



**ICI PAKISTAN** LTD.

# **BUILDING ON OUR VALUES**

**REPORT FOR THE QUARTER & NINE MONTHS ENDED  
MARCH 31, 2015**

DELIVERING ENDURING VALUE

INNOVATION

PASSION

FOR PEOPLE

INTEGRITY & RESPONSIBILITY

INNOVATION

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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 A Samie Cashmiri	Vice President, Life Sciences & Strategy

Arshaduddin Ahmed	General Manager, Chemicals Business
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 & Nine Months Ended March 31, 2015

The Directors are pleased to present their review together with the unaudited financial statements of the Company for the quarter and nine months ended March 31, 2015.

Net sales income (NSI) for the quarter at PKR 8,867 million is 9% lower than the same period last year (SPLY) primarily due to lower selling prices for Polyester Staple Fibre. Operating result for the quarter at PKR 612 million is 38% better compared to the SPLY due to improved performance in most of the Businesses, with Soda Ash and Life Sciences being the major contributors.

NSI for the nine months at PKR 28,113 million is 1% less than the SPLY, primarily attributable to lower sales value in Polyester Fibres due to a correction of prices in the petrochemical chain. However, better performance in the Soda Ash & Life Sciences Businesses partially offset the impact of lower PSF prices. Operating result for the nine months at PKR 2,264 million is 47% higher as compared to the SPLY due to a 48% improvement in the Polyester Business's performance, along with a 27% and 21% increase in the Soda Ash and Life Sciences Businesses respectively. The performance of the Polyester Business has improved significantly following the substantial reduction in energy costs post the commissioning of the coal fired heaters coupled with the reduction in furnace oil and coal prices. In the Soda Ash Business, performance has mainly been driven by higher volumes and prices, the operation of the coal fired boilers, and enhanced operational efficiencies. In the Life Sciences Business, both Pharmaceuticals and Animal Health Divisions posted double digit growth in NSI with the Animal Health Division being the major contributor in the overall success of the business.

The Profit after Tax (PAT) for the nine months at PKR 1,479 million is 28% higher than the SPLY.

Earnings per Share (EPS) for the nine months at PKR 16.02, is 28% higher compared to the SPLY.

	Nine months ended Mar 2015	Nine months ended Mar 2014
<b>Net sales income (PKR million)</b>	<b>28,113</b>	28,345
<b>Profit before taxation (PKR million)</b>	<b>1,871</b>	1,424
<b>Profit after taxation (PKR million)</b>	<b>1,479</b>	1,159
<b>Earnings per share (PKR)</b>	<b>16.02</b>	12.54

### Net sales, commission & toll income (PKR m)

Mar 2014	28,345
Mar 2015	28,113

### Profit before tax (PKR m)

Mar 2014	1,424
Mar 2015	1,871

### Profit after tax (PKR m)

Mar 2014	1,159
Mar 2015	1,479

### Earnings per share (PKR)

Mar 2014	12.54
Mar 2015	16.02

## Review of the Directors

For the Quarter & Nine Months Ended March 31, 2015

### Polyester Staple Fibre Business (PSF)

#### Net sales, commission & toll income (PKR m)

Mar 2014  14,336

Mar 2015  12,267

#### Operating result (PKR m)

Mar 2014  (575)

Mar 2015  (298)

Crude oil prices continued to slide during the period under review, which resulted in downward price adjustments for the entire petrochemical chain, with PTA falling by 22% and MEG by 16% compared to the SPLY.

The domestic PSF market remained under pressure due to a continuing oversupply in both domestic and regional markets. At the same time, continued aggressive pricing set at uneconomic levels by exporters from China further aggravated pressure on net sales, which declined by 14% compared to the SPLY. The energy cost burden, due to continued curtailment of gas supply to industry was partially mitigated by the use of coal fired heaters and a subsequent reduction in furnace oil prices. Energy cost savings and marginally higher sales volumes improved operating result by 48% over the SPLY.

Work on the coal fired steam turbine project is in progress and is expected to be completed by mid-2015. Once commissioned, the Business's vulnerability to insufficient gas supply and higher oil prices in the future will be largely mitigated, placing the business on a sound platform.

With the appointment of a new Chairman of the National Tariff Commission (NTC) and completion of its quorum, the Company has filed a new Anti-Dumping Duty application with the NTC against dumped PSF from China.

Going forward, the petrochemical chain is likely to further adjust towards a new equilibrium in light of the geopolitical developments in Yemen and Iran. On the domestic front, market sentiment with regards to demand for PSF will greatly depend on the continuous provision of energy to the textile industry. Furthermore, proposals of a 20%-30% increase in gas tariffs, if implemented, would also negatively impact the industry performance, as it would significantly impact the cost of production.

### Soda Ash Business

#### Net sales, commission & toll income (PKR m)

Mar 2014  6,429

Mar 2015  7,441

#### Operating result (PKR m)

Mar 2014  1,271

Mar 2015  1,609

The Soda Ash market has grown in comparison to the SPLY on the back of higher offtake by the Bazaar and Detergent segments. Demand for Sodium Bicarbonate remains strong, with 4% growth over the SPLY. However, Soda Ash demand in the Paper segment has significantly declined on the back of paper manufacturers substituting caustic liquid in place of soda ash due to its lower price. The Silicate segment was under tremendous pressure due to sluggish downstream demand of laundry soap. NSI of the Business for the nine months was 16% higher than SPLY on account of higher sales volumes. Operating result at PKR 1,609 million was 27% higher than the SPLY.

## Review of the Directors

For the Quarter & Nine Months Ended March 31, 2015

The coal fired boilers continue to deliver value to the Business through reduced production costs and increased production rates even during periods of low gas availability. The Business has thus been able to maintain its domestic market share and achieve increased profitability in the export markets.

The Business continues to maintain a strong focus on improving the reliability and production capability of the Soda Ash plant. As a result of these efforts, production volume of 230,093 tons was achieved, which is the highest ever production for any nine month period and is 10% higher than the SPLY. The Business also achieved a significant milestone of 1,000 tons per day production rate during the quarter under review, thereby establishing the plant's capability to produce at its nameplate capacity.

Work is underway on the Refined Sodium Bicarbonate and Dense Soda Ash capacity expansion projects as well as on the new coal fired boilers and the power generation project.

The Company had filed a Writ Petition in the Lahore High Court (LHC), challenging the tariff rationalisation proceedings of the National Tariff Commission. The LHC issued a stay order barring the NTC from issuing final recommendations to the Ministry of Commerce. However, now that a full time Chairman of the NTC has been appointed and the Commission is fully functional, the Company has withdrawn the Writ Petition.

## Life Sciences Business

### Net sales, commission & toll income (PKR m)

Mar 2014  4,874

Mar 2015  5,791

### Operating result (PKR m)

Mar 2014  599

Mar 2015  727

The Life Sciences Business delivered an operating result of PKR 727 million for the nine months ended March 31, 2015. The Business achieved a growth of 19% in NSI and 21% in its operating results compared to the SPLY. The Pharmaceuticals and Animal Health Divisions posted double digit growth, with the Animal Health Division being the major contributor in the overall success of the business. Sales of the Animal Health Division were significantly higher than the SPLY, with increased performance in both the Livestock and Poultry portfolios. Sales of the Pharmaceutical Division were higher across the entire portfolio. Sales of the Agri Segment were higher on account of higher sales of Agro-Chemicals and Vegetable Seeds. However, field crop seeds sales, primarily sunflower, remained under pressure due to unfavourable international prices and the liquidity crunch in the market as a result of overall downturn of the agriculture sector.

The construction of the Animal Health Leased Manufacturing Facility has been completed and the Company has received a new manufacturing license for the facility in its name. The facility will commence production by July 2015 subsequent to the transfer of product registrations.

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

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

# Review of the Directors

For the Quarter & Nine Months Ended March 31, 2015

## Chemicals Business

### Net sales, commission & toll income (PKR m)

Mar 2014  2,709

Mar 2015  2,624

### Operating result (PKR m)

Mar 2014  249

Mar 2015  227

NSI for the nine months at PKR 2,624 million was 3% lower than the SPLY. The decrease in sales is mainly due to difficult conditions in the Polyurethanes segment (PU) which were partially offset by enhanced performances in both General Chemicals (GC) and Specialty Chemicals (SC).

The PU segment has shown some improvement in Q3 both in terms of value and volume as demand picked up and market conditions improved. Both the SC and GC segments continued their strong delivery capitalising on the customer base and improved product range offerings. This enabled them to post strong double digit growth compared to the SPLY.

Operating result for the nine months period ended March 31, 2015 at PKR 227 million was lower by 9% than the SPLY due to lower sales of polyurethanes.

The outlook for the upcoming quarter remains positive as most of the service segments will be at their peak seasonal demand.

## Future Outlook

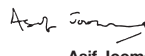
The prices of crude oil derivatives are forecast to remain volatile as the crude oil markets search for a new equilibrium. The energy quandary slightly improved following the reduction in oil prices, however; it still continues to influence industrial performance as well as downstream demand.

The Company remains focused on fulfilling customer needs, energy conservation, launching new products and cost reduction initiatives, strengthening relationships with existing customers and suppliers, whilst exploring opportunities for both organic and inorganic growth.



**Muhammad Sohail Tabba**  
Chairman / Director

Dated: April 21, 2015  
Karachi



**Asif Jooma**  
Chief Executive

# Condensed Interim Unconsolidated Balance Sheet

As at March 31, 2015

Amounts in Rs '000

	Note	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	13,177,192	11,652,057
Intangible assets	5	37,915	64,261
		<b>13,215,107</b>	<b>11,716,318</b>
Long-term investments	6	<b>1,222,976</b>	<b>502,976</b>
Long-term loans	7	<b>310,311</b>	<b>253,477</b>
Long-term deposits and prepayments		<b>29,150</b>	<b>27,843</b>
		<b>1,562,437</b>	<b>784,296</b>
		<b>14,777,544</b>	<b>12,500,614</b>
<b>Current assets</b>			
Stores, spares and consumables		<b>639,113</b>	<b>559,256</b>
Stock-in-trade	8	<b>4,396,104</b>	<b>4,582,632</b>
Trade debts		<b>1,659,652</b>	<b>858,347</b>
Loans and advances		<b>234,829</b>	<b>191,121</b>
Trade deposits and short-term prepayments		<b>213,505</b>	<b>206,775</b>
Other receivables		<b>550,421</b>	<b>1,420,794</b>
Taxation - net		<b>1,743,296</b>	<b>1,765,784</b>
Cash and bank balances		<b>119,274</b>	<b>852,095</b>
		<b>9,556,194</b>	<b>10,436,804</b>
<b>Total assets</b>		<b>24,333,738</b>	<b>22,937,418</b>

## 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		<b>15,000,000</b>	<b>15,000,000</b>
Issued, subscribed and paid-up capital			
92,359,050 (June 30, 2014: 92,359,050)			
ordinary shares of Rs 10 each		<b>923,591</b>	<b>923,591</b>
Capital reserve		<b>309,643</b>	<b>309,643</b>
Unappropriated profit		<b>10,709,688</b>	<b>10,004,193</b>
Hedging reserve		<b>1,321</b>	<b>-</b>
<b>Total equity</b>		<b>11,944,243</b>	<b>11,237,427</b>

### Surplus on revaluation of property, plant and equipment

**581,956**      **639,372**

### Non-current liabilities

Provisions for non-management staff gratuity		<b>80,527</b>	<b>77,842</b>
Long-term loans	9	<b>1,577,340</b>	<b>2,314,805</b>
Deferred tax liability - net	10	<b>993,166</b>	<b>1,093,718</b>
		<b>2,651,033</b>	<b>3,486,365</b>

### Current liabilities

Current portion of long-term loan		<b>1,132,958</b>	<b>872,221</b>
Trade and other payables		<b>7,271,360</b>	<b>6,264,665</b>
Short-term borrowings and running finance	11	<b>752,188</b>	<b>437,368</b>
		<b>9,156,506</b>	<b>7,574,254</b>

<b>Total equity and liabilities</b>		<b>24,333,738</b>	<b>22,937,418</b>
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### Contingencies and commitments

12

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 Nine Months Period Ended March 31, 2015

Amounts in Rs '000

	For the 3 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014
<b>Turnover - note 13</b>	<b>10,044,882</b>	<b>10,858,300</b>	<b>31,766,488</b>	<b>31,568,432</b>
Sales tax	(623,812)	(634,364)	(1,900,295)	(1,765,552)
Commission and discounts	(554,241)	(496,816)	(1,753,146)	(1,458,202)
	<b>(1,178,053)</b>	<b>(1,131,180)</b>	<b>(3,653,441)</b>	<b>(3,223,754)</b>
Net sales, commission and toll income	<b>8,866,829</b>	<b>9,727,120</b>	<b>28,113,047</b>	<b>28,344,678</b>
Cost of sales - note 13 and 14	<b>(7,616,802)</b>	<b>(8,679,977)</b>	<b>(23,917,173)</b>	<b>(25,049,408)</b>
<b>Gross profit</b>	<b>1,250,027</b>	<b>1,047,143</b>	<b>4,195,874</b>	<b>3,295,270</b>
Selling and distribution expenses	(431,804)	(387,449)	(1,281,291)	(1,097,025)
Administration and general expenses	(206,624)	(217,802)	(650,094)	(655,043)
<b>Operating result</b>	<b>611,599</b>	<b>441,892</b>	<b>2,264,489</b>	<b>1,543,202</b>
Financial charges	(90,274)	(122,640)	(305,950)	(275,804)
Exchange gains / (losses)	1,014	122,351	(42,539)	105,630
Workers' profit participation fund	(26,659)	(25,599)	(98,196)	(75,078)
Workers' welfare fund	(10,311)	(9,924)	(38,032)	(29,048)
Other charges	(6,357)	(5,784)	(26,917)	(14,780)
	<b>(132,587)</b>	<b>(41,596)</b>	<b>(511,634)</b>	<b>(289,080)</b>
Other income	<b>33,425</b>	<b>86,370</b>	<b>117,935</b>	<b>169,599</b>
<b>Profit before taxation</b>	<b>512,437</b>	<b>486,666</b>	<b>1,870,790</b>	<b>1,423,721</b>
Taxation - note 15	(58,555)	(93,493)	(391,478)	(265,167)
<b>Profit after taxation</b>	<b>453,882</b>	<b>393,173</b>	<b>1,479,312</b>	<b>1,158,554</b>
			(Rupees)	
<b>Basic and diluted earnings per share</b>	<b>4.91</b>	<b>4.26</b>	<b>16.02</b>	<b>12.54</b>

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 Comprehensive Income (Unaudited)

For the Nine Months Period Ended March 31, 2015

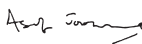
Amounts in Rs '000

	For the 3 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014
<b>Profit for the period</b>	<b>453,882</b>	<b>393,173</b>	<b>1,479,312</b>	<b>1,158,554</b>
<b>Other comprehensive income for the period</b>				
Gain on hedge during the period	1,971	-	1,971	-
Income tax relating to hedging reserve	(650)	-	(650)	-
	<b>1,321</b>	<b>-</b>	<b>1,321</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>455,203</b>	<b>393,173</b>	<b>1,480,633</b>	<b>1,158,554</b>

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 Nine Months Period Ended March 31, 2015

Amounts in Rs '000

	March 31, 2015	March 31, 2014
<b>Cash flows from operating activities</b>		
Profit before taxation	1,870,790	1,423,721
Adjustments for:		
Depreciation and amortisation	1,220,818	950,018
Loss on disposal of property, plant and equipment	8	13,040
Provision for non-management staff gratuity and eligible retired employees' medical scheme	9,247	12,082
Provision for staff retirement benefit plan	29,423	35,090
Dividend income from Associate	(40,000)	-
Interest expense	304,962	274,432
	3,395,248	2,708,383
Movement in:		
Working capital (Ref. 1)	508,375	317,462
Long-term loans	(56,834)	(31,044)
Long-term deposits and prepayments	(1,307)	4,040
Cash generated from operations	3,845,482	2,998,841
Payments for:		
Non-management staff gratuity and eligible retired employees' medical scheme	(17,487)	(23,790)
Staff retirement benefit plan	(38,760)	(34,839)
Taxation	(470,190)	(394,850)
Interest	(279,640)	(226,167)
Net cash generated from operating activities	3,039,405	2,319,195
<b>Cash flows from investing activities</b>		
Payments for capital expenditure	(2,573,295)	(1,901,297)
Proceeds from disposal of property, plant and equipment	2,514	7,564
Dividend Income from Associate	40,000	-
Long-term investments	(720,000)	-
Net cash used in investing activities	(3,250,781)	(1,893,733)
<b>Cash flows from financing activities</b>		
Long-term financing received during the period	156,606	1,500,000
Long-term financing paid during the period	(633,334)	(100,000)
Dividend paid	(359,537)	(407)
Net cash (used in) / generated from financing activities	(836,265)	1,399,593
Net (decrease) / increase in cash and cash equivalents	(1,047,641)	1,825,055
Cash and cash equivalents at the start of the period	414,727	(1,924,200)
<b>Cash and cash equivalents at the end of period (Ref. 2)</b>	<b>(632,914)</b>	<b>(99,145)</b>
<b>Ref. 1: Movement in working capital</b>		
<b>Increase / Decrease in current assets</b>		
Stores, spares and consumables	(79,857)	(41,780)
Stock-in-trade	186,530	(415,295)
Trade debts	(801,305)	(390,274)
Loans and advances	(43,707)	(82,203)
Trade deposits and short-term prepayments	2,607	(10,689)
Other receivables	873,664	(163,521)
	137,932	(1,103,762)
<b>Increase in current liability</b>		
Trade and other payables	370,443	1,421,224
	508,375	317,462
<b>Ref. 2: Cash and cash equivalents at the end of period comprise of:</b>		
Cash and bank balances	119,274	541,433
Short-term borrowings and running finance	(752,188)	(640,578)
<b>Cash and bank balances</b>	<b>(632,914)</b>	<b>(99,145)</b>

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 Nine Months Period Ended March 31, 2015

Amounts in Rs '000

	Issued, subscribed and paid-up share capital	Capital reserve	Unappropriated profit	Hedging reserve	Total
<b>Balance as on July 1, 2013</b>	<b>923,591</b>	<b>309,643</b>	<b>8,555,755</b>	<b>-</b>	<b>9,788,989</b>
Profit for the period	-	-	1,158,554	-	1,158,554
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,158,554</b>	<b>-</b>	<b>1,158,554</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	58,434	-	58,434
<b>Balance as on March 31, 2014</b>	<b>923,591</b>	<b>309,643</b>	<b>9,772,743</b>	<b>-</b>	<b>11,005,977</b>
Interim dividend of Rs. 4 per share for the period ended June 30, 2014	-	-	(369,436)	-	(369,436)
Profit for the period	-	-	543,662	-	543,662
Other comprehensive income for the period	-	-	35,452	-	35,452
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>579,114</b>	<b>-</b>	<b>579,114</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	21,772	-	21,772
<b>Balance as on June 30, 2014</b>	<b>923,591</b>	<b>309,643</b>	<b>10,004,193</b>	<b>-</b>	<b>11,237,427</b>
Final dividend of Rs. 4 per share for the year ended June 30, 2014	-	-	(369,436)	-	(369,436)
Interim dividend of Rs. 5 per share for the period ended December 31, 2014	-	-	(461,796)	-	(461,796)
<b>Total Dividends</b>	<b>-</b>	<b>-</b>	<b>(831,232)</b>	<b>-</b>	<b>(831,232)</b>
Profit for the period	-	-	1,479,312	-	1,479,312
Gain on hedges - net of tax	-	-	-	1,321	1,321
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,479,312</b>	<b>1,321</b>	<b>1,480,633</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	57,415	-	57,415
<b>Balance as on March 31, 2015</b>	<b>923,591</b>	<b>309,643</b>	<b>10,709,688</b>	<b>1,321</b>	<b>11,944,243</b>

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

For the Nine Months Period Ended March 31, 2015

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 and associate 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 year ended June 30, 2014, except for the adoption of new accounting standards and interpretations as disclosed in note 18 to these financial statements.

## 4 Property, plant and equipment

	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
Operating fixed assets - at net book value	10,400,420	10,756,006
Capital work-in-progress - at cost		
Civil works and buildings	489,300	270,916
Plant and machinery	2,216,308	606,122
Advances to suppliers / contractors	71,164	19,013
Note 4.2	2,776,772	896,051
<b>Total property, plant and equipment</b>	<b>13,177,192</b>	<b>11,652,057</b>

4.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the nine months ended March 31, 2015:

	Additions / Transfers		Disposals - NBV	
	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
Freehold land	-	96,137	-	-
Lime beds on freehold land	250	10,899	-	-
Buildings on freehold land	4,088	92,172	-	30
Buildings on leasehold land	57,891	443,596	387	260
Plant and machinery	683,250	3,398,311	1,992	16,045
Rolling stock and vehicles	4,567	6,090	-	4,700
Furniture and equipment	81,823	63,604	142	555
<b>Total</b>	<b>831,869</b>	<b>4,110,809</b>	<b>2,521</b>	<b>21,590</b>

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
<b>4.2</b> 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	2,648,655	2,409,836
	3,544,706	4,959,190
Less: Transferred to operating fixed assets	767,934	4,063,139
<b>Closing balance</b>	<b>2,776,772</b>	<b>896,051</b>

## 5 Intangible assets

Intangible assets - at net book value - note 5.1	37,915	64,261
<b>5.1</b> This includes additions of intangible assets of Rs 9.539 million (June 30, 2014: Rs. 51.303 million) 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

Less: Provision of impairment loss recognized in December 2011

710,000	710,000
209,524	209,524
<b>500,476</b>	<b>500,476</b>

Associate - NutriCo Pakistan (Private) Limited (30% ownership)  
125,000 ordinary shares (June 30, 2014: Nil shares) of Rs. 1,000  
each and premium of Rs. 4,760 per share

720,000	-
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### Others

Equity security available for sale - Arabian Sea Country Club Limited

2,500	2,500
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<b>Total long-term investments</b>	<b>1,222,976</b>	<b>502,976</b>
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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 nine months ended March 31, 2015 amounted to Rs 852.891 million (June 30, 2014: Rs 773.149 million).

## 7 Long-term loans

### Considered Good

Due from Executives and Employees  
Less: Current portion shown under current assets  
Due from Executives and Employees

398,378	329,124
88,067	75,647

<b>Total long-term loans</b>	<b>310,311</b>	<b>253,477</b>
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## 8 Stock-in-trade

It includes items carried at net realisable value of Rs. 316.862 million (June 30, 2014: Rs. 28.801 million) on which expense of Rs. 18.675 million (June 30, 2014: reversal of Rs. 20.529 million) was recognised during the period.

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
<b>9 Long-term loans - note 9.1, 9.2 and 9.3</b>	<b>1,577,340</b>	<b>2,314,805</b>
There is no material change in the amounts and disclosures made in the annual financial statements with regard to long-term loans except for the following:		
<b>9.1 Long-term financing facility</b>		
Faysal Bank Limited	343,591	343,591
Less: Current portion of long-term finance	68,717	-
	<b>274,874</b>	<b>343,591</b>
Habib Bank Limited	543,435	543,435
Less: Current portion of long-term finance	108,686	-
	<b>434,749</b>	<b>543,435</b>
United Bank Limited	156,606	-
The Company has obtained long term finance facility (LTFF) for plant and machinery from United Bank Limited of Rs. 156.606 million (limit: Rs. 1,500 million) for a period of 10 years (including 2 year grace period), with the principal payable on Quarterly basis. The markup is chargeable at a fixed rate of 5% 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 loan have been refinanced by the State Bank of Pakistan under long term finance facility (LTFF) for Export Oriented Projects.		
<b>9.2 Islamic term finance</b>		
Standard Chartered Bank (Pakistan) Limited	1,000,000	1,000,000
Less: Principal paid	500,000	200,000
Less: Current portion of long-term loan	400,000	400,000
	<b>100,000</b>	<b>400,000</b>
Meezan Bank Limited	500,000	500,000
Less: Principal paid	166,667	-
Less: Current portion of long-term loan	222,222	222,222
	<b>111,111</b>	<b>277,778</b>
<b>9.3 Other long-term loan</b>		
Allied Bank Limited	1,000,000	1,000,000
Less: Principal Paid	166,667	-
Less: Current portion of long-term loan	333,333	249,999
	<b>500,000</b>	<b>750,001</b>
<b>10 Deferred tax liability - net</b>		
<b>Deductible temporary differences</b>		
Provisions for retirement benefits, doubtful debts and others	(221,168)	(259,368)
Retirement fund provision routed through other comprehensive income	(63,715)	(65,232)
<b>Taxable temporary differences</b>		
Property, plant and equipment	1,278,049	1,418,318
	<b>993,166</b>	<b>1,093,718</b>

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
<b>11 Short-term borrowings and running finance - note 11.1, 11.2 &amp; 11.3</b>	<b>752,188</b>	<b>437,368</b>

There is no material change in the amounts and disclosures made in the annual financial statements with regard to short-term borrowings and running finance except for the following:

<b>11.1 Foreign currency loan against import finance</b>	-	267,368
<b>11.2 Export refinance</b>	<b>241,962</b>	<b>170,000</b>

The Company has export refinance facility of Rs. 800 million (June 30, 2014: Rs. 200 million) available from Faysal Bank Limited as at March 31, 2015 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.

<b>11.3 Short-term running finance - secured</b>	<b>510,226</b>	-
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The above short term running finance is secured by first pari passu hypothecation charge and carry mark-up during the period of relevant KIBOR + 0.20% to 1.00% per annum with a weighted average markup rate of relevant KIBOR + 0.28% as at March 31, 2015 on utilized limits (June 30, 2014: relevant KIBOR + 0.20% to 1.00% per annum with an average markup rate of relevant KIBOR + 0.20% on utilized limits).

## 12 Contingencies and commitments

<b>12.1</b> Claims against the Company not acknowledged as debts are as follows:		
Local bodies	19,544	32,261
Others	35,499	36,616
<b>Total</b>	<b>55,043</b>	<b>68,877</b>

**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. However following tax contingencies have arisen during the nine months period ended March 31, 2015:

### Sales tax case

In course of conducting a sales tax audit for the period July 2012 to June 2013, Federal Board of Revenue 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 Rs 968.753 million was raised. The company being aggrieved has filed a suit in the Sindh High Court for relief in which the court has granted ad-interim relief till the next date of hearing which is yet to take place. The company has also filed an appeal with CIR(A) in which no hearing has taken place to date. The Company is confident that there is no merit in this claim and hence it is probable that the case would be decided in favor of the Company. Therefore, no provision in respect of above has been made in these financial statements.



# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

## Income tax – Demerger of PTA business

On March 18, 2015, the Supreme Court in the case of assessment year 2002-03 has passed an interim order whereby it has directed the High Court to resolve the issue of assessment year 2001-02 expeditiously before the case of 2002-03 proceeds further in Supreme Court. The reason for joining the nexus of the both the cases is that the date of demerger cannot be changed to August 6, 2001 (falling in the assessment year 2002-03) till the time the decision is reversed in order of assessment year 2001-02 of May 29, 2002, which stands in effect till today, which has already accepted the date of demerger to be October 1, 2000 (falling in the assessment year 2001-02).

## Collectorate of Customs - Classification issue in PCT heading

Collectorate of Customs has raised an additional demand of Rs. 46.8 million against the company on the ground that company is classifying one of its imported product under "Polyurethane" in wrong PCT Heading. Company has taken up the matter in high court as well as with Custom authorities considering that the same HS Code is being used globally as per manufacturer's product specification. Further, also on the basis of an independent laboratory report the Company is confident that there is no merit in the claim and is expecting favorable decision, therefore no provision has been made in this respect.

	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
<b>12.3</b> Commitments in respect of capital expenditure (including Sodium Bicarbonate, Dense Ash and coal fired project of Soda Ash & Polyester Businesses)	<b>3,718,876</b>	1,168,636
<b>12.4</b> During the nine months under review, ICI Pakistan Limited invested Rs. 720 million in the NutriCo Pakistan (Private) 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. 240 million remains as a commitment.		
<b>12.5</b> Commitments for rentals under operating lease / Ijarah agreements in respect of vehicles are as follows:		
<b>Year</b>		
2014-15	<b>14,977</b>	61,657
2015-16	<b>51,592</b>	48,649
2016-17	<b>39,643</b>	34,403
2017-18	<b>14,532</b>	9,203
2018-19	<b>1,318</b>	-
	<b>122,062</b>	153,912
Payable not later than one year	<b>14,977</b>	61,657
Payable later than one year but not later than five years	<b>107,085</b>	92,255
	<b>122,062</b>	153,912
<b>12.6</b> Outstanding foreign exchange contracts as at March 31, 2015 entered into by the Company to hedge the anticipated future transactions amounted to Rs. 235.604 million (June 30, 2014: Rs Nil).		

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

## 13 Operating Segment results (Unaudited)

Amounts in Rs '000

	Polyester				Soda Ash				Life Sciences				Chemicals				Company			
	For the 3 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014	For the 3 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014	For the 3 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014	For the 3 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014	For the 3 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014
<b>Turnover - note 13.1, 13.2 &amp; 13.3</b>	3,735,865	4,941,910	12,899,989	14,941,970	2,909,141	2,850,717	8,943,455	7,855,027	2,162,876	1,838,145	6,788,487	5,502,468	1,243,986	1,227,528	3,195,354	3,271,537	10,044,882	10,859,300	31,766,468	31,586,422
Sales tax	(79,259)	(98,912)	(252,330)	(293,030)	(386,947)	(402,442)	(1,223,638)	(1,108,619)	(17,952)	(7,640)	(83,425)	(22,181)	(135,644)	(127,370)	(330,882)	(340,722)	(623,812)	(634,354)	(1,900,265)	(1,765,552)
Commission and discounts	(116,696)	(103,389)	(354,096)	(312,478)	(90,831)	(76,852)	(276,369)	(317,494)	(259,421)	(194,085)	(884,047)	(606,704)	(64,193)	(73,290)	(240,634)	(221,528)	(554,241)	(496,816)	(1,753,146)	(1,438,202)
	(191,955)	(200,301)	(602,478)	(605,508)	(467,878)	(528,494)	(1,502,007)	(1,427,113)	(288,383)	(201,725)	(977,472)	(628,885)	(228,837)	(200,660)	(571,486)	(562,248)	(1,178,053)	(1,131,180)	(3,653,441)	(3,223,754)
Net sales, commission and toll income	3,543,770	4,741,609	12,287,283	14,336,462	2,421,263	2,322,223	7,441,448	6,428,914	1,894,493	1,636,420	5,791,015	4,873,583	1,014,159	1,026,868	2,623,868	2,709,089	8,866,829	9,727,120	28,113,047	28,344,678
Cost of sales - note 13.1 and 14	(6,599,648)	(4,689,938)	(12,177,116)	(14,488,644)	(1,889,968)	(1,931,749)	(5,451,557)	(4,804,115)	(1,366,285)	(1,205,409)	(4,180,475)	(3,540,032)	(807,717)	(843,821)	(2,118,702)	(2,219,987)	(7,616,882)	(8,679,977)	(23,917,173)	(25,049,409)
<b>Gross profit</b>	(15,918)	47,611	90,277	(152,182)	531,295	390,474	1,989,891	1,624,799	528,208	431,011	1,610,540	1,333,551	206,442	178,047	505,166	489,102	1,250,027	1,047,143	4,195,874	3,295,270
Selling and distribution expenses	(53,201)	(64,283)	(178,230)	(194,101)	(64,582)	(51,258)	(201,226)	(158,456)	(253,488)	(210,898)	(722,202)	(588,768)	(60,532)	(61,012)	(178,633)	(158,652)	(431,894)	(387,448)	(1,281,281)	(1,097,025)
Administration and general expenses	(63,588)	(78,546)	(208,328)	(229,209)	(64,514)	(63,891)	(178,196)	(194,671)	(51,252)	(47,013)	(161,574)	(147,530)	(37,240)	(28,332)	(99,986)	(83,573)	(206,624)	(217,802)	(650,094)	(655,043)
<b>Operating result</b>	(127,707)	(95,218)	(286,281)	(575,492)	412,199	275,325	1,608,469	1,270,664	222,437	173,102	726,764	589,193	108,670	88,683	226,537	248,837	611,599	441,892	2,844,489	1,543,202

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

For the 3 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014
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(Unaudited)

## 13.1 Turnover

Inter-segment sales and purchases have been eliminated from the total.

6,816	-	10,677	3,370
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**13.2** Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

**13.3** Turnover includes export sales of Rs 543.509 million (March 31, 2014: Rs. 290.960 million) made to various countries during the period ended March 31, 2015.

## 14 Cost of sales

Opening stock of raw and packing materials	1,773,922	2,303,938	2,339,346	2,069,327
Purchases	4,170,163	5,529,783	13,566,159	16,179,507
	5,944,085	7,833,721	15,905,505	18,248,834
Closing stock of raw and packing materials	(1,820,604)	(2,355,981)	(1,820,604)	(2,355,981)
Raw and packing materials consumption	4,123,481	5,477,740	14,084,901	15,892,853
Manufacturing costs	2,093,099	2,310,795	6,184,436	5,957,539
	6,216,580	7,788,535	20,269,337	21,850,392
Opening stock of work-in-process	103,982	219,145	165,341	232,840
	6,320,562	8,007,680	20,434,678	22,083,232
Closing stock of work-in-process	(87,922)	(222,327)	(87,922)	(222,326)
Cost of goods manufactured	6,232,640	7,785,353	20,346,756	21,860,906
Opening stock of finished goods	2,844,448	2,403,552	2,077,947	2,271,107
Finished goods purchased	1,027,291	901,336	3,980,047	3,327,659
	10,104,379	11,090,241	26,404,750	27,459,672
Closing stock of finished goods	(2,487,577)	(2,410,264)	(2,487,577)	(2,410,264)
<b>Cost of Sales</b>	<b>7,616,802</b>	<b>8,679,977</b>	<b>23,917,173</b>	<b>25,049,408</b>

## 15 Taxation

Current	51,232	71,070	492,678	156,369
Prior year	-	(15,778)	-	(47,335)
Deferred	7,323	38,201	(101,200)	156,133
	58,555	93,493	391,478	265,167

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

## 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:

	For the 3 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014
(Unaudited)				
<b>Subsidiary company</b>				
Purchase of goods, materials and services	234,996	310,430	669,795	836,112
Provision of services and other receipts	495	495	1,485	1,485
Sale of goods, materials and services	413	-	4,282	1,771
<b>Associated companies</b>				
Purchase of goods, materials and services	12,762	2,865	40,817	4,182
Sale of goods and materials	326,711	457,855	1,224,291	1,063,998
Royalty	59,650	70,638	197,088	207,654
Dividend from Associate	-	-	40,000	-
Staff retirements benefits	59,091	41,717	137,826	111,991
Reimbursement of expenses	21,270	-	36,270	-
Dividend to Group Companies	402,802	-	725,115	-

### 16.1 Transaction with key management personnel

Key management personnel received an amount of Rs 164.614 million (March 31, 2014: Rs 166.157 million) on account of remuneration out of which Rs 21.939 million (March 31, 2014: Rs 22.392 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

For the Nine Months Period Ended March 31, 2015

## 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 year except as follows:

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

IAS 19 – Employee Benefits – Defined Benefit Plans: Employee Contributions

IAS 32 – Financial Instruments : Presentation – Offsetting Financial Assets and Financial Liabilities

IAS 36 – Impairment of Assets-Recoverable Amount Disclosures for Non-Financial Assets

IAS 39 – Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting

IFRIC 21 – Levies

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

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Company expects that such improvements to the standards do not have any impact on the Company's financial statements for the period.

## 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 April 21, 2015.

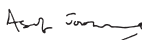
## 21 General

**21.1** Royalty expense pertaining to Lucky Holdings Limited has been reclassified in corresponding period amounting to Rs. 207.654 million for nine months and Rs. 70.638 million for three months from admin & general expenses to selling distribution expenses. There are no other reclassifications made in these financial statements.

**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** LTD.

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# **ICI Pakistan Limited and its Subsidiary Company**

## **Consolidated Financial Statements**



## Review of the Directors

For the Quarter & Nine Months Ended March 31, 2015

The Directors are pleased to present their report together with the unaudited Group results of ICI Pakistan Limited for the third quarter and nine months ended March 31, 2015. The ICI Pakistan Group comprises of ICI Pakistan Limited and ICI Pakistan PowerGen Limited (PowerGen), a wholly owned subsidiary.

The Directors' report, giving a commentary on the performance of ICI Pakistan Limited for the quarter ended March 31, 2015 has been presented separately.

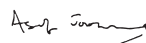
Net Sales of PowerGen for the nine months stands at PKR 572 million which is 20% lower than the corresponding period last year due to lower electricity sales owing to lower demand from the Polyester plant of ICI Pakistan Limited. As a result, the operating profit declined by 21% to PKR 92 million versus PKR 116 million last year.

During the nine months ended March 31, 2015, the Company completed a 30% equity participation in NutriCo Pakistan Pvt. Ltd., of which PKR 125 million has been recognised as 'Share of Profit from Associate'.

Earnings per Share (EPS) for the nine months ended March 31, 2015 at PKR 18.23 is 33% higher compared to the EPS of PKR 13.71 during the corresponding period last year.



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive

Dated: April 21, 2015  
Karachi

# Condensed Interim Consolidated Balance Sheet

As at March 31, 2015

Amounts in Rs '000

	Note	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	13,337,688	11,808,502
Intangible assets	5	37,915	64,261
		<b>13,375,603</b>	<b>11,872,763</b>
Long-term investment	6	847,490	2,500
Long-term loans	7	312,297	256,525
Long-term deposits and prepayments		29,150	27,843
		<b>1,188,937</b>	<b>286,868</b>
		<b>14,564,540</b>	<b>12,159,631</b>
<b>Current assets</b>			
Stores, spares and consumables		681,206	617,668
Stock-in-trade	8	4,416,064	4,607,216
Trade debts		1,685,119	883,710
Loans and advances		237,536	193,000
Trade deposits and short-term prepayments		215,086	220,018
Other receivables		622,569	1,488,685
Taxation - net		1,743,296	1,765,784
Cash and bank balances		119,912	858,204
		<b>9,720,788</b>	<b>10,634,285</b>
<b>Total assets</b>		<b>24,285,328</b>	<b>22,793,916</b>

## 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		<b>15,000,000</b>	<b>15,000,000</b>
Issued, subscribed and paid-up capital			
92,359,050 (June 30, 2014: 92,359,050)			
ordinary shares of Rs 10 each		<b>923,591</b>	<b>923,591</b>
Capital reserve		309,643	309,643
Unappropriated profit		11,035,027	10,125,694
Hedging reserve		1,321	-
<b>Total equity</b>		<b>12,269,582</b>	<b>11,358,928</b>

### Surplus on revaluation of property, plant and equipment

**727,998**      **784,517**

### Non-current liabilities

Provisions for non-management staff gratuity		80,527	78,081
Long-term loans	9	1,577,340	2,314,805
Deferred tax liability - net	10	993,166	1,093,718
		<b>2,651,033</b>	<b>3,486,604</b>

### Current liabilities

Current portion of long-term loan		1,132,959	872,221
Trade and other payables		6,783,951	5,854,278
Short-term borrowings and running finance	11	719,805	437,368
		<b>8,636,715</b>	<b>7,163,867</b>

<b>Total equity and liabilities</b>		<b>24,285,328</b>	<b>22,793,916</b>
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### Contingencies and commitments

12

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



For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

	For the 3 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014
<b>Turnover - note 13</b>	<b>10,044,881</b>	10,858,301	<b>31,766,488</b>	31,568,433
Sales tax	(657,957)	(679,469)	(1,997,616)	(1,887,038)
Commission and discounts	(554,241)	(496,816)	(1,753,146)	(1,458,202)
	(1,212,198)	(1,176,285)	(3,750,762)	(3,345,240)
Net sales, commission and toll income	<b>8,832,683</b>	9,682,016	<b>28,015,726</b>	28,223,193
Cost of sales - note 13 and 14	(7,536,187)	(8,593,334)	(23,726,408)	(24,809,229)
<b>Gross profit</b>	<b>1,296,496</b>	1,088,682	<b>4,289,318</b>	3,413,964
Selling and distribution expenses	(431,804)	(387,449)	(1,281,291)	(1,097,025)
Administration and general expenses	(206,654)	(217,841)	(650,293)	(655,772)
<b>Operating result</b>	<b>658,038</b>	483,392	<b>2,357,734</b>	1,661,167
Financial charges	(90,273)	(122,640)	(306,008)	(276,154)
Exchange gains / (losses)	1,015	121,921	(43,262)	104,886
Workers' profit participation fund	(28,630)	(27,597)	(102,396)	(80,779)
Workers' welfare fund	(11,075)	(10,699)	(39,659)	(31,251)
Other charges	(12,279)	(5,785)	(32,892)	(14,827)
	(141,242)	(44,800)	(524,217)	(298,125)
Other income	33,107	86,038	117,015	168,638
Share of profit from Associate	90,963	-	124,990	-
<b>Profit before taxation</b>	<b>640,866</b>	524,630	<b>2,075,522</b>	1,531,680
Taxation - note 15	(58,555)	(93,493)	(391,478)	(265,167)
<b>Profit after taxation</b>	<b>582,311</b>	431,137	<b>1,684,044</b>	1,266,513
		(Rupees)		
<b>Basic and diluted earnings per share</b>	<b>6.30</b>	4.67	<b>18.23</b>	13.71

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 Statement of Comprehensive Income (Unaudited)

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

	For the 3 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014
<b>Profit for the period</b>	<b>582,311</b>	431,137	<b>1,684,044</b>	1,266,513
<b>Other comprehensive income for the period</b>				
Gain on hedge during the period	1,971	-	1,971	-
Income tax relating to hedging reserve	(650)	-	(650)	-
	<b>1,321</b>	-	<b>1,321</b>	-
<b>Total comprehensive income for the period</b>	<b>583,632</b>	431,137	<b>1,685,365</b>	1,266,513

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 Nine Months Period Ended March 31, 2015

Amounts in Rs '000

	March 31, 2015	March 31, 2014
<b>Cash Flows from operating activities</b>		
Profit before taxation	2,075,522	1,531,680
Adjustments for:		
Depreciation and amortisation	1,260,320	980,511
Loss on disposal of property, plant and equipment	8	12,920
Provision for non-management staff gratuity and eligible retired employees' medical scheme	9,008	12,082
Provision for staff retirement benefit plan	29,765	35,368
Dividend from Associate	(40,000)	-
Associate share of profits	(124,990)	-
Interest expense	304,882	274,782
	3,514,515	2,847,343
Movement in:		
Working capital (Ref. 1)	460,165	107,227
Long-term loans	(55,771)	(29,700)
Long-term deposits and prepayments	(1,307)	4,040
Cash generated from operations	3,917,602	2,928,910
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(39,043)	(23,790)
Staff retirement benefit plan	(17,818)	(35,086)
Taxation	(470,190)	(394,850)
Interest	(279,560)	(226,517)
Net cash generated from operating activities	3,110,991	2,248,667
<b>Cash flows from investing activities</b>		
Payments for capital expenditure	(2,617,969)	(1,944,928)
Proceeds from disposal of property, plant and equipment	2,514	7,683
Dividend from Associate	40,000	-
Long-term investments	(720,000)	-
Net cash used in investing activities	(3,295,455)	(1,937,245)
<b>Cash flows from financing activities</b>		
Long-term financing received during the period	156,606	1,500,000
Long-term financing paid during the period	(633,334)	(100,000)
Dividend paid	(359,537)	(407)
Net cash (used in) / generated from financing activities	(836,265)	1,399,593
Net (decrease) / Increase in cash and cash equivalents	(1,020,729)	1,711,015
Cash and cash equivalents at the start of the period	420,836	(1,818,406)
<b>Cash and cash equivalents at the end of the period (Ref. 2)</b>	<b>(599,893)</b>	<b>(107,391)</b>
<b>Ref. 1: Movement in working capital</b>		
<b>Increase / Decrease in current assets</b>		
Stores, spares and consumables	(63,537)	(56,229)
Stock-in-trade	191,151	(414,863)
Trade debts	(801,410)	(390,258)
Loans and advances	(44,536)	(84,104)
Trade deposits and short-term prepayments	14,539	(16,269)
Other receivables	869,385	(139,877)
	165,592	(1,101,600)
<b>Increase in current liabilities</b>		
Trade and other payables	294,573	1,208,827
	460,165	107,227
<b>Ref 2: Cash and cash equivalents at the end of period comprise of:</b>		
Cash and bank balances	119,912	543,191
Short-term borrowings and running finance	(719,805)	(650,582)
<b>Cash and bank balances</b>	<b>(599,893)</b>	<b>(107,391)</b>

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 Statement of Changes in Equity (Unaudited)

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

	Issued, subscribed and paid-up share capital	Capital reserve	Unappropriated profit	Hedging reserve	Total
<b>Balance as on July 1, 2013</b>	<b>923,591</b>	<b>309,643</b>	<b>8,545,000</b>	<b>-</b>	<b>9,778,234</b>
Profit for the period	-	-	1,266,513	-	1,266,513
Total comprehensive income	-	-	1,266,513	-	1,266,513
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	57,956	-	57,956
<b>Balance as on March 31, 2014</b>	<b>923,591</b>	<b>309,643</b>	<b>9,869,469</b>	<b>-</b>	<b>11,102,703</b>
Interim dividend of Rs. 4 per share for the period ended June 30, 2014	-	-	(369,436)	-	(369,436)
Profit for the period	-	-	568,604	-	568,604
Other comprehensive income for the period	-	-	35,452	-	35,452
Total comprehensive income	-	-	604,056	-	604,056
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	21,606	-	21,606
<b>Balance as on June 30, 2014</b>	<b>923,591</b>	<b>309,643</b>	<b>10,125,695</b>	<b>-</b>	<b>11,358,929</b>
Final dividend of Rs. 4 per share for the year ended June 30, 2014	-	-	(369,436)	-	(369,436)
Interim dividend of Rs. 5 per share for the period ended December 31, 2014	-	-	(461,796)	-	(461,796)
Total Dividends	-	-	(831,232)	-	(831,232)
Profit for the period	-	-	1,684,044	-	1,684,044
Gain on hedges - net of tax	-	-	-	1,321	1,321
Total comprehensive income	-	-	1,684,044	1,321	1,685,365
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	56,520	-	56,520
<b>Balance as on March 31, 2015</b>	<b>923,591</b>	<b>309,643</b>	<b>11,035,027</b>	<b>1,321</b>	<b>12,269,582</b>

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

For the Nine Months Period Ended March 31, 2015

## 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 March 31, 2015 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 year ended June 30, 2014, except for the adoption of new accounting standards and interpretations as disclosed in note 18 to these financial statements.

## 4 Property, plant and equipment

	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
Operating fixed assets - at net book value	10,553,410	10,908,546
Capital work-in-progress - at cost	489,300	270,916
Civil works and buildings	2,223,814	610,027
Plant and machinery	71,164	19,013
Advances to suppliers / contractors		
Note 4.2	2,784,278	899,956
<b>Total property, plant and equipment</b>	<b>13,337,688</b>	<b>11,808,502</b>

- 4.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the nine months ended March 31, 2015:

	Additions / Transfers		Disposals - NBV	
	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
Freehold land	-	96,137	-	-
Lime beds on freehold land	250	10,899	-	-
Buildings on freehold land	4,616	92,816	-	30
Buildings on leasehold land	57,891	443,596	387	260
Plant and machinery	722,673	3,446,311	1,992	16,162
Rolling stock and vehicles	4,567	6,090	-	4,700
Furniture and equipment	81,823	63,603	142	555
<b>Total</b>	<b>871,820</b>	<b>4,159,452</b>	<b>2,521</b>	<b>21,707</b>

# Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
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## 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	2,692,208	2,431,531
	3,592,164	5,011,739
Less: Transferred to operating fixed assets	807,886	4,111,783
<b>Closing balance</b>	<b>2,784,278</b>	<b>899,956</b>

## 5 Intangible assets

Intangible assets - at net book value - note 5.1	37,915	64,261
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5.1 This includes additions of intangible assets of Rs 9.539 million (June 30, 2014: Rs. 51.303 million) during the period.

## 6 Long-term investments

### Unquoted

Associate - NutriCo Pakistan (Private) Limited (30% ownership)  
125,000 ordinary shares (June 30, 2014: Nil shares) of Rs. 1,000 each and premium of Rs. 4,760 per share  
Add: post acquisition share of profit

	720,000	-
	124,990	-
Carrying value of Associate	844,990	-

### Others

Equity security available for sale - Arabian Sea Country Club Limited

	2,500	2,500
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<b>Total long-term investments</b>	<b>847,490</b>	<b>2,500</b>
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## 7 Long-term loans

### Considered Good

Due from Executives and Employees  
Less: Current portion shown under current assets  
Due from Executives and Employees

	400,715	333,356
	88,418	76,831

<b>Total long-term loans</b>	<b>312,297</b>	<b>256,525</b>
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## 8 Stock-in-trade

It includes items carried at net realisable value of Rs. 316.862 million (June 30, 2014: Rs. 28.801 million) on which expense of Rs. 18.675 million (June 30, 2014: reversal of Rs. 20.529 million) was recognised during the period.

# Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
<b>9 Long-term loans - note 9.1, 9.2 and 9.3</b>	<b>1,577,340</b>	<b>2,314,805</b>
There is no material change in the amounts and disclosures made in the annual financial statements with regard to long-term loans except for the following:		
<b>9.1 Long-term financing facility</b>		
Faysal Bank Limited	343,591	343,591
Less: Current portion of long-term finance	68,717	-
	<b>274,874</b>	<b>343,591</b>
Habib Bank Limited	543,435	543,435
Less: Current portion of long-term finance	108,686	-
	<b>434,749</b>	<b>543,435</b>
United Bank Limited	156,606	-
The Group has obtained long-term finance facility (LTFF) for plant and machinery from United Bank Limited of Rs. 156.606 million (limit: Rs. 1,500 million) for a period of 10 years (including 2 year grace period), with the principal payable on quarterly basis. The markup is chargeable at a fixed rate of 5% 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 loan have been refinanced by the State Bank of Pakistan under long-term finance facility (LTFF) for Export Oriented Projects.		
<b>9.2 Islamic term finance</b>		
Standard Chartered Bank (Pakistan) Limited	1,000,000	1,000,000
Less: Principal paid	500,000	200,000
Less: Current portion of long-term loan	400,000	400,000
	<b>100,000</b>	<b>400,000</b>
Meezan Bank Limited	500,000	500,000
Less: Principal paid	166,667	-
Less: Current portion of long-term loan	222,222	222,222
	<b>111,111</b>	<b>277,778</b>
<b>9.3 Other long-term loan</b>		
Allied Bank Limited	1,000,000	1,000,000
Less: Principal Paid	166,667	-
Less: Current portion of long-term loan	333,333	249,999
	<b>500,000</b>	<b>750,001</b>
<b>10 Deferred tax liability - net</b>		
<b>Deductible temporary differences</b>		
Provisions for retirement benefits, doubtful debts and others	(221,168)	(259,368)
Retirement fund provision routed through other comprehensive income	(63,715)	(65,232)
<b>Taxable temporary differences</b>		
Property, plant and equipment	1,278,049	1,418,318
	<b>993,166</b>	<b>1,093,718</b>

# Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

	March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
<b>11 Short-term borrowings and running finance - note 11.1, 11.2 &amp; 11.3</b>	<b>719,805</b>	<b>437,368</b>

There is no material change in the amounts and disclosures made in the annual financial statements with regard to short-term borrowings and running finance except for the following:

<b>11.1 Foreign currency loan against import finance</b>	-	267,368
<b>11.2 Export refinance</b>	<b>241,962</b>	<b>170,000</b>

The Group has export refinance facility of Rs. 800 million (June 30, 2014: Rs. 200 million) available from Faysal Bank Limited as at March 31, 2015 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.

<b>11.3 Short-term running finance - secured</b>	<b>477,843</b>	-
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The above short term running finance is secured by first pari passu hypothecation charge and carry mark-up during the period of relevant KIBOR + 0.20% to 1.00% per annum with a weighted average markup rate of relevant KIBOR + 0.28% as at March 31, 2015 on utilized limits (June 30, 2014: relevant KIBOR + 0.20% to 1.00% per annum with an average markup rate of relevant KIBOR + 0.20% on utilized limits)

## 12 Contingencies and commitments

<b>12.1 Claims against the Group not acknowledged as debts are as follows:</b>		
Local bodies	37,255	49,972
Others	35,499	36,616
<b>Total</b>	<b>72,754</b>	<b>86,588</b>

**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. However following tax contingencies have arisen during the nine months ended March 31, 2015:

### Sales tax case

In course of conducting a sales tax audit for the period July 2012 to June 2013, Federal Board of Revenue raised certain issues with respect to exemption and zero-rating / reduced rate benefit available to the Group on its sales. On September 12, 2014 the Group received an order in which demand of Rs 968.753 million was raised. The Group being aggrieved has filed a suit in the Sindh High Court for relief in which the court has granted ad-interim relief till the next date of hearing which is yet to take place. The Group has also filed an appeal with CIR(A) in which no hearing has taken place to date. The Group is confident that there is no merit in this claim and hence it is probable that the case would be decided in favor of the Group. Therefore, no provision in respect of above has been made in these financial statements.



# Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

## Income tax – Demerger of PTA business

On March 18, 2015, the Supreme Court in the case of assessment year 2002-03 has passed an interim order whereby it has directed the High Court to resolve the issue of assessment year 2001-02 expeditiously before the case of 2002-03 proceeds further in Supreme Court. The reason for joining the nexus of the both the cases is that the date of demerger cannot be changed to August 6, 2001 (falling in the assessment year 2002-03) till the time the decision is reversed in order of assessment year 2001-02 of May 29, 2002, which stands in effect till today, which has already accepted the date of demerger to be October 1, 2000 (falling in the assessment year 2001-02).

## Collectorate of Customs - Classification issue in PCT heading

Collectorate of Customs has raised an additional demand of Rs. 46.8 million against the Group on the ground that Group is classifying one of its imported product under "Polyurethane" in wrong PCT Heading. Group has taken up the matter in high court as well as with Custom authorities considering that the same HS Code is being used globally as per manufacturer's product specification. Further, also on the basis of laboratory report the Group is confident that there is no merit in the claim and is expecting favorable decision, therefore no provision has been made in this respect.

March 31, 2015 (Unaudited)	June 30, 2014 (Audited)
----------------------------------	-------------------------------

- 12.3** Commitments in respect of capital expenditure (including Sodium Bicarbonate, Dense Ash and coal fired project of Soda Ash & Polyester Businesses)
- |  |                  |           |
|--|------------------|-----------|
|  | <b>3,723,454</b> | 1,172,736 |
|--|------------------|-----------|
- 
- 12.4** During the nine months under review, Group Limited invested Rs. 720 million in the NutriCo Pakistan (Private) 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. 240 million remains as a commitment.
- 12.5** Commitments for rentals under operating lease / Ijarah agreements in respect of vehicles are as follows:
- | Year    |                |         |
|---------|----------------|---------|
| 2014-15 | <b>14,977</b>  | 62,223  |
| 2015-16 | <b>51,592</b>  | 49,215  |
| 2016-17 | <b>39,643</b>  | 34,969  |
| 2017-18 | <b>14,532</b>  | 9,203   |
| 2018-19 | <b>1,318</b>   | -       |
|         | <b>122,062</b> | 155,610 |
- 
- |   |                |         |
|---|----------------|---------|
| Payable not later than one year                           | <b>14,977</b>  | 62,223  |
| Payable later than one year but not later than five years | <b>107,085</b> | 93,387  |
|   | <b>122,062</b> | 155,610 |
- 
- 12.6** Outstanding foreign exchange contracts as at March 31, 2015 entered into by the Group to hedge the anticipated future transactions amounted to Rs. 235.604 million (June 30, 2014: Rs Nil).

# Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

## 13. Segment-wise Results (Unaudited)

	Poly ester				Soda Ash				Life Sciences				Chemicals				PowerGen				Group			
	For the 3 months ended March 31, 2015	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 3 months ended March 31, 2015	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 3 months ended March 31, 2015	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 3 months ended March 31, 2015	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014	For the 3 months ended March 31, 2015	For the 9 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015			
Turnover - note 13.1, 13.2 & 13.3	3,735,665	4,941,970	12,693,669	14,941,970	2,909,141	2,850,717	8,943,655	7,656,027	21,62,276	1,638,145	6,763,487	5,592,468	1,227,528	3,195,354	3,271,337	224,996	310,431	669,795	836,112	10,044,881	10,593,301	31,766,468	31,568,433	
Sales tax	(73,259)	(65,912)	(250,380)	(293,030)	(398,947)	(402,442)	(1,223,638)	(1,109,619)	(71,562)	(7,540)	(83,425)	(22,181)	(127,370)	(330,882)	(340,722)	(34,145)	(45,103)	(97,321)	(121,466)	(657,957)	(679,469)	(1,997,616)	(1,387,038)	
Commission and discounts	(118,696)	(103,389)	(350,069)	(312,478)	(90,351)	(126,052)	(273,369)	(317,494)	(250,421)	(194,085)	(894,047)	(606,704)	(73,290)	(240,634)	(221,526)	-	-	-	-	-	(554,241)	(496,816)	(1,793,146)	
	(191,955)	(200,301)	(602,476)	(605,508)	(467,278)	(528,494)	(1,502,007)	(1,427,113)	(268,369)	(201,726)	(677,472)	(628,886)	(200,660)	(571,468)	(562,248)	(34,145)	(45,103)	(97,321)	(121,466)	(1,212,199)	(1,778,285)	(3,790,762)	(3,452,240)	
Net sales commission and toll income	3,543,730	4,741,659	12,367,383	14,336,462	2,421,263	2,322,273	7,441,448	6,428,914	1,894,493	1,536,420	5,791,015	4,873,583	1,014,159	1,026,888	2,623,688	200,851	265,326	572,474	714,626	8,832,883	9,882,016	28,045,726	28,223,193	
Cost of sales - note 13.1 and 14	(3,559,648)	(4,693,958)	(12,177,116)	(14,488,644)	(1,889,568)	(1,937,749)	(5,451,557)	(4,804,115)	(1,366,286)	(1,205,409)	(4,190,475)	(3,540,032)	(807,717)	(848,821)	(2,118,702)	(154,817)	(224,222)	(480,335)	(597,237)	(7,556,197)	(8,593,334)	(23,726,408)	(24,800,229)	
Gross profit	(15,918)	47,611	90,277	(152,182)	531,295	389,474	1,989,891	1,624,799	528,208	431,011	1,600,540	1,333,551	206,442	178,047	595,166	46,034	41,104	92,139	117,389	1,276,496	1,988,682	4,269,318	3,413,964	
Selling and distribution expenses	(53,201)	(179,230)	(194,101)	(64,562)	(51,258)	(201,226)	(253,468)	(159,464)	(253,468)	(210,896)	(722,202)	(586,769)	(60,532)	(61,072)	(178,633)	-	-	-	-	(431,804)	(387,449)	(1,261,291)	(1,097,029)	
Administration and general expenses	(63,688)	(76,546)	(208,328)	(229,209)	(54,514)	(69,891)	(179,196)	(194,671)	(51,262)	(47,013)	(161,574)	(147,590)	(37,240)	(28,352)	(99,999)	(80)	(99)	(379)	(609)	(206,664)	(271,841)	(690,293)	(655,772)	
Operating result	(132,707)	(95,218)	(298,281)	(575,462)	412,199	275,325	1,569,469	1,270,664	223,437	173,102	726,764	599,193	108,670	88,983	226,537	45,944	41,005	91,790	116,480	658,008	483,392	2,397,734	1,961,167	

# Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

For the 3 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014
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(Unaudited)

## 13.1 Turnover

Inter-segment sales and purchases have been eliminated from the total.

241,813	310,430	680,472	839,481
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13.2 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

13.3 Turnover includes export sales of Rs. 543.509 million (March 31, 2014: 290.960 million) made to various countries during the period ended March 31, 2015.

## 14 Cost of sales

Opening stock of raw and packing materials	1,788,566	2,338,169	2,363,928	2,090,929
Purchases	4,175,479	5,516,722	13,561,538	16,179,075
	5,964,045	7,854,891	15,925,466	18,270,004
Closing stock of raw and packing materials	(1,840,565)	(2,377,151)	(1,840,565)	(2,377,151)
Raw and packing materials consumption	4,123,480	5,477,740	14,084,901	15,892,853
Manufacturing costs	2,012,486	2,224,152	5,993,672	5,717,359
	6,135,966	7,701,892	20,078,573	21,610,212
Opening stock of work-in-process	103,982	219,145	165,341	232,841
	6,239,948	7,921,037	20,243,914	21,843,053
Closing stock of work-in-process	(87,922)	(222,327)	(87,922)	(222,327)
Cost of goods manufactured	6,152,026	7,698,710	20,155,992	21,620,726
Opening stock of finished goods	2,844,448	2,403,551	2,077,947	2,271,107
Finished goods purchased	1,027,290	901,336	3,980,046	3,327,659
	10,023,764	11,003,597	26,213,985	27,219,492
Closing stock of finished goods	(2,487,577)	(2,410,263)	(2,487,577)	(2,410,263)
	7,536,187	8,593,334	23,726,408	24,809,229

## 15 Taxation

Current	51,232	71,070	492,678	156,369
Prior year	-	(15,778)	-	(47,335)
Deferred	7,323	38,201	(101,200)	156,133
	58,555	93,493	391,478	265,167

# Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

Amounts in Rs '000

## 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:

	For the 3 months ended March 31, 2015	For the 3 months ended March 31, 2014	For the 9 months ended March 31, 2015	For the 9 months ended March 31, 2014
(Unaudited)				
<b>Associated companies</b>				
Purchase of goods, materials and services	12,762	2,865	40,817	4,182
Sale of goods and materials	326,711	457,855	1,224,291	1,063,998
Royalty	59,650	70,638	197,088	207,654
Dividend from Associate	-	-	40,000	-
Staff retirements benefits	59,091	41,717	137,826	111,991
Reimbursement of expenses	21,270	-	36,270	-
Dividend to Group Companies	402,802	-	725,115	-

### 16.1 Transaction with key management personnel

Key management personnel received an amount of Rs 164.614 million (March 31, 2014: Rs 166.157 million) on account of remuneration out of which Rs 21.939 million (March 31, 2014: Rs 22.392 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 year except as follows:

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

IAS 19 – Employee Benefits – Defined Benefit Plans: Employee Contributions

IAS 32 – Financial Instruments : Presentation – Offsetting Financial Assets and Financial Liabilities

# Notes to the Condensed Interim Consolidated Financial Statements

For the Nine Months Period Ended March 31, 2015

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

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Group expects that such improvements to the standards do not have any impact on the Group's financial statements for the period.

## 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 April 21, 2015.

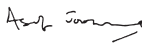
## 21 General

**21.1** Royalty expense pertaining to Lucky Holdings Limited has been reclassified in corresponding period amounting to Rs. 207.654 million for nine months and Rs. 70.638 million for three months from admin and general expenses to selling & distribution expenses. There are no other reclassifications made in these financial statements.

**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

A publication of the Corporate Communications  
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