

## COMPANY INFORMATION

Chairman / Chief Executive Officer	• Mujtaba Rahim	
Directors	• Dr S Mubarik Ali • Hans Lourens (Alternate: Zafir Hussain) • Khawaja Mustafa Zulfarnain Majid • M Veqar Arif • Roland Waibel • Thomas Winkler	
Company Secretary	• M Veqar Arif	
Management Committee	• Mujtaba Rahim • Ali Gul Haji • Zafir Hussain	• M Veqar Arif • Naveed Kamil
Audit Committee	• Dr S Mubarik Ali • Hans Lourens • Khawaja Mustafa Zulfarnain Majid • M Irfan Lakhani	- Chairman (Alternate: Zafir Hussain) - Secretary
Human Resources and Remuneration Committee	• Dr S Mubarik Ali • Mujtaba Rahim • M Veqar Arif • Naveed Kamil	- Chairman - Secretary
Bankers	• Faysal Bank Limited • Habib Bank Limited • Meezan Bank Limited • National Bank of Pakistan • Standard Chartered Bank (Pakistan) Limited	
Auditors	• KPMG Taseer Hadi & Co. Chartered Accountants	
Legal Advisors	• RIAALAW	
Share Registrars	• FAMCO Associates (Pvt) Limited 8-F, Next to Hotel Faran, Nursery Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi	
Registered Office	• 1-A/1, Sector 20, Korangi Industrial Area, Korangi, Karachi	
Factory	• Petaro Road, Jamshoro	
Sales & Marketing Offices	• Katar Bund Road, Off. Multan Road, Thokar Niaz Baig, Lahore • Canal Road, Abdullah Pur, Faisalabad • 20-T, Block Masoom Shah Road, Near Multan.	
Website	• <a href="http://www.archroma.com.pk">www.archroma.com.pk</a>	

## **REPORT OF THE BOARD OF DIRECTORS FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 30 JUNE 2014**

The Directors of your Company are pleased to present the financial statements and report for half year ended 30 June 2014.

### **Material Information**

In order to align with the Group financial year, the Board of Directors at their meeting changed the financial year of the Company from January - December to October - September. Accordingly for 2014 the period would be from January to September 2014. All required approvals have been obtained in this respect.

### **Business Overview**

Now that we have completed our half year results we can clearly state that Archroma Pakistan Ltd has made a good partial finish of the year 2014 and has sustained progress across different areas of business. The management continue to focus on profitable growth and able to maintain winning streak by overcoming the challenges and smartly capitalizing on opportunities during the period through constructive and proactive approach to achieve extra mile. Your Company has successfully managed to remain on top and striving to further strengthen the market position through strong customer and market focus. The increase in sales has been made possible through the contribution of all our business segments applying the best

selling proficiency together with technical and commercial skills to create value for customers. Favorable sales growth has been recorded in Paper at 46%, Textiles at 36% and Emulsions at 21%.

### **Future Outlook**

The company is continuously gearing up businesses to meet the challenges of the market and at the same time eyeing on parameters of risk management. We have a forward looking mindset and approach to manage the businesses with clear leadership and role modeling **ACTS**, the pillars of our Archroma work culture.

**Accountability for performance**

**Customers and market focus**

**Teamwork and collaboration**

**Speed and simplicity**

Our desire is to create culture of high-performance and continuous improvement throughout all our business units. Profitable growth will be the key to our success, that is certain, but we will also need to be disciplined on costs and to keep vigilant control on net working capital at the very same time. However, with the cluster of imponderables emerging on the business scene, all at nearly the same time, we view the operations for the remaining period with cautious optimism.

On behalf of the Board



Mujtaba Rahim  
Chairman & Chief Executive Officer

Karachi: 28 August 2014



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2  
Beaumont Road  
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847  
Fax + 92 (21) 3568 5095  
Internet www.kpmg.com.pk

## **Independent Auditors' Review Report to the Members on Review of Condensed Interim Financial Information**

### *Introduction*

We have reviewed the accompanying condensed interim balance sheet of **Archroma Pakistan Limited (formerly Clariant Pakistan Limited)** ("the Company") as at 30 June 2014, the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the six months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting.


### *Other matters*

The figures for the quarters ended 30 June 2014 and 30 June 2013 in the condensed interim financial information have not been reviewed and we do not express a conclusion on them.

The financial statements of the Company for the year ended 31 December 2013 and for the six months period ended 30 June 2013 were audited / reviewed by another firm of Chartered Accountants who have expressed an unmodified opinion / conclusion dated 21 February 2014 and 29 August 2013 thereon respectively.

**Date: 28 August 2014**

**Karachi**

  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**  
**Moneeza Usman Butt**

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan  
and a member firm of the KPMG network of independent member  
firms affiliated with KPMG International Cooperative  
("KPMG International"), a Swiss entity.

**CONDENSED INTERIM BALANCE SHEET (Unaudited)  
AS AT 30 JUNE 2014**

	Note	Unaudited 30 June 2014	Audited 31 December 2013
(Rupees in '000)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	1,000,190	907,724
Long-term loans and advances		26,399	31,140
Long-term deposits		5,471	2,744
		<b>1,032,060</b>	941,608
<b>Current assets</b>			
Stores and spares		25,301	24,424
Stock-in-trade		1,708,804	1,442,649
Trade debts - net		2,018,073	1,859,659
Loans and advances		20,732	17,501
Trade deposits and short-term prepayments		22,592	24,944
Other receivables		1,548,301	1,438,801
Taxation - net		-	9,230
Investments		-	200,000
Cash and bank balances		453,963	528,322
		<b>5,797,766</b>	5,545,530
<b>Total Assets</b>		<b>6,829,826</b>	6,487,138
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and reserves</b>			
Authorised share capital 50,000,000 ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid-up capital		341,179	341,179
Revenue reserves		2,803,000	2,605,000
Unappropriated profit		645,041	1,904,214
<b>Shareholders' Equity</b>		<b>3,789,220</b>	4,850,393
<b>LIABILITIES</b>			
<b>Non-current liability</b>			
Deferred taxation - net		58,631	87,527
<b>Current liabilities</b>			
Trade and other payables		1,784,260	1,549,218
Short term borrowings - secured	6	1,149,923	-
Mark-up accrued		12,984	-
Provision for taxation - net		34,808	-
		<b>2,981,975</b>	1,549,218
<b>Total liabilities</b>		<b>3,040,606</b>	1,636,745
<b>Contingencies and commitments</b>	7		
<b>Total Equity and Liabilities</b>		<b>6,829,826</b>	6,487,138

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Karachi: 28 August 2014  
Mujtaba Rahim  
Chairman & Chief Executive Officer



M Veqar Arif  
Director & Chief Financial Officer

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 30 JUNE 2014**

	<u>Quarter ended</u>		<u>Six months period ended</u>	
	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>
Note	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	------(Rupees in '000)-----			
<b>Sales</b>	<b>2,538,723</b>	2,169,266	<b>5,214,246</b>	3,892,557
Discount and commission	<b>(150,301)</b>	(133,779)	<b>(308,937)</b>	(245,197)
Sales tax and federal excise duty	<b>(92,765)</b>	(50,458)	<b>(198,743)</b>	(76,076)
	<b>(243,066)</b>	(184,237)	<b>(507,680)</b>	(321,273)
<b>Net Sales</b>	<b>2,295,657</b>	1,985,029	<b>4,706,566</b>	3,571,284
Cost of goods sold	<b>(1,672,139)</b>	(1,482,686)	<b>(3,470,404)</b>	(2,602,035)
<b>Gross profit</b>	<b>623,518</b>	502,343	<b>1,236,162</b>	969,249
Distribution and marketing expenses	<b>(169,233)</b>	(151,979)	<b>(321,322)</b>	(297,173)
Administrative expenses	<b>(2,106)</b>	(46,299)	<b>(91,416)</b>	(85,627)
	<b>(171,339)</b>	(198,278)	<b>(412,738)</b>	(382,800)
	<b>452,179</b>	304,065	<b>823,424</b>	586,449
Other income	<b>4,308</b>	2,833	<b>7,789</b>	6,730
	<b>456,487</b>	306,898	<b>831,213</b>	593,179
Other expenses	<b>(31,110)</b>	(26,116)	<b>(62,028)</b>	(47,465)
<b>Operating profit</b>	<b>425,377</b>	280,782	<b>769,185</b>	545,714
Finance cost - net	<b>(26,134)</b>	(48,576)	<b>30,392</b>	(81,346)
<b>Profit before taxation</b>	<b>399,243</b>	232,206	<b>799,577</b>	464,368
Taxation - net	<b>(66,815)</b>	(67,670)	<b>(154,863)</b>	(127,348)
<b>Profit after taxation from continuing operations</b>	<b>332,428</b>	164,536	<b>644,714</b>	337,020
<b>Profit after taxation from Discontinued Operations</b>	-	160,599	-	260,281
<b>Other comprehensive income</b>				
Items that will not be reclassified subsequently to profit and loss account				
Remeasurement of post employment obligation	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>332,428</b>	<b>325,135</b>	<b>644,714</b>	<b>597,301</b>
	------(Rupees)-----			
<b>Earnings per share</b>	<b>9.74</b>	9.53	<b>18.90</b>	17.51

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Karachi: 28 August 2014

Mujtaba Rahim  
Chairman & Chief Executive Officer



M Veqar Arif  
Director & Chief Financial Officer

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2014**

		Unaudited	
	Note	30 June 2014	30 June 2013
		(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	11	602,202	272,837
Staff gratuity paid		(31,362)	(32,400)
Mark-up paid		(1,516)	(70,651)
Income taxes paid		(139,721)	(178,942)
Movement in long-term loans and advances		4,741	(4,869)
Movement in long-term deposits and prepayments		(2,727)	(114)
<b>Net cash generated from/ (used in) operating activities</b>		<b>431,617</b>	<b>(14,139)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITES</b>			
Fixed capital expenditure		(159,899)	(40,609)
<b>Net cash used in investing activities</b>		<b>(159,899)</b>	<b>(40,609)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITES</b>			
Long-term financing - repayments		-	(33,333)
Short-term loans - proceeds		1,011,000	2,280,000
Short-term borrowings - repayments		(281,000)	(2,137,766)
Dividends paid		(1,696,000)	(677,236)
<b>Net cash used in financing activities</b>		<b>(966,000)</b>	<b>(568,335)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(694,282)</b>	<b>(623,083)</b>
Cash and cash equivalents at beginning of the period		728,322	56,128
<b>Cash and cash equivalents at end of the period</b>	12	<b>34,040</b>	<b>(566,955)</b>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Karachi: 28 August 2014  
Mujtaba Rahim  
Chairman & Chief Executive Officer



M Veqar Arif  
Director & Chief Financial Officer

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2014**

	Share Capital Issued, subscribed and paid-up capital	Revenue reserves Revenue reserves	Unappropri- ated profit	Total shareholders' equity
	----- (Rupees in '000) -----			
Balance as at 31 December 2012 (audited)	341,179	2,110,000	1,179,163	3,630,342
Transfer to revenue reserves appropriated subsequent to year end	-	495,000	(495,000)	-
Transactions with owners of the Company - Distributions				
Final cash dividend for the year ended 31 December 2012 approved subsequent to year end	-	-	(682,358)	(682,358)
Total comprehensive income for the six months period ended 30 June 2013	-	-	597,301	597,301
Balance as at 30 June 2013 (unaudited)	<u>341,179</u>	<u>2,605,000</u>	<u>599,106</u>	<u>3,545,285</u>
<b>Balance as at 31 December 2013 (audited)</b>	341,179	2,605,000	1,904,214	4,850,393
Transfer to revenue reserves appropriated subsequent to year end	-	198,000	(198,000)	-
Transactions with owners of the Company - Distributions				
Final cash dividend for the year ended 31 December 2013 approved subsequent to year end	-	-	(1,705,887)	(1,705,887)
Total comprehensive income for the six months period ended 30 June 2014	-	-	644,714	644,714
<b>Balance as at 30 June 2014 (unaudited)</b>	<u>341,179</u>	<u>2,803,000</u>	<u>645,041</u>	<u>3,789,220</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.



Karachi: 28 August 2014  
Mujtaba Rahim  
Chairman & Chief Executive Officer



M Veqar Arif  
Director & Chief Financial Officer

## **NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 30 JUNE 2014**

### **1. THE COMPANY AND ITS OPERATIONS**

Archroma Pakistan Limited (formerly Clariant Pakistan Limited) ("the Company") is a limited liability company and is incorporated and domiciled in Pakistan. The address of its registered office is 1-A/1, Sector 20 Korangi Industrial Area, Korangi, Karachi, Pakistan. The Company is listed on the Karachi Stock Exchange. The Company is a subsidiary of Archroma Textiles S.a.r.l incorporated in Luxembourg, head quartered in Reinach, Switzerland which holds 75% of the share capital of the Company. The Company is engaged in the manufacture and sale of chemicals, dyestuffs and emulsions, mainly for textile, paper, paint and construction industries. It also acts as an indenting agent.

#### **1.1 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

The Share holders in Extra-Ordinary General Meeting of the Company held on 15 March, 2013 approved the scheme of disposal of the assets relating to the Company's discontinued business units, namely Masterbatches and Leather Segments. Details relating to assets held for sale should be read in conjunction with the annual audited financial statement of the Company for the year ended 31 December 2013.

### **2. STATEMENT OF COMPLIANCE**

This condensed interim financial information of the Company for the six months period ended 30 June 2014 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ the provision of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information should be read in conjunction with the audited financial statements of the company for the year ended 31 December 2013.

The comparative Balance Sheet presented in this condensed interim financial information has been extracted from the audited annual financial statements of the Company for the year ended 31 December 2013, whereas the comparative condensed interim Profit and Loss Account, condensed interim Cash Flow Statement and condensed interim Statement of Changes in Equity are extracted from the unaudited condensed interim financial information for the period ended 30 June 2013.

This condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Karachi Stock Exchange vide section 245 of the Companies Ordinance, 1984. The figures for the six months period ended 30 June 2014 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.

### **3. ACCOUNTING POLICIES**

- 3.1** The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended 31 December 2013.



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 30 JUNE 2014**

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited financial statements of the Company for the year ended 31 December 2013.

**5. PROPERTY, PLANT AND EQUIPMENT**

**5.1** The following operating assets have been added during the six months period ended 30 June 2014 :

	<b>Building</b>	<b>Plant and machinery</b>	<b>Furniture, fixtures and equipment</b>	<b>Vehicles</b>	<b>Total 30 June 2014</b>	<b>Total 30 June 2013</b>
	<b>----- (Rupees in '000) -----</b>					
Additions for the quarter ended 31 March 2014	-	-	1,632	-	<b>1,632</b>	143,790
Additions for the quarter ended 30 June 2014	-	35,052	14,594	-	<b>49,646</b>	8,326
<b>Total</b>	<b>-</b>	<b>35,052</b>	<b>16,226</b>	<b>-</b>	<b>51,278</b>	<b>152,116</b>

**5.1.1** Major additions to Capital Work in Progress during the six months period ended 30 June 2014 amounting to Rs. 154.160 million.

**5.2** The following fully depreciated operating assets have been written off during the six months period ended 30 June 2014:

	<b>Building</b>	<b>Plant and machinery</b>	<b>Furniture, fixtures and equipment</b>	<b>Vehicles</b>	<b>Total 30 June 2014</b>	<b>Total 30 June 2013</b>
	<b>----- (Rupees in '000) -----</b>					
Cost	-	-	2,140	570	<b>2,710</b>	-
Accumulated depreciation	-	-	(2,140)	(570)	<b>(2,710)</b>	-
Net book value	-	-	-	-	-	-

**6. SHORT TERM BORROWINGS - secured**

**6.1** Short term running finance facilities are available from various commercial banks under mark-up arrangements amounting to Rs. 1,600 million (31 December 2013: Rs. 2,453 million) and purchase prices are payable on various dates by 31 May 2015. These arrangements are secured against pledge of stock, book debts and fixed assets. These running finance facilities carry mark-up ranging from 1 month KIBOR+ 0.25% to 1 month KIBOR+ 1.75% per annum on a daily product basis, that is payable monthly / quarterly.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 30 JUNE 2014**

**7. CONTINGENCIES AND COMMITMENTS**

**7.1 CONTINGENCIES**

**7.1.1** There have been no changes in the contingencies as disclosed in the annual audited financial statements of the Company for the year ended 31 December 2013.

**7.1.2** The Company has provided bank guarantees amounting to Rs. 35.844 million as at 30 June 2014 (31 December 2013: Rs 25.725 million) in favor of third parties.

**7.1.3** The Company has provided post dated cheques amounting to Rs. 199.321 million in favour of the Collector of Customs and which are, in the normal course of business, to be returned to the Company after fulfillment of certain conditions.

**7.2 COMMITMENTS**

**7.2.1** Commitments for rentals under operating lease agreements in respect of vehicles and equipments amounting to Rs 16.012 million (31 December 2013: Rs 13.137 million) which are payable as following:

	<b>Unaudited 30 June 2014 (Rupees in '000)</b>	Audited 31 December 2013
Payable within one year	<b>4,208</b>	3,355
Payable over one to five years	<b>11,804</b>	9,782
	<b><u>16,012</u></b>	<u>13,137</u>

**7.2.2** Commitments for rentals under operating lease agreement in respect of rented property amounted to Rs. 22.376 million (31 December 2013: Rs. 3.271 million)

Payable within one year	<b>5,749</b>	3,271
Payable over one to five years	<b>16,627</b>	-
	<b><u>22,376</u></b>	<u>3,271</u>

**7.2.3** Commitments for ijarah rentals in respect of ijarah transactions amounted to Rs 80.266 million (31 December 2013: Rs. 87.037 million).

Payable within one year	<b>30,909</b>	31,312
Payable over one to five years	<b>49,357</b>	55,725
	<b><u>80,266</u></b>	<u>87,037</u>

**7.2.4** Commitments for capital expenditure as at 30 June 2014 aggregated Rs 59.603 million (31 December 2013: Rs 135.302 million).

**7.2.5** The aggregate amount of unavailed short term running finance facilities as at 30 June 2014 amounting was Rs. 450 million.

**8. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended 31 December 2013.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 30 JUNE 2014**

**9. SEGMENT INFORMATION**

**a) Segment information as at and for the six months period ended 30 June 2014**

Segments	Textile			Continuing Operations			Discontinued Operations			Total	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	Leather	30 June 2014	30 June 2013	30 June 2014	30 June 2013
<b>Sales (external customers)</b>											
Local	3,751,525	2,678,018	665,294	553,309	123,369	83,438	-	708,805	-	1,008,634	5,032,204
Export	671,657	576,462	1,633	1,633	768	1,330	-	67,429	-	674,058	645,221
<b>Total sales</b>	<b>4,423,182</b>	<b>3,254,480</b>	<b>666,927</b>	<b>553,309</b>	<b>124,137</b>	<b>84,768</b>	<b>-</b>	<b>708,805</b>	<b>-</b>	<b>1,076,063</b>	<b>5,677,425</b>
Discount and commission	(297,738)	(232,305)	(11,008)	(11,921)	(191)	(971)	-	(62,699)	-	(25,872)	(333,768)
Sales tax and federal excise duty	(82,307)	(38,762)	(98,479)	(30,754)	(17,957)	(6,560)	-	(12,769)	-	(58,557)	(198,743)
<b>Net sales</b>	<b>4,043,137</b>	<b>2,983,413</b>	<b>557,440</b>	<b>510,634</b>	<b>105,989</b>	<b>77,237</b>	<b>-</b>	<b>633,337</b>	<b>-</b>	<b>991,634</b>	<b>5,196,255</b>
<b>Segment results based on 'management approach'</b>	<b>716,640</b>	<b>560,675</b>	<b>83,977</b>	<b>93,382</b>	<b>28,046</b>	<b>19,833</b>	<b>-</b>	<b>72,617</b>	<b>-</b>	<b>828,663</b>	<b>983,632</b>
Unallocated corporate expenses										(59,478)	(58,718)
Other expenses										30,392	(119,273)
Finance costs										(154,863)	(208,340)
Taxation										644,714	597,301
<b>Profit for the period</b>	<b>158,840</b>	<b>11,405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>-</b>	<b>1,059</b>	<b>822</b>
Unallocated										<b>139,899</b>	<b>40,809</b>
<b>Depreciation</b>	<b>62,879</b>	<b>68,249</b>	<b>9</b>	<b>6</b>	<b>9</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,897</b>	<b>68,259</b>
Unallocated										4,535	1,968
										<b>67,432</b>	<b>70,227</b>
<b>Segment assets</b>	<b>3,944,783</b>	<b>2,338,283</b>	<b>516,901</b>	<b>507,269</b>	<b>40,911</b>	<b>34,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,502,595</b>	<b>2,880,170</b>
Unallocated assets										<b>2,327,231</b>	<b>3,606,968</b>
<b>Total</b>	<b>1,144,833</b>	<b>1,091,732</b>	<b>99,518</b>	<b>58,066</b>	<b>11,024</b>	<b>4,635</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,829,826</b>	<b>6,487,138</b>
<b>Segment liabilities</b>	<b>1,144,833</b>	<b>1,091,732</b>	<b>99,518</b>	<b>58,066</b>	<b>11,024</b>	<b>4,635</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,255,385</b>	<b>1,154,433</b>
Unallocated liabilities										<b>1,785,221</b>	<b>482,312</b>
<b>Total</b>	<b>3,040,606</b>	<b>2,338,283</b>	<b>516,901</b>	<b>507,269</b>	<b>40,911</b>	<b>34,618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,040,606</b>	<b>1,636,745</b>

\* Masterbatches include others consisting of BU pigment and additives, detergents and intermediates, industrial and consumer specialties and catalyst.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 30 JUNE 2014**

	Continuing Operations				Discontinued Operations				Total		
	Textile		Emulsions		Paper		Leather			Masterbatches*	
	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013	30 June 2014	30 June 2013		30 June 2014	30 June 2013
(Rupees in '000)											
b) Segments information for the quarter ended 30 June 2014											
Net sales (from external customers)	1,951,038	1,683,056	285,642	284,108	58,977	46,039	-	326,581	-	479,525	2,295,657
Segment results based on 'management approach'	394,379	324,493	42,949	53,734	17,302	12,823	-	41,064	-	109,781	454,630
Unallocated corporate expenses											
Other expenses											(29,253)
Finance costs											(26,134)
Taxation											(66,815)
Profit before taxation											332,428
											325,135
Fixed capital expenditure	98,995	9,155	-	-	-	-	-	44	-	27,139	98,995
Unallocated										822	(673)
											38,422
											37,160
Depreciation	31,524	34,123	9	-	9	-	-	-	-	-	31,542
Unallocated											2,692
											34,234
											34,642

\* Masterbatches include others consisting of BU pigment and additives, detergents and intermediates, industrial and consumer specialities and catalyst.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 30 JUNE 2014**

**10. EARNINGS PER SHARE - BASIC AND DILUTED**

	<u>Quarter ended</u>		<u>Six months period ended</u>	
	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	<u>----- (Rupees in '000) -----</u>			
Profit after taxation from continuing operations attributable to ordinary shareholders	<b>332,428</b>	164,536	<b>644,714</b>	337,020
Profit after taxation from discontinued operations attributable to ordinary shareholders	-	160,599	-	260,281
	<u>----- (Number of shares) -----</u>			
Weighted average number of ordinary shares outstanding during the period	<b>34,117,881</b>	34,117,881	<b>34,117,881</b>	34,117,881
	<u>----- (Rupees) -----</u>			
Earnings per share from-continuing operations	<b>9.74</b>	4.82	<b>18.90</b>	9.88
Earnings per share from- discontinued operations	-	4.71	-	7.63
Earnings per share	<b>9.74</b>	9.53	<b>18.90</b>	17.51

**11. CASH GENERATED FROM OPERATIONS**

	<u>Six months period ended</u>	
	<u>30 June</u>	<u>30 June</u>
	<u>2014</u>	<u>2013</u>
	<u>----- (Rupees in '000) -----</u>	
Profit before taxation	<b>799,577</b>	805,641
Adjustment for non-cash charges and other items:		
Depreciation	<b>67,432</b>	70,227
Provision for staff gratuity	<b>31,362</b>	32,400
Mark-up expense	<b>14,501</b>	95,497
Working capital changes	<b>11.1 (310,670)</b>	(730,928)
	<b>602,202</b>	272,837

**11.1 Working capital changes**

<b>(Increase) / decrease in current assets</b>		
Stores and spares	<b>(877)</b>	(2,870)
Stock-in-trade	<b>(266,155)</b>	(289,516)
Trade debts	<b>(158,414)</b>	(396,348)
Loans and advances	<b>(3,231)</b>	(11,166)
Trade deposits and short-term prepayments	<b>2,352</b>	(11,064)
Other receivables	<b>(109,500)</b>	(341,778)
	<b>(535,825)</b>	(1,052,742)
<b>Increase in current liabilities</b>		
Trade and other payables-net	<b>225,155</b>	321,814
	<b>(310,670)</b>	(730,928)

**12. CASH AND CASH EQUIVALENTS**

Cash and bank balances	<b>453,963</b>	695,611
Short-term running finance	<b>(419,923)</b>	(1,262,566)
<b>Cash and Cash Equivalents at end of the period</b>	<b>34,040</b>	(566,955)

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)  
FOR THE QUARTER AND SIX MONTHS PERIOD ENDED 30 JUNE 2014**

**13. TRANSACTIONS WITH RELATED PARTIES**

<u>Quarter ended</u>		<u>Six Months period ended</u>	
30 June	30 June	30 June	30 June
2014	2013	2014	2013
----- (Rupees in '000) -----			

**13.1 TRANSACTION WITH RELATED PARTIES**

**Parent Company**

Sales	-	-	-	-
Purchases of goods and machinery	-	216,324	-	408,210
Export commission expense	-	3,424	-	6,543
Dividend Paid	<b>1,279,420</b>	511,768	<b>1,279,420</b>	511,768
Bonus Shares	-	-	-	-

**Other Related Parties**

Sales	<b>243,825</b>	272,512	<b>448,552</b>	428,095
Purchases of goods and machinery	<b>108,401</b>	116,842	<b>197,351</b>	215,978
Indenting commission income	<b>2,874</b>	12,302	<b>5,437</b>	26,776
Export commission expense	<b>5,135</b>	872	<b>9,016</b>	1,436
Royalty expenses	<b>3,704</b>	13,978	<b>8,060</b>	27,521
Other charges	-	11,530	-	23,190

Key management personnel:

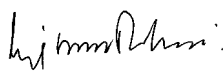
- Salaries benefits and compensations	<b>17,637</b>	22,576	<b>35,072</b>	39,105
- Post employment benefits	<b>2,443</b>	3,102	<b>4,886</b>	5,601

**14. DATE OF AUTHORISATION**

This condensed interim financial information has been authorised for issue on 28 August 2014 by the Board of Directors of the Company.

**15. GENERAL**

Figures have been rounded off to the nearest thousand rupees.



Mujtaba Rahim  
Chairman & Chief Executive Officer

Karachi: 28 August 2014



M Veqar Arif  
Director & Chief Financial Officer