ICI Pakistan Limited
Unconsolidated Statement of Financial Position
As at June 30, 2018

Amounts in PKR '000

	Note	June 30, 2018	June 30, 2017	June 30, 2016
			(Re-stated)	(Re-stated)
ASSETS				
Non-current assets				
Property, plant and equipment	6	**20,576,333**	19,613,523	17,040,334
Intangible assets	7	**924,294**	19,273	16,460
		21,500,627	19,632,796	17,056,794
Long-term investments	8	**3,913,076**	2,954,276	1,462,976
Long-term loans	9	**431,096**	370,465	356,330
Long-term deposits and prepayments	10	**37,138**	38,627	33,594
		4,381,310	3,363,368	1,852,900
		25,881,937	22,996,164	18,909,694
Current assets				
Stores, spares and consumables	11	**881,034**	942,636	811,963
Stock-in-trade	12	**8,737,564**	5,746,647	5,296,746
Trade debts	13	**2,605,818**	2,547,340	1,640,447
Loans and advances	14	**520,173**	444,191	391,342
Trade deposits and short-term prepayments	15	**306,154**	564,385	428,713
Other receivables	16	**1,401,131**	1,515,528	726,683
Taxation - net		**2,595,475**	1,257,222	2,236,155
Cash and bank balances	17	**218,843**	141,748	146,287
		17,266,192	13,159,697	11,678,336
Total assets		**43,148,129**	36,155,861	30,588,030
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorised capital				
1,500,000,000 (June 30, 2017: 1,500,000,000) ordinary shares of PKR 10 each		**15,000,000**	15,000,000	15,000,000
Issued, subscribed and paid-up capital	18	**923,591**	923,591	923,591
Capital reserves	19	**309,643**	309,643	309,643
Surplus on revaluation of property, plant and equipment - net of tax	19	**669,495**	743,948	829,645
Revenue reserve - unappropriated profit		**16,178,705**	14,950,666	13,183,294
Total equity		**18,081,434**	16,927,848	15,246,173
Non-current liabilities				
Provisions for non-management staff gratuity	20	**99,007**	102,289	90,867
Long-term loans	21	**8,237,107**	4,909,946	3,652,586
Deferred tax liability - net	22	**1,911,896**	1,231,011	1,430,789
		10,248,010	6,243,246	5,174,242
Current liabilities				
Trade and other payables	23	**6,159,767**	10,039,880	7,661,088
Accrued mark-up		**249,638**	102,155	77,663
Short-term borrowings and running finance	24	**7,356,467**	2,118,446	1,964,433
Current portion of long-term loans	21	**963,434**	643,718	393,783
Unclaimed dividend		**89,379**	80,568	70,648
		14,818,685	12,984,767	10,167,615
Total equity and liabilities		**43,148,129**	36,155,861	30,588,030
Contingencies and commitments	25			

The annexed notes 1 to 50 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited

Unconsolidated Statement of Profit or Loss

For the year ended June 30, 2018

Amounts in PKR '000

	Note	For the year ended June 30, 2018	For the year ended June 30, 2017
Net turnover	26	**49,107,580**	41,363,695
Cost of sales	27.2	**(40,607,969)**	(33,598,220)
Gross profit		**8,499,611**	7,765,475
Selling and distribution expenses	29	**(2,894,708)**	(2,607,114)
Administration and general expenses	30	**(1,207,062)**	(1,114,785)
Operating result		**4,397,841**	4,043,576
Other charges	31	**(303,732)**	(143,828)
Finance costs	32	**(641,692)**	(385,144)
Exchange loss		**(428,994)**	(12,935)
		(1,374,418)	(541,907)
Other income	33	**626,979**	892,701
Profit before taxation		**3,650,402**	4,394,370
Taxation	34	**(590,698)**	(1,098,279)
Profit after taxation		**3,059,704**	3,296,091
Basic and diluted earnings per share (PKR)	35	**33.13**	35.69

The annexed notes 1 to 50 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited

Unconsolidated Statement of Other Comprehensive Income

For the year ended June 30, 2018

Amounts in PKR '000

	For the year ended June 30, 2018	For the year ended June 30, 2017
Profit after taxation	**3,059,704**	3,296,091
Other comprehensive income / (loss)		
Items not to be reclassified to statement of profit or loss:		
Remeasurement of defined benefit plans	**(310,268)**	(74,151)
Income tax effect	**72,773**	18,227
	(237,495)	(55,924)
Reversal of surplus on revaluation of property, plant and equipment	**(11,783)**	-
Adjustment of surplus on revaluation of property, plant and equipment due to change in tax rate - note 19.3	**5,622**	11,611
	(6,161)	11,611
Total comprehensive income for the year	**2,816,048**	3,251,778

The annexed notes 1 to 50 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2018

Amounts in PKR '000

	For the year ended June 30, 2018	For the year ended June 30, 2017
Cash flows from operating activities		
Cash generated from operations - note 36	**358,766**	5,569,176
Payments for:		
Staff retirement benefit plans - note 20.1.2	**(65,987)**	(66,528)
Non-management staff gratuity and eligible retired employees' medical scheme	**(30,491)**	(27,855)
Taxation	**(1,169,671)**	(289,286)
Interest	**(494,207)**	(360,652)
Net cash (used in) / generated from operating activities	**(1,401,590)**	4,824,855
Cash flows from investing activities		
Capital expenditure	**(3,419,455)**	(4,239,054)
Proceeds from disposal of operating fixed assets	**15,881**	5,366
Interest received on bank deposits	**5,512**	1,470
Investment in subsidiary	**(958,800)**	(1,491,300)
Business acquisition	**(1,935,700)**	-
Dividend from subsidiary	**120,000**	125,000
Dividend from associate	**420,000**	668,000
Net cash used in investing activities	**(5,752,562)**	(4,930,518)
Cash flows from financing activities		
Long-term loans obtained*	**4,290,595**	1,896,186
Long-term loans repaid*	**(643,718)**	(388,891)
Dividends paid	**(1,653,651)**	(1,560,184)
Net cash generated from / (used in) financing activities	**1,993,226**	(52,889)
Net decrease in cash and cash equivalents	**(5,160,926)**	(158,552)
Cash and cash equivalents at the beginning of the year	**(1,976,698)**	(1,818,146)
Cash and cash equivalents at the end of the year	**(7,137,624)**	(1,976,698)
Cash and cash equivalents at the end of the year comprise of:		
Cash and bank balances - note 17	**218,843**	141,748
Short-term borrowings and running finance - note 24	**(7,356,467)**	(2,118,446)
	(7,137,624)	(1,976,698)

*No non-cash items are included in these activities

The annexed notes 1 to 50 form an integral part of these unconsolidated financial statements.

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

ICI Pakistan Limited

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2018

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Surplus on revaluation of property plant and equipment	Revenue reserve - unappropriated profit	Total
As at July 01, 2016	**923,591**	**309,643**	**-**	**13,183,294**	**14,416,528**
Adjustment due to change in accounting policy note -3.1	**-**	**-**	**829,645**	**-**	**829,645**
As at July 01, 2016 - restated	**923,591**	**309,643**	**829,645**	**13,183,294**	**15,246,173**
Final dividend for the year ended June 30, 2016 @ PKR 9.00 per share	-	-	-	(831,231)	(831,231)
Interim dividend for the year ended June 30, 2017 @ PKR 8.00 per share	-	-	-	(738,872)	(738,872)
	-	**-**	**-**	**(1,570,103)**	**(1,570,103)**
Profit for the year	-	-	-	3,296,091	3,296,091
Other comprehensive income/ (loss) for the year - net of tax (restated)	-	-	11,611	(55,924)	(44,313)
Total comprehensive income - restated	-	-	11,611	**3,240,167**	**3,251,778**
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 19.3	-	-	(97,308)	97,308	-
	-	**-**	**(97,308)**	**97,308**	**-**
As at June 30, 2017 - restated	**923,591**	**309,643**	**743,948**	**14,950,666**	**16,927,848**
Final dividend for the year ended June 30, 2017 @ PKR 10.00 per share	-	-	-	(923,590)	(923,590)
Interim dividend for the year ended June 30, 2018 @ PKR 8.00 per share	-	-	-	(738,872)	(738,872)
	-	**-**	**-**	**(1,662,462)**	**(1,662,462)**
Profit for the year	-	-	-	3,059,704	3,059,704
Other comprehensive loss for the year - net of tax	-	-	(6,161)	(237,495)	(243,656)
Total comprehensive income	**-**	**-**	**(6,161)**	**2,822,209**	**2,816,048**
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 19.3	-	-	(68,292)	68,292	-
	-	**-**	**(68,292)**	**68,292**	**-**
As at June 30, 2018	**923,591**	**309,643**	**669,495**	**16,178,705**	**18,081,434**

The annexed notes 1 to 50 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

1 Status and nature of business

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

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

Geographical location and addresses of major business units including mills/plants of the Company are as under:

Karachi	**Purpose**
ICI House, 5 West Wharf	Head Office and Production Plant
S-33, Hawksbay road, S.I.T.E	Production Plant
Lahore	
ICI House, 63 Mozang road	Regional Office
30-Km, Sheikhupura road, Lahore	Regional Office and Production Plant
45-Km, Off Multan road, Lahore	Production Plant
Khewra	
ICI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	Regional Office and Production Plant

2 Summary of significant transactions and events occurred during the year

Following is the summary of significant transaction and events that have affected the financial position and performance of the Company

- 75,000 tons per annum Soda Ash expansion (Phase 1 of the planned 150,000 TPA expansion) has come online. Subsequently to this addition nameplate capacity of Soda Ash plant now stands at 425,000 TPA - note 39

- The Agri Division has now become a part of the Chemical Business and is now known as the Chemical & Agri Sciences Business - note 26.10

- Acquisition of certain assets and brands of Wyeth Pakistan Limited and production began at newly acquired Hawkesbay plant - note 5

- Approval for the new injectable (sterile) section at the Animal Health manufacturing facility was obtained from the Central Licensing Board

- Construction of the Masterbatch manufacturing facility is progressing as per plan to enhance the portfolio of Chemical & Agri Sciences Business

- Ban on import and marketing of recombinant bovine somatotropin (rbST) injections (FDA approved product) from Supreme Court through Suo moto action

- Adoption of Companies Act, 2017 - note 3.1

3 Summary of significant accounting policies

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

The Act has also brought certain changes with regard to the preparation and presentation of these unconsolidated financial statements. These changes, amongst others, included change in respect of presentation and measurement of surplus on revaluation of property plant and equipment as fully explained in note 3.3 of these unconsolidated financial statements, change in nomenclature of primary statements. Further, the disclosure requirements contained in the fourth schedule of the Act have been revised, resulting in elimination of duplicative disclosure with the IFRS disclosure requirements and incorporation of additional amended disclosures including, but not limited to, particulars of immovable assets of the Company (refer note 6.5), management assessment of sufficiency of tax provision in the unconsolidated financial statements (refer note 34.1), change in threshold for identification of executives (refer note 37), additional disclosure requirements for related parties (refer note 4) etc.

3.2 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, leasehold land and plant and machinery) have been measured at revalued amounts; and

b) Provision for management staff gratuity and non-management staff gratuity 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 stated in note 46.

3.3 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.

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, the increase is recorded in the statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognised in the statement of profit or loss however, a decrease is recorded in statement of other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same assets.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

Depreciation charge is based on the straight-line method whereby the cost or revalued amount of an asset is written off to statement of profit or loss 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.

Spare parts and servicing equipment are classified as property, plant and equipment under plant and machinery rather than store, spares and loose tools where they meet the definition of property, plant and equipment. Available for use capital spares, and servicing equipment are depreciated over their useful lives, or the remaining life of principle asset, whichever is lower.

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 reporting date and adjusted, if appropriate.

Maintenance and normal repairs are charged to statement of profit or loss 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 derecognized.

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

As disclosed in note 3.1 to the financial statements, the Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018. Accordingly, the Company has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of property plant and equipment. The above change in the accounting policy has been applied retrospectively and comparative information have been restated in accordance with the requirement of International Accounting Standard (IAS) – 16 "Property, Plant and Equipment" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Due to the above change in accounting policy, the Company has presented its statement of financial position as at the beginning of the earliest comparative period i.e., July 01, 2016, and related notes in accordance with requirement of IAS 1 – Presentation of Financial Statements (Revised) (IAS 1). Had the accounting policy not been changed, the surplus on revaluation of fixed assets would have been shown as a separate line item (below equity in the statement of financial position) amounting to PKR 743.948 million and PKR 829.645 million for the year ended 30 June 2017 and 2016 respectively.

3.4 Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in business combinations is their fair value at the date of acquisition.

Intangible assets with finite useful lives are amortized over useful lives and assessed for impairment whenever there is indication that the asset may be impaired. Intangible assets with indefinite lives are not amortized, but are tested for impairment annually, either individually or at the cash generated unit (CGU) level, as appropriate. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, a change in useful life from indefinite to finite is made on a prospective basis.

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

3.5 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 reporting date.

3.6 Stores, spares and consumables

Stores, spares and consumables are stated at the lower of weighted average cost and 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 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 reporting date.

3.7 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 sell.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

3.8 Long term loans

Long term loans are not discounted to present value using the EIR method, less impairment, as effect of discounting, if any is immaterial.

3.9 Trade debts loans 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 43.7.1). Bad debts are written off when identified.

3.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in statement of other comprehensive income, 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 statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in statement of 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.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks, which are subject to insignificant risk of change. 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.

3.12 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 amortized 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 the statement of profit or loss 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 the statement of profit or loss.

Non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for asset is required 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. In determining the fair value less cost of disposal, recent market transaction are taken into account, if no such transaction can be identified appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or available fair value budgets. The company bases its impairment calculation on detailed budget and forecast calculation, which are prepared separately for each of the Company CGU to which individual assets are allocated. 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").

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 the statement of profit or loss .

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, if no impairment loss had been recognised.

3.13 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 the statement of 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 reporting date. The accrual has been recognised on the basis of actuarial valuation.

3.14 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 statement of profit or loss on a straight-line basis over the period of the lease.

3.15 Trade and other payables

Trade and other payables are recognised initially at fair value net of directly attributable cost whether billed or not, if any.

3.16 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 capitalized as part of the cost of that asset.

3.17 Provisions

A provision is recognized in the statement of financial position 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 recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. They are reviewed at each reporting date and adjusted prospectively.

3.18 Financial liabilities

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

3.19 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 reporting date. Exchange differences are taken to the statement of profit or loss .

3.20 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.

3.21 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.

Profit on short-term deposits is accounted for 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.

3.22 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 statement of profit or loss, using the effective interest rate method.

3.23 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved. However, if these are approved after the reporting period but before the financial statement are authorised for issue, disclosure is made in the unconsolidated financial statements.

3.24 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 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 Chief Executive 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 and Agri sciences, which also reflects the management structure of the Company.

3.25 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 statement of profit or loss .

3.26 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.

4 Details of related parties of the Company

Name of related party	Basis of relationship
ICI Pakistan PowerGen Limited	Wholly owned subsidiary & Common directorship
ICI Pakistan Management Staff Provident Fund	Common Directorship
ICI Pakistan Management Staff Gratuity Fund	Common Directorship
ICI Pakistan Management Staff Defined Contribution Superannuation Fund	Common Directorship
ICI Pakistan Non-Management Staff Provident Fund	Common Directorship
ICI Pakistan Management Staff Pension Fund	Common Directorship
ICI Pakistan Foundation	Common Directorship
Arabian Sea Country Club Limited	Equity Investment
NutriCo Pakistan (Private) Limited	Common directorship & Equity Investment 40%
Cirin Pharmaceutical (Private) Limited	Wholly owned subsidiary & Common directorship
NutriCo Morinaga (Private) Limited	Common directorship & Equity Investment 51%

Lucky Holdings Limited	LCL Group Company & Common directorship
Lucky Cement Limited	LCL Group Company & Common directorship
Yunus Textile Mills Limited	YB Group Company & Common directorship
Lucky Textile Mills Limited	YB Group Company & Common directorship
Gadoon Textile Mills Limited	YB Group Company & Common directorship
Fashion Textile Mills (Private) Limited	YB Group Company & Common directorship
Lucky Knits (Private) Limited	YB Group Company & Common directorship
Pakistan Business Council	Common directorship
Pakistan Institute of Corporate Governance	Common directorship
Pakistan Cables Limited	Common directorship
Jubilee Life Insurance Company Limited	Common directorship
Oil & Gas Development Company Limited	Common directorship
Lucky Foods (Private) limited	YB Group Company & Common directorship
Lahore University of Management Sciences	Member of Board of Governers

5 Business acquisition

On August 11, 2017 the Company acquired certain assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited which constitute a business combination as per IFRS 3 - Business Combinations. These assets include land, building, plant and machinery and certain other assets of Wyeth Pakistan Limited alongwith certain brands and registrations of Wyeth Pakistan Limited and Pfizer Pakistan Limited. The following table summarizes the estimated fair values of net assets acquired:

	Amounts in PKR '000
Indicative value of tangible assets	Fair value recognised on acquisition
Freehold land	**175,000**
Building on freehold land	**203,000**
Plant and machinery	**493,400**
Vehicles	**5,100**
Furniture and equipment	**46,700**
Total non-current assets	**923,200**
Current assets	**132,530**
	1,055,730
Indicative value of intangibles:	
Brands	**753,460**
Goodwill	**126,510**
	879,970
Consideration paid in cash	**1,935,700**

Net turnover and operating resullt from the acquired business during the year ended June 30, 2018 are as follows:

Net turnover	**1,651,816**
Operating result	**172,638**

The aforementioned results have been reported under the Life Sciences division of the Company based on the accounting policies of the Company as disclosed in these unconsolidated financial statements.

The management has decided to finalize the determination of valuation of assets acquired within one year from the acquisition date, which is allowed under IFRS 3 "Business Combinations" as measurement period, therefore provisional figures based on latest available information have been considered for the acquisition accounting.

The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited. The goodwill is not deductible for income tax purposes.

Amounts in PKR '000

	As at June 30, 2018	As at June 30, 2017
6 Property, plant and equipment		
6.1 The following is a statement of property plant and equipment:		
Operating fixed assets - note 6.2	**19,710,551**	15,240,784
Capital work-in-progress - note 6.9	**865,782**	4,372,739
	20,576,333	19,613,523

6.2 The following is a statement of operating fixed assets:

	Land		Lime beds	Buildings						
	Freehold	Leasehold	on freehold land	On freehold land	On leasehold land	Plant and machinery	Railway sidings	Rolling stock and vehicles	Furniture and equipment	Total
	Note 6.3			Note 6.3		Note 6.3 and 6.4				
	As at June 30, 2018									
Net carrying value basis										
Opening net book value (NBV)	529,962	-	198,805	659,540	1,925,393	11,693,148	-	23,704	210,232	15,240,784
Additions / transfers - note 6.2.1	207,573	-	76,819	206,275	849,987	5,472,647	-	4,496	122,169	6,939,966
Impairment *	-	-	-	-	-	(48,542)	-	-	-	(48,542)
Disposals (at NBV)	(8,326)	-	-	-	(88)	(750)	-	-	(462)	(9,626)
Depreciation charge - note 6.7	-	-	(16,565)	(58,401)	(180,982)	(2,062,348)	-	(6,228)	(87,507)	(2,412,031)
Closing net book value	729,209	-	259,059	807,414	2,594,310	15,054,155	-	21,972	244,432	19,710,551

* Out of this total impairment, an amount of PKR 11,783 has been recorded in the statement of other comprehensive income as a reversal of surplus on revaluation of property, plant and equipment

	Freehold	Leasehold	on freehold land	On freehold land	On leasehold land	Plant and machinery	Railway sidings	Rolling stock and vehicles	Furniture and equipment	Total
Gross carrying value basis										
Cost / revaluation	729,209	562,166	436,373	3,177,523	4,094,707	35,348,329	297	132,690	829,317	45,310,611
Accumulated depreciation	-	(562,166)	(177,314)	(2,370,109)	(1,500,397)	(20,294,174)	(297)	(110,718)	(584,885)	(25,600,060)
Net book value	729,209	-	259,059	807,414	2,594,310	15,054,155	-	21,972	244,432	19,710,551
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, 2017									
Net carrying value basis										
Opening net book value	519,718	-	215,405	704,657	1,929,826	12,294,021	-	15,458	198,929	15,878,014
Additions / transfers - note 6.2.1	10,244	-	-	7,308	156,690	1,309,963	-	12,976	82,552	1,579,733
Disposals (at NBV)	-	-	-	-	-	-	-	(455)	(39)	(494)
Depreciation charge - note 6.7	-	-	(16,600)	(52,425)	(161,123)	(1,910,836)	-	(4,275)	(71,210)	(2,216,469)
Closing net book value	529,962	-	198,805	659,540	1,925,393	11,693,148	-	23,704	210,232	15,240,784
Gross carrying value basis										
Cost / revaluation	529,962	562,166	359,553	2,971,248	3,246,383	29,921,041	297	128,195	757,375	38,476,220
Accumulated depreciation	-	(562,166)	(160,748)	(2,311,708)	(1,320,990)	(18,227,893)	(297)	(104,491)	(547,143)	(23,235,436)
Net book value	529,962	-	198,805	659,540	1,925,393	11,693,148	-	23,704	210,232	15,240,784
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, 2018	As at June 30, 2017
6.2.1 Additions to plant and machinery include transfer from capital work-in-progress which includes borrowing cost for projects determined using an average capitalization rate of 6.27% (June 30, 2017: Nil) amounting to:	**220,952**	-
6.2.2 Operating fixed assets include the following major spare parts and stand by equipment having:		
Cost	**500,746**	416,188
Net book value	**178,023**	137,762

6.3 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 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. The fair value of the assets subject to revaluation model fall under level 2 of fair value hierarchy (i.e. significant observable inputs).

6.4 Forced sale value as per the last revaluation report as of June 30, 2016 - note 6.4.1

Asset class	**Forced sale value**
Freehold land	392,164
Limebeds on freehold land	93,829
Building on freehold land	579,593
Building on leasehold land	982,684
Plant and machinery	8,056,593
Total	**10,104,863**

6.4.1 The above amount does not contain assets which are capitalized from 01st July 2016 to 30th June 2018.

6.5 Particulars of immovable asset of the Company are as follows:

Amounts in PKR '000

Location	Addresses	Usage of immovable property	Covered Area (sq.ft)
Karachi	ICI House 5 West Wharf, Karachi	Head Office and Production Plant	117,619
	S-33, Hawksbay road, S.I.T.E	Production Plant	11,500
Lahore	ICI House 63 Mozang Road, Lahore	Regional Office	28,454
	30-Km, Sheikhupura road, Lahore	Production Plant	1,928,910
	45-Km, Off Multan Road, Lahore	Production Plant	14,601
Khewra	ICI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	Regional Office and Production Plant	2,744,404

6.6 Plant and machinery including equipment held with Searle Pakistan Limited for toll manufacturing is as follows:

	As at June 30, 2018	As at June 30, 2017
Cost	**9,392**	9,242
Net book value	**3,559**	4,160

Amounts in PKR '000

	For the year ended June 30, 2018	For the year ended June 30, 2017

6.7 The depreciation charge for the year has been allocated as follows:

	2018	2017
Cost of sales - note 28	**2,341,010**	2,154,696
Selling and distribution expenses - note 29	**36,303**	29,523
Administration and general expenses - note 30	**34,718**	32,250
	2,412,031	2,216,469

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

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

	As at June 30, 2018	As at June 30, 2017
Net book value		
Freehold land	**409,558**	201,985
Buildings	**3,187,974**	2,371,183
Plant and machinery	**14,313,706**	10,952,699
	17,911,238	13,525,867

6.9 Capital work-in-progress comprises of:

	2018	2017
Civil works and buildings	**110,078**	715,276
Plant and machinery	**470,181**	2,920,418
Miscellaneous equipment	**40,902**	184,854
Advances to suppliers / contractors	**224,272**	294,290
Designing, consultancy and engineering fee	**20,349**	257,901
	865,782	4,372,739

	2018	2017
6.9.1 This includes interest charged in respect of long-term loans obtained for projects, determined using an average capitalization rate of 6.33% (2017: 5.57%) amounting to:	**145,868**	69,586

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

	2018	2017
Balance at the beginning of the year	**4,372,739**	1,162,320
Additions during the year	**2,395,925**	4,703,939
	6,768,664	5,866,259
Transferred to operating fixed assets during the year	**(5,902,882)**	(1,493,520)
Balance at the end of the year	**865,782**	4,372,739

6.10 Details of operating fixed assets disposal having net book value in excess of PKR 500,000 are as follows:

For the year ended June 30, 2018

	Mode of disposal	Cost / revalued amount	Accumulated Depreciation	Net book value	Sales proceed	Gain / (loss)	Relationship of purchaser with the Company	Particulars of buyers
Land	Sale	8,326	-	8,326	13,566	5,240	Subsidiary	NutriCo Morinaga (Private) Limited
Gas turbine	Scrap	3,995	3,337	658	1,500	842	Third party	Engro Polymer & Chemicals Limited

Note: There was no disposal having net book value in excess of PKR 500,000 during the year ended June 30, 2017

Amounts in PKR '000

7 Intangible assets

	As at June 30, 2018				
	Brands	**Goodwill**	**Software**	**Licenses**	**Total**
Opening net book value (NBV)	**-**	**-**	**9,311**	**9,962**	**19,273**
Additions / transfers	**753,460**	**126,510**	**2,174**	**31,711**	**913,855**
Amortisation charge - note 7.1	**-**	**-**	**(5,742)**	**(3,092)**	**(8,834)**
Closing net book value	**753,460**	**126,510**	**5,743**	**38,581**	**924,294**
Rate of amortisation % per annum	-	-	**20**	**20 to 50**	
Gross carrying amount					
Cost	**753,460**	**126,510**	**186,376**	**236,868**	**1,303,214**
Accumulated amortisation	**-**	**-**	**(180,633)**	**(198,287)**	**(378,920)**
Net book value	**753,460**	**126,510**	**5,743**	**38,581**	**924,294**

	As at June 30, 2017				
	Brands	Goodwill	Software	Licenses	Total
Opening net book value (NBV)	-	-	6,530	9,930	16,460
Additions / transfers	-	-	4,795	5,204	9,999
Amortisation charge - note 7.1	-	-	(2,014)	(5,172)	(7,186)
Closing net book value	-	-	9,311	9,962	19,273
Rate of amortisation % per annum	-	-	20	20 to 50	
Gross carrying amount					
Cost	-	-	184,202	205,157	389,359
Accumulated amortisation	-	-	(174,891)	(195,195)	(370,086)
Net book value	-	-	9,311	9,962	19,273

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

	For the year ended June 30, 2018	For the year ended June 30, 2017
Cost of sales - note 28	**1,556**	1,266
Selling and distribution expenses - note 29	**569**	463
Administration and general expenses - note 30	**6,709**	5,457
	8,834	7,186

8 Long-term investments

	As at June 30, 2018	As at June 30, 2017
Unquoted - at cost		
Subsidiaries		
- ICI Pakistan PowerGen Limited (wholly owned)		
7,100,000 ordinary shares (June 30, 2017: 7,100,000) of PKR 100 each - note 8.3	**710,000**	710,000
Provision for impairment loss - note 8.4	**(209,524)**	(209,524)
	500,476	500,476
- Cirin Pharmaceuticals (Private) Limited (wholly owned)		
112,000 ordinary shares (June 30, 2017: 112,000) of PKR 100 each and premium of PKR 8661.61 per share - note 8.1 and 8.4	**981,300**	981,300
- NutriCo Morinaga (Private) Limited (51% holding)		
14,688,000 ordinary shares (June 30, 2017: 5,100,000) of PKR 100 each - note 8.2 and 8.4	**1,468,800**	510,000

	Amounts in PKR '000	
	As at June 30, 2018	As at June 30, 2017
Associate - NutriCo Pakistan (Private) Limited 40% ownership 200,000 ordinary shares (June 30, 2017: 200,000) of PKR 1,000 each and premium of PKR 3,800 per share	**960,000**	960,000
Others - at cost Equity security available-for-sale -Arabian Sea Country Club Limited 250,000 ordinary shares (June 30, 2017: 250,000) of PKR 10 each	**2,500**	2,500
	3,913,076	2,954,276

8.1	During the prior year, the Company acquired 100% voting shares of Cirin Pharmaceuticals (Private) Limited ("Cirin"). Cirin is a private limited company incorporated in Pakistan, which is involved in manufacturing and sale of pharmaceutical products. As of the reporting date, the value of the Company's investment on the basis of net assets of Cirin as disclosed in its audited financial statements:	**312,113**	150,522
8.2	On 6th March 2017, the Company entered into a joint venture with Morinaga Milk Industry Company Limited ("Morinaga") of Japan and Unibrands (Private) Limited ("Unibrands") to set up a plant for manufacturing infant/growing up formula. To initiate this project, a new Company NutriCo Morinaga (Private) Limited has been incorporated which is a subsidiary of ICI Pakistan Limited in which 51% shareholding is held by ICI Pakistan Limited. During the year, the company has subscribed for right issues resulting in no change in shareholding percentage. As of the reporting date, the value of the Company's investment on the basis of net assets as disclosed in its audited financial statements:	**1,484,420**	507,253
8.3	As of the reporting 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 was:	**751,184**	777,152

8.4 The Company has reassessed the recoverable amount of the subsidiaries as at the reporting date and based on its assessment no material adjustment is required to the carrying amount stated in the unconsolidated financial statements.

8.5 Investment in subsidiaries and associates have been made in accordance with the requirements of the Act.

9. Long-term loans

Considered good - secured		
Due from executives and employees - note 9.1	**431,096**	370,465

9.1 Due from executives and employees

	Motor Vehicle	**House building**	**Total**	Total
Due from executives - note 9.2 and 9.3	**61,762**	**60,356**	**122,118**	98,659
Receivable within one year	**(6,968)**	**(28,037)**	**(35,005)**	(28,862)
	54,794	**32,319**	**87,113**	69,797
Due from employees - note 9.3			**436,971**	395,811
Receivable within one year			**(92,988)**	(95,143)
			343,983	300,668
			431,096	370,465
Outstanding for period:				
- less than three years but over one year			**142,302**	122,288
- more than three years			**288,794**	248,177
			431,096	370,465

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		Amounts in PKR '000
	As at June 30, 2018	As at June 30, 2017
9.2 Reconciliation of the carrying amount of loans to executives:		
Balance at the beginning of the year	**98,659**	90,731
Disbursements during the year	**79,479**	53,391
Received during the year	**(56,020)**	(45,463)
Balance at the end of the year	**122,118**	98,659

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

10. Long-term deposits and prepayments		
Deposits	**31,354**	30,057
Prepayments	**5,784**	8,570
	37,138	38,627
11. Stores, spares and consumables		
Stores - note 11.1	**50,994**	157,336
Spares - note 11.1	**835,564**	793,771
Consumables	**109,003**	113,814
	995,561	1,064,921
Provision for slow moving and obsolete stores and spares - note 11.2	**(114,527)**	(122,285)
	881,034	942,636
11.1 The above amounts include stores and spares in transit:	**34,796**	129,921
11.2 Movement of provision for slow moving and obsolete stores and spares is as follows:		
Balance at the beginning of the year	**122,285**	147,518
Charge for the year - note 30	**3,171**	-
Write-off during the year	**(10,929)**	(25,233)
Balance at the end of the year	**114,527**	122,285
12. Stock-in-trade		
Raw and packing material includes in-transit PKR 1,847.965 million (June 30, 2017: PKR 862.180 million) - note 12.3	**4,501,714**	2,468,016
Work-in-process	**63,752**	75,244
Finished goods include in-transit PKR 20.798 million (June 30, 2017: PKR 6.318 million)	**4,188,199**	3,268,224
	8,753,665	5,811,484
Provision for slow moving and obsolete stock-in-trade - note 12.1		
- Raw material	**(14,039)**	(3,765)
- Finished goods	**(2,062)**	(61,072)
	(16,101)	(64,837)
	8,737,564	5,746,647
12.1 Movement of provision for slow moving and obsolete stock-in-trade is as follows:		
Balance at the beginning of the year	**64,837**	131,941
Charge for the year - note 30	**(11,052)**	63,506
Write-off during the year	**(37,684)**	(130,610)
Balance at the end of the year	**16,101**	64,837

12.2 Stock amounting to PKR 2,399.087 million (June 30, 2017: PKR 734.965 million) is measured at net realisable value and expense amounting to PKR 160.810 million (June 30, 2017: PKR 25.648 million reversal) has been realized in cost of sales.

	Amounts in PKR '000	
	As at June 30, 2018	As at June 30, 2017

12.3 Includes raw and packing materials held with various toll manufacturers:

Searle Pakistan Limited	**246,512**	111,841
Maple Pharmaceutical (Private) Limited	**-**	984
EPLA Laboratories (Private) Limited	**-**	7,770
Breeze Pharma (Private) Limited	**6,259**	10,140
Nova Med Pharmaceuticals(Private) Limited	**51,926**	11,685
BioGenics	**-**	115
Others	**12,223**	10,287
	316,920	152,822

13. Trade debts

Considered good		
- Secured - note 13.1 and 13.2	**383,890**	392,649
- Unsecured		
Due from associated companies - note 13.1 and 13.2	**17,641**	4,405
Others	**2,557,028**	2,658,759
	2,958,559	3,055,813
Considered doubtful - note 13.3	**212,454**	82,801
	3,171,013	3,138,614
Provision for:		
- Doubtful debts - note 43.4 and 43.7	**(212,454)**	(82,801)
- Price adjustments and discounts	**(352,741)**	(508,473)
	(565,195)	(591,274)
	2,605,818	2,547,340

13.1 The above balances include amounts due from the following related parties which are neither past due nor impaired as of the reporting date:

Secured		
ICI Pakistan PowerGen Limited	**-**	122
Unsecured		
Lucky Knits (Private) Limited	**-**	528
Lucky Foods (Private) limited	**1,106**	155
Yunus Textile Mills Limited	**14,766**	1,847
Lucky Textile Mills Limited	**1,755**	1,861
Oil & Gas Development Company Limited	**14**	14
	17,641	4,405

13.2 The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows.

Secured		
ICI Pakistan PowerGen Limited	**-**	486
Unsecured		
Lucky Knits (Private) Limited	**-**	844
Lucky Foods (Private) limited	**1,106**	417
Yunus Textile Mills Limited	**17,232**	11,351
Lucky Textile Mills Limited	**1,777**	2,361
Oil & Gas Development Company Limited	**14**	14
	20,129	15,473

Amounts in PKR '000

	As at June 30, 2018	As at June 30, 2017
13.3 Provision for doubtful debts		
Balance at beginning of the year	**82,801**	43,955
Charge during the year - net	**132,604**	38,846
Write off	**(2,951)**	-
Balance at end of the year	**212,454**	82,801

14. Loans and advances		
Considered good		
Loans due from:		
Executives - note 14.1	**35,005**	28,862
Employees	**92,988**	95,143
	127,993	124,005
Advances to:		
Executives	**3,609**	3,628
Employees	**14,342**	14,416
Related parties - note 14.2	**-**	30,070
Contractors and suppliers	**371,063**	270,941
Others	**3,166**	1,131
	392,180	320,186
	520,173	444,191
Considered doubtful	**27,254**	-
	547,427	444,191
Provision for doubtful loans and advances - note 43.4 and 43.7	**(27,254)**	-
	520,173	444,191

14.1 The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows.	**36,604**	33,105

14.2 The above balances include advances to related parties amounting to:

Pakistan Cables Limited	-	20,853
Lucky Cement Limited	-	1,617
Cirin Pharmaceutical (Private) Limited	-	7,600
	-	30,070

14.3 The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows.

Pakistan Cables Limited	-	25,741
Lucky Cement Limited	-	3,623
Cirin Pharmaceutical (Private) Limited	-	7,600
	-	36,964

15. Trade deposits and short-term prepayments		
Trade deposits	**207,658**	147,097
Short-term prepayments	**98,496**	417,288
	306,154	564,385

Amounts in PKR '000

		As at June 30, 2018	As at June 30, 2017
16.	**Other receivables**		
	Considered good		
	Duties, sales tax and octroi refunds due	**971,621**	943,727
	Commission and discounts receivable	**94,849**	42,834
	Due from associated companies - note 16.1	**17,415**	164,000
	Receivable from principal - note 16.3	**102,813**	209,114
	Others	**214,433**	155,853
		1,401,131	1,515,528
	Considered doubtful	**24,320**	5,055
		1,425,451	1,520,583
	Provision for doubtful receivables - note 16.4	**(24,320)**	(5,055)
		1,401,131	1,515,528

16.1 Due from related parties which are neither past due nor impaired includes the following:

NutriCo Pakistan (Private) Limited	**17,415**	164,000

16.2 The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows.

NutriCo Pakistan (Private) Limited	**179,999**	164,000

16.3 This includes receivable from a foreign vendor in relation to margin support guarantee:	**66,581**	128,527

16.4 Movement of provision for doubtful receivables

Balance at the beginning of the year	**5,055**	1,622
Charge for the year	**22,699**	3,433
Write offs	**(3,434)**	-
Balance at the end of the year	**24,320**	5,055

17 Cash and bank balances

Cash at banks:		
- Short-term deposits - note 17.1	**101,037**	124,350
- Current accounts	**110,890**	12,592
Cash in hand	**6,916**	4,806
	218,843	141,748

17.1 Represent security deposits from customers that are placed with various separate bank accounts at pre-agreed rate maturing at various dates. These are interest based arrangements. The mark-up percentage on these deposits during the year was ranging from 5.0% to 7.0% (June 30, 2017: 5.50% to 6.50%) and these term deposits are readily encashable without any penalty.

Amounts in Rs '000

18 Issued, subscribed and paid-up capital

As at June 30, 2018	As at June 30, 2017		As at June 30, 2018	As at June 30, 2017
(Numbers)				
83,734,062	83,734,062	Ordinary shares of PKR 10 each fully paid in cash	**837,341**	837,341
211,925	211,925	Ordinary shares of PKR 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation (note 18.1)	**2,119**	2,119
16,786	16,786	Ordinary shares of PKR 10 each issued as fully paid bonus shares	**168**	168
8,396,277	8,396,277	Ordinary shares issued pursuant to the previous scheme as fully paid for consideration of investment in associate (note 18.2)	**83,963**	83,963
92,359,050	92,359,050		**923,591**	923,591

18.1 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.

18.2 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.

18.3 As at June 30, 2018, Lucky Holdings Limited together with Gadoon Textile Mills Limited and Lucky Textile Mills Limited held 86.14% (June 30, 2017: 86.14%) while institutions held 5.46% (June 30, 2017: 5.73%) and individuals and others held the balance of 8.40% (June 30, 2017: 8.13%). Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

19 Capital reserves

	2018	2017
Share premium - note 19.1	**309,057**	309,057
Capital receipts - note 19.2	**586**	586
	309,643	309,643
Surplus on revaluation of property, plant and equipment - note 19.3	**669,495**	743,948

19.1 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 308.982 million representing the difference between nominal value of PKR 10 per share of 8,396,277 ordinary shares issued by the Company and the market value of PKR 392.958 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 now Pakistan Stock Exchange (Limited) over the ten trading days between October 22, 2001 to November 2, 2001.

19.2 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.

19.3 Surplus on revaluation of property, plant and equipment

	2018	2017
Balance at the beginning of the year	**743,948**	829,645
Adjustment due to change in tax rate - note 22.1	**5,622**	11,611
Transferred to unappropriated profit in respect of incremental depreciation during the year - net of deferred tax	**(68,292)**	(97,308)
Reversal of surplus on revaluation of property, plant and equipment	**(11,783)**	-
Balance at the end of the year	**669,495**	743,948

	As at June 30, 2018	As at June 30, 2017
	Amounts in Rs '000	
20 Provisions for non-management staff gratuity	**99,007**	102,289

20.1 Staff retirement benefits

	2018				2017			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
20.1.1 The amounts recognised in the statement of profit or loss against defined benefit schemes are as follows:								
Current service cost	14,219	42,866	57,085	1,262	13,653	42,796	56,449	2,782
Interest cost	75,757	47,238	122,995	7,066	74,207	47,820	122,027	6,710
Expected return on plan assets	(101,796)	(44,941)	(146,737)	-	(106,856)	(42,640)	(149,496)	-
Net (reversal) / charge for the year	(11,820)	45,163	33,343	8,328	(18,996)	47,976	28,980	9,492
Other comprehensive income:								
Loss / (gain) on obligation	18,044	4,939	22,983	(1,954)	142,055	22,379	164,434	9,903
(Gain) on plan assets	203,064	86,175	289,239	-	(60,949)	(39,238)	(100,187)	-
Net (gain) / loss	221,108	91,114	312,222	(1,954)	81,106	(16,859)	64,247	9,903
20.1.2 Movement in the net assets / (liability) recognised in the statement of financial position are as follows:								
Opening balance	359,163	(64,735)	294,428	(102,289)	421,273	(100,146)	321,127	(90,867)
Net reversal / (charge) - note 20.1.1	11,820	(45,163)	(33,343)	(8,328)	18,996	(47,976)	(28,980)	(9,492)
Other comprehensive income / (loss)	(221,108)	(91,114)	(312,222)	1,954	(81,106)	16,859	(64,247)	(9,903)
Contributions / payments during the year	-	65,987	65,987	9,656	-	66,528	66,528	7,973
Closing balance	149,875	(135,025)	14,850	(99,007)	359,163	(64,735)	294,428	(102,289)
20.1.3 The amounts recognised in the statement of financial position are as follows:								
Fair value of plan assets - note 20.1.5	1,234,794	571,967	1,806,761	-	1,472,114	624,614	2,096,728	-
Present value of defined benefit obligation - note 20.1.4	(1,084,919)	(706,992)	(1,791,911)	(99,007)	(1,112,951)	(689,349)	(1,802,300)	(102,289)
Net asset / (liability)	149,875	(135,025)	14,850	(99,007)	359,163	(64,735)	294,428	(102,289)

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

	Pension 2018	Gratuity 2018	Total 2018	Unfunded 2018	Pension 2017	Gratuity 2017	Total 2017	Unfunded 2017
20.1.4 Movement in the present value of defined benefit obligation:								
Opening balance	1,112,951	689,349	1,802,300	102,289	1,031,992	656,075	1,688,067	90,867
Current service cost	14,219	42,866	57,085	1,262	13,653	42,796	56,449	2,782
Interest cost	75,757	47,238	122,995	7,066	74,207	47,820	122,027	6,710
Benefits paid	(136,052)	(77,400)	(213,452)	(9,656)	(148,956)	(79,721)	(228,677)	(7,973)
Actuarial loss / (gain)	18,044	4,939	22,983	(1,954)	142,055	22,379	164,434	9,903
Closing balance	1,084,919	706,992	1,791,911	99,007	1,112,951	689,349	1,802,300	102,289
20.1.5 Movement in the fair value of plan assets:								
Opening balance	1,472,114	624,614	2,096,728	-	1,453,265	555,929	2,009,194	-
Expected return	101,796	44,941	146,737	-	106,856	42,640	149,496	-
Contributions	-	65,987	65,987	-	-	66,528	66,528	-
Benefits paid	(136,052)	(77,400)	(213,452)	-	(148,956)	(79,721)	(228,677)	-
Actuarial gain	(203,064)	(86,175)	(289,239)	-	60,949	39,238	100,187	-
Closing balance - note 20.1.7	1,234,794	571,967	1,806,761	-	1,472,114	624,614	2,096,728	-

20.1.6 Historical information

	June 30				
	2018	2017	2016	2015	2014
Present value of defined benefit obligation	1,890,918	1,904,589	1,778,934	1,626,347	1,627,301
Fair value of plan assets	(1,806,761)	(2,096,728)	(2,009,194)	(1,836,917)	(1,654,153)
Net (asset) / liability	84,157	(192,139)	(230,260)	(210,570)	(26,852)

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

	2018	2017
Debt instruments	65.34%	60.69%
Equity at market value	25.36%	32.49%
Cash / Others	9.30%	6.82%

Fair value of plan asset	Pension	Gratuity	Pension	Gratuity
Investment	As at June 30, 2018		As at June 30, 2017	
National savings deposits	-	-	41,041	18,655
Government bonds	834,644	345,945	872,860	339,892
Mutual funds - equity	70,769	42,815	72,440	46,150
Shares	317,201	140,990	476,763	204,528
Cash	12,180	42,217	9,010	15,389
Benefits due	-	-	-	-
Total	1,234,794	571,967	1,472,114	624,614

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.

	2018	2017
Actual return on plan assets during the year	(142,502)	351,691

Amounts in Rs '000

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

	2018	2017
Discount rate	**7.25%**	7.25%
Future salary increases - Management	**5.00%**	5.00%
Future salary increases - Non-management	**4.25%**	2.75%
Future pension increases	**2.25%**	2.25%

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

Assumption	1% Increase	1% Decrease
Discount rate	(90,134)	100,886
Salary increase	68,209	(61,988)
Pension increase	34,993	(31,682)

	As at June 30, 2018 (Unaudited)	As at June 30, 2017 (Audited)
20.1.10 During the year, the Company contributed in the fund as follows:		
Provident fund - note 20.3	**109,694**	95,992
Defined contribution superannuation fund - note 20.3	**88,044**	76,528

20.2 Provident fund

Size of the fund (net assets)	**1,602,631**	1,750,080
Cost of investments made (actual investments made)	**1,520,089**	1,520,089
Percentage of investments made (cost of investments)	**95%**	87%
Fair value of investments	**1,521,356**	1,693,159

20.2.1 Break-up of investments of provident fund

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

On fair value

	As at June 30, 2018 (Unaudited)		As at June 30, 2017 (Audited)	
	Investments	**% of investment as size of the fund**	Investments	% of investment as size of the fund
Cash	**232,091**	**15%**	64,669	4%
Pakistan Investment Bonds	**675,754**	**44%**	1,078,682	64%
Treasury Bill	**289,698**	**19%**	33,348	2%
Regular Income Certificates	**-**	**0%**	21,713	1%
Mutual Funds	**34,213**	**2%**	61,838	4%
Shares	**279,000**	**18%**	432,909	26%
Term Finance Certificates	**10,600**	**1%**	-	0%
	1,521,356	**100%**	1,693,159	100%

20.3 Investments out of provident fund and defined contribution superannuation fund have been made in accordance with the provisions of section 218 of the Companies Act 2017 and the rules formulated for this purpose.

	As at June 30, 2018	As at June 30, 2017
21 Long-term loans - secured	**8,237,107**	4,909,946
Loans from banking companies / financial institutions:		
Interest based arrangement - note 21.1		
Long-term finance facility	**2,567,208**	1,960,331
Other long-term loan	**5,633,333**	2,593,333
Shariah compliant		
Islamic term finance	**1,000,000**	1,000,000
	9,200,541	5,553,664
Current portion shown under current liabilities	**(963,434)**	(643,718)
	8,237,107	4,909,946

21.1 Represents the long term loans availed from various banks. These loans are secured against fixed assets of Soda Ash Business and Polyester Business amounting to PKR 2,500 million and PKR 11,900 million respectively. The markup on LTTF ranges from SBP Rate + 0.3% to 0.5% and on other long term loans from 6 months KIBOR + 0.05% to 3 months KIBOR + 0.25%. The profit rate on Islamic term finance is 6 months KIBOR + 0.05%. The markup is payable on quarterly and semi annual basis.

Amounts in Rs '000

	As at June 30, 2018				As at June 30, 2017			
	Opening	(Reversal) / Charge	Recognized in surplus on revaluation	Closing	Opening	(Reversal) / Charge	Recognized in surplus on revaluation	Closing
22 Deferred tax liability - net								
Deductible temporary differences								
Provisions for retirement benefits, doubtful debts and others	**(273,718)**	**21,646**	-	**(252,072)**	(239,276)	(34,442)	-	(273,718)
Retirement fund provisions	**(37,718)**	**(72,773)**	-	**(110,491)**	(19,491)	(18,227)	-	(37,718)
Minimum Tax	-	**(57,147)**	-	**(57,147)**	-	-	-	-
Taxable temporary differences								
Property, plant and equipment - note 22.1	**1,542,447**	**789,159**	-	**2,331,606**	1,689,556	(147,109)	-	1,542,447
	1,231,011	**680,885**	-	**1,911,896**	1,430,789	(199,778)	-	1,231,011

		As at June 30, 2018	As at June 30, 2017
22.1	Charge during the year includes amount adjusted in surplus on revaluation of property, plant and equipment on account of change in tax rate of:	**5,622**	11,611
23	**Trade and other payables**		
	Trade creditors - note 23.1	**1,670,536**	2,156,670
	Bills payable	**952,979**	3,301,165
	Accrued expenses	**2,572,291**	2,500,967
	Technical service fee / royalty - note 23.2	**25,323**	21,640
	Workers' profit participation fund - note 23.3	**18,932**	237,441
	Workers' welfare fund	**74,396**	51,684
	Distributors' security deposits - payable on termination of distributorship - note 23.5	**120,704**	101,657
	Contractors' earnest / retention money	**10,776**	10,572
	Running account with customers - note 23.4	**284,658**	399,743
	Payable for capital expenditure	**232,985**	1,108,733
	Accrual for compensated absences - note 23.6	**31,500**	31,249
	Others	**164,687**	118,359
		6,159,767	10,039,880
23.1	This amount includes payable to ICI Pakistan PowerGen Limited, a related party on account of purchase of electricity:	**415,712**	404,087
23.2	This amount includes royalty payable to Parent Company namely "Lucky Holdings Limited" registered on the specified address 6-A, Mohammad Ali Society A. Aziz Hashim Tabba Street Karachi - 75350, Pakistan	**25,323**	21,640
23.3	**Workers' profit participation fund**		
	Balance at the beginning of the year	**237,441**	188,002
	Allocation for the year - note 32	**192,480**	231,406
		429,921	419,408
	Interest on funds utilised in the Company's businesses at 130% (June 30, 2017: 48.25%) per annum	**1,359**	2,346
	Payment to the fund	**(412,348)**	(184,313)
	Balance at the end of the year	**18,932**	237,441
23.4	**Included herein are amounts due to the following associated undertakings:**		
	Fashion Textile Mills (Pvt) Limited	-	362

This figure is based on actuarial valuation and estimation.

23.5 Interest on security deposits from certain distributors is payable at ranging from 5 % to 7 % (June 30, 2017: 5.50% to 6.50%) per annum as specified in the respective agreements. These security deposits are non utlizable. Further, the Company has not utilized any such deposit for the purpose of its business during the year

23.6 This figure is based on actuarial valuation and estimation.

24	**Short-term borrowings and running finance**	7,356,467	2,118,446

	As at June 30, 2018	As at June 30, 2017
	Amounts in Rs '000	

24.1 Export refinance — **200,000** | 50,000

The Company has export refinance facility of upto Rs. 1200 million (2017: Rs1200 million) available from a bank as at June 30, 2018 out of which Rs. 200 million was utilized (2017: Rs.50 million). The above export refinance facility is secured by first pari passu hypothecation charge. The export refinance facility carries mark-up at SBP rate + 0.25% per annum (June 30, 2017: SBP rate + 0.25 % per annum).

24.2 Money Market — **-** | 550,000

During the year the Company had obtained numerous money market loans from different banks at an average price of Plain 3 Months KIBOR.

24.3 Short-term running finance - secured — **7,156,467** | 1,518,446

Short-term borrowings and running finance facility from various banks aggregated to Rs. 10,481 million(June 30, 2017: Rs. 7,281 million) and carry mark-up during the year ranging from KIBOR -0.05% to KIBOR +0.50% per annum with an average mark-up rate of relevant KIBOR +0.09% on utilized limits (June 30, 2017: relevant KIBOR -0.05% to KIBOR +0.50% per annum with an average mark-up rate of relevant KIBOR +0.12% on utilized limits). These facilities are secured by hypothecation charge over the present and future current assets of the Company.

25 Contingencies and Commitments

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

	2018	2017
Local bodies	**166,501**	1,400
Others	**11,318**	15,302
	177,819	16,702

25.1 Details of material cases

Collectorate of customs - classification issue in PCT heading

Customs raised a demand for PKR 51.5 million relating to classification issue of Titanium Di-Oxide during prior years. During the prior year, Company received a positive outcome for its case filed with Customs Appellate Tribunal and the case was decided in Company's favor.

Collectorate of customs raised demand of PKR 17.4 million till 2015-16 against the Company on the ground that Company is classifying its imported product Wannate 8019 in wrong PCT Heading. During the prior year, consignments were withheld by Customs Appraisement due to classification issue. For clearance of these consignments, Company paid PKR 15.8 million as Security Deposit for getting Provisional clearance till the final decision of Classification Committee and Appellate forums, which is still awaited.

For one other product Wannate PM 2010/ 8221, consignments were again withheld by Customs Intelligence on Classification issue. Company paid PKR 94 million as Security Deposit for Provisional Clearance of these consignments till final decision. Classification committee through a Public notice dated 12th June, 2017 gave its view on classification of the product against the Company. Customs after the issuance of this Public Notice raised further demand relating to period prior to issuance of Public Notice, amounting to PKR 65 million. Company being dissatisfied with the verdict filed a Suit in Sindh High Court on certain grounds including that applicability of public notice cannot be done retrospectively. The court has granted a stay in favor of the Company till the next date of hearing. The Company is confident that it has a strong grounds to defend the case and is hopeful of positive outcome."

Soda Ash business was being charged at the Gas tariff rate of Captive Power Plant instead of Industrial tariff by SNGPL and a demand of PKR 92 million was raised. Honourable Lahore High Court vide its judgement dated January 9, 2018 decided the case in Company's favor. SNGPL has filed an appeal against the decision of Honourable Lahore High Court which is pending for hearing. The Company is confident that the case will be decided in its favor.

The Company received a show cause notice on June 6, 2017 from the Sindh Revenue Board wherein a demand for the payment of workers welfare fund amounting to 69.965 million was raised by the Sindh Revenue Board. The Company has challenged such demand on various legal grounds. The Company has been granted a stay dated June 20, 2017 from Honourable Sindh High Court and the case is pending for hearing. The Company is confident of a favorable outcome in this case.

25.2 Tax related contingencies are disclosed in note 46 to these unconsolidated financial statements

25.3 Commitments

	2018	2017
Commitments in respect of capital expenditure including various projects :	**190,543**	1,848,267
Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:		
Year		
2017-18	**-**	72,921
2018-19	**76,099**	60,110
2019-20	**80,893**	39,393
2020-21	**85,989**	18,186
2021-22	**91,407**	-
	334,388	190,610
Payable not later than one year	**76,099**	72,921
Payable later than one year but not later than five years	**258,289**	117,689
	334,388	190,610
Unutilized LCs	**14,603**	12,050

26 Operating segment results

Amounts in PKR '000

	Polyester		Soda Ash		Life Sciences		Chemicals & Agri Sciences		Company	
	For the year ended June 30, 2018	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017 (Re-stated)	**For the year ended June 30, 2018**	For the year ended June 30, 2017 (Re-stated)	**For the year ended June 30, 2018**	For the year ended June 30, 2017
Sales										
Afghanistan	**-**	-	**90,754**	59,967	**-**	-	**566**	1,247	**91,320**	61,214
India	**-**	-	**685,444**	584,537	**-**	-	**-**	-	**685,444**	584,537
Turkey	**40,729**	-	**-**	-	**-**	-	**-**	-	**40,729**	-
Others	**-**	-	**21,651**	-	**-**	-	**-**	-	**21,651**	-
	40,729	-	**797,849**	644,504	**-**	-	**566**	1,247	**839,144**	645,751
Inter-segment	**-**	-	**-**	-	**-**	-	**9,457**	7,214	**9,457**	7,214
Local	**18,484,955**	14,647,604	**14,762,640**	13,159,554	**11,982,148**	10,050,124	**9,379,700**	8,990,521	**54,609,443**	46,847,803
	18,525,684	14,647,604	**15,560,489**	13,804,058	**11,982,148**	10,050,124	**9,389,723**	8,998,982	**55,458,044**	47,500,768
Commission / toll income	**-**	-	**-**	-	**74,147**	-	**68,541**	55,085	**142,688**	55,085
Turnover	**18,525,684**	14,647,604	**15,560,489**	13,804,058	**12,056,295**	10,050,124	**9,458,264**	9,054,067	**55,600,732**	47,555,853
Sales tax	**(27)**	-	**(2,156,167)**	(1,897,987)	**(88,863)**	(76,229)	**(743,643)**	(681,952)	**(2,988,700)**	(2,656,168)
Commission			**(158,275)**	(147,170)	**-**	-	**-**	-	**(158,275)**	(147,170)
Discounts / price adjustment	**(370,043)**	(259,549)	**(699,086)**	(718,217)	**(1,379,106)**	(1,329,889)	**(888,485)**	(1,073,951)	**(3,336,720)**	(3,381,606)
	(370,070)	(259,549)	**(3,013,528)**	(2,763,374)	**(1,467,969)**	(1,406,118)	**(1,632,128)**	(1,755,903)	**(6,483,695)**	(6,184,944)
Net turnover	**18,155,614**	14,388,055	**12,546,961**	11,040,684	**10,588,326**	8,644,006	**7,826,136**	7,298,164	**49,117,037**	41,370,909
Cost of sales - note 28	**(17,617,573)**	(14,251,410)	**(9,177,591)**	(7,727,970)	**(7,526,519)**	(6,224,487)	**(6,295,743)**	(5,401,567)	**(40,617,426)**	(33,605,434)
Gross profit	**538,041**	136,645	**3,369,370**	3,312,714	**3,061,807**	2,419,519	**1,530,393**	1,896,597	**8,499,611**	7,765,475
Selling and distribution expenses - note 29	**(270,431)**	(242,348)	**(300,056)**	(296,027)	**(1,461,951)**	(1,191,095)	**(862,270)**	(877,644)	**(2,894,708)**	(2,607,114)
Administration and general expenses - note - 30	**(220,460)**	(332,202)	**(322,444)**	(287,018)	**(282,977)**	(243,903)	**(381,181)**	(251,662)	**(1,207,062)**	(1,114,785)
Operating result	**47,150**	(437,905)	**2,746,870**	2,729,669	**1,316,879**	984,521	**286,942**	767,291	**4,397,841**	4,043,576
26.1 Segment assets - note 26.5 and 27.3	**11,178,674**	9,682,810	**24,602,890**	20,854,646	**9,808,393**	6,131,919	**8,953,650**	5,740,246	**36,639,578**	31,944,363
26.2 Unallocated assets									**6,508,551**	4,211,498
									43,148,129	36,155,861
26.3 Segment liabilities - note 26.5 and 27.4	**14,884,879**	13,714,748	**3,292,937**	3,925,255	**3,848,526**	2,277,334	**4,048,357**	1,921,099	**8,170,670**	11,373,180
26.4 Unallocated liabilities									**16,896,025**	7,854,833
									25,066,695	19,228,013

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

	Polyester 2018	Polyester 2017	Soda Ash 2018	Soda Ash 2017	Life Sciences 2018	Life Sciences 2017	Chemicals & Agri Sciences 2018	Chemicals & Agri Sciences 2017	Company 2018	Company 2017
26.6 Depreciation and amortization - note 6.7 and 7.1	**788,306**	791,828	**1,469,738**	1,357,068	**114,220**	35,940	**48,601**	38,819	**2,420,865**	2,223,655
26.7 Capital expenditure	**202,780**	253,982	**1,975,162**	4,376,082	**1,986,262**	81,314	**134,104**	88,773	**4,298,308**	4,800,151

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

26.9 Comparative figures have been re-stated due to the fact that Agri Division has now become a part of the Chemical Business and is now known as the Chemical & Agri Sciences Business

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

	For the year ended June 30, 2018	For the year ended June 30, 2017
27.1 Turnover		
Total turnover for reportable segments - note 26	**55,600,732**	47,555,853
Elimination of inter-segment turnover - note 26	**(9,457)**	(7,214)
Total turnover	**55,591,275**	47,548,639
27.2 Cost of sales		
Total cost of sales for reportable segments - note 28	**40,617,426**	33,605,434
Elimination of inter-segment purchases - note 28	**(9,457)**	(7,214)
Total cost of sales	**40,607,969**	33,598,220
27.3 Assets		
Total assets for reportable segments	**36,639,578**	31,944,363
Taxation recoverable	**2,595,475**	1,257,222
Long-term investments - note 8	**3,913,076**	2,954,276
Total assets	**43,148,129**	36,155,861
27.4 Liabilities		
Total liabilities for reportable segments	**8,170,670**	11,373,180
Short-term borrowing and running finance - note 24	**7,356,467**	2,118,446
Long-term loan - note 21	**9,200,541**	5,553,664
Accrued mark-up	**249,638**	102,155
Unclaimed dividends	**89,379**	80,568
Total liabilities	**25,066,695**	19,228,013

Amounts in PKR '000

28. Cost of Sales

	Polyester		Soda Ash		Life Sciences		Chemicals & Agri Sciences		Company	Company
	For the year ended June 30, 2018	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017
Raw and packing materials consumed										
Opening stock	**742,941**	644,917	**645,261**	625,823	**523,062**	689,762	**552,987**	297,614	**2,464,251**	2,258,116
Purchases										
Inter-segment	**6,277**	5,532	**-**	-	**3,180**	1,682	**-**	-	**9,457**	7,214
Others	**15,550,745**	11,801,977	**3,835,609**	2,223,176	**2,556,594**	1,427,814	**2,797,903**	2,588,548	**24,740,851**	18,041,515
	15,557,022	11,807,509	**3,835,609**	2,223,176	**2,559,774**	1,429,496	**2,797,903**	2,588,548	**24,750,308**	18,048,729
	16,299,963	12,452,426	**4,480,870**	2,848,999	**3,082,836**	2,119,258	**3,350,890**	2,886,162	**27,214,559**	20,306,845
Closing stock - note 12	**(1,387,531)**	(742,941)	**(1,328,911)**	(645,261)	**(1,209,214)**	(523,062)	**(562,019)**	(552,987)	**(4,487,675)**	(2,464,251)
Raw material consumed	**14,912,432**	11,709,485	**3,151,959**	2,203,738	**1,873,622**	1,596,196	**2,788,871**	2,333,175	**22,726,884**	17,842,594
Salaries, wages and benefits - note 28.1	**514,838**	485,944	**927,637**	808,959	**315,381**	45,162	**65,693**	67,982	**1,823,549**	1,408,047
Stores and spares consumed	**232,241**	182,685	**168,214**	162,273	**28,618**	(6,562)	**11,591**	13,824	**440,664**	352,220
Conversion fee paid to contract manufacturers	**-**	-	**-**	-	**416,539**	351,406	**40,941**	48,546	**457,480**	399,952
Oil, gas and electricity	**1,416,990**	1,133,944	**3,318,412**	2,629,665	**-**	-	**25,954**	20,881	**4,761,356**	3,784,490
Rent, rates and taxes	**1,559**	1,698	**1,523**	1,371	**28,125**	12,471	**54,907**	43,766	**86,114**	59,306
Insurance	**19,940**	15,946	**35,566**	26,972	**27**	151	**1,652**	1,699	**57,185**	44,768
Repairs and maintenance	**13,452**	12,632	**8,803**	6,105	**11,507**	3,237	**8,489**	6,928	**42,251**	28,902
Depreciation and amortisation charge - note 6.7 and 7.1	**781,321**	779,835	**1,455,561**	1,344,567	**82,362**	8,145	**23,322**	23,415	**2,342,566**	2,155,962
Write-offs - Inventory	**-**	-	**-**	-	**46,727**	-	**225,751**	-	**272,478**	-
Technical fees	**-**	-	**-**	-	**-**	-	**1,482**	8,483	**1,482**	8,483
General expenses	**230,316**	199,663	**289,260**	228,257	**91,216**	17,875	**38,666**	44,434	**649,458**	490,229
Opening stock of work-in-process	**52,831**	96,152	**-**	-	**508**	1,647	**21,905**	42,380	**75,244**	140,179
Closing stock of work-in-process - note 12	**(39,659)**	(52,831)	**-**	-	**(14,121)**	(508)	**(9,972)**	(21,905)	**(63,752)**	(75,244)
Cost of goods manufactured	**18,136,261**	14,565,153	**9,356,935**	7,411,907	**2,880,511**	2,029,220	**3,299,252**	2,633,608	**33,672,959**	26,639,888
Opening stock of finished goods	**733,887**	401,556	**87,897**	133,957	**802,159**	967,973	**1,583,209**	1,394,965	**3,207,152**	2,898,451
Finished goods purchased	**(9,894)**	18,588	**(2,338)**	270,003	**5,038,849**	4,075,201	**2,885,783**	2,973,961	**7,912,400**	7,337,753
	18,860,254	14,985,297	**9,442,494**	7,815,867	**8,721,519**	7,072,394	**7,768,244**	7,002,534	**44,792,511**	36,876,092
Closing stock of finished goods - note 12	**(1,242,681)**	(733,887)	**(264,903)**	(87,897)	**(1,214,244)**	(802,159)	**(1,464,309)**	(1,583,209)	**(4,186,137)**	(3,207,152)
Provision for slow moving and obsolete stocks - note 12.1	**-**	-	**-**	-	**19,244**	(45,748)	**(8,192)**	(17,758)	**11,052**	(63,506)
	17,617,573	14,251,410	**9,177,591**	7,727,970	**7,526,519**	6,224,487	**6,295,743**	5,401,567	**40,617,426**	33,605,434

28.1 Staff retirement benefits

Salaries, wages and benefits includes amount in respect of staff retirement benefits:	**103,564**	93,775

29. Selling and distribution expenses

	Polyester		Soda Ash		Life Sciences		Chemicals & Agri Sciences		Company	Company
	For the year ended June 30, 2018	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017
Salaries and benefits - note 29.1	**54,044**	49,641	**42,829**	42,233	**635,178**	563,329	**395,653**	385,875	**1,127,704**	1,041,078
Repairs and maintenance	**223**	205	**973**	1,036	**4,946**	4,439	**6,056**	4,839	**12,198**	10,519
Advertising and publicity expenses	**3,952**	23,420	**5,507**	28,900	**266,479**	259,805	**59,745**	78,519	**335,683**	390,644
Rent, rates and taxes	**469**	552	**3,740**	2,781	**13,821**	15,730	**5,476**	6,590	**23,506**	25,653
Insurance	**-**	-	**84**	342	**15,797**	9,722	**11,305**	8,231	**27,186**	18,295
Lighting, heating and cooling	**107**	134	**2,041**	2,214	**7,219**	4,039	**7,881**	5,477	**17,248**	11,864
Depreciation and amortisation charge - note 6.7 and 7.1	**-**	-	**86**	86	**23,796**	14,343	**12,990**	15,557	**36,872**	29,986
Outward freight and handling	**10,770**	1,180	**104,262**	88,417	**177,289**	89,878	**157,407**	160,653	**449,728**	340,128
Travelling expenses	**9,814**	12,321	**2,493**	3,417	**166,829**	137,293	**95,506**	89,897	**274,642**	242,928
Postage, telegram, telephone and telex	**1,393**	1,216	**1,676**	2,009	**18,316**	14,329	**10,905**	11,151	**32,290**	28,705
Royalty Note -29.2	**181,556**	143,844	**125,470**	110,407	**-**	-	**-**	-	**307,026**	254,251
General expenses	**8,103**	9,835	**10,895**	14,185	**132,281**	78,188	**99,346**	110,855	**250,625**	213,063
	270,431	242,348	**300,056**	296,027	**1,461,951**	1,191,095	**862,270**	877,644	**2,894,708**	2,607,114

Amounts in PKR '000

29.1 Staff retirement benefits

Salaries and benefits includes amount in respect of staff retirement benefits: **65,420** 59,573

29.2 Royalty amounting to PKR 307.026 million (June 30, 2017: 254.251 million) is charged by the Parent Company namely "Lucky Holding Limited" registered on the specified address 6-A, Mohammad Ali Society A. Aziz Hashim Tabba Street Karachi - 75350, Pakistan

30. Administration and general expenses

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	Company
	For the year ended June 30, 2018	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017
Salaries and benefits - note 30.1	**131,199**	199,205	**195,506**	180,905	**180,459**	115,809	**128,936**	134,148	**636,100**	630,067
Repairs and maintenance	**1,852**	3,738	**4,149**	4,217	**5,610**	4,858	**1,760**	1,589	**13,371**	14,402
Advertising and publicity expenses	**3,399**	2,877	**8,169**	3,259	**3,550**	199	**2,688**	1,709	**17,806**	8,044
Rent, rates and taxes	**4,975**	6,383	**3,629**	3,113	**2,274**	1,655	**1,194**	1,052	**12,072**	12,203
Insurance	**571**	1,022	**907**	1,223	**3,998**	4,388	**815**	693	**6,291**	7,326
Lighting, heating and cooling	**4,171**	5,685	**5,195**	4,137	**15,076**	9,468	**6,344**	5,367	**30,786**	24,657
Depreciation and amortisation charge - note 6.7 and 7.1	**6,985**	11,993	**14,091**	12,415	**8,062**	4,885	**12,289**	8,414	**41,427**	37,707
Provision for doubtful debts - note 43.7 and 16.4	**153**	553	**15,673**	-	**10,480**	13,145	**156,251**	25,148	**182,557**	38,846
Provision for slow moving and obsolete stock-in-trade note 12.1	**-**	-	**-**	-	**(19,244)**	45,748	**8,192**	17,758	**(11,052)**	63,506
Provision for slow moving and obsolete stores and spares - note 11.2	**-**	-	**3,171**	-	**-**	-	**-**	-	**3,171**	-
Travelling expenses	**5,116**	8,808	**8,187**	6,512	**15,224**	8,494	**6,563**	5,647	**35,090**	29,461
Postage, telegram, telephone and telex	**2,213**	3,648	**3,020**	2,833	**3,384**	4,075	**2,707**	2,214	**11,324**	12,770
General expenses	**59,826**	88,290	**60,747**	68,404	**54,104**	31,179	**53,442**	47,923	**228,119**	235,796
	220,460	332,202	**322,444**	287,018	**282,977**	243,903	**381,181**	251,662	**1,207,062**	1,114,785

30.1 Staff retirement benefits

Salaries and benefits includes amounts in respect of staff retirement benefits: **69,188** 61,913

		Amounts in PKR '000	
		For the year ended June 30, 2018	For the year ended June 30, 2017
31	**Other charges**		
	Auditors' remuneration - note 31.1	**5,961**	5,430
	Donations - note 31.2	**40,000**	20,000
	Workers' profit participation fund	**192,480**	231,406
	Workers' welfare fund	**22,712**	56,696
	Workers' welfare fund - Reversal	**-**	(174,638)
	Impairment of fixed asset	**36,759**	-
	Others	**5,820**	4,934
		303,732	143,828
31.1	**Auditors' remuneration**		
	Statutory audit fee	**3,334**	3,031
	Half yearly review and other certifications	**1,512**	1,264
	Out of pocket expenses	**1,115**	1,135
		5,961	5,430

31.2 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.

32	**Finance costs**		
	Mark-up on short term borrowings and running finance	**551,017**	308,508
	Interest on workers' profit participation fund - note 23.3	**1,359**	2,346
	Discounting charges on receivables	**79,609**	70,388
	Guarantee fee and others	**9,707**	3,902
		641,692	385,144
	Penalty		
	This includes penalty that are either charge to the statement of profit or loss or waived	**125,000**	-
33	**Other income**		
	Income from financial assets		
	Income from related party		
	Service fee from related party - note 33.1	**1,980**	1,980
	Income from other financial assets		
	Profit on interest bearing short-term and call deposits	**5,512**	198
		7,492	2,178
	Income from non-financial assets		
	Scrap sales	**62,398**	83,248
	Gain on disposal of operating property plant & equipment	**6,255**	4,872
	Provisions and accruals no longer required written back	**130**	5,679
	Dividend from associate	**420,000**	668,000
	Dividend from subsidiary	**120,000**	125,000
	Sundries	**10,704**	3,724
		626,979	892,701

33.1 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.

Amounts in PKR '000

	For the year ended June 30, 2018	For the year ended June 30, 2017
34. Taxation		
Current	**543,758**	1,268,219
Prior	**(712,340)**	-
Deferred	**759,280**	(169,940)
Net tax charged - note 34.2	**590,698**	1,098,279

34.1 Tax provision for the year 2016 and year 2015 of PKR 528.213 million and PKR 535.518 million respectively

34.2 As per the management assessment tax provisions for the year 2017, 2016 & 2015 are sufficient and adequately covers the assessed / declared position.

Profit before taxation	**3,650,402**	4,394,370
Tax @ 30% (2017: 31%)	**1,095,121**	1,362,254
Effect of credit under section 65B	**(497,925)**	(130,996)
Effect of change in tax rate on beginning deferred tax liability	**(69,224)**	(36,694)
Deferred Tax on Mimimum Tax	**57,147**	-
Effect of lower rate of dividend income	**(99,000)**	(162,330)
Others	**104,579**	66,045
Net tax charged	**590,698**	1,098,279
Average effective tax rate	**16.18%**	24.99%

35 Basic and diluted earnings per share (EPS)

35.1 Continuing operations

Profit after taxation for the year	**3,059,704**	3,296,091
	Number of shares	
Weighted average number of ordinary shares outstanding during the year	**92,359,050**	92,359,050
	PKR	
Basic and diluted earnings per share (EPS)	**33.13**	35.69

	Amounts in PKR '000 For the year ended June 30, 2018	For the year ended June 30, 2017
36 Cash flows from operating activities		
Profit before taxation	**3,650,402**	4,394,370
Adjustments for:		
Depreciation and amortisation - note 6.7 and 7.1	**2,420,865**	2,223,655
Loss / (gain) on disposal of operating fixed assets - note 33	**(6,255)**	(4,872)
Impairment charge of fixed asset	**36,759**	-
Provision for staff retirement benefit plan - note 20.1.1	**33,343**	28,980
Provision for non-management staff gratuity and eligible retired employees' medical scheme	**31,975**	29,175
Interest on short-term bank deposits	**(5,512)**	(198)
Dividend from subsidiary - note 33	**(120,000)**	(125,000)
Dividend from associate - note 33	**(420,000)**	(668,000)
Interest expense	**641,690**	385,144
Provision for doubtful debts - note 43.7 and 16.4	**182,557**	38,846
moving and obsolete	**(11,052)**	63,506
Provision for slow moving and obsolete stores and spares - note 11.2	**3,171**	-
Provisions and accruals no longer required written back - note 33	**(130)**	(5,679)
	6,437,813	6,359,927
Movement in:		
Working capital - note 36.1	**(6,019,905)**	(771,585)
Long-term loans	**(60,632)**	(14,133)
Long-term deposits and prepayments	**1,490**	(5,033)
	358,766	5,569,176
36.1 Movement in working capital		
(Increase) / decrease in current assets		
Stores, spares and consumables	**103,539**	(130,673)
Stock-in-trade	**(2,892,443)**	(513,407)
Trade debts	**(241,035)**	(945,739)
Loans and advances	**(75,852)**	(47,170)
Trade deposits and short-term prepayments	**(21,346)**	(162,371)
Other receivables	**114,397**	(790,117)
	(3,012,740)	(2,589,477)
(Decrease) / increase in current liabilities		
Trade and other payables	**(2,998,354)**	1,807,972
Unclaimed dividend	**(8,811)**	9,920
	(6,019,905)	(771,585)

37 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

	Chief Executive		Directors		Executives		Total	
	For the year ended June 30, 2018	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017	**For the year ended June 30, 2018**	For the year ended June 30, 2017
Managerial remuneration	**54,390**	52,137	**36,251**	34,104	**612,442**	540,961	**703,083**	627,202
Gratuity	**2,580**	2,473	**1,846**	1,740	**39,137**	37,157	**43,563**	41,370
Provident Fund	**3,108**	2,979	**2,224**	2,097	**48,193**	42,684	**53,525**	47,760
Pension	**3,294**	3,158	**2,358**	2,222	**44,332**	38,327	**49,984**	43,707
Group insurance	**51**	55	**51**	55	**3,432**	3,327	**3,534**	3,437
Rent and house maintenance	**2,117**	1,636	-	-	**195,369**	172,595	**197,486**	174,231
Utilities	**1,308**	1,033	-	-	**47,401**	42,100	**48,709**	43,133
Medical expenses	**183**	210	**28**	62	**21,484**	9,593	**21,695**	9,865
	67,031	63,681	**42,758**	40,280	**1,011,790**	886,744	**1,121,579**	990,705
Number of persons as at the reporting date	**1**	1	**1**	1	**197**	181	**199**	183

37.1 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.

		Amounts in PKR '000	
		For the year ended June 30, 2018	For the year ended June 30, 2017
37.2	Remuneration paid to Chairman during the year:	**-**	-
37.3	During the year fee paid to six non-executive directors for attending board and other meetings, which is not part of remuneration amounts to:	**3,000**	3,313

		As at and for the year ended June 30, 2018	**As at and for the year ended June 30, 2017**
37.4	Total number of employees as at the reporting date	**1,663**	1,386
	Average number of employees during the year	**1,606**	1,375
	Total number of Factory employees as at the reporting date	**774**	621
	Average number of Factory employees during the year	**698**	559

37.5 As per revised requirement of the Act, executive means an employee, other than chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

38. Transactions with related parties

The related parties comprise the Parent Company (Lucky Holdings Limited), the Ultimate Parent Company (Lucky Cement Limited) and related group companies, local associated company, subsidiary company, directors of the Company, companies where directors also hold directorship, key employees (note 37) and staff retirement funds (note 20). Details of transactions with related parties other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

Relationship with the Company	**Nature of transaction**		
Parent Company	Dividend	**1,232,928**	1,170,969
	Royalty	**281,703**	254,251
Subsidiary companies:			
ICI Pakistan PowerGen Limited	Purchase of electricity	**641,170**	527,052
	Sale of goods and material		221
	Dividend income	**120,000**	125,000
Cirin Pharmaceutical (Private) Limited	Investment in subsidiary	**-**	981,300
	Sale of goods and material	**33**	-
NutriCo Morinaga (Private) Limited	Investment in subsidiary	**958,800**	510,000
	Disposal of Land / relocation expense	**38,566**	-
	Provision of Services	**14,301**	-
Associated companies	Purchase of goods, materials and services	**88,418**	118,276
	Sale of goods and materials	**1,973,792**	1,424,859
	Dividend received from associate	**420,000**	668,000
	Reimbursement of expenses	**77,692**	88,272
	Dividend paid to associates	**199,046**	187,988
	Donations paid	**40,000**	20,000
			-
Key management personnel	Remuneration paid	**215,835**	195,068
	Post employment benefits	**34,183**	31,159

39. Plant capacity and annual production

- in metric tonnes except Nutraceuticals which is in packs:

	For the year ended June 30, 2018		For the year ended June 30, 2017	
	Annual Name Plate Capacity	**Production**	Annual Name Plate Capacity	Production
Polyester	**122,250**	**126,853**	122,250	121,929
Soda Ash - note 39.1	**425,000**	**378,248**	350,000	342,416
Chemicals - note 39.2	**-**	**16,026**	-	14,210
Life Sciences 39.3	**25,628,345**	**29,869,565**	25,628,345	1,915,739
Sodium Bicarbonate	**40,000**	**38,000**	40,000	31,660
Nutraceuticals - note 39.2	**-**	**3,167,090**	-	3,018,534

39.1 Out of total production of 378,248 metric tonnes soda ash, 34,200 metric tonnes was transferred for production of 38,000 tonnes of Sodium Bicarbonate. Further annual capacity was enhanced with effect from February 2018 by 75,000 tonnes per annum.

39.2 The capacity of Chemicals and Nutraceuticals is indeterminable because these are multi-product with multiple dosage and multiple pack size plants.

39.3 The life sciences plant capacity respectively of Wyeth plant is due to the fact that it was purchased in mid year resulting in lower production for the specified time period, furthermore while transferring the drugs manufacturing licenses the production of the plant was suspended,

40. Fair value of financial assets and liabilities

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

41. 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.

41.1 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.

42. 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.

42.1 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 reporting date the interest rate profile of the Company's interest-bearing financial instruments were:

	Carrying Amount	
	As at June 30, 2018	As at June 30, 2017
Fixed rate instruments		
Financial assets - note 17	**101,037**	124,350
Financial liabilities - note 21 and 23	**(2,687,912)**	(1,529,818)
	(2,586,875)	(1,405,468)
Variable rate instruments		
Financial liabilities - note 21 and 24	**(13,989,800)**	(4,691,779)
	(13,989,800)	(4,691,779)

Sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the year would have been: 139.898 PKR million (June 30, 2017: PKR 46.910 million).

Amounts in PKR '000

42.2 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 exposure classified into separate foreign currencies:

	CNY	EURO	USD	GBP	JPY
			As at June 30, 2018		
Other receivables	**-**	**6,053**	**11,741**	**-**	**-**
	-	**6,053**	**11,741**	**-**	**-**
Trade and other payables	**-**	**(31,822)**	**(141,663)**	**(4,623)**	**(620)**
Gross exposure	**-**	**(25,769)**	**(129,922)**	**(4,623)**	**(620)**
			As at June 30, 2017		
Other receivables	-	990	33,346	-	-
	-	990	33,346	-	-
Trade and other payables	(606,417)	(158,390)	(2,152,362)	(10,096)	(549)
Gross exposure	(606,417)	(157,400)	(2,119,016)	(10,096)	(549)

Significant exchange rates applied during the year were as follows:

	Average rate		Spot rate	
	For the year ended June 30, 2018	For the year ended June 30, 2017	**As at June 30, 2018**	As at June 30, 2017
Rupees per	PKR		PKR	
EURO	**131.43**	114.22	**141.59**	119.63
USD	**110.07**	104.81	**121.63**	104.85
GBP	**148.40**	132.93	**159.49**	136.24
CNY	**13.69**	15.39	**18.39**	15.47
JPY	**1.00**	0.96	**1.10**	0.94

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 1.609 million (June 30, 2017: PKR 28.935 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2017, 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, 2018 and June 30, 2018 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)
2018						
Pak Rupee	**+1%**	**-**	**258**	**1,299**	**46**	**6**
Pak Rupee	**-1%**	**-**	**(258)**	**(1,299)**	**(46)**	**(6)**
2017						
Pak Rupee	+1%	6,064	1,574	21,190	101	5
Pak Rupee	-1%	(6,064)	(1,574)	(21,190)	(101)	(5)

Amounts in PKR '000

43. 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 reporting date is as follows:

		As at June 30, 2018	As at June 30, 2017
43.1	**Financial assets**		
	Long-term investments - note 8	**962,500**	962,500
	Long-term loans - note 9	**431,096**	370,465
	Long-term deposits - note 10	**31,354**	30,057
	Trade debts - note 13	**2,605,818**	2,547,340
	Loans and advances - note 14	**520,173**	444,191
	Trade deposits - note 15	**207,658**	147,097
	Other receivables - note 16	**429,510**	571,801
	Bank balances - note 17	**211,927**	136,942
		5,400,036	5,210,393

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

43.3	**Financial assets**		
	- Secured	**933,676**	905,041
	- Unsecured	**4,466,360**	4,305,352
		5,400,036	5,210,393

43.4 The ageing of trade debts and loans and advances at the reporting date is as follows:

Not past due	**2,575,226**	2,534,770
Past due but not impaired:		
Not more than three months	**585,597**	462,100
Past due and impaired:		
More than three months and not more than six months	**51,742**	36,274
More than six months and not more than nine months	**51,049**	778
More than nine months and not more than one year	**53,788**	20,101
More than one year	**48,297**	20,309
	790,473	539,562
Provision for:		
- Doubtful debts - note 13	**(212,454)**	(82,801)
- Doubtful loans and advances - note 14	**(27,254)**	-
	(239,708)	(82,801)
	3,125,991	2,991,531

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

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

Wholesale customers	**368,801**	73,749
Retail customers	**421,672**	465,799
End-user customers	-	14
	790,473	539,562
Provision for:		
- Doubtful debts - note 13	**(212,454)**	(82,801)
- Doubtful loans and advances - note 14	**(27,254)**	-
- Doubtful debts, loans and advances	**(239,708)**	(82,801)
	550,765	456,761

Amounts in PKR '000

43.7 Movement of provision for doubtful debts, loans and advances

	Trade debts	Loans and advances	Total	Total
Balance at the beginning of the year	82,801	-	82,801	43,955
Additional provision - note 13.3 and 14	132,604	27,254	159,858	38,846
Written off during the year	(2,951)	-	(2,951)	(7,222)
Balance at the end of the year	212,454	27,254	239,708	75,579

43.7.1 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.

43.8 Concentration risk

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

	As at June 30, 2018	As at June 30, 2017
Textile and Chemicals	1,953,669	871,525
Glass	9,669	31,056
Paper and Board	4,698	10,348
Life Sciences	737,864	341,033
Paints	48,564	47,785
Banks	218,843	141,748
Others	611,235	1,772,585
	3,584,542	3,216,080
Provision for:		
- Doubtful debts - note 13	(212,454)	(82,801)
- Doubtful loans and advances - note 14	(27,254)	-
- Doubtful debts, loans and advances	(239,708)	(82,801)
	3,344,834	3,133,279

43.9 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 reporting 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.

44. 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 reporting date to the maturity date.

Amounts in PKR '000

	Carrying amount	Contractual cash flows	Less than one year
	As at June 30, 2018		
Financial liabilities			
Trade creditors - note 23	**1,670,536**	**(1,670,536)**	**(1,670,536)**
Bills payable - note 23	**952,979**	**(952,979)**	**(952,979)**
Accrued mark-up	**249,638**	**(249,638)**	**(249,638)**
Accrued expenses - note 23	**1,781,630**	**(1,781,630)**	**(1,781,630)**
Technical service fee / royalty - note 23	**25,323**	**(25,323)**	**(25,323)**
Distributors' security deposits - payable on termination of distributorship - note 23	**120,704**	**(129,153)**	**(129,153)**
Contractors' earnest / retention money - note 23	**10,776**	**(10,776)**	**(10,776)**
Unclaimed dividends	**89,379**	**(89,379)**	**(89,379)**
Payable for capital expenditure - note 23	**232,985**	**(232,985)**	**(232,985)**
Others - note 23	**164,687**	**(164,687)**	**(164,687)**
Long-term loans - note 21	**9,200,541**	**(9,200,541)**	**(963,434)**
Short-term borrowings - note 24	**7,356,467**	**(7,356,467)**	**(7,356,467)**
	21,855,645	**(21,864,094)**	**(13,626,987)**

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, 2017		
Financial liabilities			
Trade creditors - note 23	2,158,246	(2,158,246)	(2,158,246)
Bills payable - note 23	3,301,165	(3,301,165)	(3,301,165)
Accrued mark-up	102,155	(102,155)	(102,155)
Accrued expenses - note 23	1,822,700	(1,822,700)	1,822,700
Technical service fee / royalty - note 23	21,640	(21,640)	(21,640)
Distributors' security deposits - payable on termination of distributorship - note 23	101,657	(108,773)	(108,773)
Contractors' earnest / retention money - note 23	10,572	(10,572)	(10,572)
Unclaimed dividends	80,568	(80,568)	(80,568)
Payable for capital expenditure - note 23	1,108,733	(1,108,733)	(1,108,733)
Others - note 23	118,359	(118,359)	(118,359)
Long-term loans - note 21	5,553,664	(5,553,664)	(643,718)
Short-term borrowings - note 24	2,118,446	(2,118,446)	(2,118,446)
	16,497,905	(16,505,021)	(7,949,675)

45 Capital risk management

Amounts in PKR '000

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 statement of financial position plus net debt. The gearing ratio as at June 30, 2018 and June 30, 2017 is as follows:

	As at June 30, 2018	As at June 30, 2017
Long-term loans - note 21	**9,200,541**	5,553,664
Short-term borrowings and running finance - note 24	**7,356,467**	2,118,446
Total debt	**16,557,008**	7,672,110
Cash and bank balances - note 17	**(218,843)**	(141,748)
Net debt	**16,338,165**	7,530,362
Share capital	**923,591**	923,591
Capital reserves	**309,643**	309,643
Surplus on revaluation of property, plant and equipment	**669,495**	743,948
Revenue reserve - unappropriated profit	**16,178,705**	14,950,666
Equity	**18,081,434**	16,927,848
Capital	**34,419,599**	24,458,210
Gearing ratio	**47.47%**	30.79%

46. Accounting estimates and judgements

Income and sales tax

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, in consultation with its external counsel, 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 case of assessment year [AY] 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 along with the issue of addition to income in respect of trial production stocks were decided in Company 's favor. 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, hearing of which is pending disposal.

In the case of AY 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 its earlier petition 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 also 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 decided the same in favor of the Company and stated that the assessment for AY 2001-2002 is time barred. The department filed an appeal in the Supreme Court against the order of the High Court. On March 13, 2017, the Supreme Court dismissed the appeal of the department pertaining to assessment year 2001-2002 endorsing the directions of the High Court and adjudged the case as being barred by limitation and thereby restoring the position in the original order whereby unabsorbed depreciation was allowed.

Further, the Honorable Supreme Court gave directions to the company vide its order dated March 14, 2017 to file its reply to the notice dated May 26, 2005 with respect to AY 2002-2003. Thereafter the Company submitted its response to the department in consultation with its external counsel. On May 15, 2017 the DCIR passed its assessment order disallowing depreciation relating to PTA assets, Capital Gain on Transfer of PTA Plant, Capital Gain on exchange of Shares, Financial charges on loans Subordinate to Pakistan PTA, Excess Perquisites, discounts, Interest paid to ICI Japan, Provisions and Write Offs. An appeal against this assessment order was preferred before CIR(A) who, vide his appellate Order dated January 19, 2018, decided majority of the issues against the Company. Consequently, the department issued appeal effect order dated March 1, 2018 giving effect to the findings of CIR(A) order and adjusting the disallowed depreciation. The Company has then preferred an appeal, against the CIR(A) order, before Tribunal which is pending disposal. Moreover, demand created vide appeal effect order dated March 1, 2018 has also been stayed by ATIR.

Depreciation relating to PTA assets pertaining to AY 2001-02 was absorbed against tax payable in AY 2002-03 to 2010. As a result of order dated May 15, 2017 for the AY 2002-2003 whereby a certain portion of the said depreciation was disallowed, department on June 15, 2017 issued orders for the Tax Years 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010 whereby the spillover impact of the disallowed depreciation in AY 2002 - 03 was incorporated. This resulted in tax payable by the company for the Tax Years 2008, 2009 and 2010. Appeals against these orders were filed before CIR(A), who vide his combined appellate Order dated January 19, 2018 decided the case against the Company.

Consequently, during the year, department has issued rectified orders for Tax Years 2003 to 2010, all dated March 2, 2018, to give consequential effect on account of revision of the amount of disallowed depreciation in AY 2002 - 03 and its spillover impact. However, as issues with minor monetary impacts have been decided in favor of the company by CIR(A) for AY 2002 – 03, no significant change in the amount of demand raised through initial orders for Tax Years 2008, 2009 and 2010 have resulted. The Company has preferred an appeal against the combined CIR(A) order dated January 19, 2018, before Tribunal which is pending disposal. Moreover, demand created vide appeal effect orders for Tax Years 2008, 2009, 2010 dated March 2, 2018 has also been stayed by ATIR.

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) allowed all the issues in Tax Years 2003 to 2010 in Company's favor (except for two issues in tax year 2003 and 2010) against which appeals have been filed by FBR in the Tribunal. Out of the 2 issues which were not decided in Company's favor, one relates to disallowance of financial charges in tax year 2003 which was later decided in company's favor vide appeal effect order dated June 15, 2017. With respect to the issue pertaining to tax year 2010, an appeal in the Tribunal has been filed n which is pending disposal.

The Additional Commissioner Inland Revenue (ACIR) through its order dated June 07, 2012 disallowed tax loss on disposal of fixed assets on the grounds that the same were sold through negotiations and not through auction as required by law. An appeal against the said order was filed with the CIR, who decided the appeal in company's favor. Consequently, the department being dissatisfied with the CIR order filed an appeal with the ATIR who vide its order dated December 01, 2016 decided the matter against the Company. The Company has preferred an appeal before the Honorable High Court against the said order, which is pending disposal.

Availing the exemption as per clause 103 A, Part 1, 2nd Schedule of Income Tax Ordinance 2001 on inter-corporate dividend to Group Company entitled to Group Relief under section 59B of the Income Tax Ordinance 2001, the Company disbursed the dividend without tax deduction to Lucky Holdings announced on 27th August, 2015 and on 19th February, 2016. However, Federal Board of Revenue, through an Order dated 2nd September, 2016, created tax demand on such dividends along with penalties and default surcharge. The Company had then preferred an appeal before CIR(A), who vide his order dated January 19, 2018, decided the case against the company. An appeal against CIR(A) order has been filed before Tribunal which is pending disposal. The Company has also filed a petition on this matter, before Honorable Sindh High Court which has granted a stay against the recovery of demand. The Company is confident that there is no merit in this claim of FBR and it will be decided in its favor.

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 assessing officer to amend the original order if the returns are revised by the Company. The Company had already filed application through which approval of revision of returns have been sought, which is pending with FBR. A suit has also been filed before Honorable Sindh High Court through which legality of the order has been challenged. The Court while suspending the order, has granted stay against recovery of demand whereas the case is pending disposal. The Company is confident that there is no merit in the claim of FBR and that the case would be decided in Company's favor. Accordingly, no provision in this respect has been made in these unconsolidated financial statements.

Pension and Gratuity

Certain actuarial assumptions have been adopted as disclosed in note 20 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.

47. Standards, amendments and interpretations adopted during the year

47.1 Standard or Interpretation

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)
IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendments to accounting standards did not have any effect on the financial statements.

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

The following revised standards, amendments and improvements 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
IFRS 2 – Classification and Measurement of Share-based Payments Transactions	01 January 2018
IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01 January 2018
IFRS 9 – Financial Instruments	01 July 2018
IFRS 9 – Prepayment Features with Negative Compensation – (Amendments)	01 January 2019
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)Contracts – (Amendments)	Not yet finalized
IFRS 15 – Revenue from Contracts with Customers	01 July 2018
IFRS 16 – Leases	01 January 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)	01 January 2019
IAS 40 – Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 – Uncertainty over Income Tax Treatments	01 January 2019

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 except for IFRS 15 - Revenue from contracts with customers. The Company is currently evaluating the impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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 or Interpretation	IASB effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	January 01, 2018
IFRS 17 – Insurance Contracts	January 01, 2018

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.

48 Post reporting date events - dividends

The Directors in their meeting held on July 27, 2018 have recommended a final dividend of PKR ___.00 per share (June 30, 2017: PKR 10.00 per share) in respect of year ended June 30, 2018. This dividend is in addition to interim dividend paid of PKR 8.00 per share during the current year. The unconsolidated financial statements for the year ended June 30, 2018 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

49 Date of authorisation

These financial statements were authorised for issue in the Board of Directors meeting held on July 27, 2018.

50. General

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

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

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