



ICI PAKISTAN

BUILDING ON OUR VALUES

QUARTERLY REPORT JULY - SEPTEMBER 2014

DELIVERING ENDURING VALUE

INNOVATION

PASSION

FOR PEOPLE

INTEGRITY & RESPONSIBILITY

INNOVATION

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ICI Pakistan Limited

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Company Information

Board of Directors

M Sohail Tabba	Chairman (Non-Executive)
M Ali Tabba	Vice Chairman (Non-Executive)
Jawed Yunus Tabba	Non-Executive
Amina A Aziz Bawany	Non-Executive

Asif Jooma	Chief Executive
Khawaja Iqbal Hassan	Independent
M Abid Ganatra	Executive
Kamal A Chinoy	Independent

Audit Sub Committee

Khawaja Iqbal Hassan	Chairman
M Ali Tabba	Member
Jawed Yunus Tabba	Member

HR & Remuneration Sub Committee

M Ali Tabba	Chairman
M Sohail Tabba	Member
Jawed Yunus Tabba	Member
Asif Jooma	Member
Khawaja Iqbal Hassan	Member

Chief Financial Officer

M Abid Ganatra

Company Secretary

Saima Kamila Khan

Head of Internal Audit

Muhammad Ali Mirza

Executive Management Team

Asif Jooma	Chief Executive
Fathema Zuberi	General Manager, Human Resources
M Abid Ganatra	Chief Financial Officer
M Asif Malik	Vice President, Life Sciences Business

M A Samie Cashmiri	General Manager, Chemicals and Strategy
Saima Kamila Khan	General Counsel & Company Secretary
Suhail Aslam Khan	Vice President, Polyester & Soda Ash Business
Syed Iqbal Haider	General Manager, Technical

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Citibank N.A.
Deutsche Bank AG
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited

HSBC Bank Middle East Limited
HSBC Bank Oman S.A.O.G
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Samba Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Auditors

Internal Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

External Auditors

Ernst & Young Ford Rhodes Sidat Hyder & Co,
Chartered Accountants

Registered Office

ICI House, 5 West Wharf, Karachi-74000
Tel # 111-100-200, (021) 32313717-22
Fax # 32311739
Website: www.ici.com.pk

Shares Registrar

FAMCO Associates (Pvt) Ltd.
8-F, next to Hotel Faran,
Nursery, Block-6, P.E.C.H.S.
Shahrah-e-Faisal, Karachi.
Tel: (021) 34380101-2,
Fax: (021) 34380106
Website: www.famco.com.pk

Review of the Directors

For the Quarter Ended September 30, 2014

The Directors are pleased to present their review together with the un-audited financial statements of the Company for the quarter ended September 30, 2014.

Net sales income for the quarter under review of Rs 9,363 million is 3% higher than the same period last year (SPLY) primarily due to higher sales in the Soda Ash & Life Sciences Businesses.

Operating result for the quarter at Rs 679 million is 32% higher as compared to the SPLY due to 37% improvement in performance in Polyester and 22% growth in the Life Sciences Businesses. The recently commissioned coal fired heaters in the Polyester Business have reduced dependency on expensive fuel and contributed significantly to reducing the energy cost of the business. All divisions in the Life Sciences Business reported double digit growth.

The net profit after tax for the quarter under review of Rs 352 million is 15% higher than SPLY.

Earnings per share for the quarter ended September 30, 2014 at Rs 3.81 is 15% higher as compared to the SPLY.

	Quarter Ended Sept 30, 2014	Quarter Ended Sept 30, 2013
Net sales income (Rs million)	9,363	9,055
Profit before taxation (Rs million)	468	446
Profit after taxation (Rs million)	352	307
Earnings per share (Rs)	3.81	3.32

Net sales, commission & toll income (Rs m)

Sep 2014	9,363
Sep 2013	9,055

Profit before tax (Rs m)

Sep 2014	468
Sep 2013	446

Profit after tax (Rs m)

Sep 2014	352
Sep 2013	307

Earning per share (Rs)

Sep 2014	3.81
Sep 2013	3.32

Review of the Directors

For the Quarter Ended September 30, 2014

Polyester Staple Fibre Business (PSF)

Net sales, commission & toll income (Rs m)

Sep 2014  4,361

Sep 2013  4,805

Operation result (Rs m)

Sep 2014  (197)

Sep 2013  (311)

The domestic PSF market continued to remain under pressure due to a continuous oversupply in both domestic and regional markets, coupled with dumping of PSF from China. Aggressive pricing at uneconomic levels by exporters from China hampered domestic industry sales volumes and margins.

In line with the regional market, feedstock prices were lower (PTA 9%; MEG 8%) than the corresponding period last year which in turn led to PSF prices being lowered by 5%. Additionally, suppressed market sentiments have driven sales volumes to decrease by 4%. Consequently, this has resulted in 9% lower Net Sales Revenue as compared to the corresponding period last year.

The commissioning of the coal fired heaters in June 2014 significantly alleviated the energy cost burden by replacing expensive alternate fuel used in the HTM heaters with coal. As a consequence, the Business realised an operating loss of Rs 197 million during the current period which is Rs 114 million better than the SPLY.

Work on coal fired steam turbine project is in progress and is expected to be completed by the mid of 2015.

The quorum of the National Tariff Commission (NTC) though complete following the appointment of an acting Chairman could be challenged in the court of law. In light of this development, the Business had planned to file an anti-dumping application against the dumping of PSF by exporters from China which has for the moment been put on hold.

Soda Ash Business

Net sales, commission & toll income (Rs m)

Sep 2014  2,511

Sep 2013  2,031

Operation result (Rs m)

Sep 2014  648

Sep 2013  593

The domestic market performed slightly better than the SPLY on account of improved lifting in all the downstream segments. Demand for Soda Ash Dense and Refined Sodium Bicarbonate continues to remain strong. Soda Ash Light exports to India on a regular basis, has strengthened ICI Pakistan's reputation as a quality producer of Soda Ash.

Net Sales Income during the quarter under review is 24% higher than last year due to better margins and higher volumes in the domestic market. Domestic sales and exports are 7% and 138% higher than the SPLY.

The Business managed to contain its cost base through operational improvement initiatives despite adverse external factors such as gas supply shortages and recurrent power shortages. Operating result for the quarter is Rs 648 million which is 9% higher than the SPLY.

Review of the Directors

For the Quarter Ended September 30, 2014

A tariff rationalisation exercise, initiated by the National Tariff Commission on the behest of the Ministry of Commerce could impact the prevailing tariffs on Soda Ash and Sodium Bicarbonate. The Business has submitted its formal proposal to the NTC with a view to retaining the current level of tariff. Further proceedings are expected in the next quarter.

Dense Soda Ash production reached a record level of 21,150 tons in the current quarter. Refined Sodium Bicarbonate production at 6,960 tons was 9.4 % higher than SPLY.

Commencement of the power generating unit of the coal fired boilers project is presently expected to begin by the end of the second quarter of the current fiscal year.

Work on refined sodium bicarbonate and dense soda ash capacity expansion projects is currently underway. In order to further enhance the Business's own energy and electricity generating capacity, the Board of Directors has approved the installation of two additional coal fired boilers and an 18 megawatt steam turbine. The project is expected to be completed by FY 2016-17.

Going forward, gas curtailment is expected to impact volumes across different industries with small to medium scale industries finding it difficult to sustain operations in periods of gas load shedding during the winter months. The fallout of the September floods in the Punjab is likely to continue into October, with markets generally expected to remain sluggish in the second quarter.

Life Sciences Business

Net sales, commission & toll income (Rs m)

Sep 2014	1,706
Sep 2013	1,356

Operation result (Rs m)

Sep 2014	176
Sep 2013	145

Net sales income of the Life Sciences Business is higher by 26% compared to the SPLY. All divisions within the Business have posted double digit growth with the Animal Health Division being the major contributor in the overall performance of the Business. Sales of the Animal Health Division are significantly higher with both livestock and poultry portfolios performing better than last year. The increased sales in the Pharmaceutical Division are due to higher sales of primary care & oncology portfolios. Sales in the Agri Division are higher on account of incremental sales of Agro-Chemicals and Vegetable seeds.

The operating result of the business for the quarter is higher by 22% as compared to the SPLY in line with the higher sales during the period.

The Animal Health Leased Manufacturing Facility is currently under construction and the Company will be applying for a fresh manufacturing license for the facility under ICI Pakistan's name. The facility is expected to commence commercial production in April 2015, subject to necessary regulatory approvals.

The Nutraceutical manufacturing facility at West Wharf is progressing as per plan and is scheduled for commissioning in July 2015.

The Agrochemical Business, despite initial challenges, has been streamlined with improved registration of products, farmer campaigns and product launches planned in the first season.

Review of the Directors

For the Quarter Ended September 30, 2014

The future outlook of the Business remains strong as it expects to strengthen its existing portfolio and launch new products in all divisions, while exploring opportunities for organic and inorganic growth.

Chemicals Business

Net sales, commission & toll income (Rs m)

Sep 2014  788

Sep 2013  874

Operation result (Rs m)

Sep 2014  52

Sep 2013  86

Net sales income for the quarter at Rs 788 million is lower by 10 percent with the Polyurethanes (PU) segment remaining under pressure due to low cost imports impacting margins, lower volume on account of onset of low season and requalification trials at a major customer post introspection of cyclopentene process to meet improved environmental standards.

Both Specialty Chemicals and General Chemicals divisions have performed better than the SPLY owing to a stable demand in textile, food and beverage and water treatment segments. Operating result at Rs 52 million is 40 percent lower due to decreased sales in Polyurethanes.

Going forward, the Business is focused to regain traction in PU and drive efficiency in procurement processes.

New Initiatives

During the quarter, the Company made its first tranche of the intended investment in NutriCo Pakistan Pvt. Ltd., (Morinaga infant formula distribution business) with a 15% equity participation in the company.

Future Outlook

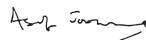
The on-going energy conundrum is expected to impact business performance with low gas availability, increasing gas prices and frequent power shortages adversely impacting both energy costs and industrial activity. The dumping of Soda Ash and Polyester at uneconomical prices is constraining both pricing and domestic producers sales particularly for PSF. To this end, the Company plans to file an anti-dumping application with the National Tariff Commission.

The Company plans to remain focused on the needs of customers, innovative energy conversion and cost reduction initiatives, strengthening relationships with existing customers and suppliers whilst launching new products and continuously exploring opportunities for both organic and inorganic growth.



Muhammad Sohail Tabba
Chairman / Director

October 27, 2014
Karachi



Asif Jooma
Chief Executive

Condensed Interim Unconsolidated Balance Sheet (Unaudited)

As at September 30, 2014

Amounts in Rs '000

	Note	September 30, 2014	June 30, 2014
ASSETS			
Non-current assets			
Property, plant and equipment	4	12,013,237	11,652,057
Intangible assets	5	52,341	64,261
		12,065,578	11,716,318
Long-term investments	6	862,976	502,976
Long-term loans	7	268,026	253,477
Long-term deposits and prepayments		27,609	27,843
		1,158,611	784,296
		13,224,189	12,500,614
Current assets			
Stores, spares and consumables		617,464	559,256
Stock-in-trade	8	4,781,033	4,582,632
Trade debts		1,260,833	858,347
Loans and advances		279,625	191,121
Trade deposits and short-term prepayments		192,916	206,775
Other receivables		862,763	1,420,794
Taxation - net		1,694,000	1,765,784
Cash and bank balances		133,925	852,095
		9,822,559	10,436,804
Total assets		23,046,748	22,937,418

EQUITY AND LIABILITIES

Share capital and reserves

Authorised capital			
1,500,000,000 (June 30, 2014: 1,500,000,000)			
ordinary shares of Rs 10 each		15,000,000	15,000,000
Issued, subscribed and paid-up capital			
92,359,050 (June 30, 2014: 92,359,050)			
ordinary shares of Rs 10 each		923,591	923,591
Capital reserves		309,643	309,643
Revenue reserves - Unappropriated profit		10,376,543	10,004,193

Total equity 11,609,777 11,237,427

Surplus on revaluation of property, plant and equipment 619,141 639,372

Non-current liabilities

Provisions for non-management staff gratuity		80,992	77,842
Long-term loans	9	2,075,915	2,314,805
Deferred tax liability - net	10	1,020,068	1,093,718
		3,176,975	3,486,365

Current liabilities

Current portion of long-term loan		955,555	872,221
Trade and other payables		6,317,455	6,264,665
Short-term borrowings and running finance	11	367,845	437,368
		7,640,855	7,574,254

Contingencies and commitments 12

Total equity and liabilities 23,046,748 22,937,418

The annexed notes from 1 to 21 form an integral part of the condensed interim unconsolidated financial information.


Muhammad Sohail Tabba
 Chairman / Director


Asif Jooma
 Chief Executive


Muhammad Abid Ganatra
 Chief Financial Officer

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the Quarter Ended September 30, 2014

	Polyester		Soda Ash	
	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013 Restated	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013 Restated
Turnover - note 13	4,566,579	5,006,892	3,020,606	2,459,403
Sales tax	(89,546)	(98,176)	(408,151)	(346,554)
Commission and discounts to distributors and customers	(115,804)	(104,062)	(101,685)	(81,949)
	(205,350)	(202,238)	(509,836)	(428,503)
Net sales, commission and toll income	4,361,229	4,804,654	2,510,770	2,030,900
Cost of sales - note 13 and 14	(4,421,981)	(4,980,507)	(1,729,633)	(1,330,740)
Gross profit	(60,752)	(175,853)	781,137	700,160
Selling and distribution expenses	(61,365)	(67,279)	(68,805)	(50,908)
Administration and general expenses	(74,749)	(68,279)	(64,823)	(55,912)
Operating result	(196,866)	(311,411)	647,509	593,340

Financial charges

Exchange Losses

Workers' profit participation fund

Workers' welfare fund

Other charges

Other income

Profit before taxation

Taxation - note 15

Profit after taxation

Basic and diluted earnings per share

The annexed notes from 1 to 21 form an integral part of the condensed interim unconsolidated financial information.

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

Life Sciences		Chemicals		Company	
For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013 Restated
1,998,047	1,550,501	954,934	1,061,605	10,536,988	10,068,616
(23,346)	(6,677)	(95,192)	(111,609)	(616,235)	(563,016)
(268,530)	(188,215)	(71,381)	(76,308)	(557,400)	(450,534)
(291,876)	(194,892)	(166,573)	(187,917)	(1,173,635)	(1,013,550)
1,706,171	1,355,609	788,361	873,688	9,363,353	9,055,066
(1,245,482)	(990,497)	(644,645)	(706,028)	(8,038,563)	(7,997,987)
460,689	365,112	143,716	167,660	1,324,790	1,057,079
(232,505)	(174,896)	(60,410)	(47,278)	(423,085)	(340,361)
(51,978)	(45,300)	(31,529)	(34,679)	(223,079)	(204,170)
176,206	144,916	51,777	85,703	678,626	512,548
				(117,312)	(83,431)
				(82,097)	(11,624)
				(24,681)	(23,610)
				(9,552)	(9,092)
				(6,000)	(4,725)
				(239,642)	(132,482)
				29,078	65,474
				468,062	445,540
				(115,943)	(138,799)
				352,119	306,741
				(Rupees)	
				3.81	3.32


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the Quarter Ended September 30, 2014

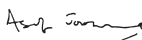
Amounts in Rs '000

	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013
Profit for the period	352,119	306,741
Other comprehensive income	-	-
Total comprehensive income for the period	352,119	306,741

The annexed notes from 1 to 21 form an integral part of the condensed interim unconsolidated financial information.



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

	September 30, 2014	September 30, 2013
Cash flows from operating activities		
Profit before taxation	468,062	445,540
Adjustments for:		
Depreciation and amortisation	408,860	281,460
Loss / (Gain) on disposal of property, plant and equipment	46	(170)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	4,115	4,920
Provision for staff retirement benefit plan	12,759	11,489
Interest on bank deposits	(310)	-
Interest expense	116,467	83,431
	1,009,999	826,670
Movement in:		
Working capital	(164,202)	251,378
Long-term loans	(14,548)	(10,591)
Long-term deposits and prepayments	233	2,243
Cash generated from operations	831,482	1,069,700
Payments for:		
Non-management staff gratuity and eligible retired employees' medical scheme	(4,050)	(11,628)
Staff retirement benefit plan	(9,919)	(8,587)
Taxation	(117,807)	(94,457)
Interest	(92,187)	(61,708)
Net cash generated from operating activities	607,519	893,320
Cash flows from investing activities		
Payments for capital expenditure	(740,332)	(593,796)
Proceeds from disposal of property, plant and equipment	737	609
Interest on bank deposits	310	-
Long term investments	(360,000)	-
Net cash used in investing activities	(1,099,285)	(593,187)
Cash flows from financing activities		
Long-term borrowings	(155,556)	1,500,000
Dividend paid	(1,325)	(291)
Net cash (used in) / generated from financing activities	(156,881)	1,499,709
Net increase / (decrease) in cash and cash equivalents	(648,647)	1,799,842
Cash and cash equivalents at the beginning of the period	414,727	(1,924,200)
Cash and cash equivalents at the end of period	(233,920)	(124,358)
Movement in working capital (Increase) / decrease in current assets		
Stores, spares and consumables	(58,208)	(35,985)
Stock-in-trade	(198,400)	(281,054)
Trade debts	(402,486)	(290,268)
Loans and advances	(88,503)	(68,705)
Trade deposits and short-term prepayments	11,019	34,345
Other receivables	558,032	(1,775)
	(178,546)	(643,442)
Increase in current liability		
Trade and other payables	14,344	894,820
	(164,202)	251,378
Cash and cash equivalents at the end of period comprise of:		
Cash and bank balances	133,925	722,838
Short-term borrowings and running finance	(367,845)	(847,196)
Cash and bank balances	(233,920)	(124,358)

The annexed notes from 1 to 21 form an integral part of the condensed interim unconsolidated financial information.


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

	Issued, subscribed and paid-up share capital	Capital reserves	Unappropriated profit	Total
Balance as on July 1, 2013	923,591	309,643	8,555,755	9,788,989
Profit for the period	-	-	306,741	306,741
Other comprehensive income for the period - net off taxation	-	-	-	-
Total comprehensive income	-	-	306,741	306,741
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net off deferred tax	-	-	19,441	19,441
Balance as on September 30, 2013	923,591	309,643	8,881,937	10,115,171
Interim dividend for the period June 30, 2014	-	-	(369,436)	(369,436)
Profit for the period	-	-	1,395,475	1,395,475
Other comprehensive income for the period - net off taxation	-	-	35,452	35,452
Total comprehensive income	-	-	1,430,927	1,430,927
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net off deferred tax	-	-	60,765	60,765
Balance as on June 30, 2014	923,591	309,643	10,004,193	11,237,427
Profit for the period	-	-	352,119	352,119
Other comprehensive income for the period - net off taxation	-	-	-	-
Total comprehensive income	-	-	352,119	352,119
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net off deferred tax	-	-	20,231	20,231
Balance as on September 30, 2014	923,591	309,643	10,376,543	11,609,777

The annexed notes from 1 to 21 form an integral part of the condensed interim unconsolidated financial information.



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

1 Status and nature of business

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

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

2 Statement of compliance

The condensed interim unconsolidated financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. This condensed interim unconsolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2014.

3 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the preceding year ended June 30, 2014.

4. Property, plant and equipment

	September 30, 2014	June 30, 2014
Operating fixed assets - at net book value	10,421,978	10,756,006
Capital work-in-progress - at cost		
Civil works and buildings	262,959	270,916
Plant and machinery	1,297,822	606,122
Advances to suppliers / contractors	30,478	19,013
Note 4.2	1,591,259	896,051
Total property, plant and equipment	12,013,237	11,652,057

4.1 Following is the cost of operating property, plant and equipment that have been added / disposed of during the quarter ended September 30, 2014:

	Additions / Transfers		Disposals - NBV	
	September 30, 2014	June 30, 2014	September 30, 2014	June 30, 2014
Freehold land	-	96,137	-	-
Lime beds on freehold land	-	10,899	-	-
Buildings on freehold land	58	92,172	-	30
Buildings on leasehold land	3,159	443,596	238	260
Plant and machinery	43,409	3,398,311	545	16,045
Rolling stock and vehicles	-	6,090	-	4,700
Furniture and equipment	13,637	63,604	-	555
Total	60,263	4,110,809	783	21,590

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

	September 30, 2014	June 30, 2014
4.2 The following is the movement in capital work-in-progress during the period		
Opening balance	896,051	2,549,354
Add: Addition during the period	741,013	2,409,836
	1,637,064	4,959,190
Less: Transferred to operating fixed assets	45,805	4,063,139
Closing balance	1,591,259	896,051

5 Intangible assets

Intangible assets - at net book value - note 5.1	52,341	64,261
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5.1 This includes additions of intangible assets of Rs Nil during the period.

6 Long-term investments

Unquoted

Subsidiary - ICI Pakistan PowerGen Limited (wholly owned) - note 6.1
7,100,000 ordinary shares (June 30, 2014: 7,100,000) of Rs 100 each

710,000	710,000
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Less: Provision of impairment loss recognized in December 2011
- note 6.2

209,524	209,524
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500,476	500,476
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Equity security in NutriCo Pakistan (Pvt) limited representing
15% ownership

360,000	-
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Others

Equity security available for sale - Arabian Sea Country Club Limited	2,500	2,500
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Total long-term investments	862,976	502,976
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6.1 The value of the Company's investment on the basis of net assets of the Subsidiary as disclosed in the unaudited condensed interim financial information for the quarter ended September 30, 2014 amounted to Rs 796.553 million (June 30, 2014: Rs 773.149 million).

6.2 In 2011 the Company reviewed the future economic benefits of the Subsidiary based on its estimated future cash flows. The recoverable amount of investment was estimated based on its discounted value in use. Based on the assessment, the carrying amount of investment was determined to be Rs 209.524 million higher than the recoverable amount. However, based on assessment at last balance sheet date i.e. June 30, 2014 no further provision or reversal is required.

7 Long-term loans

Considered Good

Due from Directors, Executives and Employees - note 7.1	346,988	329,124
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Less: Current portion shown under current assets

Due from Directors, Executives and Employees	78,962	75,647
--	--------	--------

Total long-term loans	268,026	253,477
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7.1 Loans for the purchase of motor cars and house building assistance 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.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

September 30, 2014	June 30, 2014
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8 Stock-in-trade

Impairment charge on inventory is booked in the current period of Rs. 2.540 million to bring inventory at its net realizable value of Rs. 437.997 million

9 Long-term loans	2,075,915	2,314,805
--------------------------	------------------	------------------

9.1 Long-term financing facility

Faysal Bank Limited	343,591	343,591
Habib Bank Limited	543,435	543,435
	887,026	887,026

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

9.2 Islamic term finance

Standard Chartered Bank (Pakistan) Limited	1,000,000	1,000,000
Less: Principal paid	300,000	200,000
Less: Current portion of long term loan	400,000	400,000
	300,000	400,000

The Company has obtained long-term finance for Rs 1,000 million from Standard Chartered Bank (Pakistan) Limited under Islamic Diminishing Musharaka upto a limit of Rs.1,000 million for a period of 3 years (including 6 months grace period). The rental payment is charged at relevant KIBOR plus 0.25% p.a. payable on semi annual basis. This facility is initially secured by a ranking charge to be subsequently replaced by a first pari passu hypothecation charge on the present and future fixed assets of the Company's Polyester Business located at Sheikhpura.

Meezan Bank Limited	500,000	500,000
Less: Principal paid	55,556	-
Less: Current portion of long term loan	222,222	222,222
	222,222	277,778

The Company has obtained long-term loan for Rs 500 million from Meezan Bank Limited under Islamic Diminishing Musharaka upto a limit of Rs. 500 million for a period of 3 years (including 9 months grace period). The rental payment is charged at relevant KIBOR plus 0.25% p.a. payable on quarterly basis. This facility is initially secured by a ranking charge to be subsequently replaced by a first pari passu hypothecation charge on the present and future Plant, machinery and equipment of the Company's Soda Ash Business located at Khewra.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

	September 30, 2014	June 30, 2014
9.3 Other long-term loan		
Allied Bank Limited	1,000,000	1,000,000
Less: Current portion of long term loan	333,333	249,999
	666,667	750,001

The Company has obtained long-term loan for Rs 1,000 million from Allied Bank Limited under Long-term loan upto a limit of Rs. 1,000 million for a period of 4 years (including 1 year grace period). The rental payment is charged at relevant KIBOR plus 0.25% p.a. payable on quarterly basis. This facility is secured by a first pari passu hypothecation charge on the present and future Plant, machinery and equipment of the Company's Soda Ash Business located at Khewra.

10 Deferred tax liability - net

Deductible temporary differences		
Provisions for retirement benefits, doubtful debts and others	(259,713)	(259,368)
Retirement fund provision routed through other comprehensive income	(64,426)	(65,232)
Taxable temporary differences		
Property, plant and equipment	1,344,207	1,418,318
	1,020,068	1,093,718

11 Short-term borrowings and running finance	367,845	437,368
---	----------------	----------------

Short-term borrowings and running finance facility from various banks aggregated to Rs. 4,921 million (June 30, 2014: 4921 million) and carry mark-up during the period of relevant KIBOR + 0.20% to 1.00% per annum with a weighted average mark-up rate of relevant KIBOR + 0.32% as at September 30, 2014 on utilized limits (June 30, 2014: relevant KIBOR + 0.20% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.20% on utilized limits). These facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Company.

11.1 Foreign currency loan against import finance	-	267,368
--	----------	----------------

The above foreign currency loan carry mark-up at relevant LIBOR + bank's spread which is decided at the time of disbursement of funds.

11.2 Export refinance	241,962	170,000
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The Company has export refinance facility of Rs. 800 million (June 30, 2014: Rs. 200 million) available from Faysal Bank Limited as at September 30, 2014 out of which Rs. 241.96 million was utilized (June 30, 2014: Rs. 170 million). The export refinance facility carries mark-up at SBP rate + 0.25% per annum.

The above export refinance facility is secured by first pari passu hypothecation charge over the present and future stock-in-trade and book debts of the Company.

11.3 Short-term running finance - secured	125,883	-
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The above short-term running finance is secured by first pari passu hypothecation charge as mentioned in note 11.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

	September 30, 2014	June 30, 2014
12 Contingencies and commitments		
12.1 Claims against the Company not acknowledged as debts are as follows:		
Local bodies	32,261	32,261
Others	36,616	36,616
Total	68,877	68,877
12.2 There are no changes in the status of income tax contingencies as reported in the annual audited financial statements of the Company for the year ended June 30, 2014.		
12.3 Guarantee issued by the Company to a bank on behalf of its subsidiary ICI Pakistan PowerGen Limited for availing funded facility.	-	-
12.4 Commitments in respect of capital expenditure (including coal fired projects of Soda Ash & Polyester Businesses)	1,135,805	1,168,636
12.5 During the quarter under review, ICI Pakistan Limited invested Rs. 360 million in the NutriCo Pakistan (Pvt.) Limited (Morinaga business) out of total commitment of Rs 960 million as reported earlier through signing of shareholders and share subscription agreements with Unibrands. At the Balance sheet date Rs. 600 million remains as a commitment which are to be paid in two tranches.		
12.6 Commitments for rentals under operating lease / Ijarah agreements in respect of vehicles are as follows:		
Year		
2014-15	63,523	61,657
2015-16	52,388	48,649
2016-17	38,059	34,403
2017-18	12,480	9,203
2018-19	278	-
	166,728	153,912
Payable not later than one year	63,523	61,657
Payable later than one year but not later than five years	103,205	92,255
	166,728	153,912
12.7 Outstanding foreign exchange contracts as at September 30, 2014 entered into by the Company to hedge the anticipated future transactions amounted to Rs 348.825 million (June 30, 2014: Rs Nil).		

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013
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13 Turnover

Inter-segment sales and purchases have been eliminated from the total. **3,178** 9,785

13.1 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

13.2 Turnover includes export sales of Rs 215.122 million made to various countries during the period ended September 30, 2014.

14 Cost of sales

Restated

Opening stock of raw and packing materials	2,339,345	2,069,327
Purchases	5,047,638	5,396,483
	7,386,983	7,465,810
Closing stock of raw and packing materials	(2,287,471)	(2,102,334)
	5,099,512	5,363,476
Raw and packing materials consumption	1,949,870	1,711,814
	7,049,382	7,075,290
Opening stock of work-in-process	165,341	232,841
	7,214,723	7,308,131
Closing stock of work-in-process	(110,105)	(151,361)
	7,104,618	7,156,770
Cost of goods manufactured	2,077,947	2,271,107
Opening stock of finished goods	1,239,455	1,170,743
Finished goods purchased	10,422,020	10,598,620
	(2,383,457)	(2,600,633)
Closing stock of finished goods	8,038,563	7,997,987
Cost of Sales	8,038,563	7,997,987

15 Taxation

Current	189,591	163,917
Deferred	(73,648)	(25,118)
	115,943	138,799

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013
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16 Transactions with related parties

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

Subsidiary company

Purchase of goods, materials and services	229,570	281,311
Provision of services and other receipts	495	495
Sale of goods, materials and services	2,452	-

Associated companies

Purchase of goods, materials and services	18,715	1,297
Sale of goods and materials	483,959	324,566
Royalty	68,720	68,356
Staff retirements benefits	32,299	28,136

16.1 Transaction with key management personnel

Key management personnel received an amount of Rs 66.004 million (September 30, 2013: Rs 46.766 million on account of remuneration out of which Rs 7.265 million (September 30, 2013: Rs 7.531 million) relates to post employment benefits.

17 Estimates

Judgments and estimates made by the management in the preparation of the condensed interim unconsolidated financial statements were the same as those that were applied to the represented financial statements as at and for the year ended June 30, 2014.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

18 New amended and revised standards and interpretations of IFRSs

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

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

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

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

Improvements to Accounting Standards Issued by the IASB

IAS 1 – Presentation of Financial Statements - Clarification of the requirements for comparative information

IAS 16 –Property, Plant and Equipment – Clarification of Servicing Equipment

IAS 32 – Financial Instruments : Presentation – Tax Effects of Distribution to Holders of Equity Instruments

IAS 34 – Interim Financial Reporting – Interim Financial Reporting and Segment Information for Total Assets and Liabilities

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the condensed interim financial statements.

19 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the represented financial statements as at and for the year ended June 30, 2014.

20 Date of authorisation

The condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on October 27, 2014.

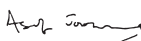
21 General

21.1 Royalty expense pertaining to Lucky Holdings Limited has been reclassified in corresponding period from cost of goods sold to selling & distribution expenses to align with previous year end reporting.

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer



ICI PAKISTAN

ICI Pakistan Limited and its Subsidiary Company Consolidated Financial Statements



Review of the Directors

For the Quarter Ended September 30, 2014

The Directors are pleased to present their report together with the audited Group results of ICI Pakistan Limited for the quarter ended September 30, 2014. The ICI Pakistan Group comprises of ICI Pakistan Limited and ICI Pakistan PowerGen Limited (PowerGen), a wholly owned subsidiary.

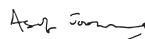
The Directors' report, with a commentary on the performance of ICI Pakistan Limited for the quarter ended September 30, 2014 has been presented separately.

Net Sales Revenue of PowerGen for the period stands at Rs 196 million which is 18% lower than the corresponding period last year due to lower electricity demand by the Polyester Business. Furthermore, the classification of PowerGen under Captive Power category by SNGPL has resulted in higher raw material costs. As a result, the operating profit has declined by 36% as compared to the corresponding period last year (Rs.25 million versus Rs 40 million last year).



Muhammad Sohail Tabba
Chairman / Director

October 27, 2014
Karachi



Asif Jooma
Chief Executive

Condensed Interim Consolidated Balance Sheet (Unaudited)

As at September 30, 2014

Amounts in Rs '000

	Note	September 30, 2014	June 30, 2014
ASSETS			
Non-current assets			
Property, plant and equipment	4	12,193,201	11,808,502
Intangible assets	5	52,341	64,261
		12,245,542	11,872,763
Long-term investment	6	362,500	2,500
Long-term loans	7	270,620	256,525
Long-term deposits and prepayments		27,609	27,843
		660,729	286,868
		12,906,271	12,159,631
Current assets			
Stores, spares and consumables		674,003	617,668
Stock-in-trade	8	4,798,705	4,607,216
Trade debts		1,286,287	883,710
Loans and advances		281,495	193,000
Trade deposits and short-term prepayments		205,071	220,018
Other receivables		935,579	1,488,685
Taxation - net		1,694,000	1,765,784
Cash and bank balances		135,854	858,204
		10,010,994	10,634,285
Total assets		22,917,265	22,793,916
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
1,500,000,000 (June 30, 2014: 1,500,000,000)			
ordinary shares of Rs 10 each		15,000,000	15,000,000
Issued, subscribed and paid-up capital			
92,359,050 (June 30, 2014: 92,359,050)			
ordinary shares of Rs 10 each		923,591	923,591
Capital reserves		309,643	309,643
Revenue reserves - Unappropriated profit		10,521,183	10,125,694
Total equity		11,754,417	11,358,928
Surplus on revaluation of property, plant and equipment		764,553	784,517
Non-current liabilities			
Provisions for non-management staff gratuity		81,231	78,081
Long-term loans	9	2,075,915	2,314,805
Deferred tax liability - net	10	1,020,068	1,093,718
		3,177,214	3,486,604
Current liabilities			
Current portion of long-term loan		955,555	872,221
Trade and other payables		5,950,224	5,854,278
Short-term borrowings and running finance	11	315,302	437,368
		7,221,081	7,163,867
Contingencies and commitments	12		
Total equity and liabilities		22,917,265	22,793,916

The annexed notes 1 to 21 form an integral part of the condensed interim consolidated financial information.


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the Quarter Ended September 30, 2014

Turnover - note 13

Sales tax

Commission and discounts to distributors and customers

Net sales, commission and toll income

Cost of sales - note 13 and 14

Gross profit

Selling and distribution expenses

Administration and general expenses

Operating result

Financial charges

Exchange Losses

Workers' profit participation fund

Workers' welfare fund

Other charges

Other income

Profit before taxation

Taxation - note 15

Profit after taxation

Basic and diluted earnings per share

The annexed notes 1 to 21 form an integral part of the condensed interim consolidated financial information.

Polyester		Soda Ash	
For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013 Restated	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013 Restated
4,566,579	5,006,892	3,020,606	2,459,403
(89,546)	(98,176)	(408,151)	(346,554)
(115,804)	(104,061)	(101,685)	(81,949)
(205,350)	(202,237)	(509,836)	(428,503)
4,361,229	4,804,655	2,510,770	2,030,900
(4,421,981)	(4,980,507)	(1,729,633)	(1,330,740)
(60,752)	(175,852)	781,137	700,160
(61,365)	(67,279)	(68,805)	(50,908)
(74,749)	(68,279)	(64,823)	(55,912)
(196,866)	(311,410)	647,509	593,340

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

Life Sciences		Chemicals		Others - PowerGen		Group	
For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013 Restated
1,998,047	1,550,501	954,934	1,061,605	229,570	281,311	10,536,988	10,068,615
(23,346)	(6,677)	(95,192)	(111,609)	(33,356)	(40,874)	(649,591)	(603,890)
(268,530)	(188,215)	(71,381)	(76,308)	-	-	(557,400)	(450,533)
(291,876)	(194,892)	(166,573)	(187,917)	(33,356)	(40,874)	(1,206,991)	(1,054,423)
1,706,171	1,355,609	788,361	873,688	196,214	240,437	9,329,997	9,014,192
(1,245,482)	(990,497)	(644,645)	(706,028)	(170,691)	(200,466)	(7,979,249)	(7,916,708)
460,689	365,112	143,716	167,660	25,523	39,971	1,350,748	1,097,484
(232,505)	(174,896)	(60,410)	(47,278)	-	-	(423,085)	(340,361)
(51,978)	(45,300)	(31,529)	(34,679)	(90)	(291)	(223,109)	(204,401)
176,206	144,916	51,777	85,703	25,433	39,680	704,554	552,722
						(117,371)	(83,644)
						(82,573)	(11,624)
						(25,916)	(25,580)
						(10,030)	(9,851)
						(5,999)	(4,764)
						(241,889)	(135,463)
						28,802	65,491
						491,467	482,750
						(115,943)	(138,799)
						375,524	343,951
						(Rupees)	
						4.07	3.72


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

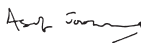
For the Quarter Ended September 30, 2014

	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013
Profit for the period	375,524	343,951
Other comprehensive income	-	-
Total comprehensive income for the period	375,524	343,951

The annexed notes from 1 to 21 form an integral part of the condensed interim consolidated financial information.



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

	September 30, 2014	September 30, 2013
Cash Flows from operating activities		
Profit before taxation	491,467	482,750
Adjustments for:		
Depreciation and amortisation	421,143	291,827
Loss / (Gain) on disposal of property, plant and equipment	46	(170)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	4,115	4,920
Provision for staff retirement benefit plan	12,861	11,533
Mark-up on bank deposits	(310)	-
Interest expense	116,525	83,644
	1,045,847	874,504
Movement in:		
Working capital	(116,340)	274,056
Long-term loans	(14,094)	(9,987)
Long-term deposits and prepayments	233	2,243
Cash generated from operations	915,646	1,140,816
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(9,981)	(11,628)
Staff retirement benefit plan	(4,050)	(8,652)
Taxation	(117,807)	(94,457)
Interest	(92,246)	(61,921)
Net cash generated from operating activities	691,562	964,158
Cash flows from investing activities		
Payments for capital expenditure	(776,021)	(594,466)
Proceeds from disposal of property, plant and equipment	737	609
Mark-up received on bank deposits	310	-
Long-term investments	(360,000)	-
Net cash used in investing activities	(1,134,965)	(593,857)
Cash flows from financing activities		
Long-term borrowings	(155,556)	1,500,000
Dividend paid	(1,325)	(291)
Net cash (used in) / generated from financing activities	(156,881)	1,499,709
Net increase / (decrease) in cash and cash equivalents	(600,284)	1,870,010
Cash and cash equivalents at the beginning of the period	420,836	(1,818,406)
Cash and cash equivalents at the end of period	(179,448)	51,604
Movement in working capital		
(Increase) / decrease in current assets		
Stores, spares and consumables	(56,334)	(49,408)
Stock-in-trade	(191,490)	(283,503)
Trade debts	(402,577)	(265,440)
Loans and advances	(88,495)	(70,146)
Trade deposits and short-term prepayments	12,075	31,956
Other receivables	553,106	(3,362)
	(173,715)	(639,903)
Increase / (decrease) in current liabilities		
Trade and other payables	57,375	913,959
	(116,340)	274,056
Cash and cash equivalents at the end of period comprise of:		
Cash and bank balances	135,854	898,800
Short-term borrowings and running finance	(315,302)	(847,196)
Cash and bank balances	(179,448)	51,604

The annexed notes from 1 to 21 form an integral part of the condensed interim consolidated financial information.


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

	Issued, subscribed and paid-up share capital	Capital reserves	Unappropriated profit	Total
Balance as on July 1, 2013	923,591	309,643	8,544,999	9,778,233
Profit for the period	-	-	343,951	343,951
Other comprehensive income for the period - net off taxation	-	-	-	-
Total comprehensive income	-	-	343,951	343,951
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net off deferred tax	-	-	19,296	19,441
Balance as on September 30, 2013	923,591	309,643	8,908,246	10,141,625
Interim dividend for the period June 30, 2014	-	-	(369,436)	(369,436)
Profit for the period	-	-	1,491,166	1,491,166
Other comprehensive income for the period - net off taxation	-	-	35,452	35,452
Total comprehensive income	-	-	1,526,618	1,526,618
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net off deferred tax	-	-	60,266	60,266
Balance as on June 30, 2014	923,591	309,643	10,125,694	11,359,073
Profit for the period	-	-	375,524	375,524
Other comprehensive income for the period - net off taxation	-	-	-	-
Total comprehensive income	-	-	375,524	375,524
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net off deferred tax	-	-	19,965	19,965
Balance as on September 30, 2014	923,591	309,643	10,521,183	11,754,562

The annexed notes from 1 to 21 form an integral part of the condensed interim consolidated financial information.


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

1 Status and nature of business

The Group consists of ICI Pakistan Limited; and ICI Pakistan PowerGen Limited. ICI Pakistan Limited ("the Company") is incorporated in Pakistan and is listed on the Karachi, Lahore and Islamabad Stock Exchanges. ICI Pakistan PowerGen Limited ("the Subsidiary") is incorporated in Pakistan as an unlisted public company and is a wholly owned subsidiary company of ICI Pakistan Limited. The Group is a subsidiary of Lucky Holding Limited (a subsidiary of Lucky Cement Limited). The Company is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchandising of general chemicals. It also acts as an indenting agent and toll manufacturer. The Subsidiary is engaged in generating, selling and supplying electricity to the Company. The Group's registered office is situated at 5 West Wharf, Karachi.

The condensed interim consolidated financial information comprises the consolidated balance sheet of ICI Pakistan Limited and its subsidiary company, ICI Pakistan PowerGen Limited, as at September 30, 2014 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof.

2 Statement of compliance

The condensed interim consolidated financial information has been prepared in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of Companies Ordinance, 1984. This condensed interim consolidated financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements as at and for the year ended June 30, 2014.

3 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the financial statements for the preceding year ended June 30, 2014.

4. Property, plant and equipment

	September 30, 2014	June 30, 2014
Operating fixed assets - at net book value	10,563,462	10,908,546
Capital work-in-progress - at cost		
Civil works and buildings	262,959	270,916
Plant and machinery	1,336,302	610,027
Advances to suppliers / contractors	30,478	19,013
	Note 4.2	
	1,629,739	899,956
Total property, plant and equipment	12,193,201	11,808,502

4.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the quarter ended September 30, 2014:

	Additions / Transfers		Disposals - NBV	
	September 30, 2014	June 30, 2014	September 30, 2014	June 30, 2014
Freehold land	-	96,137	-	-
Lime beds on freehold land	-	10,899	-	-
Buildings on freehold land	58	92,816	-	30
Buildings on leasehold land	3,159	443,596	238	260
Plant and machinery	44,636	3,446,311	545	16,162
Rolling stock and vehicles	-	6,090	-	4,700
Furniture and equipment	13,637	63,603	-	555
Total	61,490	4,159,452	783	21,707

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

	September 30, 2014	June 30, 2014
4.2 The following is the movement in capital work-in-progress during the period		
Opening balance	899,956	2,580,208
Add: Addition during the period	776,815	2,431,531
	1,676,771	5,011,739
Less: Transferred to operating fixed assets	47,032	4,111,783
Closing balance	1,629,739	899,956

5 Intangible assets

Intangible assets - at net book value - note 5.1	52,341	64,261
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5.1 This includes additions of intangible assets of Rs Nil during the period.

6 Long-term investments

Unquoted

Equity security in NutriCo Pakistan (Pvt) limited representing 15% ownership	360,000	-
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Others

Equity security available for sale - Arabian Sea Country Club Limited	2,500	2,500
Total long-term investments	362,500	2,500

7 Long-term loans

Considered Good

Due from Directors, Executives and Employees - note 7.1	350,730	333,356
Less: Current portion shown under current assets		
Due from Directors, Executives and Employees	80,110	76,831
Total long-term loans	270,620	256,525

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

September 30, 2014	June 30, 2014
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8 Stock-in-trade

Impairment charge on inventory is booked in the current period of Rs. 2.540 million to bring inventory at its net realizable value of Rs. 437.997 million.

9 Long-term loans	2,075,915	2,314,805
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9.1 Long-term financing facility

Faysal Bank Limited	343,591	343,591
Habib Bank Limited	543,435	543,435
	887,026	887,026

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

9.2 Islamic term finance

Standard Chartered Bank (Pakistan) Limited	1,000,000	1,000,000
Less: Principal paid	300,000	200,000
Less: Current portion of long term loan	400,000	400,000
	300,000	400,000

The Group has obtained long term finance for Rs 1,000 million from Standard Chartered Bank (Pakistan) Limited under Islamic Diminishing Musharaka upto a limit of Rs.1,000 million for a period of 3 years (including 6 months grace period). The rental payment is charged at relevant KIBOR plus 0.25% p.a. payable on semi annual basis. This facility is initially secured by a ranking charge to be subsequently replaced by a first pari passu hypothecation charge on the present and future fixed assets of the Group's Polyester Business located at Sheikhpura.

Meezan Bank Limited	500,000	500,000
Less: Principal paid	55,556	-
Less: Current portion of long term loan	222,222	222,222
	222,222	277,778

The Group has obtained long-term loan for Rs 500 million from Meezan Bank Limited under Islamic Diminishing Musharaka upto a limit of Rs. 500 million for a period of 3 years (including 9 months grace period). The rental payment is charged at relevant KIBOR plus 0.25% p.a. payable on quarterly basis. This facility is initially secured by a ranking charge to be subsequently replaced by a first pari passu hypothecation charge on the present and future plant, machinery and equipment of the Group's Soda Ash Business located at Khewra.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

	September 30, 2014	June 30, 2014
9.3 Other long-term loan		
Allied Bank Limited	1,000,000	1,000,000
Less: Current portion of long term loan	333,333	249,999
	666,667	750,001

The Group has obtained long-term loan for Rs 1,000 million from Allied Bank Limited under Long-term loan upto a limit of Rs. 1,000 million for a period of 4 years (including 1 year grace period). The rental payment is charged at relevant KIBOR plus 0.25% p.a. payable on quarterly basis. This facility is secured by a first pari passu hypothecation charge on the present and future Plant, machinery and equipment of the Group's Soda Ash Business located at Khewra.

10 Deferred tax liability - net

Deductible temporary differences

Provisions for retirement benefits, doubtful debts and others	(259,713)	(259,368)
Retirement fund provision routed through other comprehensive income	(64,426)	(65,232)

Taxable temporary differences

Property, plant and equipment	1,344,207	1,418,318
	1,020,068	1,093,718

11 Short-term borrowings and running finance	315,302	437,368
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Short-term borrowings and running finance facility from various banks aggregated to Rs. 4,946 million (June 30, 2014: Rs. 4,946 million) and carry mark-up during the period of KIBOR + 0.20% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.32% as at September 30, 2014 on utilized limits (June 30, 2014: relevant KIBOR + 0.20% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.20% on utilized limits). The facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Group.

11.1 Foreign currency loan against import finance	-	267,368
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The above foreign currency loan carry mark-up at relevant LIBOR + bank's spread which is decided at the time of disbursement of funds.

11.2 Export refinance	241,962	170,000
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The Group has export refinance facility of Rs. 800 million (June 30, 2014: Rs. 200 million) available from Faysal Bank Limited as at September 30, 2014 out of which Rs.241.96 million was utilized (June 30, 2014: Rs.170 million). The export refinance facility carries mark-up at SBP rate + 0.25% per annum.

The above export refinance facility is secured by first pari passu hypothecation charge over the present and future stock-in-trade and book debts of the Group.

11.3 Short-term running finance - secured	73,340	-
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The above short-term running finance is secured by first pari passu hypothecation charge as mentioned in note 11.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

September 30, 2014	June 30, 2014
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12 Contingencies and commitments

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

Local bodies	49,972	49,972
Others	36,616	36,616
Total	86,588	86,588

12.2 There are no changes in the status of income tax contingencies as reported in the annual audited financial statements of the Group for the year ended June 30, 2014.

12.3 Guarantee issued by the Group to a bank on behalf of its subsidiary ICI Pakistan PowerGen Limited for availing funded facility.

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12.4 Commitments in respect of capital expenditure (including coal fired projects of Soda Ash & Polyester Businesses)

1,154,621 1,172,736

12.5 During the quarter under review, ICI Pakistan Limited invested Rs. 360 million in the NutriCo Pakistan (Pvt.) Limited (Morinaga business) out of total commitment of Rs 960 million as reported earlier through signing of shareholders and share subscription agreements with Unibrands. At the Balance sheet date Rs. 600 million remains as a commitment which are to be paid in two tranches.

12.6 Commitments for rentals under operating lease / Ijarah agreements in respect of vehicles are as follows:

Year		
2014-15	63,946	62,223
2015-16	52,954	49,215
2016-17	38,625	34,969
2017-18	12,480	9,203
2018-19	278	-
	168,283	155,610
Payable not later than one year	63,946	62,223
Payable later than one year but not later than five years	104,337	93,387
	168,283	155,610

12.7 Outstanding foreign exchange contracts as at September 30, 2014 entered into by the Group amounted to hedge the anticipated future transactions amounted to Rs 348.825 million (June 30, 2014: Rs Nil).

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013
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13 Turnover

Inter-segment sales and purchases have been eliminated from the total. **232,748** 291,097

13.1 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

13.2 Turnover includes export sales of Rs 215.122 million made to various countries during the period.

14 Cost of sales

Restated

Opening stock of raw and packing materials	2,363,927	2,090,929
Purchases	5,040,728	5,398,933
	7,404,655	7,489,862
Closing stock of raw and packing materials	(2,305,143)	(2,126,385)
Raw and packing materials consumption	5,099,512	5,363,477
Manufacturing costs	1,890,556	1,630,534
	6,990,068	6,994,011
Opening stock of work-in-process	165,341	232,841
	7,155,409	7,226,852
Closing stock of work-in-process	(110,105)	(151,361)
Cost of goods manufactured	7,045,304	7,075,491
Opening stock of finished goods	2,077,947	2,271,107
Finished goods purchased	1,239,455	1,170,743
	10,362,706	10,517,341
Closing stock of finished goods	(2,383,457)	(2,600,633)
	7,979,249	7,916,708

15 Taxation

Current	189,591	163,917
Deferred	(73,648)	(25,118)
	115,943	138,799

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

Amounts in Rs '000

For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2013
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16 Transactions with related parties

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

Associated companies

Purchase of goods, materials and services	18,715	1,297
Sale of goods and materials	483,959	324,566
Royalty	68,720	68,356
Contribution to staff retirements benefit plans	32,299	28,136

16.1 Transactions with key management personnel

Key management personnel received an amount of Rs 66.004 million (September 30, 2013: Rs 46.766 million) on account of remuneration out of which Rs 7.265 million (September 30, 2013: Rs 7.531 million) relates to post employment benefits.

17 Estimates

Judgments and estimates made by the management in the preparation of the condensed interim consolidated financial statements were the same as those that were applied to the financial statements as at and for the year ended June 30, 2014.

18 New amended and revised standards and interpretations of IFRSs

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

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

IFRS 7 – Financial Instruments : Disclosures – (Amendment) -Amendments enhancing disclosures about offsetting of financial assets and financial liabilities
IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

Improvements to Accounting Standards Issued by the IASB

IAS 1 – Presentation of Financial Statements - Clarification of the requirements for comparative information

IAS 16 –Property, Plant and Equipment – Clarification of Servicing Equipment

IAS 32 – Financial Instruments : Presentation – Tax Effects of Distribution to Holders of Equity Instruments

IAS 34 – Interim Financial Reporting – Interim Financial Reporting and Segment Information for Total Assets and Liabilities

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the condensed interim financial statements.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2014

19 Financial risk management

The Group's financial risk management objective and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2014.

20 Date of authorisation

The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on October 27, 2014.

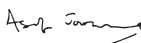
21 General

21.1 Royalty expense pertaining to Lucky Holdings Limited has been reclassified in corresponding period from cost of goods sold to selling & distribution expenses to align with previous year end reporting.

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

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