22,713	-	92,052	42,856	832,025	3,704,592	-	4,347	65,516	4,764,101
Revaluation	28,697	-	13,842	7,132	82,529	338,732	-	-	-	470,932
Disposal (at NBV)	-	-	(39)	-	(6,966)	(5,665)	-	(622)	(420)	(13,712)
Depreciation charge - note 3.5	-	-	(13,566)	(71,257)	(121,985)	(1,650,664)	-	(11,093)	(64,164)	(1,932,729)
Closing net book value	519,718	-	215,405	715,423	1,929,826	12,407,061	-	15,458	198,927	16,001,818
Gross carrying value basis										
Cost / Revaluation	519,718	562,166	359,553	3,037,044	3,088,418	29,535,206	297	127,628	708,073	37,938,103
Accumulated depreciation	-	(562,166)	(144,148)	(2,321,621)	(1,158,592)	(17,128,145)	(297)	(112,170)	(509,146)	(21,936,285)
Closing net book value	519,718	-	215,405	715,423	1,929,826	12,407,061	-	15,458	198,927	16,001,818
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 50	3 to 33.33	3.33 to 50	3.33	10 to 33.33	10 to 50	

As at June 30, 2015

<b>Net carrying value basis</b>										
Opening net book value (NBV)	438,021	-	133,860	276,361	1,080,087	8,806,800	-	26,402	147,015	10,908,546
Addition / transfer - note 3.2.1	30,287	-	923	518,661	168,800	2,638,808	-	9,435	108,792	3,475,706
Disposal (at NBV)	-	-	-	-	(387)	(5,731)	-	-	(345)	(6,463)
Depreciation charge - note 3.5	-	-	(11,667)	(58,330)	(104,277)	(1,419,811)	-	(13,011)	(57,467)	(1,664,563)
Closing net book value	468,308	-	123,116	736,692	1,144,223	10,020,066	-	22,826	197,995	12,713,226
<b>Gross carrying value basis</b>										
Cost / Revaluation	468,308	562,166	251,479	2,980,324	2,167,867	25,391,316	297	126,369	656,433	32,604,559
Accumulated depreciation	-	(562,166)	(128,363)	(2,243,632)	(1,023,644)	(15,371,250)	(297)	(103,543)	(458,438)	(19,891,333)
Closing net book value	468,308	-	123,116	736,692	1,144,223	10,020,066	-	22,826	197,995	12,713,226
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 50	3 to 33.33	3.33 to 50	3.33	10 to 33.33	10 to 50	

3.2.1 Additions to plant and machinery include transfer from capital work-in-progress.

It also includes borrowing cost for various projects determined using capitalization rate of 6.00% (June 30, 2015: 9.20%) amounting to:

**132,085** 109,705

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
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**3.2.2** Operating fixed assets include the following major spare parts and stand by equipment:

Cost	403,142	387,758
Net book value	161,208	182,247

**3.3** Subsequent to revaluation on October 1, 1959, September 30, 2000, December 15, 2006 and December 31, 2011 which had resulted in a surplus of PKR 14.207 million, PKR 1,569.869 million, PKR 704.752 million and PKR 848.191 million respectively as at June 30, 2016, further revaluation was conducted resulting in revaluation surplus net of deferred tax liability of PKR 340.721 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 equipment held with Searle Pakistan Limited, Breeze Pharmaceutical Limited and Maple Pharmaceutical (Private) Limited (toll manufacturers) are as follows:

	As at June 30, 2016	As at June 30, 2015
Cost	8,111	8,111
Net book value	4,168	4,900

	For the year ended June 30, 2016	For the year ended June 30, 2015
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**3.5** The depreciation charge for the year has been allocated as follows:

Cost of sales	1,875,991	1,606,541
Selling and distribution expenses	20,862	15,015
Administration and general expenses	35,876	43,007
	1,932,729	1,664,563

**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:

	As at June 30, 2016	As at June 30, 2015
<b>Net book value</b>		
Freehold land	191,741	169,028
Buildings	2,419,060	1,744,387
Plant and machinery	11,655,622	9,607,359
	14,266,423	11,520,774

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>3.7</b> Capital work-in-progress comprises of:		
Civil works and buildings	<b>443,249</b>	327,797
Plant and machinery	<b>529,187</b>	857,665
Miscellaneous equipment	<b>28,825</b>	88,840
Advances to suppliers / contractors	<b>70,571</b>	353,678
Designing, consultancy and engineering fee	<b>91,119</b>	47,718
	<b>1,162,951</b>	1,675,698

This includes interest charged in respect of long-term loans obtained for various projects determined using capitalization rate of 5.48% (June 30, 2015: 8.83%) amounting to:

**5,498** 30,873

**3.7.1** The following is the movement in capital work-in-progress during the year:

Balance at the beginning of the year	<b>1,675,698</b>	899,956
Addition during the year	<b>4,183,927</b>	4,216,538
	<b>5,859,625</b>	5,116,494
Transferred to operating fixed assets during the year	<b>(4,696,674)</b>	(3,440,796)
Balance at the end of the year	<b>1,162,951</b>	1,675,698

**3.8** Details of operating fixed assets disposals having net book value in excess of PKR 50,000 are as follows:

As at June 30, 2016						
	Mode of sale	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyers
<b>Plant and machinery</b>						
65 KTPA plant, sodium bicarbonate plant and commissioning cost	Scrap	27,813	23,967	4,859	644	Ghourri Scrap Dealer Mandi Bahauddin
<b>Building on leasehold land</b>						
Infrastructure refurbishment	Bidding	14,261	7,545	6,716	1,020	Awan Brothers Karimpura, Khewra and Ghourri Scrap Dealer Mandi Bahauddin
<b>Furniture and equipments</b>						
HP server for PIII and IBM	Scrap	5,824	5,534	290	320	M/s Sh. Auyoub, Sheikhpura
<b>Rolling stock &amp; vehicles</b>						
Fleet car	Auction	622	-	622	4,615	Syed Nadeem Raza Ali. Karachi
As at June 30, 2015						
<b>Plant and machinery</b>						
Boiler, Deaerator and other assets	Scrap	48,370	44,614	3,756	2,124	Hanif Ghourri Malakwal Distt Mandi Bahauddin
<b>Building on leasehold land</b>						
Old quarter's doors and windows	Bidding	499	288	211	89	Anjum Wood Craft Khewra
<b>Furniture and Equipments</b>						
Dell Laptops	Insurance Claim	250	107	143	155	PICIC Insurance



# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

## 4 Intangible assets

	As at June 30, 2016		
	Software	Licenses	Total
<b>Net carrying value basis</b>			
Opening net book value (NBV)	1,980	26,338	28,318
Addition / transfer	6,096	3,628	9,724
Amortisation charge - note 4.1	(1,546)	(20,036)	(21,582)
Closing net book value	6,530	9,930	16,460
<b>Gross carrying amount</b>			
Cost	179,407	200,674	380,081
Accumulated amortisation	(172,877)	(190,744)	(363,621)
Closing net book value	6,530	9,930	16,460
Rate of amortisation % per annum	20	20 to 50	
<b>Net carrying value basis</b>			
Opening net book value (NBV)	10,368	53,893	64,261
Addition / transfer	1,124	8,501	9,625
Amortisation charge - note 4.1	(9,512)	(36,056)	(45,568)
Closing net book value	1,980	26,338	28,318
<b>Gross carrying amount</b>			
Cost	173,311	197,046	370,357
Accumulated amortisation	(171,331)	(170,708)	(342,039)
Closing net book value	1,980	26,338	28,318
Rate of amortisation % per annum	20	20 to 50	
	<b>For the year ended June 30, 2016</b>	<b>For the year ended June 30, 2015</b>	

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

Cost of sales	4,491	14,219
Selling and distribution expenses	2,632	4,649
Administration and general expenses	14,459	26,700
	<b>21,582</b>	45,568
	<b>As at June 30, 2016</b>	As at June 30, 2015

## 5 Long-term investments

### Unquoted - at equity method

#### Associate

- NutriCo Pakistan (Private) Limited 40% ownership (June 30, 2015: 30%) - note 5.1
- 200,000 ordinary shares (June 30, 2015: 125,000 shares) of PKR 1,000 each and premium of PKR 3,800 (June 30, 2015: PKR 4,760) per share

Post acquisition profits at the beginning

Share of profit for the period

Dividend received

Carrying Value of Associate

960,000 720,000

52,224 -

407,318 202,224

(458,375) (150,000)

961,167 772,224

### Others

Equity security available-for-sale

- Arabian Sea Country Club Limited

250,000 ordinary shares (June 30, 2015: 250,000) of PKR 10 each

2,500 2,500

963,667 774,724

### 5.1 During the year, the Group invested remaining PKR 240 million against right issue in NutriCo Pakistan (Private) Limited upon approval of shareholders in EOGM resulting in increase in shareholding from 30% to 40% effective from April 01, 2016. NutriCo Pakistan (Private) Limited is involved in marketing and distribution of infant milk and nutritional products.



Amounts in PKR '000

	As at June 30, 2016 (Unaudited)	As at June 30, 2015 (Audited)		
<b>5.2</b> The summary of financial information of associate as at the balance sheet date is as follows:				
Total assets	4,102,643	3,796,843		
Total liabilities	1,699,730	1,362,569		
Total equity and reserves	2,402,913	2,434,274		
Total revenue	6,670,513	4,921,867		
Profit for the year	1,194,182	1,019,982		
	As at June 30, 2016	As at June 30, 2015		
<b>6 Long-term loans</b>				
<b>Considered good</b>				
Due from executives and employees - note 6.1	357,637	326,515		
<b>6.1 Due from executives and employees</b>				
	Motor car	House building	Total	Total
Due from executives - note 6.2, 6.3 and 6.4	223,277	59,017	282,294	245,541
Receivable within one year	(35,663)	(33,028)	(68,691)	(53,412)
	187,614	25,988	213,603	192,129
Due from employees - note 6.3			178,458	166,687
Receivable within one year			(34,424)	(32,301)
			144,034	134,386
			357,637	326,515
Outstanding for period:				
- less than three years but over one year			275,356	126,193
- more than three years			82,281	200,322
			357,637	326,515
<b>6.2 Reconciliation of the carrying amount of loans to executives:</b>				
Balance at the beginning of the year			245,541	205,011
Disbursements during the year			124,213	108,154
Received during the year			(87,460)	(67,624)
Balance at the end of the year			282,294	245,541
<b>6.3</b> 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 Group, in accordance with their terms of employment.				
<b>6.4</b> The maximum aggregate amount of loans due from the executives at the end of any month during the year:			301,495	245,541
<b>7 Long-term deposits and prepayments</b>				
Deposits			28,209	27,323
Prepayments			5,385	3,454
			33,594	30,777

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>8 Stores, spares and consumables</b>		
Stores - note 8.1	100,558	60,745
Spares - note 8.1	807,960	728,722
Consumables	121,244	108,978
	<b>1,029,762</b>	898,445
Provision for slow moving and obsolete stores and spares - note 8.2	<b>(168,218)</b>	(189,247)
	<b>861,544</b>	709,198
<b>8.1</b> The above amounts include stores and spares in transit:	<b>70,287</b>	32,440
<b>8.2</b> Movement of provision for slow moving and obsolete stores and spares is as follows:		
Balance at the beginning of the year	189,247	205,435
Charge for the year - note 28	4,060	15,044
Write off during the year	(25,089)	(31,232)
Balance at the end of the year	<b>168,218</b>	189,247
<b>9 Stock-in-trade</b>		
Raw and packing material include in-transit PKR 818.525 million (June 30, 2015: PKR 433.803 million) - note 9.3	2,290,108	2,092,026
Work-in-process	140,179	96,034
Finished goods include in-transit PKR Nil (June 30, 2015: PKR 348.217 million)	3,019,011	2,882,416
	<b>5,449,298</b>	5,070,476
Provision for slow moving and obsolete stock-in-trade - note 9.1		
- Raw materials	(11,381)	(13,659)
- Finished goods	(120,560)	(113,408)
	<b>(131,941)</b>	(127,067)
	<b>5,317,357</b>	4,943,409
<b>9.1</b> Movement of provision for slow moving and obsolete stock-in-trade is as follows:		
Balance at the beginning of the year	127,067	97,708
Charge for the year - note 28	22,254	36,000
Write-off for the year	(17,380)	(6,641)
Balance at the end of the year	<b>131,941</b>	127,067
<b>9.2</b> Stock amounting to PKR 338.822 million (June 30, 2015: PKR 498.295 million) is measured at net realisable value and expense amounting to PKR 10.999 million (June 30, 2015: PKR 9.465 million) has been charged to cost of sales.		
<b>9.3</b> Raw and packing materials held with various toll manufacturers:	<b>242,400</b>	556,110

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>10 Trade debts</b>		
<b>Considered good</b>		
- Secured	354,531	168,723
- Unsecured	1,579,315	1,474,018
	<b>1,933,846</b>	1,642,741
<b>Considered doubtful</b>	<b>43,955</b>	40,987
	<b>1,977,801</b>	1,683,728
Provision for:		
- Doubtful debts - note 40.4 and 40.6	(43,955)	(40,987)
- Discounts payable on sales	(293,779)	(211,647)
	<b>(337,734)</b>	(252,634)
	<b>1,640,067</b>	1,431,094

**10.1** The above balances include amounts due from the following associated undertakings which are neither past due nor impaired:

<b>Unsecured</b>		
Yunus Textile Mills Limited	179	15,190
Lucky Textile Mills Limited	948	4,231
Lucky Knits (Private) Limited	472	499
Oil & Gas Development Company Limited	14	-
NutriCo Pakistan (Private) Limited	2,393	11,095
Feroze1888 Mills Limited	331	377
	<b>4,337</b>	31,392

## 11 Loans and advances

<b>Considered good</b>		
Loans due from:		
Director and executives - note 11.1	82,157	59,729
Employees	34,424	32,301
	<b>116,581</b>	92,030
Advances to:		
Executives	10,768	8,283
Employees	491	319
Contractors and suppliers	261,572	219,979
Others	2,950	4,648
	<b>275,781</b>	233,229
	<b>392,362</b>	325,259
<b>Considered doubtful</b>	-	-
	<b>392,362</b>	325,259
Provision for doubtful loans and advances - note 40.4 and 40.6	-	-
	<b>392,362</b>	325,259

**11.1** The maximum aggregate amount of loans due at the end of any month during the year from:

Directors	14,142	9,315
Executives	68,691	12,565

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>12 Trade deposits and short-term prepayments</b>		
Trade deposits	<b>38,001</b>	28,399
Short-term prepayments	<b>392,648</b>	384,851
	<b>430,649</b>	413,250

## 13 Other receivables

### Considered good

Duties, sales tax and octroi refunds due	<b>520,981</b>	373,717
Commission receivable	<b>28,046</b>	25,002
Receivable from principal - note 13.1	<b>184,950</b>	483,504
Others	<b>70,423</b>	102,049
	<b>804,400</b>	984,272
<b>Considered doubtful</b>	<b>1,622</b>	1,622
	<b>806,022</b>	985,894
Provision for doubtful receivables - note 13.2	<b>(1,622)</b>	(1,622)
	<b>804,400</b>	984,272

**13.1** This includes receivable from a foreign vendor in relation to margin support guarantee: **118,528** 401,706

### 13.2 Movement of provision for doubtful receivables

Balance at the beginning of the year	<b>1,622</b>	20,237
Write-off during the year	-	(18,615)
Balance at the end of the year	<b>1,622</b>	1,622

## 14 Cash and bank balances

Cash at bank:		
- Short-term deposits - note 14.1	<b>247,878</b>	106,000
- Current accounts	<b>4,696</b>	9,046
Cash in hand	<b>6,388</b>	5,401
	<b>258,962</b>	120,447

**14.1** Represent security deposits from customer that are placed with various banks at pre-agreed rate maturing at various dates. These are interest based arrangements. The mark-up on these deposits ranging from 6.00% to 7.00% (June 30, 2015: 10.00%) and these term deposits are readily encashable without any penalty.

Amounts in PKR '000

As at June 30, 2016 (Numbers)	As at June 30, 2015		As at June 30, 2016	As at June 30, 2015
<b>15 Issued, subscribed and paid-up capital</b>				
<b>83,734,062</b>	83,734,062	Ordinary shares of PKR 10 each fully paid in cash	<b>837,341</b>	837,341
<b>211,925</b>	211,925	Ordinary shares of PKR 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation - (note 15.1)	<b>2,119</b>	2,119
<b>16,786</b>	16,786	Ordinary shares of PKR 10 each issued as fully paid bonus shares	<b>168</b>	168
<b>8,396,277</b>	8,396,277	Ordinary shares issued pursuant to the previous scheme as fully paid for consideration of investment in associate (note 15.2)	<b>83,963</b>	83,963
<b>92,359,050</b>	<b>92,359,050</b>		<b>923,591</b>	<b>923,591</b>

- 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 01, 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 dated December 12, 2000 approved by the shareholders and sanctioned by the High Court of Sindh.
- 15.3** As at June 30, 2016, Lucky Holdings Limited together with Gadoon Textile Mills and Lucky Textile Mills Limited held 86.67% (June 30, 2015: 86.72%) shares while institutions held 8.25% and individuals and others held the balance of 5.08%.

## **16 Capital reserves**

Share premium - note 16.1	<b>309,057</b>	309,057
Capital receipts - note 16.2	<b>586</b>	586
	<b>309,643</b>	309,643

- 16.1** Share premium includes the premium amounting to PKR 0.902 million received on shares issued for the Company's Polyester Plant installation in 1980 and share premium of PKR 464.357 million representing the difference between nominal value of PKR 10 per share of 12,618,391 ordinary shares issued by the Company and the market value of PKR 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.
- 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.



# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>17 Surplus on revaluation of property, plant and equipment</b>		
Balance at the beginning of the year	722,369	784,517
Revaluation surplus - note 3.2 & 3.3	470,929	-
Deferred tax liability recognised on surplus - note 20	(130,207)	-
	340,722	-
Adjustment due to change in tax rate - note 20.1	3,382	4,630
Transferred to unappropriated profit in respect of incremental depreciation during the year - net of deferred tax	(71,143)	(66,778)
Balance at the end of the year	995,330	722,369

<b>18 Provisions for non-management staff gratuity</b>	<b>90,867</b>	<b>87,422</b>
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## 18.1 Staff retirement benefits

	2016				2015			
	Pension	Funded Gratuity	Unfunded Total		Pension	Funded Gratuity	Unfunded Total	
<b>18.1.1 The amounts recognised in the profit and loss account against defined benefit schemes are as follows:</b>								
Current service cost	16,554	38,832	55,386	3,389	16,808	37,678	54,486	3,250
Interest cost	85,424	52,368	137,792	7,661	113,592	69,378	182,970	9,455
Expected return on plan assets	(123,707)	(44,814)	(168,521)	-	(152,025)	(48,038)	(200,063)	-
Past service cost / (reversal)	-	1,427	1,427	(1,427)	-	1,030	1,030	(1,030)
Net (reversal) / charge for the year	(21,729)	47,813	26,084	9,623	(21,625)	60,048	38,423	11,675
<b>Other comprehensive income:</b>								
Loss / (gain) on obligation	54,496	28,629	83,125	1,579	16,941	(33,989)	(17,048)	3,448
(Gain) on plan assets	(43,712)	(22,962)	(66,674)	-	(104,216)	(49,628)	(153,844)	-
Net (gain) / loss	10,784	5,667	16,451	1,579	(87,275)	(83,617)	(170,892)	3,448

## 18.1.2 Movement in the net assets / (liability) recognised in the balance sheet are as follows:

Opening balance	410,328	(112,378)	297,950	(87,422)	301,428	(196,734)	104,694	(78,081)
Net reversal / (charge) - note 18.1.1	21,729	(47,813)	(26,084)	(9,623)	21,625	(60,048)	(38,423)	(11,675)
Other comprehensive income / (loss)	(10,784)	(5,667)	(16,451)	(1,579)	87,275	83,617	170,892	(3,448)
Contributions / payments during the year	-	65,683	65,683	7,757	-	60,787	60,787	5,782
Closing balance	421,273	(100,175)	321,098	(90,867)	410,328	(112,378)	297,950	(87,422)

## 18.1.3 The amounts recognised in the balance sheet are as follows:

Fair value of plan assets - note 18.1.5	1,453,265	556,791	2,010,056	-	1,365,979	471,628	1,837,607	-
Present value of defined benefit obligation - note 18.1.4	(1,031,992)	(656,966)	(1,688,958)	(90,867)	(955,651)	(584,006)	(1,539,657)	(87,422)
Net asset / (liability)	421,273	(100,175)	321,098	(90,867)	410,328	(112,378)	297,950	(87,422)

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

## 18.1.4 Movement in the present value of defined benefit obligation:

Opening balance	955,651	584,006	1,539,657	87,422	973,534	576,305	1,549,839	78,081
Current service cost	16,554	38,832	55,386	3,389	16,808	37,678	54,486	3,250
Interest cost	85,424	52,368	137,792	7,661	113,592	69,378	182,970	9,455
Benefits paid	(80,133)	(48,296)	(128,429)	(7,757)	(165,224)	(66,396)	(231,620)	(5,782)
Actuarial loss / (gain)	54,496	28,629	83,125	1,579	16,941	(33,989)	(17,048)	3,448
Past service cost / (reversal)	-	1,427	1,427	(1,427)	-	1,030	1,030	(1,030)
Closing balance	1,031,992	656,966	1,688,958	90,867	955,651	584,006	1,539,657	87,422

Amounts in PKR '000

	2016				2015		
	Pension	Funded	Unfunded		Pension	Funded	Unfunded
		Gratuity	Total			Gratuity	Total
<b>18.1.5 Movement in the fair value of plan assets:</b>							
Opening balance	1,365,979	471,628	1,837,607	-	1,274,962	379,571	1,654,533
Expected return	123,707	44,814	168,521	-	152,025	48,038	200,063
Contributions	-	65,683	65,683	-	-	60,787	60,787
Benefits paid	(80,133)	(48,296)	(128,429)	-	(165,224)	(66,396)	(231,620)
Actuarial gain	43,712	22,962	66,674	-	104,216	49,628	153,844
Closing balance - note 18.1.7	1,453,265	556,791	2,010,056	-	1,365,979	471,628	1,837,607

18.1.6 Historical information	June 30				December 31	
	2016	2015	2014	2013	2012	
Present value of defined benefit obligation	1,779,825	1,627,079	1,627,920	1,700,226	2,264,010	
Fair value of plan assets	(2,010,056)	(1,837,607)	(1,654,533)	(1,655,974)	(1,509,900)	
Net (asset) / liability	(230,231)	(210,528)	(26,613)	44,252	754,110	

18.1.7 Major categories / composition of plan assets are as follows:	2016	2015
Debt instruments	72.34%	77.01%
Equity at market value	26.94%	23.36%
Cash / Others	0.72%	-0.37%

Fair value of plan asset	Pension	Gratuity	Pension	Gratuity
	As at June 30, 2016	As at June 30, 2015	As at June 30, 2015	As at June 30, 2015
<b>Investment</b>				
National savings deposits	256,738	17,051	262,604	15,580
Government bonds	852,610	327,732	820,415	310,846
Mutual Funds	60,873	38,750	-	-
Corporate bonds	-	-	-	5,777
Shares	274,215	167,694	285,632	143,569
Cash	8,829	12,452	4,807	1,454
Benefits due	-	(6,888)	(7,479)	(5,598)
Total	1,453,265	556,791	1,365,979	471,628

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.

Actual return on plan assets during the year: 239,346 206,290

2016 2015

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

Discount rate	7.75%	9.33%
Future salary increases - Management	5.75%	7.25%
Future salary increases - Non - Management	3.25%	4.67%
Future pension increases	2.50%	4.00%

#### 18.1.9 Impact of changes in assumptions on defined benefit scheme is as follows:

Assumption	1% Increase	1% Decrease
Discount rate	(90,986)	102,009
Salary increase	68,684	(62,440)
Pension increase	34,504	(31,154)
	As at June 30, 2016 (Unaudited)	As at June 30, 2015 (Audited)

#### 18.1.10 During the year, the Group contributed in the fund as follows:

Provident fund	78,611	68,582
Defined contribution superannuation fund	67,426	58,857

#### 18.2 Provident fund

Size of the fund	1,113,253	1,018,560
Cost of investments made	1,046,679	969,253
Percentage of investments made	94%	95%
Fair value of investments	1,106,842	994,698

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

## 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:

	As at June 30, 2016 (Unaudited)		As at June 30, 2015 (Audited)	
	Investments	% of investment as size of the fund	Investments	% of investment as size of the fund
<b>On fair value</b>				
Pakistan Investment Bonds	591,735	53%	581,239	58%
Treasury Bill	-	-	8,552	1%
Regular Income Certificates	19,034	2%	18,000	2%
Mutual Funds	138,215	12%	97,346	10%
Shares	357,858	32%	289,561	29%
	<b>1,106,842</b>	<b>100%</b>	<b>994,698</b>	<b>100%</b>

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

	As at June 30, 2016	As at June 30, 2015
<b>19 Long-term loans</b>	<b>3,652,586</b>	<b>1,493,943</b>
Loans from banking companies / financial institutions - note 19.1:		
<b>Interest based arrangement</b>		
<b>Long-term finance facility</b>		
United Bank Limited (UBL)	1,282,342	221,719
Faysal Bank Limited (FBL)	74,717	-
MCB Bank	217,086	-
<b>Other long-term loan</b>		
Allied Bank Limited (ABL)	416,668	750,001
United Bank Limited (UBL)	2,000,000	800,000
<b>Shariah compliant</b>		
<b>Islamic term finance</b>		
Standard Chartered Bank (Pakistan) Limited (SCB)	-	400,000
	55,556	277,778
	<b>4,046,369</b>	<b>2,449,498</b>
<b>Current portion shown under current liabilities</b>	<b>(393,783)</b>	<b>(955,555)</b>
	<b>3,652,586</b>	<b>1,493,943</b>

## 19.1 Terms and conditions of these borrowings are as follows:

Lenders	Mark-up / Profit rate	Limit	Loan duration	Grace period
United Bank Limited	SBP Rate + 50 bps	1,500,000	10 Years	2 Years
Faysal Bank Limited	SBP Rate + 45 bps	250,000	10 Years	2 Years
MCB Bank	SBP Rate + 30 bps	1,500,000	10 Years	2 Years
Meezan Bank Limited	3MK + 25 bps	500,000	3 Years	9 Months
Allied Bank Limited	3MK + 25 bps	1,000,000	4 Years	1 Year
United Bank Limited	3MK + 25 bps	2,000,000	5 Years	2 Years

These loans are secured against the fixed assets of Polyester and Soda Ash Business amounting to PKR 2,500 million and PKR 6,375 million respectively. Mark-up is payable on quarterly basis.



Amounts in PKR '000

	As at June 30, 2016				As at June 30, 2015		
	Opening	Charge/ (Reversal)	Recognized in surplus on revaluation	Closing	Opening	Charge	Closing
<b>20 Deferred tax liability - net</b>							
<b>Deductible temporary differences</b>							
Provisions for retirement benefits, doubtful debts and others	(230,018)	(9,258)	-	(239,276)	(259,368)	29,350	(230,018)
Retirement funds provisions	(15,421)	(4,070)	-	(19,491)	(65,232)	49,811	(15,421)
<b>Taxable temporary differences</b>	-						
Property, plant and equipment - note 20.1	1,426,606	132,743	130,207	1,689,556	1,418,318	8,288	1,426,606
	<b>1,181,167</b>	<b>119,415</b>	<b>130,207</b>	<b>1,430,789</b>	<b>1,093,718</b>	<b>87,449</b>	<b>1,181,167</b>

	As at June 30, 2016	As at June 30, 2015
<b>20.1</b> Charge during the year includes amount adjusted in surplus on revaluation of property, plant and equipment on account of change in tax rate of:	<b>3,382</b>	4,630

## 21 Trade and other payables

Trade creditors - note 21.1	<b>1,309,635</b>	1,224,198
Bills payable	<b>2,557,323</b>	2,964,927
Excise and custom duties	-	338
Accrued expenses - note 21.3	<b>1,857,509</b>	1,464,383
Technical service fee / royalty - note 21.2	<b>19,778</b>	21,401
Workers' profit participation fund - note 21.4	<b>191,680</b>	152,453
Workers' welfare fund	<b>181,209</b>	108,089
Distributors' security deposits - payable on termination of distributorship - note 21.5	<b>101,113</b>	104,761
Contractors' earnest / retention money	<b>10,245</b>	10,946
Running account with customers - note 21.6	<b>302,686</b>	155,339
Unclaimed dividends	<b>70,648</b>	62,802
Payable for capital expenditure	<b>547,635</b>	812,437
Provision for compensated absences - note 21.7	<b>31,249</b>	31,249
Others	<b>142,053</b>	98,952
	<b>7,322,763</b>	7,212,275

<b>21.1</b> This amount includes exchange loss on forward exchange contracts:	-	3,380
<b>21.2</b> This amount includes royalty payable to Lucky Holdings Limited, the Holding Company.	<b>18,993</b>	20,701
<b>21.3</b> This amount includes Pensioner medical liability of:	<b>10,602</b>	9,696

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>21.4 Workers' profit participation fund</b>		
Balance at the beginning of the year	152,453	114,557
Allocation for the year - note 29	189,030	147,630
	341,483	262,187
Interest on funds utilised in the Group's businesses at 86.25% (June 30, 2015: 30%) per annum - note 30	3,704	2,804
Payment to the fund	(153,507)	(112,538)
Balance at the end of the year	191,680	152,453
<b>21.5</b> Interest on security deposits from certain distributors is payable at 7% (June 30, 2015: 10.00 %) per annum as specified in the respective agreements.		
<b>21.6</b> Included herein are amounts due to the following associated undertakings (related party):		
Gadoon Textile Mills	-	238
Yunus Textile Mills Limited	106	267
Fazal Textile Mills	-	342
Lucky Cement Limited	1,039	-
	1,145	847
<b>21.7</b> This figure is based on actuarial valuation and estimation.		
<b>22 Short-term borrowings and running finance</b>	1,937,184	1,833,247
Short-term borrowings and running finance facility from various banks aggregated to PKR 7,281 million (June 30, 2015: PKR 5,171 million) and carry mark-up during the year ranging from relevant KIBOR + 0.10% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.22% on utilized limits (June 30, 2015: relevant KIBOR + 0.10% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.28% on utilized limits). These facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Group.		
<b>22.1 Export refinance</b>	388,741	241,962
The Group has export refinance facility of upto PKR 1200 million (June 30, 2015: PKR 800 million) available from Faysal Bank Limited as at June 30, 2016 out of which PKR 388.741 million was utilized (June 30, 2015: PKR 241.962 million). 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 (SBP) rate (currently 3.5%) + 0.25% per annum (June 30, 2015: SBP rate 5% + 0.25% per annum).		
<b>22.2 Money market</b>	300,000	-
During the year the Group had obtained a money market loan of PKR 300 million from United Bank Limited for a term of 1 month at plain Kibor.		
<b>22.3 Short-term running finance - secured</b>	1,248,443	1,591,285

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>23 Contingencies and commitments</b>		
<b>23.1</b> Claims against the Group not acknowledged as debts are as follows:		
Local bodies - note 23.1.1	<b>1,100</b>	8,527
Others	<b>28,529</b>	28,529
	<b>29,629</b>	37,056

#### 23.1.1 Collectorate of customs - classification issue in PCT heading

Collectorate of customs raised demand of PKR 71.938 million during 2014-15 against the Group on the ground that Group is classifying two of its imported product in wrong PCT Heading. Group took the matter in high court as well as with Custom authorities considering that the same HS Code is being used globally as per manufacturer's product specification. As a consequence of this, PKR 3.514 million has been waived during current year reducing the demand to PKR 68.924 million. Furthermore, during the year ended June 30, 2016, further two consignments were withheld by Directorate General of Intelligence and Investigation of FBR for the same reasons. On the basis of an independent laboratory report the Group is confident that there is no merit in the claim and is expecting favorable decision therefore no provision has been made in this respect.

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

**23.3** Commitments in respect of capital expenditure including various projects of the Soda Ash business: **2,193,478** 2,629,500

**23.4** Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:

<b>Year</b>		
2015-16	-	57,839
2016-17	<b>64,050</b>	45,988
2017-18	<b>44,247</b>	23,848
2018-19	<b>28,227</b>	6,641
2019-20	<b>6,550</b>	-
	<b>143,074</b>	134,316
Payable not later than one year	<b>64,050</b>	57,839
Payable later than one year but not later than five years	<b>79,024</b>	76,477
	<b>143,074</b>	134,316

**23.5** Outstanding foreign exchange contracts entered into by the Group amounted to: - 383,000

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

## 24. Operating segment results

	Polyester		Soda Ash		Life Sciences		Chemicals		Others - PowerGen		Group	
	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015
Sales												
Afghanistan	-	-	34,502	3,343	-	-	8,711	4,755	-	-	43,213	8,098
India	-	-	704,327	818,352	-	-	-	-	-	-	704,327	818,352
United Kingdom	-	-	-	-	-	-	2,192	-	-	-	2,192	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	738,829	821,695	-	-	10,903	4,755	-	-	749,732	826,450
Inter-segment	-	-	-	-	-	-	4,610	14,662	455,181	829,302	459,791	843,964
Local	14,235,639	16,673,511	12,653,113	11,385,584	10,265,352	9,106,882	4,739,851	4,549,642	-	-	41,893,955	41,715,619
	14,235,639	16,673,511	13,391,942	12,207,279	10,265,352	9,106,882	4,755,364	4,569,059	455,181	829,302	43,103,478	43,386,033
Commission / toll income	-	-	-	-	-	-	45,681	51,879	-	-	45,681	51,879
Turnover	14,235,639	16,673,511	13,391,942	12,207,279	10,265,352	9,106,882	4,801,045	4,620,938	455,181	829,302	43,149,159	43,437,912
Sales tax	(414,677)	(326,967)	(1,848,888)	(1,658,439)	(141,338)	(125,378)	(540,998)	(491,330)	(66,137)	(120,497)	(3,012,038)	(2,722,611)
Commission and discounts	(393,753)	(472,358)	(702,375)	(414,120)	(1,413,689)	(1,247,771)	(279,213)	(342,257)	-	-	(2,789,030)	(2,476,506)
	(808,430)	(799,325)	(2,551,263)	(2,072,559)	(1,555,027)	(1,373,149)	(820,211)	(833,587)	(66,137)	(120,497)	(5,801,068)	(5,199,117)
Net turnover	13,427,209	15,874,186	10,840,679	10,134,720	8,710,325	7,733,733	3,980,834	3,787,351	389,044	708,805	37,348,091	38,238,795
Cost of sales - note 26	(13,765,271)	(15,792,527)	(7,432,444)	(7,288,848)	(6,195,958)	(5,614,000)	(3,086,848)	(3,044,863)	(297,630)	(596,551)	(30,776,411)	(32,335,049)
Gross profit	(338,062)	81,659	3,408,235	2,845,872	2,514,367	2,119,733	893,986	742,488	91,414	112,254	6,571,680	5,903,746
Selling and distribution expenses - note 27	(243,280)	(238,369)	(310,371)	(278,420)	(1,266,174)	(1,017,286)	(298,317)	(247,914)	-	-	(2,118,142)	(1,781,989)
Administration and general expenses - note 28	(274,325)	(298,843)	(241,827)	(279,111)	(232,148)	(224,288)	(133,377)	(161,416)	(593)	(472)	(882,030)	(963,890)
Operating result	(855,667)	(455,553)	2,856,037	2,288,341	1,016,045	878,159	462,292	333,158	90,821	111,782	3,571,508	3,157,867
24.1 Segment assets - note 24.5	8,085,224	8,726,169	16,782,250	14,144,573	7,011,907	6,261,565	3,152,394	2,644,678	388,902	309,488	27,277,801	23,701,463
24.2 Unallocated assets											3,197,915	2,829,594
											30,475,716	26,531,057
24.3 Segment liabilities - note 24.5	12,368,868	12,038,656	2,034,908	2,193,698	2,187,208	2,355,636	734,635	720,757	45,106	37,342	8,773,767	8,418,062
24.4 Unallocated liabilities											6,131,868	4,402,205
											14,905,635	12,820,267
24.5	Inter unit current account balances of respective businesses have been eliminated from the total.											
24.6 Depreciation and amortisation charge note 3.5 and 4.1	819,631	651,348	1,016,718	944,005	29,723	26,474	33,166	35,451	55,073	52,853	1,954,311	1,710,131
24.7 Capital expenditure	222,744	1,869,978	3,937,224	2,224,678	47,953	87,956	46,232	29,492	6,925	48,969	4,261,078	4,261,073
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.											

Amounts in PKR '000

	For the year ended June 30, 2016	For the Year ended June 30, 2015
<b>25. Reconciliations of reportable segment revenues, cost of sales, assets and liabilities</b>		
<b>25.1 Turnover</b>		
Total turnover for reportable segments - note 24	<b>43,149,159</b>	43,437,912
Elimination of inter-segment turnover - note 24	<b>(4,610)</b>	(14,662)
Elimination of inter-segment turnover from the subsidiary	<b>(389,044)</b>	(708,805)
Total turnover	<b>42,755,505</b>	42,714,445
<b>25.2 Cost of sales</b>		
Total cost of sales for reportable segments - note 26	<b>30,776,411</b>	32,335,049
Elimination of inter-segment purchases - note 26	<b>(4,610)</b>	(14,662)
Elimination of inter-segment purchases from the subsidiary	<b>(389,044)</b>	(708,805)
Total cost of sales	<b>30,382,757</b>	31,611,582
	<b>As at June 30, 2016</b>	As at June 30, 2015
<b>25.3 Assets</b>		
Total assets for reportable segments	<b>27,277,801</b>	23,701,463
Taxation recoverable	<b>2,234,248</b>	2,054,870
Long-term investments - note 5	<b>963,667</b>	774,724
Total assets	<b>30,475,716</b>	26,531,057
<b>25.4 Liabilities</b>		
Total liabilities for reportable segments	<b>8,773,767</b>	8,418,062
Short-term borrowings and running finance - note 22	<b>1,937,184</b>	1,833,247
Long-term loan - note 19	<b>4,046,369</b>	2,449,498
Accrued mark-up	<b>77,663</b>	56,658
Unclaimed dividends - note 21	<b>70,648</b>	62,802
Total liabilities	<b>14,905,631</b>	12,820,267



# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

## 26. Cost of Sales

	Polyester		Soda Ash		Life Sciences		Chemicals		Others - PowerGen		Group	
	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015
<b>Raw and packing materials consumed</b>												
Opening stock	665,385	878,010	405,275	552,167	690,608	636,348	295,456	272,821	21,643	24,582	2,078,367	2,363,928
Purchases												
Inter-segment	4,106	14,662	-	-	504	-	-	-	-	-	4,610	14,662
Others	10,982,051	12,796,443	2,506,983	2,140,074	2,030,953	1,869,484	1,427,390	1,681,793	194,507	459,629	17,141,884	18,947,423
	10,986,157	12,811,105	2,506,983	2,140,074	2,031,457	1,869,484	1,427,390	1,681,793	194,507	459,629	17,146,494	18,962,085
	11,651,542	13,689,115	2,912,258	2,692,241	2,722,065	2,505,832	1,722,846	1,954,614	216,150	484,211	19,224,861	21,326,013
Closing stock - note 9	(644,917)	(665,385)	(625,823)	(405,275)	(767,844)	(690,608)	(219,532)	(295,456)	(20,611)	(21,643)	(2,278,727)	(2,078,367)
Raw and packaging material consumed	11,006,625	13,023,730	2,286,435	2,286,966	1,954,221	1,815,224	1,503,314	1,659,158	195,539	462,568	16,946,134	19,247,646
Salaries, wages and benefits - note 26.1	436,141	396,114	751,389	742,219	25,203	5,585	58,076	49,005	17,603	18,654	1,288,412	1,211,577
Stores and spares consumed	188,411	169,137	144,872	113,416	(691)	2	11,304	14,829	20,617	18,789	364,513	316,173
Conversion fee paid to contract manufacturers	-	-	-	-	376,652	399,695	9,382	10,554	-	-	386,034	410,249
Oil, gas and electricity	1,029,957	1,328,146	2,825,500	2,882,548	-	-	18,023	14,434	1,768	33,259	3,875,248	4,258,387
Rent, rates and taxes	1,649	1,008	1,338	1,185	13,983	4,000	30,062	18,369	420	420	47,452	24,982
Insurance	19,194	16,772	27,232	25,957	34	14	1,306	1,894	1,255	1,183	49,021	45,820
Repairs and maintenance	11,812	6,587	1,463	856	3,281	290	5,380	5,269	130	120	22,066	13,122
Depreciation and amortisation charge - note 3.5 and 4.1	801,217	627,248	999,894	924,969	6,051	487	18,247	15,203	55,073	52,853	1,880,482	1,620,760
Excise duty	-	-	-	-	-	-	-	-	3,934	7,171	3,934	7,171
Technical fees	-	-	-	-	3,035	1,386	2,876	2,793	-	-	5,911	4,179
Royalty	-	-	-	-	3,605	2,635	-	-	-	-	3,605	2,635
General expenses	211,454	179,196	188,528	169,304	7,413	1,115	29,684	17,367	1,291	1,534	436,630	368,776
Opening stock of work-in-process	72,137	143,343	-	-	13,391	16,447	10,506	5,551	-	-	96,034	165,341
Closing stock of work-in-process - note 9	(96,152)	(72,137)	-	-	(36,743)	(13,391)	(7,284)	(10,506)	-	-	(140,179)	(96,034)
Cost of goods manufactured	13,682,445	15,819,144	7,226,651	7,147,420	2,369,435	2,233,489	1,690,876	1,803,920	297,630	596,551	25,265,297	27,598,784
Opening stock of finished goods	484,382	395,205	182,030	24,303	1,668,871	1,291,836	433,725	366,603	-	-	2,769,008	2,077,947
Finished goods purchased	-	62,560	157,720	299,155	4,090,211	3,780,829	1,414,880	1,320,782	-	-	5,662,811	5,463,326
	14,166,827	16,276,909	7,566,401	7,470,878	8,128,517	7,306,154	3,539,481	3,491,305	297,630	596,551	33,697,116	35,140,057
Closing stock of finished goods - note 9	(401,556)	(484,382)	(133,957)	(182,030)	(1,922,505)	(1,668,871)	(440,433)	(433,725)	-	-	(2,898,451)	(2,769,008)
Provision for slow moving and obsolete stock-in-trade - note 28	-	-	-	-	(10,054)	(23,283)	(12,200)	(12,717)	-	-	(22,254)	(36,000)
	13,765,271	15,792,527	7,432,444	7,288,848	6,195,958	5,614,000	3,086,848	3,044,863	297,630	596,551	30,776,411	32,335,049

### 26.1 Staff retirement benefits

Salaries, wages and benefits include amounts in respect of staff retirement benefits:

36,027 30,172

**27. Selling and distribution expenses**

	Polyester		Soda Ash		Life Sciences		Chemicals		Others - PowerGen		Group	
	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2016	For the year ended June 30, 2015
Salaries and benefits - note 27.1	44,052	51,474	42,058	36,762	609,675	490,878	142,537	95,828	-	-	838,322	674,942
Repairs and maintenance	149	97	1,241	2,087	4,783	4,740	2,771	2,545	-	-	8,944	9,469
Advertising and publicity expenses	25,100	2,544	10,902	6,473	207,042	143,544	10,677	7,331	-	-	253,721	159,892
Rent, rates and taxes	527	416	3,136	2,294	13,847	8,546	1,363	1,227	-	-	18,873	12,483
Insurance	-	-	312	317	10,887	9,767	3,245	2,695	-	-	14,444	12,779
Lighting, heating and cooling	125	118	2,328	2,227	4,482	3,709	4,772	7,780	-	-	11,707	13,834
Depreciation and amortisation charge - note 3.5 and 4.1	-	-	108	92	14,403	13,972	8,983	5,600	-	-	23,494	19,664
Outward freight and handling	18,287	7,405	127,031	116,473	106,930	89,805	72,058	74,544	-	-	324,306	288,227
Travelling expenses	9,486	9,621	3,806	3,249	167,703	144,124	21,638	21,200	-	-	202,633	178,194
Postage, telegram, telephone and telex	1,578	1,166	1,771	1,388	18,096	19,917	3,651	3,577	-	-	25,096	26,048
Royalty	134,272	158,742	108,407	101,347	-	-	-	-	-	-	242,679	260,089
General expenses	9,704	6,786	9,271	5,711	108,326	88,284	26,622	25,587	-	-	153,923	126,368
	243,280	238,369	310,371	278,420	1,266,174	1,017,286	298,317	247,914	-	-	2,118,142	1,781,969

**27.1 Staff retirement benefits**

Salaries and benefits include amount in respect of staff retirement benefits: 6,629 11,758

**28. Administration and general expenses**

Salaries and benefits - note 28.1	169,001	178,663	150,715	165,383	121,191	118,139	85,988	82,952	-	-	526,866	545,137
Repairs and maintenance	3,341	3,089	3,889	3,601	5,935	5,970	763	1,133	-	-	13,928	13,793
Advertising and publicity expenses	1,454	1,781	1,730	1,915	564	967	419	457	-	-	4,167	5,120
Rent, rates and taxes	6,017	9,041	3,047	7,164	1,747	2,731	659	1,548	-	-	11,470	20,484
Insurance	1,058	596	1,265	713	4,220	4,824	399	227	-	-	6,942	6,360
Lighting, heating and cooling	6,573	5,625	4,526	3,984	12,654	10,849	4,525	861	-	-	28,278	21,319
Depreciation and amortisation charge - note 3.5 and 4.1	18,414	24,100	16,716	18,944	9,269	12,015	5,936	14,648	-	-	50,335	69,707
Provision for doubtful debts - note 40.6	548	2,956	-	-	6,752	2,218	2,890	21,021	-	-	10,190	26,195
Provision for slow moving and obsolete stock-in-trade - note 9.1	-	-	-	-	10,054	23,283	12,200	12,717	-	-	22,254	36,000
Provision for slow moving stores and spares - note 8.2	-	-	4,060	15,044	-	-	-	-	-	-	4,060	15,044
Travelling expenses	7,834	7,784	5,518	5,299	8,491	6,759	2,318	4,739	-	-	24,161	24,581
Postage, telegram, telephone and telex	3,244	3,179	2,649	2,899	4,100	2,648	1,571	1,481	-	-	11,564	10,207
General expenses	56,841	62,029	47,712	54,165	47,171	33,885	15,709	19,632	593	472	167,815	169,943
	274,325	298,843	241,827	279,111	232,148	224,288	133,377	161,416	593	472	882,030	963,890

**28.1 Staff retirement benefits**

Salaries and benefits include amount in respect of staff retirement benefits: 22,073 8,650

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	For the year ended June 30, 2016	For the Year ended June 30, 2015
<b>29 Other charges</b>		
Auditors' remuneration - note 29.1	5,239	4,772
Donations - note 29.2	20,000	20,145
Workers' profit participation fund - note 21.4	189,030	147,630
Workers' welfare fund	73,222	57,187
Loss on disposal of operating fixed assets	2,701	-
Others	1,500	15,104
	<b>291,692</b>	<b>244,838</b>
<b>29.1 Auditors' remuneration</b>		
Statutory audit fee	3,034	2,758
Half yearly review and other certifications	1,271	1,120
Out of pocket expenses	934	894
	<b>5,239</b>	<b>4,772</b>
<b>29.2</b> Represents provision in respect of donation to ICI Pakistan Foundation (Head office, Karachi). Mr. Asif Jooma, Director of the Group, Mr. Suhail Aslam Khan, Mr. Arshaduddin Ahmed, Ms. Saima Kamila Khan and Ms. Fathema Zuberi, Executives of the Group are amongst the Trustees of the Foundation.		
<b>30 Finance costs</b>		
Mark-up	260,200	292,444
Interest on workers' profit participation fund - note 21.4	3,704	2,804
Discounting charges on receivables	55,748	59,230
Exchange losses	60,005	48,190
Guarantee fee and others	4,588	900
	<b>384,245</b>	<b>403,568</b>
<b>31 Other income</b>		
<b>Income from financial assets</b>		
Profit on short-term and call deposits - note 31.1	8,151	649
<b>Income from non-financial assets</b>		
Scrap sales	60,803	69,252
Sales from scrap raw materials	12,754	11,795
Gain on disposal of operating fixed assets	-	5,532
Provisions and accruals no longer required written back	369	9,936
Dividend from investment in equity shares	-	40,000
Sundries	1,842	5,251
	<b>83,919</b>	<b>142,415</b>
<b>31.1</b> These are interest-based arrangements.		
<b>32 Taxation</b>		
Current	530,120	535,518
Deferred	126,867	42,268
Net tax charged - note 32.1	<b>656,987</b>	<b>577,786</b>



Amounts in PKR '000

	For the year ended June 30, 2016	For the Year ended June 30, 2015
<b>32.1 Tax reconciliation</b>		
Profit before taxation	<b>3,386,808</b>	2,854,100
Tax @ 32% (June 30, 2015: 33%)	<b>1,083,779</b>	941,853
Effect of profit of subsidiary	<b>(28,673)</b>	(32,467)
Effect of share of profit from associate	<b>(130,342)</b>	(51,734)
Effect of credit under section 65B	<b>(355,500)</b>	(245,834)
Effect of change in tax rate on opening deferred tax liability	<b>(41,612)</b>	(36,922)
Tax impact due to change of FTR ratio	-	(51,183)
Super tax	<b>91,709</b>	75,289
Tax effect of dividend taxed at 12.5% instead of 32% (June 30, 2015: taxed at 10.00% instead of 33%)	-	(9,200)
Tax effect of items not deductible for tax purposes	-	5,410
Others	<b>37,625</b>	(17,426)
Net tax charged	<b>656,987</b>	577,786
Average effective tax rate	<b>19%</b>	20%

### 33 Basic and diluted earnings per share (EPS)

Profit after taxation for the year	<b>2,729,821</b>	2,276,314
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue during the year	<b>92,359,050</b>	92,359,050
<b>PKR</b>		
Basic and diluted earnings per share (EPS)	<b>29.56</b>	24.65

### 34. Remuneration of chief executive, directors and executives

The amounts charged in the financial statements for the remuneration, including all benefits, to the chief executive, directors and executives of the Group were as follows:

	Chief Executive		Directors		Executives		Total	
	For the year ended June 30, 2016	For the Year ended June 30, 2015	For the year ended June 30, 2016	For the Year ended June 30, 2015	For the year ended June 30, 2016	For the Year ended June 30, 2015	For the year ended June 30, 2016	For the Year ended June 30, 2015
Managerial remuneration	<b>49,844</b>	47,375	<b>32,117</b>	30,716	<b>808,215</b>	729,978	<b>890,176</b>	808,069
Retirement benefits	<b>8,197</b>	7,754	<b>5,712</b>	5,463	<b>177,853</b>	156,161	<b>191,762</b>	169,378
Group insurance	<b>45</b>	29	<b>45</b>	29	<b>5,612</b>	4,263	<b>5,702</b>	4,321
Rent and house maintenance	<b>1,096</b>	961	-	-	<b>236,006</b>	207,980	<b>237,102</b>	208,941
Utilities	<b>844</b>	656	-	-	<b>59,693</b>	52,263	<b>60,537</b>	52,919
Medical expenses	<b>85</b>	59	<b>335</b>	45	<b>49,154</b>	36,098	<b>49,574</b>	36,202
	<b>60,111</b>	56,834	<b>38,209</b>	36,253	<b>1,336,533</b>	1,186,743	<b>1,434,853</b>	1,279,830
Number of persons as at the balance sheet date	<b>1</b>	1	<b>1</b>	1	<b>575</b>	523	<b>577</b>	525

**34.1** The directors and certain executives are provided with free use of cars (obtained on lease by Company) in accordance with their entitlement. The chief executive is provided with free use of the Company leased car, certain household equipment and maintenance when needed.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	For the year ended June 30, 2016	For the Year ended June 30, 2015
<b>34.2</b> Remuneration paid to Chairman during the year:	-	-
<b>34.3</b> During the year fee paid to non-executive directors for attending board and other meetings which is not part of remuneration amounts to:	<b>2,813</b>	4,375
	As at and for the year ended June 30, 2016	As at and for the year ended June 30, 2015
<b>34.4</b> Total number of employees as at the balance sheet date	<b>1,337</b>	1,255
Average number of employees during the year	<b>1,315</b>	1,218

## 35 Transactions with related parties

The related parties comprise the holding company (Lucky Holdings Limited), the ultimate parent company (Lucky Cement Limited) and related group companies, local associated 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:

		For the year ended June 30, 2016	For the Year ended June 30, 2015
Relationship with the company	Nature of transaction		
<b>Holding Company</b>	Dividend	<b>896,952</b>	625,591
	Royalty	<b>242,679</b>	260,089
<b>Associated companies</b>	Purchase of goods, materials and services	<b>101,833</b>	44,459
	Sale of goods and materials	<b>1,477,802</b>	1,457,755
	Dividend	<b>143,755</b>	99,523
	Reimbursement of expenses	<b>61,760</b>	43,197
<b>Key management personnel</b>	Remuneration paid	<b>182,620</b>	157,740
	Post employment benefits	<b>30,850</b>	29,120

**35.1** As at June 30, 2016, ICI's finished goods amounting to PKR 73 million (June 30, 2015: PKR 27 million) and PKR 24 million (June 30, 2015: PKR Nil) were kept at warehouses of Fazal Textile Mills and Gadoon Textile Mills respectively. No rental expense is charged for this arrangement. Had it been an arm's length transaction, rental equivalent to market value of PKR 1.2 million (June 30, 2015: PKR 0.960 million) and PKR 0.600 million (June 30, 2015: PKR Nil) respectively would have been charged.

## 36 Plant capacity and annual production

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

	For the year ended June 30, 2016		For the year ended June 30, 2015	
	Annual Name Plate Capacity	Production	Annual Name Plate Capacity	Production
Polyester	<b>122,250</b>	<b>118,859</b>	122,250	115,711
Soda Ash	<b>350,000</b>	<b>337,869</b>	350,000	308,499
Chemicals - note 36.2	-	<b>12,950</b>	-	13,299
Sodium Bicarbonate	<b>40,000</b>	<b>29,330</b>	26,000	27,840
PowerGen - note 36.3	<b>122,640</b>	<b>29,178</b>	122,640	40,059

**36.1** Production of Soda Ash as compared to last year was greater due to commissioning of coal fired boilers 3 and 4, dense ash and light ash projects. Annual name plate capacity of Sodium Bicarbonate also increased due to commissioning of RSB project. Out of total production of 337,869 metric tonnes soda ash, 26,396 metric tonnes was transferred for production of Sodium Bicarbonate.

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

**36.3** Electricity by PowerGen is produced as per demand of the Polyester division of the Holding Company.

### **37 Fair value of financial assets and liabilities**

The carrying amounts of the financial assets and financial liabilities as at the balance sheet date approximate their fair values.

### **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 minimize 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 three types of risk currency risk, interest rate risk and other price risk.

#### **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. The Group mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances. At the balance sheet date, the interest rate profile of Group's interest-bearing financial instruments were:

	<b>Carrying Amount</b>	
	<b>As at June 30, 2016</b>	<b>As at June 30, 2015</b>
<b>Fixed rate instruments</b>		
Financial assets - Note 14	<b>247,878</b>	106,000
Financial liabilities - Note 19 and 21	<b>(1,675,258)</b>	(326,480)
	<b>(1,427,380)</b>	(220,480)
<b>Variable rate instruments</b>		
Financial liabilities - note 19 and 22	<b>(4,409,407)</b>	(4,061,026)
	<b>(4,409,407)</b>	(4,061,026)

#### **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 balance sheet 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 year would have been PKR 44.094 million (June 30, 2015: PKR 40.610 million).

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

## 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. When the management expects future depreciation of Pak Rupees, the Group enters 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 balance sheet exposure classified into separate foreign currencies:

	CNY	EURO	USD	GBP	JPY
<b>As at June 30, 2016</b>					
Other receivables	3,583	406	18,944	49	-
Cash and bank balances	-	-	-	-	-
	3,583	406	18,944	49	-
Trade and other payables	-	(140,419)	(1,801,105)	(5,978)	(348)
Gross balance sheet exposure	3,583	(140,013)	(1,782,161)	(5,929)	(348)
<b>As at June 30, 2015</b>					
Other receivables	-	3,103	14,432	-	-
Cash and bank balances	-	-	7,525	-	-
	-	3,103	21,957	-	-
Trade and other payables	-	(123,418)	(1,772,713)	(1,097,018)	(2,092)
Gross balance sheet exposure	-	(120,315)	(1,750,756)	(1,097,018)	(2,092)

Significant exchange rates applied during the year were as follows:

	Average rate		Spot rate	
	For the year ended June 30, 2016	For the year ended June 30, 2015	As at June 30, 2016	As at June 30, 2015
<b>PKR per</b>	<b>PKR</b>		<b>PKR</b>	
EURO	115.73	121.72	116.80	112.95
USD	104.35	101.46	104.83	101.80
GBP	155.15	159.58	141.43	159.90
CNY	16.22	-	15.78	-
JPY	0.89	0.89	1.02	0.83

## 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 year by PKR 19,249 million (June 30, 2015: PKR 29,681 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2016, if Pak 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, 2016 and June 30, 2015 would be as follows:

	Increase / decrease in exchange rates	Effect on Profit before tax (CNY)	Effect on Profit before tax (EURO)	Effect on Profit before tax (USD)	Effect on Profit before tax (GBP)	Effect on Profit before tax (JPY)
<b>2016</b>						
Pak Rupee	+1%	(36)	1,400	17,822	59	3
Pak Rupee	-1%	36	(1,400)	(17,822)	(59)	(3)
<b>2015</b>						
Pak Rupee	+1%	-	1,203	17,508	10,970	21
Pak Rupee	-1%	-	(1,203)	(17,508)	(10,970)	(21)



**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 regularly 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 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 balance sheet date is as follows:

	As at June 30, 2016	As at June 30, 2015
<b>40.1 Financial assets</b>		
Long-term investment - note 5	963,667	774,724
Long-term loans - note 6	357,637	326,515
Long-term deposits - note 7	28,209	27,323
Trade debts - note 10	1,640,067	1,431,094
Loans and advances - note 11	392,362	325,259
Trade deposits - note 12	38,001	28,399
Other receivables - note 13	283,419	610,555
Bank balances - note 14	252,574	115,046
	<b>3,955,936</b>	<b>3,638,915</b>

**40.2** The Group has placed its funds with banks which are rated A1+ by PACRA and A-1+ by JCR-VIS.

**40.3 Financial assets**

- Secured	814,236	570,098
- Unsecured	3,141,700	3,068,817
	<b>3,955,936</b>	<b>3,638,915</b>

**40.4** The ageing of trade debts and loans and advances at the balance sheet date is as follows:

<b>Not past due</b>	<b>1,856,497</b>	<b>1,638,221</b>
<b>Past due but not impaired:</b>		
Not more than three months	160,408	120,055
<b>Past due and Impaired:</b>		
More than three months and not more than six months	8,805	3,709
More than six months and not more than nine months	734	177
More than nine months and not more than one year	22,545	8,328
More than one year	27,395	26,850
	<b>219,887</b>	<b>159,119</b>
Provision for:		
- Doubtful debts - note 10	(43,955)	(40,987)
	<b>2,032,429</b>	<b>1,756,353</b>

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

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

	As at June 30, 2016	As at June 30, 2015
<b>40.5</b> The maximum exposure to credit risk for past due at the reporting date by type of counterparty was:		
Wholesale customers	10,962	22,657
Retail customers	172,969	111,127
End-user customers	35,956	25,335
	<b>219,887</b>	159,119
Provision for:		
- Doubtful debts - note 10	(43,955)	(40,987)
	<b>175,932</b>	118,132

## 40.6 Movement of provision for doubtful debts, loans and advances

	Trade debts	Loans and advances	Total	Total
Balance at the beginning of the year	40,987	-	40,987	100,956
Additional provision - note 28	10,190	-	10,190	26,195
Written off during the year	(7,222)	-	(7,222)	(86,164)
Balance at the end of the year	43,955	-	43,955	40,987

**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 Group-standard for dynamic provisioning:

- Provide an impairment loss for 50% of the outstanding receivable when overdue more than 90 days, and
- Provide 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:

	As at June 30, 2016	As at June 30, 2015
Textile and chemicals	475,256	511,797
Glass	63,940	72,237
Paper and board	32,157	92,091
Pharmaceuticals	235,235	323,162
Paints	36,855	18,181
Banks	258,962	120,447
Loans and advances and others	1,226,553	774,471
	<b>2,328,958</b>	1,912,386
Provision for:		
- Doubtful debts - note 10	(43,955)	(40,987)
	<b>2,285,003</b>	1,871,399

**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. The Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

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
<b>As at June 30, 2016</b>			
<b>Financial liabilities</b>			
Trade creditors - note 21	1,309,635	(1,309,635)	(1,309,635)
Bills payable - note 21	2,557,323	(2,557,323)	(2,557,323)
Accrued mark-up	77,663	(77,663)	(77,663)
Accrued expenses - note 21	1,857,509	(1,857,509)	(1,857,509)
Technical service fee / Royalty - note 21	19,778	(19,778)	(19,778)
Distributors' security deposits - payable on termination of distributorship - note 21	101,113	(108,191)	(108,191)
Contractors' earnest / retention money - note 21	10,245	(10,245)	(10,245)
Unclaimed dividends - note 21	70,648	(70,648)	(70,648)
Payable for capital expenditure - note 21	547,635	(547,635)	(547,635)
Others - note 21	142,053	(142,053)	(142,053)
Long-term loans - note 19	4,046,369	(2,449,498)	(393,783)
Short-term borrowings and running finance - note 22	1,937,184	(1,937,184)	(1,937,184)
	<b>12,677,155</b>	<b>(11,087,362)</b>	<b>(9,031,647)</b>

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

**As at June 30, 2015**

<b>Financial liabilities</b>			
Trade creditors - note 21	1,224,198	(1,224,198)	(1,224,198)
Bills payable - note 21	2,964,927	(2,964,927)	(2,964,927)
Accrued mark-up	56,658	(56,658)	(56,658)
Accrued expenses - note 21	1,464,383	(1,464,383)	(1,464,383)
Technical service fee / royalty - note 21	21,401	(21,401)	(21,401)
Distributors' security deposits - payable on termination of distributorship - note 21 and 21.5	104,761	(115,237)	(115,237)
Contractors' earnest / retention money - note 21	10,946	(10,946)	(10,946)
Unclaimed dividends - note 21	62,802	(62,802)	(62,802)
Payable for capital expenditure - note 21	812,437	(812,437)	(812,437)
Others - note 21	98,952	(98,952)	(98,952)
Long-term loan - note 19	2,449,498	(2,449,498)	(955,555)
Short-term borrowings and running finance - note 22	1,833,247	(1,833,247)	(1,833,247)
	<b>11,104,210</b>	<b>(11,114,686)</b>	<b>(9,620,743)</b>

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

## 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, 2016 and June 30, 2015 is as follows:

	As at June 30, 2016	As at June 30, 2015
Long-term loans - note 19	4,046,369	2,449,498
Short-term borrowings and running finance - note 22	1,937,184	1,833,247
<b>Total debt</b>	<b>5,983,553</b>	4,282,745
Cash and bank balances - note 14	(258,962)	(120,447)
<b>Net debt</b>	<b>5,724,591</b>	4,162,298
Share capital	923,591	923,591
Capital reserves	309,643	309,643
Unappropriated profit	13,341,517	11,755,187
<b>Equity</b>	<b>14,574,751</b>	12,988,421
<b>Capital</b>	<b>20,299,342</b>	17,150,719
<b>Gearing ratio</b>	<b>28.20%</b>	24.27%

## 43. Accounting estimates and judgements

### Income and sales taxes

The Group takes into account the current income and sales tax law and decisions taken by appellate authorities. Instances where the Group's view differs from the view taken by the authorities 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:

In the case of assessment year 1998-99, the Appellate Tribunal Inland Revenue (The Tribunal) on September 19, 2008 had set aside the assessments made by FBR. The re-assessment was finalized by the department on June 29, 2010 in which the issues pertaining to date of commissioning of PTA's plant & the tax depreciation claimed thereon, restriction of cost of capitalization of PTA plant and addition to income in respect of trial production stocks were decided against the Group. The Group had filed an appeal against the said order before the CIR (Appeals) which was decided on November 24, 2015 in which the issue of date of commissioning of PTA's plant & the tax depreciation claimed thereon and the issue of addition to income in respect of trial production stocks were decided in Group's favour however the issue of restriction of cost of capitalization of PTA plant was decided against the Group. The Group and FBR have filed the appeals on respective matters decided against them in Tribunal the hearing of which is yet to be conducted.

In the case of assessment year 2001-2002, FBR had made an assessment on May 29, 2002 while deciding the issues related to claim and carry forward of depreciation pertaining to PTA's assets in our favor. The depreciation related to PTA's assets was claimed by the Group in assessment year 2001-02 and the unabsorbed part was carried forward and adjusted till tax year 2010. FBR reopened the income tax assessment for the assessment year 2001-02 under section 122(5A) of the Income Tax Ordinance, 2001 on the ground that demerger of PTA business from ICI Pakistan was effective from the completion date i.e. August 6, 2001 which falls in assessment year 2002-03. This was challenged by the Group in the High Court which upheld the Group's contention that FBR did not have the right to reopen this finalized assessment of assessment year 2001-02 under the



Income Tax Ordinance, 2001 since assessment year 2001-02 pertained to the period in which Income Tax Ordinance, 1979 was effective. FBR filed an appeal in the Supreme Court against the High Court's order which also maintained the decision of High Court that the cases finalized under the old law of 1979 cannot be reopened under the new law of 2001. After the Supreme Court's decision, FBR issued an order under section 66A of the old law i.e. Income Tax Ordinance, 1979. In response, the Group filed an appeal before the Tribunal which decided the case in Group's favor on the basis that order issued on May 7, 2012 was barred by time. Consequently, FBR filed an appeal in the Sindh High Court however on June 13, 2016, the High Court maintained Tribunal's decision and the case was decided in favour of the Group. FBR has filed an appeal in the Supreme Court against the Sindh High Court's decision which is pending.

In the case of 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 FBR's notice which stated that the effective date of PTA's demerger was August 6, 2001 (falling in assessment year 2002-03) rather than the effective date given in the Scheme of Arrangement as October 1, 2000 (which falls in assessment year 2001-02). The notice had raised certain issues relating to vesting of PTA assets by the Group. On March 18, 2015, the Supreme Court has passed an interim order stating that this case has nexus with the case of assessment year 2001-02 and hearing will take place once the High Court decides the case in assessment year 2001-02. The High Court has decided the matter on June 13, 2016 in assessment year 2001-02 however no hearing has been conducted since then in the subject case assessment year 2002-2003.

In the case of Tax Years 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010, FBR had made disallowances on the matters related to provisions charged under various heads, financial charges, gain on disposal of fixed assets, exchange loss, proration of expenses against capital gains and interest free loans offered to employees. The CIR (Appeals) has allowed all the issues in Tax Years 2003 to 2010 in our favor (except 2 issues in tax year 2003 and 2010) against which appeals have been filed by FBR in the Tribunal. On the 2 issues pertaining to tax year 2003 and 2010 decided against us, we have filed an appeal in the Tribunal against CIR (Appeals)'s decision. No hearings have yet taken place.

In course of conducting a sales tax audit for the period July 2012 to June 2013, DCIR of FBR raised certain issues with respect to exemption and zero-rating / reduced rate benefit available to the Group on its sales. On September 12, 2014 the Group received an order in which demand of PKR 952 million was raised. An appeal was filed with CIR(A) which was decided against the Group however directions were given to DCIR to amend the original order if the returns are revised by the Group subject to approval of FBR itself. The application for revision of return filed by the Group is pending with FBR. The Group being aggrieved has filed a suit in the Sindh High Court for relief in which the Court has granted ad-interim relief till the next date of hearing which is yet to take place. The Group is confident that there is no merit in this claim of FBR regarding revenue loss and hence, considering no probability that the case would be decided against the Group, no provision in respect of this has been made in these financial statements.

### **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 equipment with a corresponding affect on the depreciation charge and impairment.

## **44 Standards, amendments and interpretations adopted during the year**

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

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2016

Amounts in PKR '000

## 44.1 New standards

The Group has adopted the following new standards to IFRSs which became effective for the current year:

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurements

IAS 27 (Revised 2011) – Separate Financial Statements

IAS 28 (Revised) – Investment in associates and joint ventures

The adoption of the above standards did not have any material effect on these consolidated financial statements.

### Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 2 – Share-based Payments – Classification and measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 – Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IFRS 11 – Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	January 01, 2016
IAS 1 – Presentation of financial statements: Disclosure initiative – clarification on materiality, disaggregation and subtotals, Note, Other Comprehensive Income (OCI) (Amendments)	January 01, 2016
IAS 7 – Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12 – Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IAS 16 – Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortisation (Amendment)	January 01, 2016
IAS 16 – Property, Plant and Equipment and IAS 41 Agriculture: Bearer Plants (Amendments)	January 01, 2016
IAS 27 – Separate Financial Statements: Equity Method in Separate Financial Statements (Amendment)	January 01, 2016

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in September 2014. Such improvements are generally effective for accounting periods beginning on or after January 01, 2016. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard	IASB effective date (annual periods beginning on or after)
IFRS 9 Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019

The Group expects that above new standards will not have any material impact on the Group's financial statements in the period of initial application.

#### 45 Post balance sheet events - dividends

The Directors in their meeting held on August 30, 2016 have recommended a final dividend of PKR 9.00 per share (June 30, 2015: PKR 6.50 per share). This dividend is in addition to interim dividend paid of PKR 6.5 per share during the current year. The consolidated financial statements for the year ended June 30, 2016 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

The Finance Act, 2015 introduced a tax on every public company at the rate of 10% of such undistributed reserves which exceeds the amount of its paid up capital. However, this tax shall not applied in case of a public company which distribute cash dividend equal to at least either 40% of its after tax profits or 50% of its paid up capital, within the prescribed time after the end of the relevant tax year.

Based on the pattern of distribution of dividend by the Group, the distributed dividend already meets the minimum dividend requirement as aforesaid. Accordingly, the Group would not be liable to pay tax on its undistributed reserves as of June 30, 2016.

#### 46 Date of authorization

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on August 30, 2016.

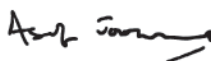
#### 47 General

**47.1** Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

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



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer



# Glossary

ABL	Allied Bank Limited	HSE&S	Health Safety Environment and Security	NTC	National Tariff Commission
ADD	Anti Dumping Duties	HTM	Heat Transfer Method	OCI	Other Comprehensive Income
AGM	Annual General Meeting	HYPI	Hygiene Performance Index	ODS	Ozone-Depleting Substances
APCMA	All Pakistan Cement Manufacturers Association	IAS	International Accounting Standards	OEE	Operational Eco Efficiency
ATF	Aziz Tabba Foundation	IASB	International Accounting Standards Board	OHSAS	Occupational Health and Safety Administration Standards
BAC	Board Audit Committee	IBM	International Business Machines	OICCI	Overseas Investors Chamber of Commerce and Industry
BBS	Behaviour Based Safety	ICAP	Institute of Chartered Accountants of Pakistan	OPD	Out Patient Duty
CAA	Civil Aviation Authority	ICC	International Chamber of Commerce	OPEC	Organization of Petroleum Exporting Countries
CAGR	Compound Annual Growth Rate	ICMAP	Institute of Cost and Management Accountants of Pakistan	OPV	Open pollinated variety
CCG	Code of Corporate Governance	IFAC	International Federation of Accountants	P&DD	Performance and Development Discussion
CCPA	Corporate Communications and Public Affairs	IFAS	Islamic Financial Accounting Standards	PACRA	Pakistan Credit Rating Agency
CDC	Central Depository Company	IFRSs	International Financial Reporting Standards	PAT	Profit After Tax
CE	Chief Executive	INSEAD	Institut Européen d'Administration des Affaires	PBC	Pakistan Business Council
CEO	Chief Executive Officer	ISO	International Standards Organisation	PCP	The Pakistan Center for Philanthropy
CFB	Coal Fired Boiler	IT	Information Technology	PCT	Pakistan Customs Tariff
CFO	Chief Financial Officer	IVSAA	Indus Valley School of Art and Architecture	PHE	Plate Heat Exchanger
CGU	Cash Generating Unit	JCR-VIS	Japan Credit Rating Vital Information Services	PICG	Pakistan Institute of Corporate Governance
CIMMYT	International Maize and Wheat Improvement Centre	KIBOR	Karachi Inter Bank Offer Rate	PIJBC	Pakistan-India Joint Business Council
CIR	Commissioner Inland Revenue	KNZ	Royal Dutch Salt	PKR	Pakistani Rupee
CM	Contribution Margin	KPI	Key Performance Indicators	PPEs	Personal Protective Equipment
CME	Continued Medical Education	KPK	Khyber Pakhtunkhwa	PSF	Polyester Staple Fibre
CO2	Carbon Dioxide	KPMG	Klynveld Peat Marwick Main Goerdeler	PSX	Pakistan Stock Exchange
Co.	Company	KSE	Karachi Stock Exchange Limited	PTA	Pure Terephthalic Acid
COD	Chemical Oxygen Demand	KTPA	Kilotons per annum	PU	Polyurethanes
CPEC	China Pakistan Economic Corridor	L&D	Learning and Development	PX	Paraxylene
CSR	Corporate Social Responsibility	LA	Light Ash	Q	Quarter
DA	Dense Ash	LOI	Loss of Ignition	R&D	Research and Development
DCIR	Deputy Commissioner Inland Revenue	LRBT	Layton Rahmatullah Benevolent Trust	RCMS	Responsible Care Management System
DFI	Development Financial Institutions	LTFF	Long Term Financing Facility	RISE	Reach Inspire Sustain Enable
DNA	De oxy ribo nucleic acid	LTI	Lost Time Injury	ROCE	Return on Capital Employed
DRAP	Drug Regulatory Authority of Pakistan	LUMS	Lahore University of Management Sciences	ROEDI	Reverse Osmosis and Continuous Electro-Deionisation
E&Y	Ernst & Young	m3/te	Meter Cube per ton	Rs	Rupees
EBIT	Earnings before interest and tax	MALC	Marie Adelaide Leprosy Centre	RSB	Refined Sodium Bicarbonate
EBITDA	Earnings before interest tax depreciation and amortization	MAP	Management Association of Pakistan	SAP	Systems Applications and Products
EMT	Executive Management Team	MBL	Meezan Bank Limited	SBP	State Bank of Pakistan
EOGM	Extraordinary General Meeting	MCB	Muslim Commerical Bank	SC	Specialty Chemicals
EPA	Environmental Protection Agency	MEG	Mono-Ethylene Glycol	SCB	Standard Chartered Bank
EPD	Environment Protection Department	MRP	Material Requirement Planning	SCM	Supply Chain Management
EPM	Enterprise Performance Management	MS	Microsoft	SECP	Securities and Exchange Commission of Pakistan
EPS	Earnings per share	MSD	Merck Sharp & Dohme	SOGP	Society of Obs and Gynae Pakistan
ERM	Enterprise Risk Management	MT	Metric Ton	SOx	Sulphur Oxide
ERP	Enterprise Resource Planning	MW	Megawatt	SPLY	Same period last year
FBR	Federal Board of Revenue	NAFA	NBP Fullerton Asset Management Limited	SWOT	Strengths Weaknesses Opportunities and Threats
FFFP	Fellowship Fund for Pakistan	NBFI	Non-banking Financial Institutions	TEVTA	Technical Education Vocational Training Authority
FTR	Final Tax Regime	NBP	National Bank of Pakistan	TJ	Terajoule
FWO	Frontier Works Organization	NBV	Net Book Value	UBL	United Bank Limited
FY	Financial Year	NEP	Net Protection Rate	UK	United Kingdom
GC	General Chemicals	NEQS	National Environment Quality Standards	UN	United Nations
GDP	Gross Domestic Product	NGO	Non-Governmental Organisation	UNGC	United Nations Global Compact
GHG	Greenhouse Gas	NICVD	National Institute of Cardiovascular Diseases	URS	United Registrar of Systems
GIDC	Gas Infrastructure Development Cess	NOx	Nitrogen Oxide	USA	United States of America
GJ/Te	Giga joule per ton	NPR	Non-product related	USD	United States Dollar
GM	General Manager	NSI	Net Sales Income	VOC	Volatile Organic Compound
GRI	Global Reporting Initiative			VoIP	Voice Over Internet Protocol
HAPI	Health Assessment Performance Index			VP	Vice President
HMI	Human Machine Interface			WEF	World Economic Forum
HR	Human Resources			YBG	Yunus Brothers Group
HR&RC	Human Resource and Remuneration Committee			YGL	Young Global Leader
HSE	Health Safety and Environment				



ICI PAKISTAN LTD.

# Admission Slip

The Sixty-fifth Annual General Meeting of ICI Pakistan Limited will be held on October 25, 2016, at 10.30 a.m. at ICI House, 5 West Wharf, Karachi.

Kindly bring this slip duly signed by you for attending the Meeting.

**Company Secretary**

Name \_\_\_\_\_ Holding \_\_\_\_\_

Shareholder No. \_\_\_\_\_ Signature \_\_\_\_\_

**Note:**

- i) The signature of the shareholder must tally with the specimen signature on the Company's record.
- ii) Shareholders are requested to hand over duly completed admission slips at the counter before entering the Meeting premises.

**CDC Account Holders / Proxies / Corporate Entities:**

- a) The CDC Account Holder / Proxy shall authenticate his/her identity by showing his / her Identity by showing his / her original
- b) Computerized National Identity Card / Smart National Identity Card (CNIC/ SNIC) or original passport at the time of attending the Meeting.
- c) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the Meeting (unless it has been provided earlier).

**This Admission Slip is Not Transferable**



## Consent for circulation of Annual Audited Financial Statements and Notice of AGM / EOGM through E-mail (Optional)

Pursuant to SRO No.787(1)2014, dated September 8, 2014, the SECP has allowed circulation of Audited Financial Statements (Annual Report) along with the notice of the Annual General Meeting (AGM) to the shareholders via email.

Therefore, if you wish to receive Audited Financial Statements of ICI Pakistan Limited (the "Company") along with Notice of AGM via e-mail, you are requested to provide the below consent form duly filled and signed. Please send the completed consent form to our Share Registrar at the address given hereunder to update the Members' Registrar. Please note CDC shareholders shall have to update their email address with their concerned participants / IAS account services.

### M/s. FAMCO Associates (Pvt) Limited

8-F, Block-6, P.E.C.H.S. Nursery,  
Next to Hotel Faran , Shahra-e-Faisal,  
Karachi

### CONSENT FORM

Name of Member / Shareholders

Folio No

E-mail Address

CNIC / SNIC No.

I/we hereby confirm that the above-mentioned information is correct and in case of any change therein, I/we will immediately intimate to the Company's Share Registrar. I/we further confirm that the transmission of Company's Annual Audited Financial Statements and Notice of AGM through my/our above e-mail address would be taken as compliance with the Companies Ordinance, 1984.

\_\_\_\_\_  
Name and signature  
(Copy of valid CNIC / SNIC attached)

\_\_\_\_\_  
Date

### DIVIDEND MANDATE (Optional)

By virtue of the provisions of the Companies Ordinance, 1984 and various SECP circulars, shareholders are also entitled to receive their dividends by way of direct credit or electronic transfer to their bank account instead of receiving them through dividend warrants (crossed as A/c Payee only).

### SHAREHOLDER'S SECTION

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

Name of shareholder : \_\_\_\_\_  
Folio number : \_\_\_\_\_  
Contact number of shareholder : \_\_\_\_\_  
Bank Account No. : \_\_\_\_\_  
Title of Account : \_\_\_\_\_  
Type of Account : \_\_\_\_\_  
Name of Bank : \_\_\_\_\_  
Bank branch & full mailing address : \_\_\_\_\_  
Contact No of bank : \_\_\_\_\_

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

\_\_\_\_\_  
Shareholder's signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
CNIC / SNIC No. (copy attached)





## Revised Treatment of Withholding Tax

Please further note that under Section 150 of the Income Tax Ordinance 2001, and pursuant to Finance Act 2016, withholding tax on dividend income will be deducted for 'Filer' and 'Non-Filer' shareholders @ 12.5% and 20% respectively. According to clarification received from Federal Board of Revenue (FBR) withholding tax will be determined separately on 'Filer / Non-Filer' status of principal shareholders as well as Joint-Holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard, all shareholders who hold share with joint shareholders are requested to provide shareholding proportions of Principal shareholder and Joint-Holder(s) in respect of share held by them to our share registrar, FAMCO Associates (Pvt) Limited, 8-F, Block-6, P.E.C.H.S. Nursery, Next to Hotel Faran , Shahrah-e-faisal, Karachi

Following are the details held by Principal / Joint-Holder of the shares of **ICI Pakistan Limited**.

Principal shareholder				Joint – Holder 1	
Folio/CDS Account #	Total Shares	Name and CNIC #	No. of Shares	Name and CNIC #	No. of Shares
Joint – Holder 2			Joint – Holder 3		
Name and CNIC #		No. of Shares	Name and CNIC #		No. of Shares

It is stated that the above mentioned information is correct and that I will intimate the changes in the above-mentioned information to the company and its share registrar as soon as these occur.

Signature of Member : \_\_\_\_\_

Signature of Joint-Holder 1: \_\_\_\_\_

Signature of Joint-Holder 2 : \_\_\_\_\_

Name : \_\_\_\_\_  
[PLEASE WRITE NAME IN BLOCK LETTER]

Name : \_\_\_\_\_  
[PLEASE WRITE NAME IN BLOCK LETTER]

Signature of Joint-Holder 3: \_\_\_\_\_

Name : \_\_\_\_\_  
[PLEASE WRITE NAME IN BLOCK LETTER]

## ڈائریکٹرز رپورٹ

برائے مالی سال ختم شدہ 30 جون 2016

**PowerGen** کا مجموعی کاروبار برائے سال ختم شدہ 30 جون 2016 389 ملین روپے بنتا ہے جو کہ گزشتہ سال کے مقابلے میں 45 فیصد کم ہے۔ جس کی اہم وجہ بجلی کی فروخت میں 27 فیصد کمی واقع ہونا ہے کیونکہ آئی سی آئی پاکستان لمیٹڈ کے پولیسٹر پلانٹ پر اس کے اپنے اسٹیم اور پاور پروجیکٹ کے قیام کی بدولت بجلی کی طلب میں بہت حد تک کمی واقع ہوئی ہے۔ اس کے ساتھ گزشتہ ایک سال میں 47 فیصد تک تیل کی قیمتوں میں کمی نے بھی مجموعی کاروباری آمدنی میں کمی واقع کی۔ اس پوری صورتحال میں آپریٹنگ منافع گزشتہ سال کے مقابلے میں 19 فیصد کم رہا (91 ملین روپے بمقابلہ 112 ملین روپے گزشتہ سال میں)۔

ڈائریکٹرز آئی سی آئی پاکستان لمیٹڈ کے آڈٹ شدہ گروپ رزلٹس برائے مالی سال ختم شدہ 30 جون 2016 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

آئی سی آئی پاکستان گروپ، آئی سی آئی پاکستان لمیٹڈ اور آئی سی آئی پاکستان PowerGen لمیٹڈ (PowerGen) ایک مکمل زیر ملکیت ادارہ پر مشتمل ہے۔ سال ختم شدہ 30 جون 2016 کے عرصہ کے دوران آئی سی آئی پاکستان لمیٹڈ کی کارکردگی کی وضاحت پر مشتمل ڈائریکٹرز رپورٹ علیحدہ سے پیش کی جا چکی ہے۔

آصف جمعہ  
چیف ایگزیکٹو

محمد سہیل شاہ  
چیئر مین

بتاریخ 30 اگست، 2016

کراچی۔

## ڈائریکٹرز رپورٹ

برائے مالی سال ختم شدہ 30 جون 2016

### پہلے آف شیئر ہولڈنگ (حصص رکھنے کا طریقہ):

شیئر ہولڈنگ کے عام طریقہ کار کی تفصیل بشمول شیئر ہولڈرز کی کچھ درجہ بندیوں میں شیئر ہولڈنگ کا طریقہ کار برائے سال ختم شدہ 30 جون 2016 صفحہ نمبر F 50 سے F 52 تک ملاحظہ کریں۔

30 جون 2016 کے مطابق، کئی ہولڈنگز لمیٹڈ بشمول گدون ٹیکسٹائل ملز اور کئی ٹیکسٹائل ملز لمیٹڈ نے 86.68 فیصد شیئر ز اپنے نام رکھے ہوئے تھے جبکہ اداروں نے 8.25 فیصد افراد اور دیگر نے باقی 5.07 فیصد شیئر رکھے ہوئے تھے۔

آئی سی آئی پاکستان لمیٹڈ کے شیئرز کی سال 2015-16 کے دوران کم از کم اور زیادہ سے زیادہ مارکیٹ پرائس درج ذیل تھی:

زیادہ سے زیادہ	17 اگست 2015	566.94
کم از کم	21 مارچ 2016	410.00

سال کے دوران جناب کمال اے چنائے، ڈائریکٹر، نے کمپنی کے 10,500 شیئرز خریدے اور 4 شیئرز انہیں وراثت میں ملے۔ اس حوالے سے ریگولیٹری اتھارٹیز میں مشروط ریٹرن فائل کرنے کے ساتھ CCG کے تحت بورڈ اور اسٹاک ایکسچینج کو مذکورہ ٹرانزیکشن کے بارے میں اطلاع بھی دی گئی۔ اس کے علاوہ ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری، رفیق حیات اور چھوٹے بچوں نے کمپنی کے شیئرز میں ٹرانزیکشن نہیں کی ہیں۔

### گروپ کے مالیاتی گوشوارے:

سال ختم شدہ جون 30، 2016 کے لئے آئی سی آئی گروپ کے آڈٹ شدہ مالیاتی گوشوارے منسلک ہیں۔ آئی سی آئی پاکستان گروپ، آئی سی آئی پاکستان لمیٹڈ اور آئی سی آئی پاکستان پاور جن لمیٹڈ (ایک مکمل ماتحت سبسیڈری) پر مشتمل ہے۔

مصطفیٰ احمد  
آصف جمہ  
چیف ایگزیکٹو

محمد سہیل بٹا  
چیئر مین

بتاریخ 30 اگست، 2016

کراچی۔

## ڈائریکٹرز رپورٹ

برائے مالی سال ختم شدہ 30 جون 2016

### ریٹائرمنٹ فوائد میں سرمایہ کاری:

ملازمین کے ریٹائرمنٹ فنڈ سے متعلق مجموعی اثاثوں کی قدر پر موجود فوائد کا انتظام فنڈز کے ٹرسٹیز کرتے ہیں۔ ان کے فنانشل اسٹیٹمنٹ (آڈٹ شدہ) کے مطابق 30 جون 2015 کو ان کی تفصیل درج ذیل تھی:

	30 جون 2015	30 جون 2014
قدر (PKR '000)	قدر (PKR '000)	قدر (PKR '000)
1- آئی سی آئی پاکستان		
منجمنٹ اسٹاف پینشن فنڈ	1,249,597	1,265,813
2- آئی سی آئی پاکستان		
منجمنٹ اسٹاف گریجویٹ فنڈ	427,507	364,442
3- آئی سی آئی پاکستان		
منجمنٹ اسٹاف ڈیفائنڈڈ کنٹری بیوشن سپرائیویشن فنڈ	531,243	436,660
4- آئی سی آئی پاکستان		
منجمنٹ اسٹاف پرائیڈنٹ فنڈ	1,012,617	906,841
5- آئی سی آئی پاکستان		
نان منجمنٹ اسٹاف پرائیڈنٹ فنڈ	404,870	385,421

### ڈائریکٹرز کی حاضری:

زیر جائزہ عرصے کے دوران، چھ (06) بورڈ میٹنگز، چار (04) آڈٹ کمیٹی میٹنگز اور دو (02) ہیومن ریسورس اینڈ ریمونریشن (حق الخدمت) کمیٹی (HR&RC) کی میٹنگز کا اہتمام کیا گیا۔ ہر ڈائریکٹر / ممبر / سی ایف او / متعلقہ بورڈ / کمپنی سیکریٹری اور سب کمیٹی بمعہ سیکریٹری کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام	بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	ہیومن ریسورس اینڈ ریمونریشن کمیٹی
اور سیکریٹری	کی میٹنگز	کی میٹنگز	
جناب محمد سہیل ثناء	5	—	2
جناب محمد علی ثناء	6	3	2
جناب جاوید یونس ثناء	5	3	1
مسز امینہ اے عزیز باوانی	2	—	—
جناب آصف جمعہ	6	—	1
جناب خواجہ اقبال حسن	6	4	2
جناب محمد عابد گنا ترا			
ڈائریکٹر اینڈ سی ایف او	6	4	—
جناب کمال اے چنائے	4	—	—
مس صائمہ کاملہ خان			
کمپنی سیکریٹری	6	—	—
فاطمہ زہیری			
سیکریٹری HR&RC	—	—	2
جناب محمد علی مرزا			
سیکریٹری BAC	—	4	—

### ڈائریکٹرز کی ٹریننگ:

بورڈ ممبران کی اکثریت، کوڈ آف کارپوریٹ گورننس (CCG) کے شق نمبر 5.19.7 (PSX رول بک کے چپٹر 5) کے مطابق ڈائریکٹرز کے تربیتی پروگرام کے استثنیٰ کے لئے مطلوب تجربہ اور تعلیم کی حامل ہے۔ تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کی حیثیت سے اپنی ذمہ داریوں سے بخوبی واقف ہیں۔ بورڈ نے اپنے ڈائریکٹرز کی گزشتہ سالوں میں ان کے کردار اور ذمہ داریوں سے وضاحت کے لئے CCG کے آگہی کورسز کا اہتمام کرایا تھا۔

پیٹرولیم مارکیٹ میں استحکام تک کروڈ آئل کی قیمتیں غیر یقینی کا شکار رہیں گی۔

پولیسٹر بزنس میں اسٹیم اور پاور پروجیکٹ کی بدولت توانائی کے اخراجات کے بوجھ میں کمی واقع ہوئی ہے جبکہ کم ہوتے ہوئے منافع نے کاروبار کو دباؤ میں رکھا ہوا ہے۔ سوڈا ایلش میں پیداواری صلاحیت کو بڑھانے والے توسیعی منصوبے مستقبل میں کاروباری کارکردگی پر مثبت اثرات مرتب کریں گے۔ لائف سائنسز اور کیمیکلز بزنس بھی اپنی مثبت پیش رفت کے باعث مستقبل میں مزید ترقی کے لئے پرامید ہیں۔

کمپنی اپنے صارف کی ضروریات کو پورا کرنے، توانائی کے استعمال، نئی پروڈکٹس کے اجراء، اخراجات میں کمی کے اقدامات، موجودہ کسٹمرز اور سپلائرز سے تعلقات میں استحکام کے لئے اور آرگینک اور ان آرگینک ترقی کے لئے نئے مواقع تلاش کرنے پر اپنی بھرپور توجہ مرکوز کئے ہوئے ہے۔

### اظہار تشکر:

کمپنی کے نتائج ملازمین کی انتھک محنت اور کوشش، صارفین، سپلائرز، سروس فراہم کرنے والوں اور حصص یافتگان کے کمپنی پر اعتماد کا واضح ثبوت ہیں۔

### آڈیٹرز:

موجودہ آڈیٹرز میسرز ای اینڈ وائی فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہلیت کی بنیاد پر آنے والے مالیاتی سال کے لئے خود کو دوبارہ انتخاب کے لئے پیش کیا ہے۔

آڈٹ کمیٹی کی تجویز پر بورڈ نے میسرز ای اینڈ وائی فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے باضابطہ آڈیٹرز کے طور پر منظوری دی ہے، یہ انتخاب کمپنی کے آنے والے سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

کوڈ آف کارپوریٹ گورننس پر عمل درآمد (تجارتی انتظام کے قاعدے پر عمل درآمد):

پاکستان کے اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں شامل کئے گئے کوڈ آف کارپوریٹ گورننس کے عین مطابق، ڈائریکٹرز بمسرت یہ اعلان کرتے ہیں:

- کمپنی انتظامیہ کی جانب سے تیار کئے گئے فنانشل اسٹیٹمنٹس میں معاملات کی واضح صورت، اس کے امور کے نتائج، کیش فلو اور چھینجز ان ایکویٹی کو واضح انداز میں پیش کیا گیا ہے۔

- کمپنی کے اکاؤنٹس بک درست انداز میں برقرار رکھے گئے ہیں۔

- فنانشل اسٹیٹمنٹس اور اکاؤنٹنگ اسٹیٹمنٹس کی تیاری مناسب اور محتاط انداز کی بنیاد پر متعلقہ اکاؤنٹنگ پالیسیز کے تحت کی گئی ہے۔

- فنانشل اسٹیٹمنٹس کی تیاری پاکستان میں لاگو انٹرنیشنل اکاؤنٹنگ کے معیاروں کے مطابق کی گئی ہے اور اس سے کسی طرح کے انحراف کو باقاعدہ واضح کیا گیا ہے۔

- انٹرنل کنٹرول کا سسٹم بہترین ہے اور اس پر مؤثر انداز میں عمل درآمد اور نگرانی کی جاتی ہے۔

- کمپنی کے استحکام اور آگے بڑھنے کی صلاحیت پر کسی بھی شک و شبہ کی کوئی گنجائش نہیں۔

- لسٹنگ ریگولیشنز میں مفصل کارپوریٹ گورننس پر بہترین انداز میں عمل درآمد سے کسی طرح کا بھی انحراف دیکھنے میں نہیں آیا۔

- انتظام اور مالیات سے متعلق گزشتہ 10 سال کی اہم معلومات صفحہ نمبر 20 پر درج کی گئی ہے۔

- بقایا میکسز اور محاصل کی معلومات فنانشل اسٹیٹمنٹس کے نوٹس میں دی گئی ہے۔

- کمپنی کی انتظامیہ بہتر کارپوریٹ گورننس کے لیے مستعد ہے اور بہترین تجربات پر عمل درآمد کے لئے مناسب اقدامات اٹھا رہی ہے۔

اس سال کے ہمارے سیلز اور ڈسٹری بیوشن کے اخراجات گزشتہ سال کی اسی مدت کے مقابلے میں 19 فیصد زیادہ ہیں۔ جس کی وجہ اسٹاف کاسٹ، ایڈورٹائزنگ اور تشہیری اخراجات کے علاوہ بیرونی مال برداری کے خرچوں میں اضافہ ہے جو کہ برنس میں اضافے کی وجہ سے ہوئے ہیں۔ جبکہ انتظامی اور عمومی اخراجات گزشتہ سال کی اسی مدت کے مقابلے میں 9 فیصد کم رہے۔

کمپنی نے کئی پنکس سے طویل المدتی اور کثیر المدتی مالیاتی سہولیات حاصل کر رکھی ہیں تاکہ سرمایہ کاری اور امور کی انجام دہی کے لئے ضروری اخراجات کو پورا کیا جاسکے، جبکہ سود کی شرح میں کمی اور پنکس کے ساتھ مثبت تبادلہ خیال سے اس سال کے مالیاتی اخراجات گزشتہ سال کے مقابلے میں 5 فیصد کم رہے۔ اس کے علاوہ دیگر امور کی آمدنی گزشتہ سال کے مقابلے میں 134 فیصد زیادہ ہے جس کی وجہ اس سال ایسوسی ایٹ اور سبسیڈری کمپنی کی جانب سے منافع منقسمہ کی آمدن ہے۔

ٹیکس کی ادائیگی میں کمی کی وجہ یہ ہے کہ پلانٹ اور مشینری میں سرمایہ کاری پر ٹیکس کریڈٹ بڑھا، اس کے علاوہ منافع میں ڈیویڈنڈ کا ایک بڑا حصہ شامل تھا۔

منافع بعد از ٹیکس (پرافٹ آفٹر ٹیکس: PAT) گزشتہ سال کے مقابلے میں 34 فیصد اضافے کے ساتھ 2,843 ملین روپے رہا۔

ہر شیئر پر منافع (EPS) گزشتہ سال کے مقابلے میں 34 فیصد اضافے کے ساتھ 30.78 روپے رہا۔

### مستقبل پر نظر:

مزید براں! چائنا پاکستان اکنامک کوریڈور (CPEC) کے منصوبے، سیاسی استحکام، مہنگائی میں کمی اور سود کی شرح میں کمی، توانائی کی فراہمی میں متوقع بہتری اور تیل کی قیمتوں میں کمی؛ LNG کو توانائی ذرائع میں شامل ہونا ایسے عوامل ہیں جو ملک میں سرمایہ کاری کے بڑھنے کا ماحول پیدا کر رہے ہیں۔ اس سے پرائیویٹ سیکٹر کے سرمایہ کار بھی اپنے کاروبار کی وسعت اور اپنی صلاحیتوں کے زیادہ سے زیادہ استعمال پر توجہ کریں گے۔

کاروبار اپنی مثبت پیش رفت کے سبب بہترین مستقبل رکھتا ہے، کیونکہ ہماری موجودہ پروڈکٹس میں استحکام اور تمام ڈویژن میں نئی پروڈکٹس کے اجراء سے ہم اپنے آرگینک اور ان آرگینک ترقی کے راستے میں نئے مواقع کے لئے سرگرم ہیں۔

### کیمیکلز برنس:

کیمیکلز کا مجموعی کاروبار 3,981 ملین روپے رہا جو گزشتہ سال کے مقابلے میں 5 فیصد زائد ہے، بنیادی طور پر تمام 3 ڈویژنوں میں مثلاً اسپیشلسٹی کیمیکلز (SC) پولی پورٹھن (PU) اور جنرل کیمیکلز (GC) نے اپنی مضبوط مارکیٹ کارکردگی جاری رکھی۔ سال کے لئے آپریٹنگ رزلٹ 462 ملین روپے ہے جو گزشتہ سال کے مقابلے میں 39 فیصد زائد ہے جس کی اہم وجہ SC اور PU ڈویژن کی بہتر کارکردگی ہے۔ منافع میں اضافہ کی وجہ نئے کسٹمرز کا اضافہ، سیلز میں اضافہ اور قیمتوں میں بہتری رہی۔

کاروبار اپنی مثبت پیش رفت کے سبب بہترین مستقبل رکھتا ہے کیونکہ کسٹمرز کی ضروریات کی تکمیل، نئی پروڈکٹس کے اجراء اور اپنے مارکیٹ شیئر میں اضافہ سے ہم بہت پر امید ہیں۔

### فتانس:

کمپنی کی بیلنس شیٹ 30 جون 2016 کو بہترین پوزیشن میں ہے کیونکہ ہم نے اپنا کرنٹ ریٹو 1.15 (2015: 1.02) اور کوئیک ریٹو 0.55 (2015: 0.49) برقرار رکھا ہوا ہے۔

کمپنی کا مجموعی کاروبار 36,954 ملین روپے رہا جو گزشتہ سال کے مقابلے میں 1 فیصد کم ہے، جس کی وجہ ہمارے پولیسٹر برنس کے سیلز ریونیو میں کمی ہے، حالانکہ اس کی کوسوڈائلیش، لائف سائنسز اور کیمیکلز کے برنسز کے اضافی آمدنی نے جزوی طور پر کم کیا۔

اس سال کا گراس منافع گزشتہ سال کے مقابلے میں 12 فیصد زائد ہے۔ اس کی وجہ پیداوار میں اضافہ، ہمارے توانائی کے منصوبوں کے کامیابی سے کام کرنے کی بدولت سیلز کے اخراجات میں کمی کے ساتھ فرنس آئل، کوئلے اور خام مال کی قیمتوں میں کمی ہے۔



## سوڈا ایش بزنس:

اس سال مقامی مارکیٹ میں سیلز میں اضافے کے باعث مجموعی کاروبار میں 7 فیصد اضافہ ہوا۔ سلیکیٹ، شیشہ، کاغذ اور ڈسٹرکٹ کے شعبوں میں خاطر خواہ اضافہ کی بدولت گزشتہ سال کے مقابلے میں سوڈا ایش کا کاروبار 8 فیصد بڑھا۔

گزشتہ سال کے مقابلے میں بڑھتی ہوئی تعمیراتی سرگرمیوں کی وجہ سے اور کاروباری ڈرنکس کی طلب کے باعث گلاس سیکمنٹس میں اضافہ ہوا جس کے باعث بند پڑے ہوئے پیداواری یونٹس نے دوبارہ اپنے آپریشن شروع کر دیئے۔

کاسٹک سوڈا کی قیمتوں میں استحکام اور مارکیٹ میں کاغذ کے شعبے سے طلب کے باعث بہتری کی امید ہے۔ کپڑے دھونے کے صابن کی طلب میں کمی اور گیس کرٹمنٹ کے باوجود ہمارے سلیکیٹ کے شعبے نے خاطر خواہ ترقی کی۔ سوڈیم بائی کاربونیٹ کی طلب میں زبردست اضافہ ہوا جس کی بدولت ہماری مقامی پیداوار بڑھی۔

سال کے دوران سوڈا ایش کا آپرینٹج منافع گزشتہ سال کے مقابلے میں 25 فیصد زائد رہا۔ پروڈکشن اور سیلز کی مقدار میں اضافے، توانائی کے اخراجات میں کمی، درآمدی خام مال کی قیمتوں میں کمی جیسے عوامل اچھے منافع کا سبب بنے۔

صلاحیتوں کو نکھارنے میں استحکام اور پیداواری صلاحیت کو بڑھانے کی سوچ کے نتیجے میں کاروبار نے اس سال سب سے زیادہ پیداواری مقدار یعنی 340,803 ٹن رہی جو کہ گزشتہ سال کے مقابلے میں 10 فیصد زائد ہے۔

کمپنی کی توسیعی سوچ کے پیش نظر، بزنس نے مختلف پروجیکٹس میں بڑی سرمایہ کاری کو جاری رکھا، ان پروجیکٹس میں اس سال ڈینس ایش اور ریفائنڈ سوڈیم بائی کاربونیٹ (آر ایس بی) کے نئے پلانٹس نے کام شروع کر دیا تھا اور سال کی چوتھی سہ ماہی میں دو نئے اسٹیم اور پاور جنریشن پروجیکٹس نے کام شروع کر دیا ہے۔ جبکہ 18 میگا واٹ کا اسٹیم ٹربائن اپنے ٹیکنیکی مرحلے میں ہے اور امید کی جاسکتی ہے کہ نئے مالی سال کی پہلی سہ ماہی میں اپنا کام شروع کر دے گا۔

مزید برآں کمپنی نے 75 KTPA سوڈا ایش توسیعی پروجیکٹ بھی شروع کیا ہے جس پر منصوبے کے مطابق کام جاری ہے۔

کمپنی نے مقامی مارکیٹ میں اپنے حصے کو بڑھانے کی کوششیں جاری رکھی ہوئی ہیں اور اپنی صلاحیت میں مستقل اضافے کے ذریعے برآمدات کے نئے مواقع بھی تلاش کئے جا رہے ہیں۔ اس ضمن میں ہمارا نیا 14 KTPA ریفائنڈ سوڈیم بائی کاربونیٹ کا توسیعی منصوبہ ہمارے اس کاروبار کے لئے بہت ہی اہمیت کا حامل ہے اور مقامی مارکیٹ میں اپنی گرفت مضبوط کرنے میں بہت اہم ثابت ہوگا۔

غیر ملکی مینوفیکچررز کی جانب سے قیمتوں کے دباؤ کے ساتھ اور ترکی میں کپیسٹی میں واضح اضافہ آنے والے دنوں میں باعث تشویش ہیں۔

## لائف سائنسز بزنس:

ہمارے لائف سائنسز کے کاروبار نے 30 جون 2016 کو ختم شدہ سال کے لئے 1,016 ملین روپے کا آپرینٹج رزلٹ حاصل کیا جو گزشتہ سال کے مقابلے میں 16 فیصد بہتر ہے۔ ہمارے اس بزنس نے 8,710 ملین روپے کا مجموعی کاروبار کیا جس میں تمام ڈویژنز نے اس سال سب سے زیادہ مجموعی کاروبار کیا۔ ہمارے اینیمل ہیلتھ اور ایگری ڈویژن نے مجموعی طور پر ڈبل ڈیٹ سیلز گروتھ کے ساتھ تمام شعبوں کا سب سے زیادہ مجموعی کاروبار ریکارڈ کرایا ہے۔

آئی سی آئی پاکستان لمیٹڈ نے DRAP کی طرف سے اپنی نیوٹراسیوٹیکل فیسلٹی کے لئے مینوفیکچرر کے طور پر پروڈیٹل سرٹیفکیٹ فار انلٹس منٹ حاصل کر لیا ہے جو کہ فارماسیوٹیکل ڈویژن کے لئے ایک اہم سنگ میل کی حیثیت رکھتا ہے۔ اس نئی سہولت کی بدولت بزنس نے دیگر فارماسیوٹیکل کمپنیوں کے ساتھ محصولاتی معاہدے (Toll Manufacturing) کرنا شروع کر دیئے ہیں۔

ہمارے اینیمل ہیلتھ ڈویژن نے بووائن جینیٹکس کے کاروبار میں قدم رکھتے ہوئے کوچیٹ انٹرنیشنل کے ساتھ شراکت داری کی ہے جو ایک بووائن جینیٹکس کی ممتاز کمپنی اور سیکسڈ سیمین میں اولین فرم ہے۔

اس سال زرعی شعبے میں مشکل حالات کے باوجود ہمارے ایگری بزنس کے ایگروکیمیکلز اور ویتھینل سیڈز کے شعبوں نے بہترین کارکردگی دکھائی۔ نئی پروڈکٹس اور مارکیٹ میں طلب کی سرگرمیوں پر توجہ مرکوز کرنے سے اس ڈویژن نے اپنے آپ کو مارکیٹ کا ایک مایہ ناز حصہ بنا دیا ہے۔

مزید بگاڑ دیا ہے جس کے نتیجے میں PTA اور MEG کی قیمتیں گزشتہ سال کے مقابلے میں بالترتیب 20 فیصد اور 25 فیصد گر چکی ہیں۔

ایشیائی مارکیٹس میں مقابلے کے رجحان اور چین سے پولیسٹر اسٹیل فابریکی ڈمپنگ کے باعث مقامی طور پر پولیسٹر اسٹیل فابری کے ریٹس زیر اثر رہے ہیں۔ چین سے پی ایس ایف ایکسپورٹرز پر 5 سال کے لئے اینٹی ڈمپنگ ڈیوٹیز (اے ڈی ڈی) کا 11 فیصد-3 فیصد حالیہ سال 2015-16 کی تیسری سہ ماہی میں اطلاق اور نیٹ پروڈکشن ریٹ (NEP) میں مقامی (PSF) انڈسٹری کیلئے وفاقی بجٹ برائے سال 2016-17 کے بعد 4.5 فیصد اضافہ سے امید کی جاسکتی ہے کہ PSF کی مقامی قیمتوں میں استحکام پیدا ہوگا۔

کمپنی کی اقدار کے مطابق کسٹمر کو اہمیت دینے کے پیش نظر اس سال کامیابی کے ساتھ بلیک فابری کو متعارف کرایا گیا۔ صارفین کی ضروریات کے عین مطابق پیداواری سطح کو مناسب انداز میں برقرار رکھا گیا نتیجہ میں گزشتہ سال کے مقابلے میں اس سال پروڈکشن اور سیلز میں 3 فیصد ترقی ہوئی۔ پیداوار میں اضافے نے PSF کاروبار میں ہونے والی 18 فیصد قیمت میں کمی کی جزوی تلافی کرتے ہوئے مجموعی کاروبار میں 15 فیصد کمی رہ گئی۔

ان ہاؤس اسٹیم اور پاور پروجیکٹ کے قیام نے مہنگی بجلی کا بوجھ ہلکا کیا ہے اور اس کی وجہ سے اسٹیم اور بجلی کی جزییشن مہنگے فیول کے بجائے اب کوئلے (Coal) سے بھی کی جاتی ہے جو کہ فیول کے مقابلے میں بہت ہی کفایت کا حامل ہے۔ توانائی کے ذرائع میں کفایت اور تیل کی قیمتوں میں کمی کے سبب اس ضمن میں ہونے والے اخراجات میں 22 فیصد کمی واقع ہوئی جبکہ کمزور یونٹ مارجنز میں کمی کے سبب کاروبار کا انتظامی نقصان گزشتہ سال کے مقابلے میں 88 فیصد بڑھ گیا۔

مزید براں پیٹرولیم مصنوعات کی قیمتوں میں بڑے پروڈیوسرز کی جانب سے پیداوار میں کمی کے فیصلے سے قیمتوں میں استحکام کی امید کی جاسکتی ہے۔ مقامی طور پر ٹیکسٹائل انڈسٹری کو توانائی کی سستے ریٹس پر مسلسل فراہمی اور حکومتی پالیسی پر عمل درآمدی استحکام پر ہی پورے مارکیٹ کا دارومدار ہوگا۔ چین سے درآمدات پر ADD کا اطلاق اور NEP میں اضافہ کی بدولت کاروباری سرگرمیوں میں مثبت پیش رفت کی امید کی جاسکتی ہے۔

کمپنی کی ہیومن ریسورسز سے متعلق کارکردگی کی تفصیلی رپورٹ برائے 2015-16 سالانہ رپورٹ کے صفحہ نمبر 38 پر ملاحظہ کریں۔

### رиск مینجمنٹ فریم ورک:

کمپنی میں مجموعی طور پر بورڈ کو خطرات سے نمٹنے کے انتظام کی نگرانی سوچی ہوئی ہے، جس میں خطرات سے نبرد آزما ہونا اور اندرونی نظام کے طریقے دونوں ہی آجاتے ہیں۔ کمپنی کے امور لکھے بھی جاتے ہیں اور ان کی نگرانی بھی کی جاتی ہے۔ وہ اس طرح مرتب کردہ ہیں کہ ہمارے اثاثے محفوظ رہیں اور ممکنہ خطرات جو کاروباری تسلسل کو متاثر کر سکتے ہیں ان پر بھی نظر ہو۔ اسی طرح بورڈ کو اعلیٰ انتظامیہ کو بھی اطلاع کا نظام وضع ہے کہ امور میں خلل ڈالنے والے عوامل پر بروقت ایکشن لیا جاسکے۔

کمپنی اختیارات کے حوالے سے ایک صاف و شفاف اور واضح انتظامی نظام کی حامل ہے۔ سینئر مینجمنٹ عمل درآمد کے امور چلانے، خطرات پر نظر رکھنے اور مختلف ضابطوں کے اثر کو جانچنے کی ذمہ دار ہے۔

دوران سال بورڈ نے ایک مربوط انٹر پرائز رиск مینجمنٹ (ERM) فریم ورک کی منظوری دی جو ادارے کو خطرات سے بروقت نبرد آزما ہونے میں معاون ہوگا۔ یہ فریم ورک ایک باہم مربوط اور مینجمنٹ کے لئے صحیح سمت کے تعین کا نمونہ ہوگا۔ اس سے خطرات کو ابتدا ہی میں پہچاننے، جائزہ لینے اور مناسب انداز میں ان کا سد باب کرنے میں مدد ملے گی اس کے بغیر کمپنی کے آپریشنل، فنانشل اور یا عمل درآمد کے مقاصد کی تکمیل متاثر ہو سکتی ہے۔

کمپنی کی رиск مینجمنٹ فریم ورک سے متعلق کارکردگی کی تفصیلی رپورٹ برائے 2015-16 سالانہ رپورٹ کے صفحہ نمبر 56 پر ملاحظہ کریں۔

### پولیسٹر اسٹیل فابریکس (PSF):

پولیسٹر برنس کے لئے حالیہ مالیاتی سال بھی پیٹرولیم مصنوعات خاص کر کروڈ آئل کی قیمتوں میں کمی کے باعث مشکل رہا۔ عالمی طور پر طلب میں کمی کے باوجود OPEC ممبران کی جانب سے پیداوار میں کمی لانے میں ناکامی نے صورتحال کو

کمپنی کی سماجی بہبود کی ذمہ داری سے متعلق کارکردگی کی تفصیلی رپورٹ برائے 2015-16 سالانہ رپورٹ کے صفحہ نمبر 46 پر ملاحظہ کریں۔

#### ہیومن ریسورسز:

1300 سے زائد پرجوش افراد کی ٹیم کے ساتھ، کمپنی اعلیٰ کارکردگی کی ترویج کے ماحول، تربیت، اعتماد اور ترقی کو بڑھانے کے ہمارے برانڈ کے وعدے کے ساتھ کھلے ذہن کی بدولت لوگوں کا بنیادی محور بنی ہوئی ہے۔

آئی سی آئی پاکستان لمیٹڈ میں ہم اس بات پر بھرپور یقین رکھتے ہیں کہ کامیابی تب ہی ملتی ہے جب ملازمین کمپنی کے نظریے کے عین مطابق مصروف عمل رہتے ہوئے یہ سمجھتے ہوں کہ ان کی قدر کی جاتی اور ان کی بات کو سنا جاتا ہے۔ اس یقین کے ساتھ آئی سی آئی پاکستان لمیٹڈ نے گیلپ سے ”IMPOWER“ کے نام سے ایمپلائنگ منجمنٹ سروسے کروایا۔ ہمارے تمام بزنسز اور فنکشنز کی مایہ ناز کارکردگی کی بدولت آئی سی آئی پاکستان کا انجمنٹ اسکور 5 پوائنٹ والے اسکیل پر 4.16 رہا۔ یہ اسکور گزشتہ سال کے مقابلے میں ہماری متاثر کن کارکردگی کا منہ بولتا ثبوت ہے۔ اس سال، گزشتہ سال کے 3.87 اسکور میں 0.29 پوائنٹس کا اضافہ ہوا جو گیلپ کی جانب سے مجوزہ اسکور سے بھی بہت آگے ہے۔ اس اسکور سے کمپنی گیلپ گلوبل ڈیٹا بیس میں دیگر کمپنیوں کے مقابلے میں 58 پرسنٹائل (صدویہ) پر رہی جو گزشتہ سال 35 پرسنٹائل تھا۔

اس جذبے کے ساتھ کہ اپنے ملازمین کو آگے بڑھنے کی تربیت، ترقی اور اضافہ کے مواقع فراہم کرنے والی کمپنی کے طور پر پہچانا جائے، ہم نے اپنے مایہ ناز ملازمین کی نقل و حرکت کو ترجیح بناتے ہوئے اپنے تمام بزنسز اور فنکشنز میں 14 فیصد ملازمین کا مختلف جگہوں پر تبادلہ کیا گیا تاکہ انہیں کمپنی کے مختلف کاموں پر عبور حاصل کرنے کے مواقع میسر ہوں۔

ملازمین کی صلاحیتوں میں نکھار لانے کے لئے لیڈرشپ ڈیولپمنٹ روڈ میپ شروع کیا گیا جو آئی سی آئی پاکستان لمیٹڈ کے لئے منظم اور مکمل ٹیلنٹ ڈیولپمنٹ فریم ورک (صلاحیتوں میں نکھار لانے کا ڈھانچہ) فراہم کر رہا ہے۔ یہ روڈ میپ پورے ادارے میں ہر سطح پر لیڈرشپ صلاحیتوں میں بہتری لانے پر توجہ مرکوز رکھتا

ہے اور ملازمین کو نہ صرف اپنے موجودہ کردار میں ترقی کے مواقع پیش کرتا ہے بلکہ اس سے بھی زیادہ اہم بات یہ ہے کہ انہیں اپنی خواہش کے منصب پر پہنچنے کے لئے مواقع فراہم کرتا ہے۔

اس مقصد کے لئے خاص کردہ 10 تربیتی ماڈیولز، ایگزیکٹو کوچنگ سیشن اور تربیتی پروجیکٹ کی بدولت اس وقت تک 540 مینیجرز ترقی کے اس سفر کا حصہ بن چکے ہیں۔

اس سال اپنے مینیجرز کو لائن مینیجر کے طور پر اپنے ہیومن ریسورسز سے متعلق کردار کی بہتر سمجھ کے لئے ”نان ایچ آر کیلئے ایچ آر“ کے نام سے دو دن کا ورکشاپ شروع کیا ہے جس میں 85 مینیجرز نے حصہ لیا۔ انجینئرز کے لئے دی کورڈو پلنٹ پروگرام کو ایک بار پھر شروع کیا گیا ہے جس میں داخلی اور خارجی فیکٹی کا تعاون حاصل ہے، جبکہ کام اور انتظام سے متعلق تربیت ضرورت کے مطابق کروائی جاتی رہتی ہے۔ اس سال بھی ملازمین کی تربیت، ان کے کام اور انتظام کی صلاحیت میں ترقی لانے کے لئے 27,448 مین آؤرز کی سرمایہ کاری کی گئی۔

کمپنی نے اپنے کمرشل، فنانس اور ٹیکنیکل شعبوں میں منظم ٹرینی پروگرامز کے ذریعے حال ہی میں اپنی تعلیم مکمل کرنے والے گریجویٹس کی بھرتی سے اپنی صلاحیت کو مضبوط کرنے کا کام جاری رکھا ہوا ہے۔ ان پروگرامز کے تحت ممتاز اداروں کے 25 گریجویٹس کو ایک پیچیدہ انتخابی عمل کے بعد کمپنی میں ملازمت کا موقع فراہم کیا گیا جبکہ 195 تجربہ کار ماہرین کو بھی ملازمت دی گئی ہے۔

مینیجرز کو عمومی اور مخلص مشوروں کے ساتھ پرفارمنس اینڈ ڈیولپمنٹ ڈسکشن ”کارکردگی اور ترقی سے متعلق تبادلہ خیال“ (P&DD) کا مرحلہ بھی لازم ہے تاکہ ملازمین کی کارکردگی کے نتیجے میں انہیں ترقی کا موقع دیا جاسکے۔ P&DD کا عمل قواعد و ضوابط کے مطابق اور اس بات کو یقینی بناتے ہوئے مکمل کیا گیا کہ ملازمین کو صاف و شفاف جائزے کے نظام سے فائدہ پہنچایا جائے۔

خواتین کے عالمی دن کے موقع پر اس سال کمپنی نے ”iMPACT“ کے نام سے صنفی متنوع فورم کا قیام عمل میں لایا گیا تاکہ ہم خواتین کے ساتھ تعاون کے اقدامات کرتے ہوئے 2018 تک کمپنی میں خواتین ملازمین کا تناسب 5 فیصد سے 10 فیصد تک بڑھا سکیں۔



## SOS ویلج میں سسٹیمیٹی سے متعلق آگہی کا پروگرام:

کمپنی کے رضا کاروں نے ویلج کے بچوں کو روزمرہ کی گھریلو اشیاء کو دوبارہ کارآمد بنانے اور استعمال کرنے کے طریقے بتائے۔ اس سرگرمی میں 150 سے زائد بچوں نے حصہ لیا۔ انہوں نے بڑے شوق کے ساتھ کچرے کو کم کرنے کے تصور کو حقیقت بننے دیکھا اور ناکارہ چیزوں کو دوبارہ قابل استعمال اور سادہ سی چیزوں سے بہترین تخلیقی اشیاء بنانے میں بہت زیادہ دلچسپی لی۔

## ماحول (صاف ماحول، تازہ ہوا):

علامہ اقبال میونسپل پارک: آئی سی آئی پاکستان فاؤنڈیشن نے کھیوڑہ، پنڈ دادن خان میں علامہ اقبال میونسپل پارک کی تزئین و آرائش کے ساتھ درخت لگانے اور گراؤنڈ کو ہر ابھرا کرنے کے لیے گھاس اگانے کا انتظام کیا اور پارک میں کھیل کے میدان کے لئے اسپورٹس کا ساز و سامان بھی مہیا کیا ہے۔

شجرکاری: یوم ارض (ارتھ ڈے) اور ماحولیات کا عالمی دن (ورلڈ انوائرنمنٹ ڈے) مناتے ہوئے کھیوڑہ، شینوپورہ، ملتان روڈ لاہور پر لائف سائنسز کا پلانٹ اور لیاری کراچی میں شجرکاری مہم شروع کی گئی۔ اس مہم میں کل 18,050 سے زائد درخت لگائے گئے۔

ماحول دوست لفافوں کا استعمال: کمپنی نے کاغذ کے لفافوں کی جگہ ماحول دوست پلاسٹک کے لفافوں کا استعمال جاری رکھا ہوا ہے جو کہ اپنے اسٹیک ہولڈرز کو کمپنی کی سالانہ رپورٹ بھیجنے کے لئے استعمال ہو رہے ہیں۔ اس اقدام کا مثبت اثر ماحول پر اس طرح سے پڑا کہ: 27 درخت، 4.86 کیوبک یارڈ ز لینڈ فل اسپیس، تیل کے 3.2 بیرل، 11,340 گیلن پانی اور 6,642 کلوواٹ آور بجلی کی بچت ہوئی۔

توانائی کا تحفظ: توانائی کے استعمال اور قدرتی وسائل کی حفاظت سے متعلق آگہی کے لئے کمپنی نے سماعت ارض (انٹرنیشنل ارتھ آور) میں شرکت کرتے ہوئے متعین وقت پر اپنے تمام سائنٹس پر غیر ضروری لائٹس بند کر دیں۔

تعاون سے کھیوڑہ اور دیگر دور دراز علاقوں کے غریب مریضوں کو مفت علاج معالجے کی سہولت مہیا کر رہا ہے۔ جولائی 2015 سے جون 2016 تک 10 آنکھوں کے کلینک منعقد کئے جا چکے ہیں جن میں 4,422 مریضوں کو دیکھا گیا، 740 مریضوں کے بڑے یا چھوٹے آپریشن ہوئے اور 3,287 ریفریکشن کئے جا چکے ہیں۔

## چائلڈ لائف فاؤنڈیشن:

آئی سی آئی پاکستان فاؤنڈیشن نے چائلڈ لائف فاؤنڈیشن کے ساتھ تین سالہ تعاون کا عہد کیا ہے۔ جس کا پہلا سال مکمل ہو گیا ہے۔ یہ فاؤنڈیشن سول ہسپتال، جناح ہسپتال، کراچی میں بچوں کے ایمرجنسی وارڈز میں ہرمنٹ میں ایک بچے کو طبی امداد فراہم کر رہی ہے۔

## لایو اسٹاک (مال مویشی):

مال مویشیوں کی صحت کے حوالے سے ڈیری فارمرز کے لئے ایک پروگرام شروع کیا گیا، اس ضمن میں کیٹل کرش کے نام سے مویشی کے لئے ایک حفاظتی جنگلا خاص طور پر اس لئے بنوایا گیا ہے تاکہ جانور وٹرنری پروسیجر کے دوران زخمی ہونے سے محفوظ رہیں۔ بچاؤ کا یہ حفاظتی طریقہ وٹرنری اسٹاف اور جانور دونوں کو زخمی ہونے سے محفوظ رکھتا ہے۔ اس طرح کے 25 یونٹس پاکستان کے پسماندہ علاقوں، خاص طور پر خیبر پختونخوا اور پٹوہار کے علاقے میں نصب کئے جا رہے ہیں۔

## معاشرہ (کیونٹی):

بیمار بچوں کے ساتھ جشن آزادی کا دن منایا گیا: کمپنی کے رضا کاروں نے ہمقدم پروگرام کے بینر تلے کراچی کے سول ہسپتال اور نیشنل انسٹیٹیوٹ آف کارڈیو وایسکولر ڈیزیز (NICVD) میں مریض بچوں کے ساتھ جشن آزادی کی خوشیاں منانے کا اہتمام کیا۔ چھوٹے مریضوں نے اس تفریحی پروگرام میں بہت ذوق و شوق سے حصہ لیا اور دونوں سرکاری ہسپتالوں کی انتظامیہ نے اس کوشش کو بہت زیادہ سراہا۔

یہ سینئر 1970 میں خواتین کو ووکیشنل ٹریننگ کے ذریعے بااختیار بنانے کے مقصد سے قائم کیا گیا تھا۔ سینئر میں جاری کلاسز میں کھیوڑہ کی خواتین اور لڑکیوں کو سلائی، بُنائی، کڑھائی اور کھانہ پکانے جیسے ضروری ہنر سکھائے جاتے ہیں۔ اب تک 1200 طالبات نے ووکیشنل ٹریننگ حاصل کی ہے۔ سینئر کی نئی اور بڑی عمارت میں زیادہ سے زیادہ خواتین کو ووکیشنل ٹریننگ کی سہولت حاصل ہوگی۔

### کمپیوٹر اور لینگویج کی مہارتیں:

کمپیوٹر اور زبان میں مہارت کے لئے عبداللہ ہارون ووکیشنل ٹریننگ سینٹر، لیاری میں لٹریٹ پاکستان کے تعاون سے انگلش زبان اور MS آفس سکھانے کی کلاسز شروع کی گئیں۔ لیاری کے نوجوانوں کو کمپیوٹر کی تعلیم اور بنیادی انگریزی زبان سے واقفیت کے بعد ہم امید کرتے ہیں کہ ان کے لئے ملازمت کے حصول اور مزید تعلیم کے دروازے کھلیں گے۔ 3 ماہ کے اس کورس میں 200 سے زائد (150 لڑکیاں اور 70 لڑکے) طلباء نے داخلہ لیا۔

### تعلیم بالغان:

تعلیم بالغان کا دوسرا سیشن لٹریٹ پاکستان، جگنو سبک کے تعاون سے کا پیر گوٹھ، سینڈز پٹ، کراچی میں مئی 2016 میں شروع کیا گیا جس میں 20 خواتین کو داخل کیا گیا ہے۔

### پرائمری تعلیم میں تعاون:

آئی سی آئی پاکستان فاؤنڈیشن ایک دہائی سے زائد عرصہ سے کا پیر گوٹھ کمیونٹی اسکول کے ساتھ تعاون جاری رکھے ہوئے ہے۔ اس وقت اس اسکول میں 243 بچے اور بچیاں داخل ہیں اور اس علاقے میں ہماری کوششیں تعلیم کی آگہی میں اضافے اور تعلیم بالغان کے کلاسز کے روپ میں دیکھی جاسکتی ہیں۔

فاؤنڈیشن نے گورنمنٹ بوائز اینڈ گرلز پرائمری اسکول ٹی ہریہ، شیخوپورہ کے ساتھ بھی تعاون جاری رکھا ہوا ہے۔

### اعلیٰ تعلیم میں تعاون:

مرشد ہسپتال اسکول آف نرسنگ کی اپ گریڈیشن: خواتین کو تعلیم کے ذریعے بااختیار بنانے اور ملازمت کے مواقع فراہم کرنے کے ہمارے نظریے کے پیش نظر آئی سی آئی پاکستان فاؤنڈیشن نے مرشد ہسپتال کراچی کے نرسنگ اسکول کو کالج بنانے کے لئے فنڈز فراہم کئے جو کتابوں اور لیب کے ساز و سامان کی خریداری میں استعمال کئے جائیں گے۔ کالج میں اس وقت 148 طلباء جن میں زیادہ تر خواتین ہیں، کو تین سالہ ڈپلومہ پروگرام میں داخلہ دیا گیا ہے۔ اپ گریڈیشن کی تکمیل پر یہ اسکول نرسنگ اسٹوڈنٹس کو چار سالہ ڈگری پروگرام پیش کرے گا۔

### پاکستان کی زراعت سے تعاون:

اس کے علاوہ آئی سی آئی پاکستان فاؤنڈیشن، پاکستان ایگریکلچرل کولیشن، لاہور کے ساتھ ایگریکلچرل ٹیکنیکل انسٹیٹیوٹ کے قیام میں تعاون جاری رکھے ہوئے ہے۔

### ہیلتھ (زندگی صحت کے ساتھ):

ہمقدم کمیونٹی کلینک: آئی سی آئی پاکستان فاؤنڈیشن نے کھیوڑہ میں ہمددم کمیونٹی کلینک کے قیام کے لئے فنڈز فراہم کئے، چونکہ کھیوڑہ ایک پسماندہ علاقہ ہے، وہاں پر خواتین ڈاکٹر کی موجودگی ایک بہت بڑا مسئلہ ہے۔ یہ کلینک میری ایڈیلیڈ لپروسی سینٹر (MALC) کراچی کے زیر انتظام چلایا جا رہا ہے اور اس کی نگرانی ایک لیڈی ڈاکٹر کر رہی ہیں، ایک مڈوائف / لیڈی ہیلتھ وزیٹر اور دیگر ملازمین رکھے گئے ہیں تاکہ خاص طور پر ماں اور بچے کی صحت کے مسائل حل کئے جاسکیں، خاص طور پر حمل سے تعلق رکھنے والے مسائل پر زیادہ توجہ دی جاسکے۔ فاؤنڈیشن نے اس کمیونٹی کلینک کو ایک جدید سہولتوں سے آراستہ ایسوسی ایشن بھی دی ہے تاکہ وہاں کی کمیونٹی کو آمدورفت کی پریشانی سے بھی بچایا جاسکے۔

### آنکھوں کی دیکھ بھال کا پروگرام:

ہمارے بہت پرانے آئی کیئر پروگرام نے اس سال اپنی سلور جوبلی منائی، یہ پروگرام گزشتہ 25 سال سے کامیابی کے ساتھ آنکھوں کی حفاظت کے حوالے سے خدمات انجام دے رہا ہے۔ ہمارا یہ پروگرام لیٹن رحمۃ اللہ بینوولینٹ ٹرسٹ کے

کے زیر انتظام سرانجام دیتی ہے، جو ایک رجسٹرڈ ٹرسٹ ہے اور اسے فاؤنڈیشن کے بورڈ آف ٹرسٹیز چلاتے ہیں۔ اس کے علاوہ بہت سارے دیگر سماجی بہبود کے کام کمپنی اپنے طور پر بھی انجام دیتی ہے۔

آئی سی آئی فاؤنڈیشن بنیادی طور پر چار شعبوں میں اپنی توجہ مرکوز رکھے ہوئے ہے: تعلیم، صحت، معاشرہ اور ماحول۔ اس کے علاوہ کمپنی شہری ترقی کے لئے بھی کمیونٹی پروجیکٹس، امدادی کاموں اور بحالی کے کاموں میں سرمایہ کاری کرتی ہے۔ اس سال آئی سی آئی پاکستان فاؤنڈیشن نے اپنے سماجی بہبود کے اقدامات کو باضابطہ طور پر "ہمقدم" پروگرام کا نام دیا ہے۔ کمپنی ہمقدم پروگرام کے تحت درج ذیل شعبوں میں کام کر رہی ہے۔

### تعلیم (علم و ہنر)

#### ووکیشنل ٹریننگ

الیکٹریکل وائر مین کورسز: ہمارے شیخوپورہ کے پولیسٹر پلانٹ نے کمیونٹی کے نوجوانوں کو گھریلو الیکٹریکل وائر مین کورس کے تین بیچ کامیابی کے ساتھ ہمکنار کرانے کے بعد اس سال آئی سی آئی پاکستان فاؤنڈیشن نے اس پروگرام کو اپ گریڈ کرتے ہوئے تھری فیز انڈسٹریل الیکٹریکل وائر مین کورس متعارف کرایا۔ اس کورس میں 15 طلباء کو داخل کیا گیا ہے، جنہیں TEVTA، پنجاب کے نصاب کے مطابق تربیت دی جا رہی ہے۔

کراچی میں آئی سی آئی پاکستان کی ہیڈ آفس کے قریب لیاری میں الیکٹریکل وائر مین کا شارٹ کورس متعارف کرایا گیا ہے۔ اس کورس کا انتظام عبداللہ ہارون ووکیشنل ٹریننگ سینٹر، لیاری کے ساتھ شراکت داری کے تحت کیا جا رہا ہے جس کا مقصد لیاری کے نوجوانوں کی صلاحیتوں میں نکھار لایا جائے اور انہیں ہنر سیکھایا جائے تاکہ ان کے لئے ملازمت کے دروازے کھل سکیں، اس کورس میں اب تک 20 طلباء نے داخلہ لیا ہے۔

خواتین کی بہبود کا سینٹر (لیڈیز ویلفیئر سینٹر):

کھیوڑہ میں لیڈیز ویلفیئر سینٹر کی نئی عمارت کی تعمیر کے لئے ہم نے فنڈ زفرہ اہم کئے۔

آئے بغیر پورے کئے۔ اسی طرح آزاد کنٹریکٹرز کے ساتھ بھی کوئی حادثہ پیش آنے کی کوئی اطلاع نہیں ملی۔

HSE&S مینجمنٹ آڈٹ پریسیس جو گزشتہ سال کمپنی کے تمام سائٹس اور مقامات پر شروع ہوا تھا وہ اس سال تکمیل کو پہنچا۔ آڈیٹرز کی نشاندہی اور تجاویز کی بنیاد پر کمپنی کے تمام شعبے، مقامات اور کاروبار 2016-17 میں HSE&S میں بہتری کے منصوبے تیار کر رہے ہیں تاکہ اپنی HSE&S میں مزید بہتری لاسکیں۔

انتظامی تبدیلیوں کے باعث HSE&S مینجمنٹ کمیٹی، کارپوریٹ کرائسز مینجمنٹ ٹیم اور سسٹین ایبلٹی کونسل کا دوبارہ قیام عمل میں لایا گیا۔

آئی سی آئی پاکستان لمیٹڈ کے کارپوریٹ انجینئرنگ طریقہ کار (پروجیکٹ) بھی گزشتہ سال میں جاری کئے گئے تاکہ ہمارے برنسز مقامی انجینئرنگ کے طریقہ کار (پروجیکٹ) کو کارپوریٹ شکل میں ڈھال سکیں۔ سال 2015-16 میں کمپنی نے اپنے تمام برنسز میں سسٹین ایبلٹی کے منصوبوں پر عمل درآمد کے ذریعے زیادہ تر توجہ توانائی کے استعمال، فضلے میں کمی لانے اور استعداد کار (OEE) کے اثرات میں کمی پر مرکوز رکھی۔

صارفین کی جانب سے تجاویز کی بنیاد پر شیئر ہوائنٹ کے ذریعے اپ ڈیٹ کئے گئے EPM اور رننگ ایونٹ ڈیٹا بیس میں بہتری کے ساتھ موثر انتظامات کئے گئے تاکہ مجوزہ مقصد کا حصول اور آنے والی ضروریات کو پورا کیا جاسکے، اس کے لئے کارپوریٹ آئی ٹی کا تعاون حاصل رہا۔

پوری کمپنی میں جاری ترقیاتی منصوبوں میں ان ہاؤس اسٹیم، پاور اور ہیٹنگ سسٹم کی بدولت ہوا کے اخراج، فضلہ اور پانی کی نکاسی اور توانائی کے استعمال کے مقررہ ٹارگٹس کے مقابلے میں زیادہ کامیابی ملی۔ جبکہ تمام مینوفیکچرنگ سائٹس پانی اور ہوا کے اخراج سے متعلق ملکی قوانین پر بھی عمل پیرا ہیں۔

کمپنی کی HSE&S کارکردگی اور بہتری سے متعلق تفصیلی رپورٹ برائے سال 2015-16 کے لئے سالانہ رپورٹ کا صفحہ نمبر 42 ملاحظہ کریں۔

سماجی بہبود کی کاروباری ذمہ داری (CSR):

آئی سی آئی پاکستان لمیٹڈ اپنی سماجی بہبود کی ذمہ داری آئی سی آئی پاکستان فاؤنڈیشن



ہے جو گزشتہ مالی سال کے مقابلے میں 20 فیصد زیادہ ہے۔ کمپنی نے NutriCo پاکستان پرائیویٹ لمیٹڈ ("ایسوسی ایٹ") میں 10 فیصد مزید ایکویٹی (شراکت) مکمل کی، جس کے بعد ایسوسی ایٹ میں مجموعی سرمایہ کاری 40 فیصد ہو چکی ہے۔ اس مالی سال کے دوران کمپنی نے 407 ملین روپے "ایسوسی ایٹ کی طرف سے منافع کا حصہ" حاصل کیا۔

### ڈیویڈنڈ (منافع منقسمہ):

کمپنی کی آمدنی کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے 30 جون 2016 کو اختتام پذیر ہونے والے سال کے لئے حتمی نقد ڈیویڈنڈ (منافع منقسمہ) 90 فیصد کے تناسب سے دینے کی تجویز دی ہے جو کہ ہر 10 روپے کے شیئر پر 9 روپے بنتا ہے، اور اس کی ادائیگی آنے والے سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔ اس کے علاوہ عبوری منافع منقسمہ (انٹرم ڈیویڈنڈ) 6.5 روپے فی شیئر کے حساب سے پہلے ہی دیا جا چکا ہے، اس طرح مجموعی منافع منقسمہ (ڈیویڈنڈ) 15.5 روپے فی شیئر بنتا ہے۔

### ہیلتھ، سیفٹی، انوائرنمنٹ اور سیکیورٹی (HSE&S):

کمپنی نے HSE&S کے حوالے سے اپنے غیر متزلزل یقین کا اظہار جاری رکھا ہوا ہے جس کی بدولت اس سال کوئی بھی حادثہ رونما نہیں ہوا۔ کمپنی کی طرف سے مختلف قسم کے صحت کے جائزے اور کام کے ماحول کی نگرانی کے پروگراموں کی بدولت کام کے دوران بیماری کا بھی کوئی واقعہ پیش نہیں آیا۔ گزشتہ سال کے مقابلے میں ملازمین کی بیماری کے باعث غیر حاضری میں بھی 4.8 فیصد کمی دیکھی گئی انتظامی قواعد پر بھرپور توجہ، ہیلتھ، سیفٹی، انوائرنمنٹ اور سیکیورٹی کے انتظام میں کوئی کسر چھوڑے بغیر یہ کارکردگی حاصل کی گئی جس میں رویوں کی بنیاد پر سیفٹی (BBS) پروگرام سے بھی مدد ملی۔ یہ ثبوت ہے کہ ہم HSE&S پر عمل درآمد کو یقینی بنانا اپنی اولین ترجیح سمجھتے ہیں۔

ہمارے بزنسز کی HSE&S کارکردگی مستقل بنیادوں پر بہتر رہی ہے جیسا کہ پولیسٹر، سوڈا الیش، لائف سائنسز اور کیمیکلز بزنسز نے بالترتیب 7.93، 7.98 اور 1.40 ملین آؤٹ پٹ اور زیر نگرانی کسٹریکٹرز کو کوئی حادثہ پیش

کمپنی کے ڈائریکٹر اپنی رپورٹ برائے مالی سال ختم شدہ 30 جون 2016 ڈائریکٹر رپورٹ اور آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

### جائزہ:

کمپنی کا زیر جائزہ مالی سال کا مجموعی کاروبار 36,954 ملین روپے رہا جو گزشتہ مالی سال ختم شدہ جون 2015 کے مقابلے میں 1 فیصد کم ہے۔ گزشتہ مالی سال کا کاروبار 37,515 ملین روپے تھا۔ اس کمی کا تعلق ہمارے پولیسٹر بزنس کے کاروبار میں کمی ہے جس میں تمام پیٹرولیم مصنوعات کی قیمتوں میں مندی کے رجحان کے باعث 15 فیصد کمی ہوئی۔

ہمارے سوڈا الیش بزنس کا مجموعی کاروبار بہتر حجم کے باعث 7 فیصد بڑھا، جبکہ لائف سائنسز بزنس نے سیلز میں 13 فیصد اضافہ ریکارڈ کیا۔ کیمیکلز بزنس کی سیلز بھی گزشتہ مالی سال کے مقابلے میں 5 فیصد بڑھی ہے۔

زیر جائزہ مالی سال کا آپریٹنگ منافع 3,479 ملین روپے رہا جو گزشتہ مالی سال کے اسی عرصہ کے مقابلے میں 14 فیصد زیادہ ہے۔ سوڈا الیش، لائف سائنسز اور کیمیکلز بزنسز میں خاطر خواہ کارکردگی سے پولیسٹر کاروبار کی نسبتاً کمزور کارکردگی سے ممکنہ طور پر آپریٹنگ منافع پڑنے والے اثرات کی بہت حد تک تلافی ہوئی۔

سوڈا الیش بزنس کی بہترین کارکردگی سیلز کے حجم میں اضافے، فرنیز آئل اور کوئلے کی قیمتوں میں کمی کے سبب سستے خام مال اور سستی توانائی کے مہوں منت ہے۔

زیر جائزہ مالی سال میں ہمارے نئے ڈینس الیش (DA) اور ریفائنڈ سوڈیم بائی کاربونیٹ (RSB) پلانٹس کے ساتھ اسٹیم اور پاور پروجیکٹس نے کامیابی کے ساتھ اپنا کام شروع کر دیا ہے، اس کے علاوہ سوڈا الیش بزنس میں کس توانائی کو تقویت ملی۔

اس سال آمدن فی شیئر منافع 30.78 روپے ہے جو گزشتہ مالی سال کے 23.02 روپے کے مقابلے میں 34 فیصد زیادہ ہے۔

اس سال مجموعی طور پر (بشمول کمپنی کے مکمل ماتحت ادارے آئی سی آئی پاکستان پاور جن لمیٹڈ) منافع بعد از ٹیکس 2,730 روپے یا منافع فی شیئر 29.56 روپے

## فارم برائے پراکسی (Form of Proxy)

65 واں سالانہ اجلاس عام

میں / ہم \_\_\_\_\_ کا (مکمل پتہ) \_\_\_\_\_  
بحیثیت آئی سی آئی پاکستان لمیٹڈ کے ممبر / ممبران \_\_\_\_\_  
حصص کے مالک، بذریعہ ہذا کا (مکمل پتہ) \_\_\_\_\_  
یا ان کی عدم موجودگی کی صورت میں \_\_\_\_\_  
کا (مکمل پتہ) \_\_\_\_\_ جو کمپنی کا / کے ممبر / ممبرز بھی ہے / ہیں، ۲۵ اکتوبر ۲۰۱۶ کو منعقد  
ہونے والے اور / یا ملتوی ہونے والے کمپنی کے سالانہ اجلاس عام میں میری / ہماری جانب سے ووٹ دینے کے لئے میری / ہماری پراکسی مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں۔  
بطور گواہ میں / ہم نے بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_ 2016 کو میرے / ہمارے ہاتھ سے مہر لگائی۔

مذکورہ کی جانب سے دستخط شدہ \_\_\_\_\_  
مندرجہ ذیل گواہان کی موجودگی میں

گواہ:

1- دستخط: \_\_\_\_\_ نام: \_\_\_\_\_  
2- دستخط: \_\_\_\_\_ نام: \_\_\_\_\_  
پتہ: \_\_\_\_\_ پتہ: \_\_\_\_\_  
کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر: \_\_\_\_\_ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر: \_\_\_\_\_

دستخط

فولیو / سی ڈی سی اکاؤنٹ نمبر

دستخط کمپنی کے رجسٹر میں درج شدہ نمونے کے دستخط کے مطابق ہونے چاہئیں۔

نوٹ:

- ۱- یہ پراکسی فارم ہر طرح سے مکمل صورت اور دستخط شدہ لازماً کمپنی کے رجسٹرڈ آفس آئی سی آئی ہاؤس، 5 ویسٹ وہارف، کراچی پر سالانہ اجلاس عام کے انعقاد کے وقت سے 48 گھنٹے قبل موصول ہو جائیں۔
- ۲- کسی فرد کو بطور پراکسی شرکت کی اجازت نہیں دی جائیگی تاوقتیکہ وہ کمپنی کا / کی ممبر نہ ہو۔ ماسوائے یہ کہ ایک کارپوریٹ کسی ایسے فرد کا تقرر کر سکتی ہے جو ممبر نہ ہو۔
- ۳- اگر کسی ممبر نے ایک سے زائد پراکسی کا تقرر کیا اور کمپنی کے کسی ممبر کی جانب سے پراکسی کی ایک سے زائد دستاویز جمع کرائی گئیں تو پراکسی کی ایسی تمام دستاویزات غیر مؤثر تصور کی جائیں گی۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ ادارے

مذکورہ بالا کے علاوہ مندرجہ ذیل شرائط بھی پوری کرنا ہوں گی:

- ا- پراکسی فارم دو افراد کی جانب سے گواہی کے ساتھ ہونا چاہئے جن کے نام، پتے اور سی این آئی سی نمبرز فارم پر درج ہوں۔
- ب- بنی فیشل اونرز کے سی این آئی سی یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ پیش کرنا ہوں گی۔
- ج- پراکسی کا اجلاس کے وقت اپنا اصلی سی این آئی سی یا اصل پاسپورٹ فراہم کرنا ہوگا۔
- د- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز، کی قرار داد / پاور آف اٹارنی مع نمونہ دستخط (اگر پہلے فراہم نہیں کئے گئے) پراکسی فارم کے ساتھ کمپنی کے پاس جمع کرانے ہوں گے۔

**The Company Secretary  
ICI Pakistan Limited  
ICI House  
5 West Wharf  
Karachi-74000**

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