



Cultivating Growth

ICI PAKISTAN LTD.

Annual Report 2014-15

Cultivating Growth

Cultivating Growth is our philosophy. Its visual expression is our Blue Pearl.

A pearl is instantly evocative. Of prosperity, of protection, of wisdom.
And of perfection.

So why is ours blue?

The essence of blue is trust, openness and continuity. From the blue sparkle of sapphires to the deep blue waters of the Pacific, the colour is a source of awe and a symbol of dynamism.

Like pearls, the colour draws on ICI's maritime heritage. Blue has been integral to ICI's identity throughout its history; a distinguished legacy lives on in our Blue Pearl.

Blue also signifies our re-birth on the shores of the Arabian Sea. ICI Pakistan Limited is an expanding, diversifying company with the world as its oyster. The Blue Pearl encapsulates our vision for the future.

We are constantly in search of the strongest ideas, the brightest talent, and the most promising opportunities. Guided by our values and channeled through our processes, our blue-sky thinking is the basis for charting new territory and broadening our horizons.

Our aspiration for Cultivating Growth is infinite.

ICI Pakistan at a Glance

We manufacture and trade in a diversified range of products including polyester staple fibre, soda ash and specialty chemicals. We also market toll-manufactured pharmaceuticals and animal health products, along with a range of chemicals, field crop seeds, vegetable seeds and other agricultural products.

Our long history predates the formation of Pakistan, with modest beginnings as a trading company. Today the Company has Businesses that are major players within their respective industries, bringing together outstanding knowledge of customer needs with leading edge technology platforms.

Our four core Businesses - Polyester, Soda Ash, Chemicals and Life Sciences - manufacture and sell a wide range of industrial and consumer products. These include:

- Polyester staple fibers
- POY Chips
- Light and dense soda ash
- Sodium bicarbonate
- Specialty chemicals
- Polyurethanes
- Adhesives
- Pharmaceuticals
- Animal health products
- Agricultural products including field crop seeds and vegetable seeds

In December 2012, Lucky Holdings Limited acquired the shareholding of ICI Omicron B.V., making us a part of the Yunus Brothers Group (YBG).

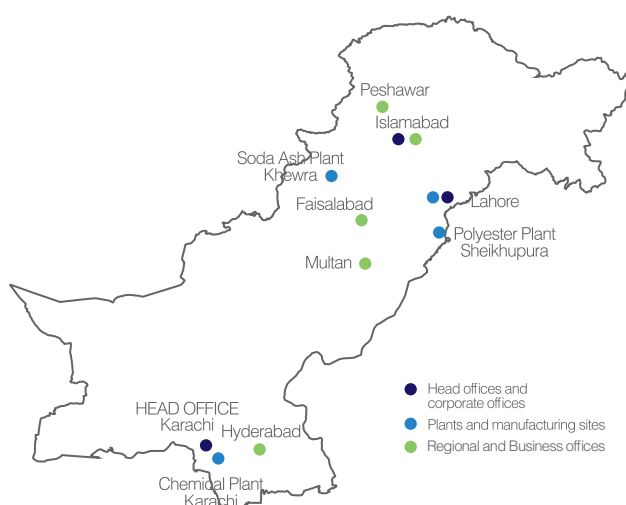
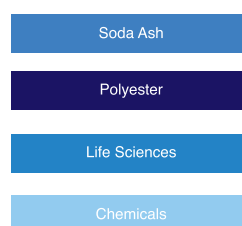
About YBG

YBG is a conglomerate with diversified interests in textiles, cement and power generation. The group was established in 1962 as a trading house and then grew rapidly over the years. Currently, YBG is the largest export house as well as the largest cement manufacturer in Pakistan.

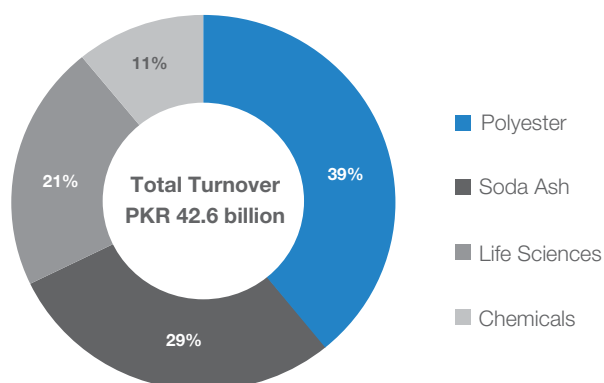
Our Scale and Presence

Industries we serve

Textiles
Paints
Appliances
Construction
Automobile
Footwear
Oil/Petroleum/Lube/Grease
Food & Beverage
Personal Care
Metal Cleaning/Engineering
Pharmaceuticals
Cement/Mining
Chemical Processing/Resins
Plastics/Rubber/Tanneries
Agrochemicals/Seeds
Coatings/Inks
Detergents and Laundry Soaps
Surgical
Fertilizers
Paper/Ceramics/Glass



Total Turnover by Business



Key Performance Indicators

Statement of income

Net turnover			▼
in PKR million			
2013-14	38,233		
2014-15	37,515	-2%	

Operating result			▲
in PKR million			
2013-14	2,226		
2014-15	3,044	37%	

Profit before tax			▲
in PKR million			
2013-14	1,981		
2014-15	2,703	36%	

Profit after tax			▲
in PKR million			
2013-14	1,702		
2014-15	2,126	25%	

EBITDA			▲
in PKR million			
2013-14	3,565		
2014-15	4,701	32%	

EBITDA margin			▲
% of NSI			
2013-14	9.32		
2014-15	12.53	34%	

Earnings per share			▲
in PKR			
2013-14	18.43		
2014-15	23.02	25%	

Ratios

Equity			▲
in PKR million			
2013-14	11,237		
2014-15	12,717	13%	

Price earning			▼
in times			
2013-14	21.18		
2014-15	18.63	-12%	

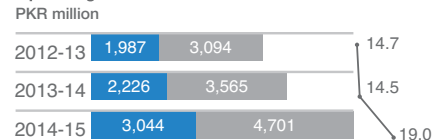
Return on capital employed			▲
in %			
2013-14	14.49		
2014-15	18.96	31%	

Return on fixed assets			▲
% of revenue			
2013-14	19.00		
2014-15	21.34	12%	

Operating result per employee			▲
in PKR million			
2013-14	1.93		
2014-15	2.45	27%	

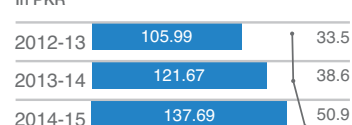
Capital expenditures			▲
in PKR million			
2013-14	2,509		
2014-15	4,212	68%	

Operating result and EBITDA



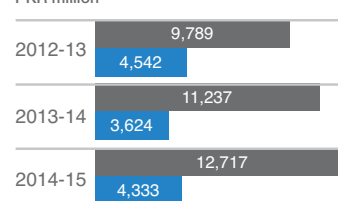
■ Operating result ■ EBITDA

Shareholder's equity and EBITDA



■ Shareholder's equity per share ■ EBITDA per ordinary share

Net debt and equity



■ Equity ■ Debt

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FINANCIAL PERFORMANCE

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Our Values

Customer Centricity

We are committed to the success of our customers and their needs are at the centre of our universe - we exist because of them.

Integrity & Responsibility

Ethical and responsible behaviour is our license to operate. Uncompromising integrity in all our dealings is the backbone of our DNA. We have a zero tolerance policy to violations of our code and beliefs.

Innovation

To be responsive to the challenges of change and to new and existing opportunities, we need to constantly come up with better, smarter and simpler solutions.

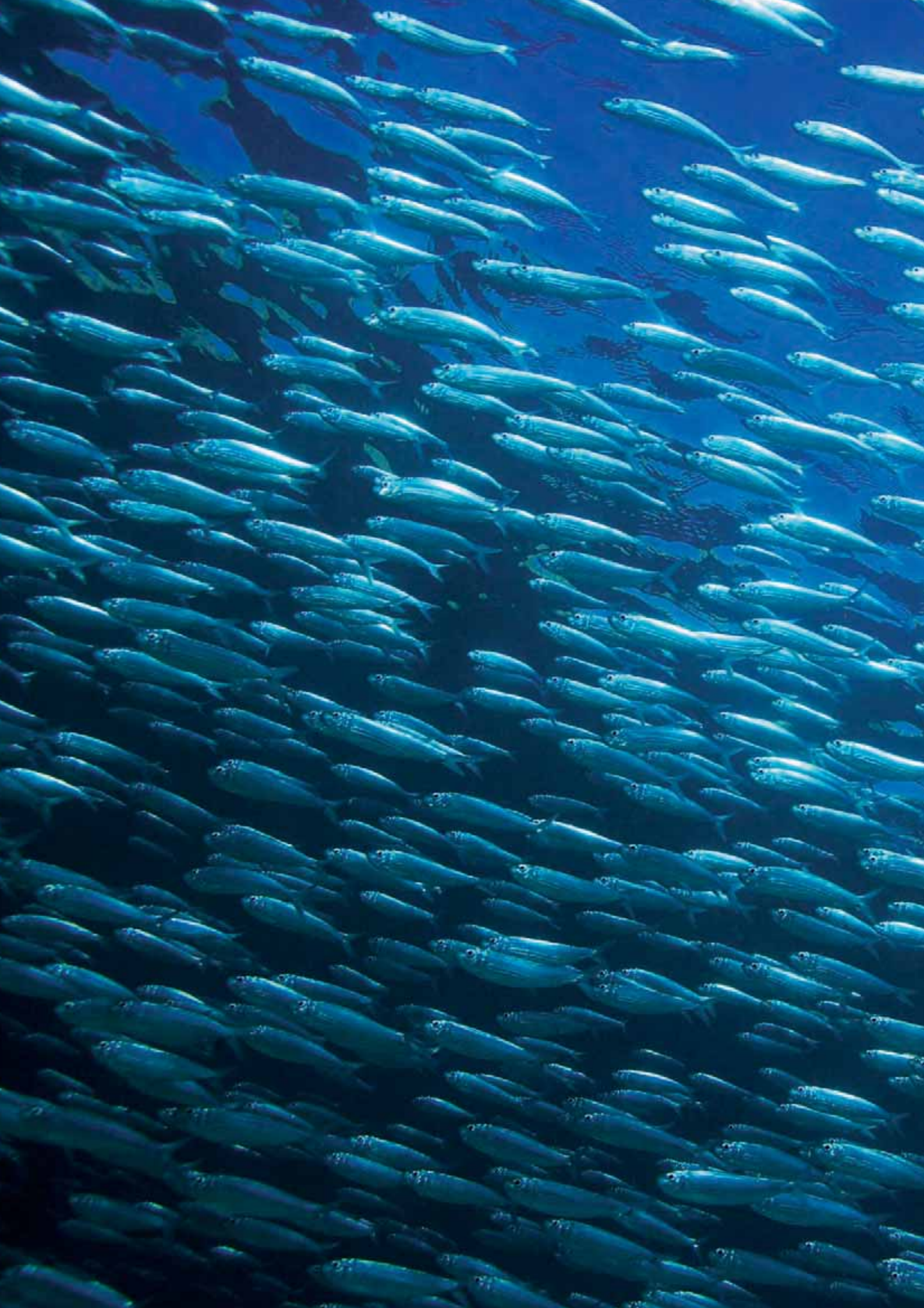
Passion for People

Our success is based on the multiplier effect of our people. Our passion for people drives us to harness their energies, cultivate and nurture their talent, manage their well-being and, most importantly, create a learning environment conducive for development and growth.

Delivering Enduring Value

Delivering sustained growth and enduring value to benefit our shareholders, employees, suppliers, customers and the communities in which we operate.







Overview & Strategy

Our journey of aspiration

ICI Pakistan Limited has charted its course for growth. The Company continues to gather momentum along the currents of expansion and development. The Overview and Strategy section highlights our strategic priorities while providing an overview of our key performance areas. The Chief Executive's statement is also featured in this segment.



Our Vision

As the partner of choice, we aspire to build our local and international footprint through sustainable growth and by creating value for all our stakeholders.



Code of Conduct

We have always had a strong sense of business principles and high ethical standards for the conduct of our business. Our business principles and ethical standards are enshrined in the ICI Pakistan Limited Code of Conduct.

A brief overview of the code

Business principles

- Each employee should implement our core values, comply with and observe applicable laws, support fundamental human rights and give due regard to health, safety and the environment

Business integrity

- Bribery and any other form of unethical business practices are prohibited
- We promote free enterprise and require strict compliance with competition laws
- As responsible corporate citizens, we encourage participation in community activities and take all measures for the safety and health of our employees as well as for the protection of the environment
- Employees are expected to maintain confidentiality, act in the Company's interests at all times, and also observe applicable laws, support fundamental human rights and give due regard to health, safety and the environment

Company responsibilities

The Code encourages us to:

- Adopt the spirit of open communication
- Provide equal opportunities and a healthy, safe and secure environment
- Ensure the rights of employees to join unions/associations
- Protect personal data of employees
- Engage in an active performance and development dialogue

Employee responsibilities

The Code provides employees guidance on their responsibilities vis-a-vis:

- Media relations and disclosures
- Inside information
- Corporate identity
- Protecting our intellectual property
- Internet use
- Business travel policy
- Prohibition on substance abuse

CE Statement



Dear Stakeholders,

During the past year ICI Pakistan Limited continued to fulfill its promise of Cultivating Growth. Moreover, in 2014-15 your Company laid the foundations for future growth, with major expansion projects and investments right across its diversified portfolio. We have positioned ourselves to carry on meeting customer needs and serving you – our stakeholders.

Despite some very demanding challenges during the year, the team at ICI Pakistan Limited continued to perform with the customary dedication, skill and collective spirit that has defined the culture at this Company for over seven decades. What powers ICI Pakistan Limited is its people: they are the story behind the facts and figures of this Annual Report.

In 2014-15, the Company posted a consolidated profit after tax of PKR 2.276 billion, which is 24% higher than last year. The consolidated EPS of PKR 24.65 is the highest earnings per share this Company has delivered in a twelve-month period. The investor community continues to have high expectations of ICI Pakistan Limited, and we are committed to living up to the same.

A strong reason for the confidence placed in us is the Company's aspiration to increase its operations, which includes further diversification. Our equity participation in NutriCo Pakistan Pvt. Ltd. – which manages the import, marketing and distribution of nutrition products of Morinaga Milk Industry Co., Ltd. in Pakistan – rose to 30% during the year. With an eye firmly fixed on future developments, we continue to evaluate new areas for growth.

It is, however, our four core Businesses which underpin this Company's success. In 2014-15 the Soda Ash Business delivered its highest ever sales and production volumes, achieving the plant's rated production capacity of 1000 tpd on a sustained basis. With new land procured and capacity expansion projects for refined sodium bicarbonate and dense soda ash already in progress, the Board of Directors has also approved a USD 90 million investment for light soda ash. For a site with such a long and treasured history, this capital expenditure ensures that Soda Ash will thrive into a new era.

Polyester endured another year of regional and domestic oversupply, but the enhanced performance of the Business is very heartening. Some factors, such as the dumping of polyester staple fibre into Pakistan, continued to impact business performance. Through an unrelenting focus on operational efficiencies and energy saving projects, the Business delivered a 47% improvement in EBIT over last year. The launch of a new product, black fibre, is a further testament to the determination of our teams.

At both of the major industrial sites, we have borne the fruits of addressing energy issues. Projects aimed at replacing furnace oil and natural gas were made operational during the year, decreasing our reliance on expensive fuels. With further power generation projects already in the works, industry at ICI Pakistan Limited is geared up to meet the challenges of declining energy reserves in the country.

In Life Sciences, results have risen again, and we have reinvested through people and infrastructure. The Seeds Processing Plant is now fully operational, and in the first half of this financial year commercial production at our new Animal Health Manufacturing Facility and Nutraceuticals

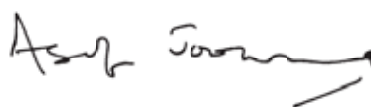
Manufacturing Facility will also commence, extending our mission to put customers first. In the Chemicals Business, the General Chemicals and Specialty Chemicals segments remained strong throughout the year, with an improved performance from 2013-14.

Aside from the bottom line, ICI Pakistan Limited has always been an organisation with a strong standing in the public domain. We are very conscious of our social responsibilities, and I am gratified that the Company received awards this year for our sustainability reporting. We take these accolades as encouragement to do even more to achieve cleaner, safer and durable processes.

Expansion and growth have defined our recent years and we will endeavour to continue gaining momentum in the years to come. We are driven by our values, which above all place people at the heart of our Company.

Cultivating Growth stems from our strong roots, and these roots together form the ICI Family. Along with each one of my colleagues I look forward to another year of broadening, deepening and raising the scope and scale of our operations.

Warm regards



Asif Jooma.

SWOT Analysis

Strengths:

- Diversified product portfolio, with Businesses closely aligned to the needs of the country and local population. Portfolio includes soda ash, PSF, pharmaceuticals, animal health products, seeds and various chemicals
- Supplying products to almost every industry in the country
- Strong brand equity
- Geographical presence in the local and international markets
- Operating at low gearing levels
- Part of the renowned Yunus Brothers Group (YBG), with competent management and vast experience of multiple sectors
- Competent and committed human resources
- Leading manufacturing concern with over 70 years of successful operation
- Leading soda ash producer

Weaknesses:

- Dependence on consistent supply of key raw materials, such as PTA, coke and MEG
- Dependence of major operating segments on fuel sources such as coal, gas and furnace oil

Opportunities:

- In-house manufacturing facility of pharmaceutical and animal health products
- Further ventures such as NutriCo Pakistan Pvt. Ltd. and nutraceutical products
- First mover advantage through introducing black fibre
- Opportunity to export various products

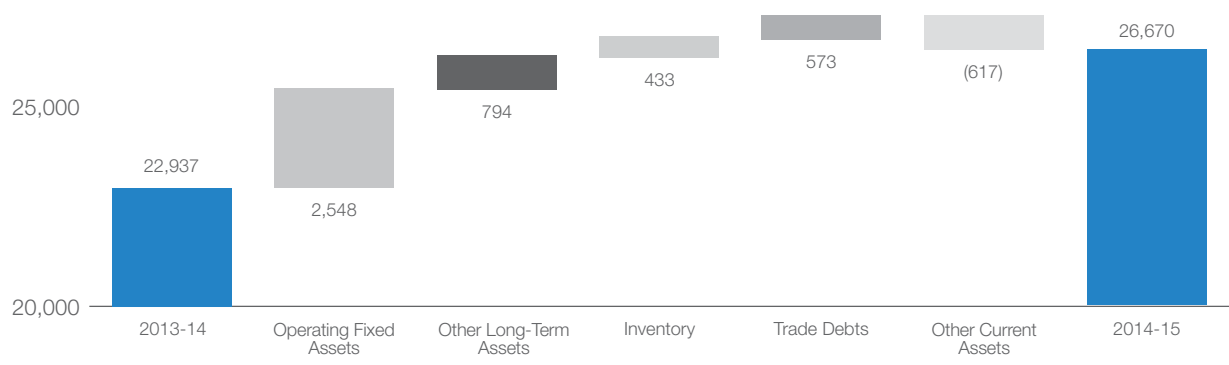
Threats:

- Volatile international raw material and fuel prices and government levies
- Volatility of exchange rates
- Unavailability of natural resources, e.g. gas
- Dumping of imported products
- Unfavourable law and order situation

Financial Highlights

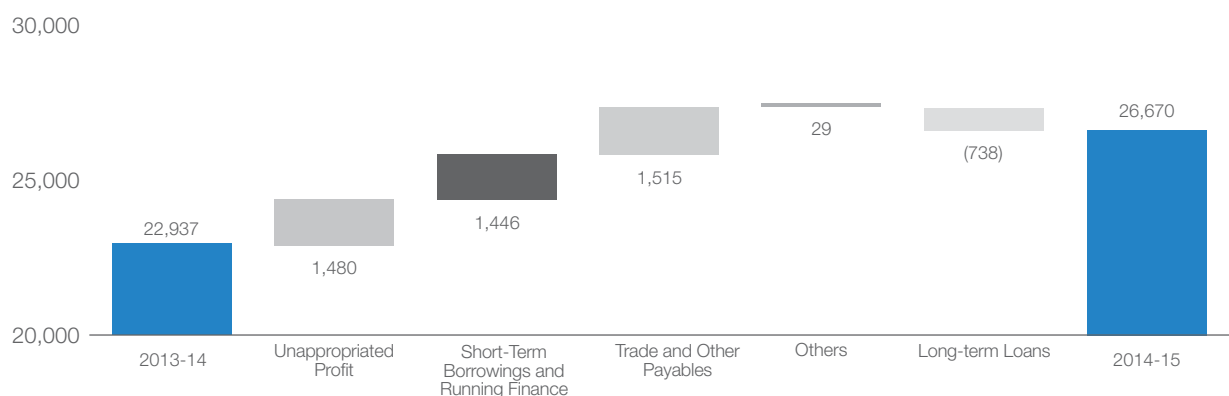
Assets

PKR million



Equity and Liabilities

PKR million



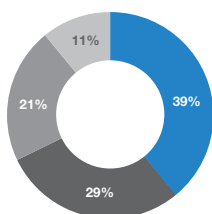
Our Results compared to same period last year at a glance

- 2014-15 turnover reduced by 0.2%
- 2014-15 gross profit up by 24%
- 2014-15 profit after tax up by 25%
- 2014-15 earnings per share: Rs 23.02 (2013-14: Rs 18.43)

Turnover by Business

Total turnover PKR 42.6 billion

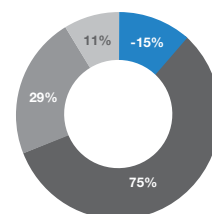
	%
Polyester	39
Soda Ash	29
Life Sciences	21
Chemicals	11



Operating result by Business

Total operating result PKR 3.0 billion

	%
Polyester	-15
Soda Ash	75
Life Sciences	29
Chemicals	11

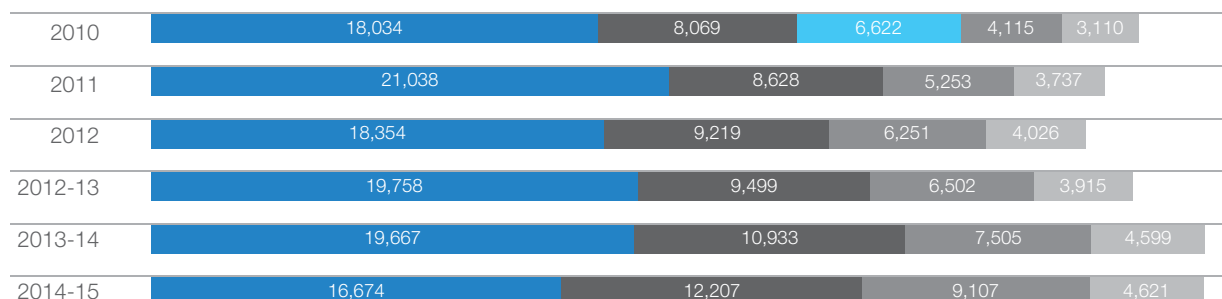


■ Polyester ■ Soda Ash ■ Life Sciences ■ Chemicals

■ Polyester ■ Soda Ash ■ Life Sciences ■ Chemicals

Turnover

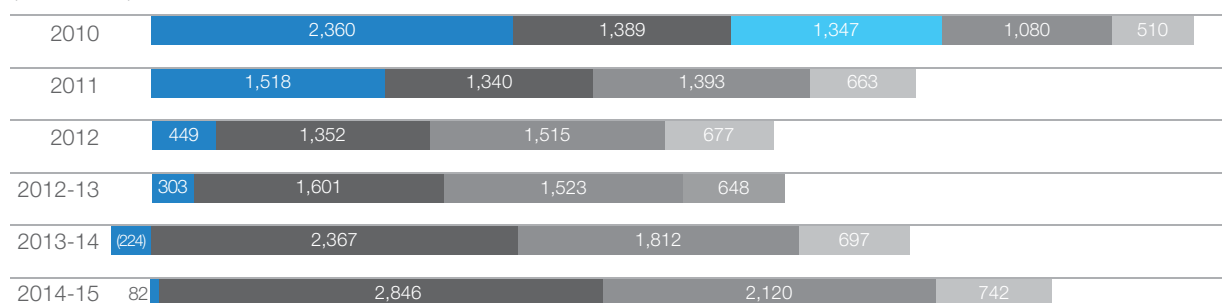
(PKR million)



■ Polyester ■ Soda Ash ■ Paints ■ Life Sciences ■ Chemicals

Gross Profit

(PKR million)

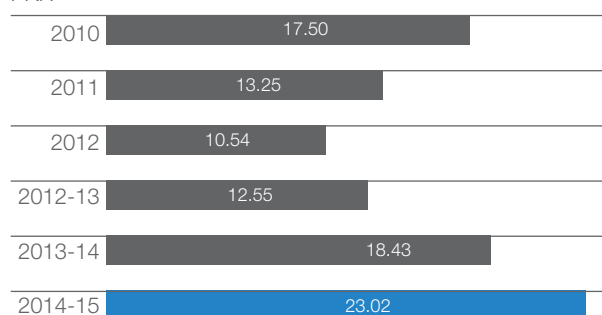


■ Polyester ■ Soda Ash ■ Paints ■ Life Sciences ■ Chemicals

2011, 2012 and 2012-13 numbers have been restated due to IAS 19 revision.
 Year 2011 onwards exclude the effect of Paints business due to demerger.
 Year 2012-13 is based on twelve months performance for a meaningful comparison.

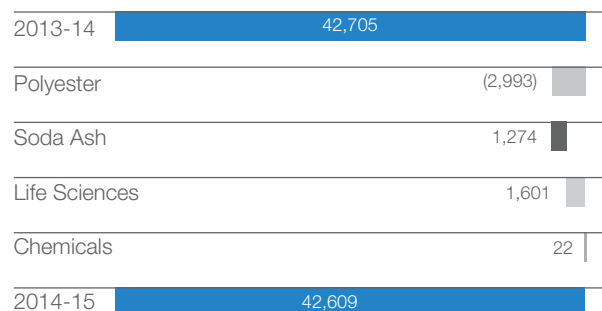
Earnings per share

PKR



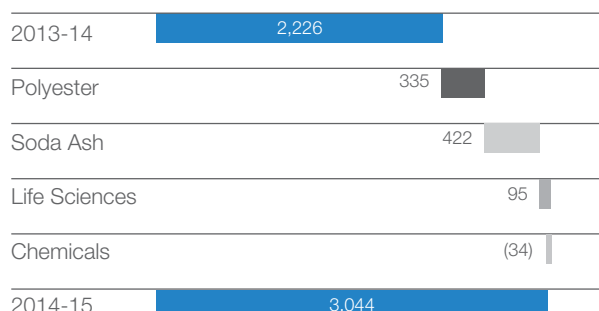
Revenue development (Business-wise)

PKR million



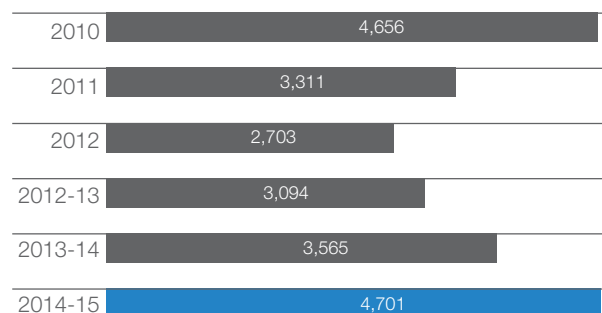
Operating result development (Business-wise)

PKR million



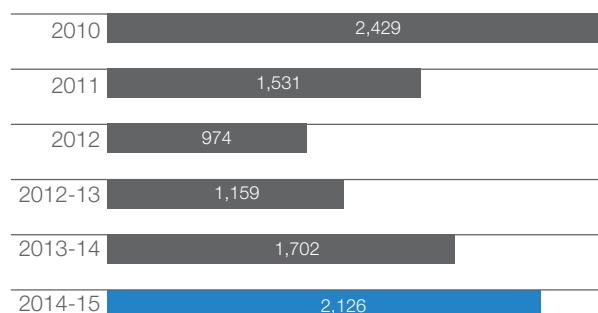
EBITDA

PKR million



Profit after tax

PKR million



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Year 2012-13 is based on twelve months performance for a meaningful comparison.

Profitability ratios

Gross margin (%)

2010	19.03
2011	12.97
2012	11.51
2012-13	11.23
2013-14	12.17
2014-15	15.43

Operating result margin (%)

2010	10.57
2011	6.70
2012	4.68
2012-13	5.48
2013-14	5.82
2014-15	8.11

Profit before tax margin (%)

2010	10.62
2011	6.46
2012	4.31
2012-13	4.82
2013-14	5.18
2014-15	7.21

Profit after tax margin (%)

2010	6.91
2011	4.31
2012	2.81
2012-13	3.19
2013-14	4.45
2014-15	5.67

Return on assets (%)

2010	11.02
2011	7.47
2012	4.70
2012-13	5.53
2013-14	7.42
2014-15	7.97

Return on equity (%)

2010	15.72
2011	15.48
2012	9.97
2012-13	11.05
2013-14	14.33
2014-15	15.99

Return on capital employed (%)

2010	22.43
2011	21.18
2012	14.30
2012-13	14.66
2013-14	14.49
2014-15	18.96

Revenue per employee (PKR million)

2010	26.88
2011	32.03
2012	31.64
2012-13	34.02
2013-14	33.16
2014-15	30.21

Net income per employee (PKR million)

2010	1.86
2011	1.38
2012	0.89
2012-13	1.09
2013-14	1.48
2014-15	1.71

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 Year 2011 onwards exclude the effect of Paints business due to demerger.
 Year 2012-13 is based on twelve months performance for a meaningful comparison.

Price earning ratio (PKR)

2010	8.24
2011	9.08
2012	16.49
2012-13	13.26
2013-14	21.18
2014-15	18.63

Cost ratios

Administration cost as % of net turnover

2010	3.70
2011	3.42
2012	3.75
2012-13	2.86
2013-14	2.34
2014-15	2.57

Operating cost as % of net turnover*

2010	89.43
2011	93.30
2012	95.32
2012-13	94.52
2013-14	94.18
2014-15	91.89

Liquidity & other ratios

Current ratio

2010	2.17
2011	1.22
2012	1.05
2012-13	1.31
2013-14	1.38
2014-15	1.02

Stockholder's equity per common share (PKR)

2010	104.81
2011	98.17
2012	97.72
2012-13	105.99
2013-14	121.67
2014-15	137.69

Market value per share (PKR)

2010	144.24
2011	120.27
2012	173.89
2012-13	166.40
2013-14	390.34
2014-15	428.87

Efficiency ratios

Inventory days

2010	51.19
2011	50.53
2012	60.93
2012-13	62.67
2013-14	55.83
2014-15	61.65

Debtor days

2010	8.90
2011	5.91
2012	4.88
2012-13	7.23
2013-14	8.23
2014-15	11.14

Creditor days

2010	40.06
2011	37.17
2012	46.87
2012-13	42.23
2013-14	37.55
2014-15	50.52

2011, 2012 and 2012-13 numbers have been restated due to IAS 19 revision.

Year 2011 onwards exclude the effect of Paints business due to demerger.

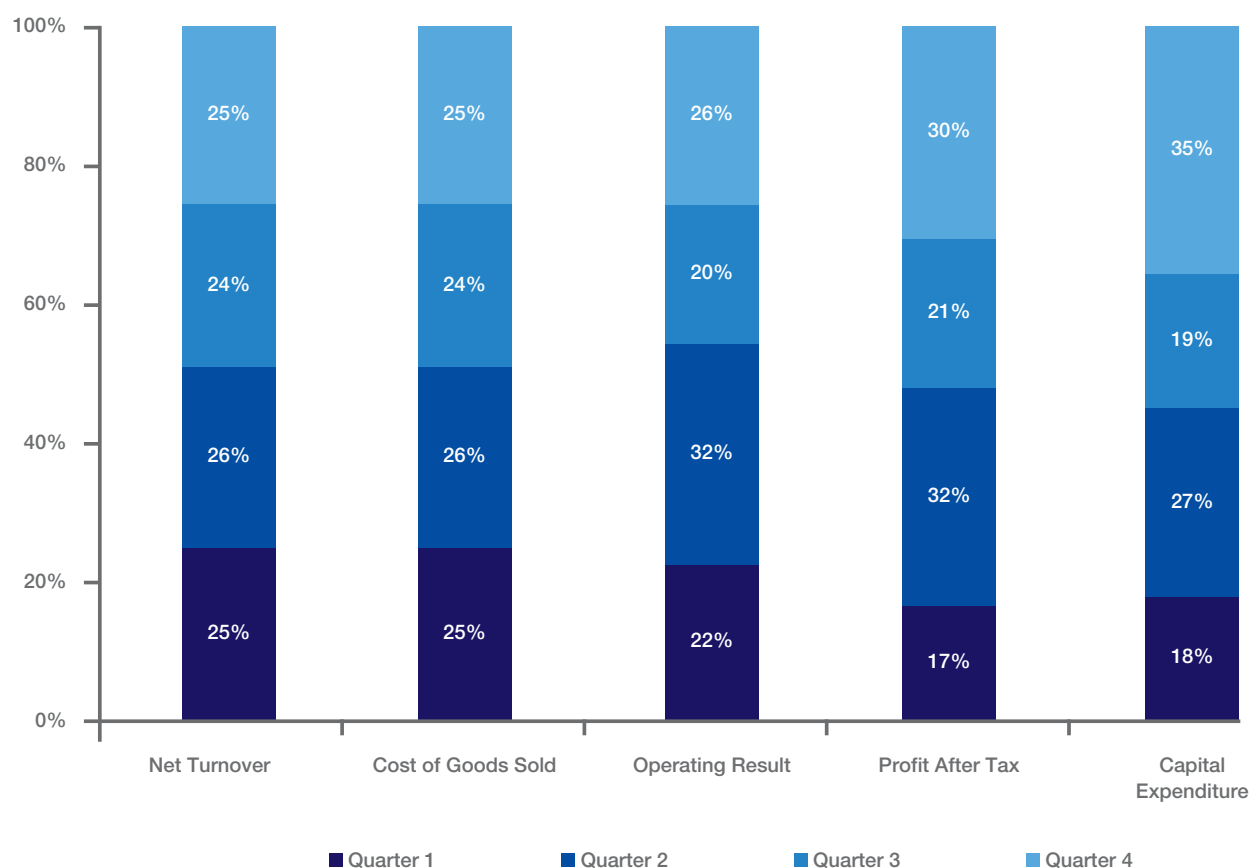
Year 2012-13 is based on twelve months performance for a meaningful comparison.

*Operating cost includes cost of sales, selling, distribution, administration and general expenses

Quarterly Analysis

In PKR '000

	Net Turnover	Cost of Goods Sold	Operating Result	Profit After Tax	Capital Expenditures
Quarter 1	9,363,353	8,038,563	678,626	352,119	755,471
Quarter 2	9,882,865	8,261,808	974,264	673,311	1,145,997
Quarter 3	8,866,829	7,616,802	611,599	453,882	820,661
Quarter 4	9,402,281	7,808,401	779,618	646,396	1,489,975
	37,515,328	31,725,574	3,044,107	2,125,708	4,212,104



Net Turnover	Cost of Goods Sold	Operating Result	Profit After Tax
Quarter 1			
<p>Increased by 3% compared to the same period last year (SPLY), primarily due to higher sales in Soda Ash and Life Sciences.</p> <p>All divisions within the Life Sciences Business posted double digit growth, with the Animal Health Division being the major contributor.</p> <p>The domestic polyester staple fibre (PSF) market remained under pressure due to the continuous oversupply of PSF coupled with dumping from China.</p>	<p>The commissioning of coal fired heaters at the Polyester plant and the operations of coal fired boilers at Soda Ash significantly alleviated the energy cost burden by replacing expensive fuel with coal.</p>	<p>Operating result was 32% higher compared to the SPLY, primarily due to a 37% improvement in Polyester and a 22% growth in Life Sciences.</p> <p>Post the commissioning of coal fired heaters, the Polyester Business improved its operating result by PKR 115 million compared to the SPLY.</p>	<p>PAT was 15% higher compared to the SPLY, despite a PKR 82 million exchange loss due to the devaluation of PKR.</p>
Quarter 2			
<p>Increased by 3% compared to the SPLY, primarily due to better performances in the Soda Ash and Life Sciences Businesses.</p> <p>The reduction in crude oil prices resulted in lower sales value in Polyester. The domestic PSF market continued to remain under pressure due to the continued dumping of PSF from China.</p>	<p>Downward price adjustments of the entire petrochemical chain resulted in a significant reduction in feedstock prices compared to the SPLY.</p> <p>Coal/biomass related energy projects continued to deliver value to the Businesses. The reduction of furnace oil prices also contributed to a reduction in energy costs.</p>	<p>Operating result was 65% higher compared to the SPLY due to improved performance in the Polyester, Soda Ash and Life Sciences Businesses.</p>	<p>PAT was 47% higher compared to the SPLY due to better business performance and exchange gains.</p> <p>The Company completed 30% equity participation in NutriCo Pakistan Pvt. Ltd, which yielded a PKR 40 million dividend in the second quarter.</p>
Quarter 3			
<p>Lower by 9% compared to the SPLY, primarily due to lower selling prices of PSF due to a downward correction of prices in the entire petrochemical chain.</p>	<p>Cost of sales were lower by 12% compared to the SPLY, mainly due to a decline in crude oil prices and its impact on prices of feedstock in the Polyester Business.</p> <p>Coal/biomass related energy projects continue to deliver value to the Businesses. A further decrease in furnace oil prices also contributed to a reduction in energy costs.</p>	<p>The Soda Ash and Life Sciences Businesses were the major drivers for an operating result growth of 38% compared to the SPLY.</p>	<p>PAT was 15% higher compared to the SPLY due to better business performance, despite a PKR 122 million exchange gain recorded in the SPLY.</p>
Quarter 4			
<p>Lower Net turnover by 5% compared to the SPLY. This was primarily attributable to lower sales value of polyester fibres as a result of a downward correction of prices across the petrochemical chain.</p>	<p>A decline in crude oil prices and its impact on prices of feedstock in the Polyester Business reduced the overall cost of sales.</p> <p>The replacement of expensive alternate fuels and the reduction in furnace oil prices helped Businesses to significantly reduce energy costs.</p>	<p>Operating result was 14% higher than the SPLY due to improved performance in the Polyester and Soda Ash Businesses.</p>	<p>PAT was 19% higher than the SPLY. During the quarter the Company also received a PKR 150 million dividend from NutriCo Pakistan Pvt. Ltd.</p>

Operating & Financial Highlights

		January to December							July to June		
Ratios		2006	2007	2008	2009	2010	2011	2012	2012-13	2013-14	2014-15
Profitability Ratios							Restated	Restated	Restated		
Gross margin	%	20.85	20.93	19.77	19.96	19.03	12.97	11.51	11.23	12.17	15.43
Gross profit turnover	%	18.60	18.54	17.22	17.52	16.91	12.01	10.56	10.28	10.89	13.59
Operating result margin	%	12.66	12.96	10.98	10.65	10.57	6.70	4.68	5.48	5.82	8.11
Net profit margin	%	7.44	7.75	6.70	7.19	6.91	4.31	2.81	3.19	4.45	5.67
Profit markup	%	26.34	26.47	24.64	24.94	23.51	14.90	13.01	12.66	13.85	18.25
Profit before tax margin	%	10.82	12.02	10.12	10.81	10.62	6.46	4.31	4.82	5.18	7.21
Return on equity	%	12.78	14.42	13.89	14.19	15.72	15.48	9.97	11.05	14.33	15.99
Return on capital employed	%	21.57	23.87	21.77	19.38	22.43	21.18	14.30	14.66	14.49	18.96
Return on assets	%	8.60	9.51	10.08	9.54	11.02	7.47	4.70	5.53	7.42	7.97
Return on fixed assets	%	29.46	34.92	32.61	32.82	40.91	28.55	15.99	18.75	19.00	21.34
Growth Ratios											
Net turnover	%	5.94	17.63	20.74	2.27	23.57	1.10	(2.35)	5.83	5.42	(1.88)
Operating results	%	34.54	20.37	2.29	(0.81)	22.62	(35.94)	(31.69)	(5.07)	12.04	36.76
EBITDA	%	28.27	18.40	-	1.04	19.45	(28.89)	(18.38)	1.82	15.20	31.89
Profit after tax	%	(7.42)	22.61	4.37	9.77	18.78	(36.95)	(36.42)	(9.35)	46.91	24.88
Efficiency Ratios											
Asset turnover	Times	1.16	1.23	1.51	1.33	1.59	1.73	1.67	1.73	1.67	1.41
Fixed asset turnover	Times	2.33	2.69	2.97	3.08	3.87	4.26	3.41	3.42	3.26	2.63
Inventory turnover	Times	5.07	6.24	6.39	6.08	6.71	7.15	5.18	6.27	6.53	5.69
Current asset turnover	Times	2.79	2.55	3.46	2.56	2.96	3.13	3.53	3.77	3.66	3.47
Capital employed turnover	Times	1.91	2.08	2.28	2.07	2.39	3.41	3.33	2.92	2.78	2.65
Operating working capital turnover	Times	(38.38)	(20.62)	21.09	121.06	35.56	(10.90)	26.59	12.24	19.88	20.74
Debtor turnover ratio	Days	12.84	13.65	11.81	11.08	8.90	5.91	4.88	7.23	8.23	11.14
Creditor turnover ratio	Days	75.90	78.24	50.52	41.00	40.06	37.17	46.87	42.23	37.55	50.52
Inventory turnover ratio	Days	73.67	59.85	52.43	58.00	51.19	50.53	60.93	62.67	55.83	61.65
Operating cycle	Days	10.62	(4.74)	13.72	28.08	20.03	19.28	18.94	27.66	26.51	22.27
Revenue per employee	PKR'000	15,304	17,946	21,044	21,852	26,878	32,025	31,644	34,022	33,160	30,206
Net Income per employee	PKR'000	1,138	1,391	1,410	1,572	1,858	1,381	888	1,086	1,476	1,712
Cost Ratios											
Operating costs (%of net turnover)	%	87.34	87.04	89.02	89.35	89.43	93.30	95.32	94.52	94.18	91.89
Administration costs (%of net turnover)	%	3.71	3.30	4.05	4.14	3.70	3.42	3.75	2.86	2.34	2.57
Selling costs (% of net turnover)	%	4.48	4.67	4.74	5.17	4.77	2.85	3.08	2.90	4.00	4.75
Financial charges (%of net turnover)*	%	1.45	0.44	0.32	-	-	-	0.36	0.76	1.01	1.07
Equity Ratios											
Price earnings ratio	PKR	11.01	15.29	5.12	11.44	8.24	9.08	16.49	13.26	21.18	18.63
Earnings per share	PKR	10.49	12.86	13.42	14.73	17.50	13.25	10.54	12.55	18.43	23.02
Dividend per share	PKR	5.50	6.00	6.50	8.00	17.50	9.00	5.50	2.00	8.00	11.50
Dividend cover	Times	1.91	2.14	2.06	1.84	1.00	1.47	1.92	6.27	2.30	2.00
Dividend yield	%	4.19	3.77	3.86	6.07	12.53	6.13	3.63	1.24	3.05	2.45
Dividend payout	%	52.45	46.66	48.43	54.31	100.00	81.57	52.17	15.94	43.41	49.97
Market value per share at the end of the year	PKR	115.50	196.65	68.71	168.49	144.24	120.27	173.89	166.40	390.34	428.87
Market value per share at the start of the year	PKR	140.50	115.50	196.65	68.71	168.49	144.24	120.27	129.85	166.40	390.34
Highest Market value per share	PKR	181.80	234.30	212.50	197.54	186.37	170.34	180.01	185.67	395.71	597.56
Lowest Market Value per share	PKR	102.10	116.00	68.71	51.07	110.25	112.00	119.81	135.37	160.99	366.39
Break-up value per share with surplus on revaluation	PKR	82.05	89.20	96.62	103.85	111.35	85.58	105.73	113.55	128.59	143.93
Break-up value per share excluding surplus on revaluation	PKR	73.95	81.91	89.68	97.14	104.81	98.17	97.72	105.99	121.67	137.69
Cost of debt at year end	%	10.30	-	-	-	-	-	10.45	10.17	9.49	7.16
Liquidity Ratios											
Current ratio	Ratio	1.29:1	1.44:1	1.81:1	1.92:1	2.17:1	1.22:1	1.05:1	1.31:1	1.38:1	1.02:1
Quick ratio / Acid test ratio	Ratio	0.73:1	0.97:1	1.02:1	1.27:1	1.39:1	0.76:1	0.42:1	0.61:1	0.70:1	0.49:1
Cash ratio	Ratio	0.33:1	0.58:1	0.44:1	0.77:1	0.85:1	0.50:1	0.09:1	0.10:1	0.11:1	0.01:1
Leverage Ratios											
Debt to equity	%	-	-	-	-	-	-	3.22	19.28	28.36	19.26
Total debt to capital ratio	Ratio	0:100	0:100	0:100	0:100	0:100	0:100	3:97	15:85	21:79	16:84
Operating Leverage Ratio	%	2.44	3.84	2.69	2.70	2.17	2.81	4.26	3.50	3.64	3.18
Interest cover *	Times	8.44	28.42	32.29	-	-	-	12.83	7.34	6.12	7.72
Summary of Cash Flows											
Cash generated from / (used in) operations	PKR million	3,554	4,312	1,188	4,938	3,716	4,127	(1,964)	(164)	4,819	5,015
Net cash generated from / (used in) operating activities	PKR million	3,477	4,094	970	4,476	2,334	2,875	(3,177)	(971)	3,807	3,748
Net cash used in investing activities	PKR million	(1,040)	(1,397)	(1,781)	(938)	(753)	(510)	(2,126)	(941)	(2,401)	(4,372)
Net cash generated from / (used in) financing activities	PKR million	(2,337)	(869)	(833)	(1,041)	(1,388)	(2,151)	(796)	1,453	933	(1,555)
Cash and cash equivalents at December 31/June 30	PKR million	1,788	3,615	1,971	4,468	4,662	4,633	(1,466)	(1,924)	415	(1,763)

Vertical and Horizontal Analysis

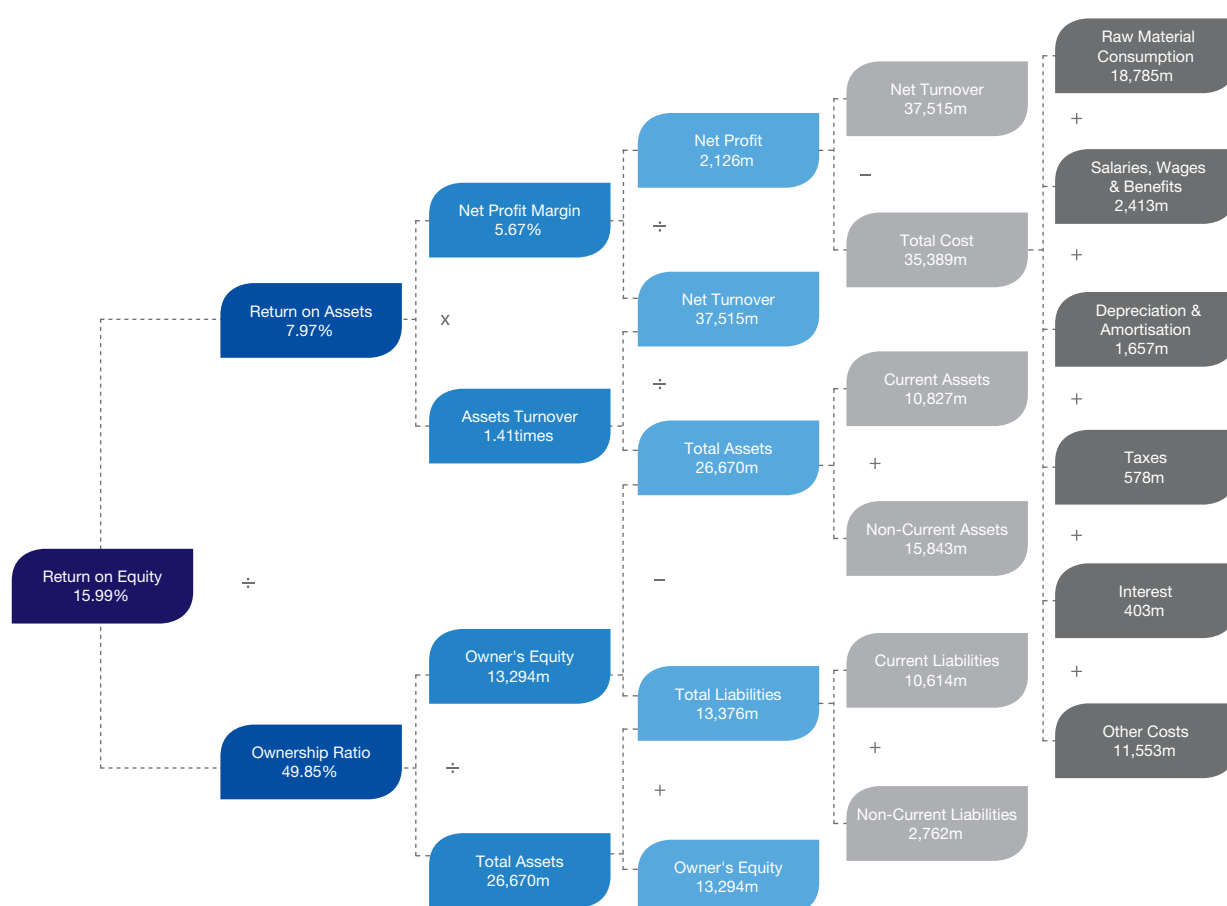
	January to December						July to June					
Vertical Analysis	2010	2010	2011	2011	2012	2012	2012-13	2012-13	2013-14	2013-14	2014-15	2014-15
	PKR. m	%	PKR. m	%	PKR. m	%	PKR. m	%	PKR. m	%	PKR. m	%
	Restated		Restated		Restated		Restated		Restated		Restated	
Profit and Loss Account												
Net turnover, commission & toll income	35,130.0	100.0	35,516.1	100.0	34,681.6	100.0	36,267.8	100	38,233.5	100	37,515.3	100.0
Cost of Sales	28,443.7	81.0	30,910.0	87.0	30,688.1	88.5	32,193.2	88.8	33,581.6	87.8	31,725.6	84.6
Gross profit	6,686.3	19.0	4,606.1	13.0	3,993.5	11.5	4,074.6	11.2	4,651.8	12.2	5,789.8	15.4
Selling & Distribution Expenses	1,674.7	4.8	1,012.8	2.9	1,068.5	3.1	1,051.7	2.9	1,530.3	4.0	1,782.0	4.8
Administration & General Expenses	1,299.0	3.7	1,214.8	3.4	1,300.3	3.7	1,036.1	2.9	895.7	2.3	963.7	2.6
Operating Result	3,712.6	10.6	2,378.4	6.7	1,624.6	4.7	1,986.7	5.5	2,225.9	5.8	3,044.1	8.1
Financial Charges	163.9	0.5	260.9	0.7	294.2	0.8	311.2	0.9	387.0	1.0	402.8	1.1
Other Charges	303.4	0.9	206.7	0.6	132.6	0.4	151.4	0.4	181.1	0.5	231.4	0.6
Other Income	486.3	1.4	383.8	1.1	298.4	0.9	225.1	0.6	323.1	0.8	293.5	0.8
Profit before taxation	3,731.5	10.6	2,294.7	6.5	1,496.2	4.3	1,749.2	4.8	1,981.0	5.2	2,703.5	7.2
Taxation	1,302.7	3.7	763.2	2.1	522.6	1.5	590.5	1.6	278.7	0.7	577.8	1.5
Profit after taxation	2,428.8	6.9	1,531.4	4.3	973.7	2.8	1,158.7	3.2	1,702.2	4.5	2,125.7	5.7
Balance Sheet												
Total Equity and Revaluation Reserve	15,455.4	70	9,890.9	48	9,765.5	47	10,487.5	50	11,876.8	52	13,293.5	50
Non Current Liability	1,093.2	5	1,340.3	7	1,593.3	8	3,067.8	15	3,486.4	15	2,762.5	10
Current Liability	5,482.0	25	9,281.0	45	9,355.3	45	7,389.4	35	7,574.3	33	10,613.7	40
Total Equity and Liabilities	22,030.7	100	20,512.2	100	20,714.1	100	20,944.7	100	22,937.4	100	26,669.8	100
Non Current Assets	10,152.4	46	9,154.4	45	10,898.1	53	11,330.5	54	12,500.6	54	15,843.0	59
Current Assets	11,878.3	54	11,357.8	55	9,816.0	47	9,614.2	46	10,436.8	46	10,826.7	41
Total Assets	22,030.7	100	20,512.2	100	20,714.1	100	20,944.7	100	22,937.4	100	26,669.8	100
	January to December						July to June					
Horizontal Analysis	2010	2010	2011	2011	2012	2012	2012-13	2012-13	2013-14	2013-14	2014-15	2014-15
	PKR. m	%	PKR. m	%	PKR. m	%	PKR. m	%	PKR. m	%	PKR. m	%
	Restated		Restated		Restated		Restated		Restated		Restated	
Profit and Loss Account												
Net turnover, commission & toll income	35,130.0	23.6	35,516.1	1.1	34,681.6	-2.3	36,267.8	4.6	38,233.5	5.4	37,515.3	-1.9
Cost of Sales	28,443.7	25.0	30,910.0	8.7	30,688.1	-0.7	32,193.2	4.9	33,581.6	4.3	31,725.6	-5.5
Gross profit	6,686.3	17.8	4,606.1	-31.1	3,993.5	-13.3	4,074.6	2.0	4,651.8	14.2	5,789.8	24.5
Selling & Distribution Expenses	1,674.7	13.9	1,012.8	-39.5	1,068.5	5.5	1,051.7	-1.6	1,530.3	45.5	1,782.0	16.5
Administration & General Expenses	1,299.0	10.3	1,214.8	-6.5	1,300.3	7.0	1,036.1	-20.3	895.7	-13.6	963.7	7.6
Operating Result	3,712.6	22.6	2,378.4	-35.9	1,624.6	-31.7	1,986.7	22.3	2,225.9	12.0	3,044.1	36.8
Financial Charges	163.9	-2.2	260.9	59.2	294.2	12.7	311.2	5.8	387.0	24.4	402.8	4.1
Other Charges	303.4	22.6	206.7	-31.9	132.6	-35.8	151.4	14.1	181.1	19.6	231.4	27.8
Other Income	486.3	5.7	383.8	-21.1	298.4	-22.2	225.1	-24.6	323.1	43.6	293.5	-9.2
Profit before taxation	3,731.5	21.4	2,294.7	-38.5	1,496.2	-34.8	1,749.2	16.9	1,981.0	13.2	2,703.5	36.5
Taxation	1,302.7	26.7	763.2	-41.4	522.6	-31.5	590.5	13.0	278.7	-52.8	577.8	107.3
Profit after taxation	2,428.8	18.8	1,531.4	-36.9	973.7	-36.4	1,158.7	19.0	1,702.2	46.9	2,125.7	24.9
Balance Sheet												
Total Equity and Revaluation Reserve	15,455.4	7	9,890.9	-36	9,765.5	-1	10,487.5	7	11,876.8	13	13,293.5	12
Non Current Liability	1,093.2	-10	1,340.3	23	1,593.3	19	3,067.8	93	3,486.4	14	2,762.5	-21
Current Liability	5,482.0	-5	9,281.0	69	9,355.3	1	7,389.4	-21	7,574.3	3	10,613.7	40
Total Equity and Liabilities	22,030.7	3	20,512.2	-7	20,714.1	1	20,944.7	1	22,937.4	10	26,669.8	16
Non Current Assets	10,152.4	-1	9,154.4	-10	10,898.1	19	11,330.5	4	12,500.6	10	15,843.0	27
Current Assets	11,878.3	7	11,357.8	-4	9,816.0	-14	9,614.2	-2	10,436.8	9	10,826.7	4
Total Assets	22,030.7	3	20,512.2	-7	20,714.1	1	20,944.7	1	22,937.4	10	26,669.8	16

2011, 2012 and 2012-13 numbers have been restated due to IAS 19 revision.

Year 2011 onwards exclude the effect of Paints business due to demerger.

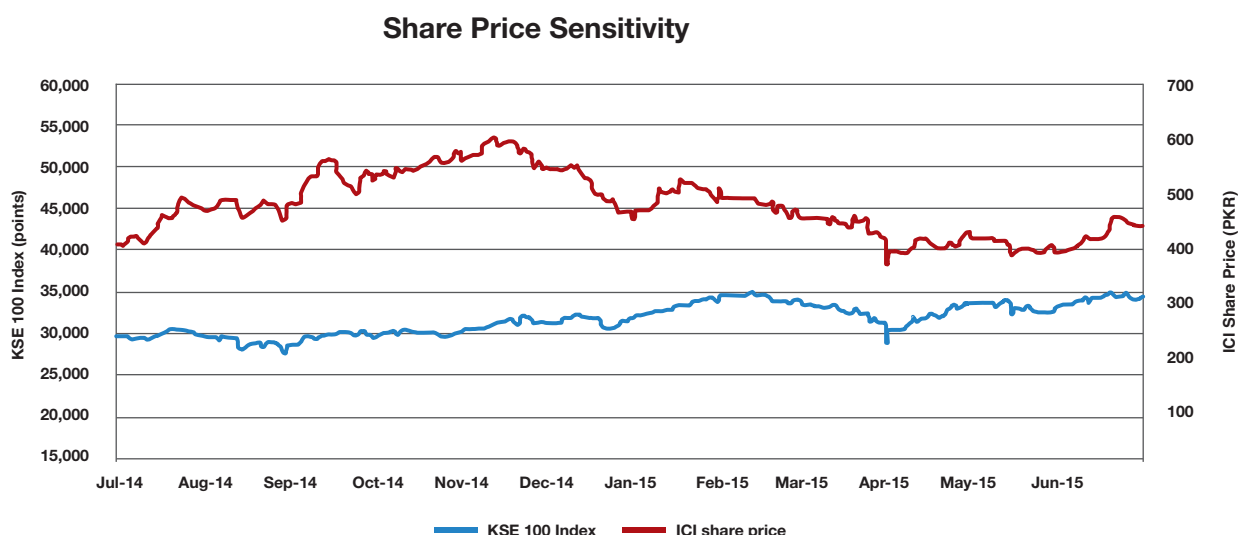
Year 2012-13 is based on twelve months performance for a meaningful comparison.

DuPont Analysis



DuPont Analysis	2014-15	2013-14
Tax burden	21%	14%
Interest burden	12.97%	16%
Operating result margin	8.11%	5.82%
Asset turnover	1.407 times	1.667 times
Gearing	19.26%	28%
Return on equity	15.99%	14.33%

Share Price Sensitivity Analysis



Analysis on ICI share price

ICI Pakistan Limited operates in a diversified range of markets; therefore a variety of external and internal factors influence the Company's performance and ultimately its share price. During the financial year ended June, 30 2015, the Company's share price increased from PKR 390.34 to PKR 428.87, taking the price return to 10% with a healthy PE ratio of 18.63. The Company, with a profit after tax of PKR 2,126 million and EPS of PKR 23.02 for the year, delivered a growth of 25% compared to the same period last year. Key factors that boosted investors' confidence and increased the Company's market capitalisation include:

1) Heavy Capital Expenditure

ICI Pakistan Limited has invested in its future in order to continue fulfilling its brand promise – Cultivating Growth – and implement cost-effective solutions. Projects aimed at replacing furnace oil and natural gas were made operational during the year, decreasing the Company's reliance on expensive fuels. ICI Pakistan Limited commissioned a coal/biomass steam turbine project at the Polyester plant in June 2015; new coal/biomass steam generation power projects at Soda Ash are progressing as planned. At Soda Ash, refined sodium bicarbonate and dense soda ash capacity expansion projects are also underway. In addition, the Company made infrastructural investments in its Life Sciences Business, through the Seeds Processing Plant and manufacturing facilities for Animal Health and nutraceuticals.

2) Diversification in new Business

In line with its aspirations, the Company continues to expand its portfolio of Businesses. In 2014-15, the Company completed a 30% equity participation in NutriCo Pakistan Pvt. Ltd. NutriCo primarily manages the import, marketing and distribution of nutrition products of Morinaga Milk Industry Co. Limited Japan in Pakistan. The nutrition and infant formula business represents a tremendous opportunity in Pakistan, and the Company looks forward to further growth in the years to come.

3) Improved Performance

The Company's operating result for the year improved by 37% compared to last year. Significant improvement in the Polyester Business's performance and higher profits in the Soda Ash and Life Sciences Businesses were major drivers of the increase. Coal-based projects have eased the Company's energy cost pressure, whilst lower furnace oil and coal prices also contributed towards improved profitability.

4) Ownership by YBG

The Company's increase in share price after its acquisition by the Yunus Brothers Group (YBG) in December 2012 clearly indicates the increasing confidence of investors. YBG is a conglomerate with substantial market share in different sectors including textile, cement and power generation. YBG has a vision to grow the Company's local and international footprint by strengthening its existing Businesses, and exploring new avenues for growth and diversification.

Year in Review

Q1

July – Sep 2014



Sustainability Council Meeting

Board Meeting – August 29, 2014

Corporate IT launches OneWin

HSE&S Managers Meeting

Q2

Oct - Dec 2014



Launch of the RISE Mentoring Programme

Board Meeting - October 27, 2014

Chemicals HSE&S awareness campaigns

Relaunch of 'Speak Up!' policy

Animal Health Division conducts drenching campaign and farmer gatherings

First ever shipment of Fevistik arrives

Ground breaking of refined sodium bicarbonate expansion at Khewra

Long Service Awards held at Head Office

Q3

Jan - March 2015



CE Session held at Head Office, videolinked to all sites

Board Meeting – February 19, 2015

IT Governance Group meets after approval of new IT Strategy

Polyester marks five million man-hours without loss time injury

Pharma Division launches Q-Co

1,000 tons of soda ash produced in a single day at Khewra for the first time

Polyester initiates trials of 'Terylene Black'

Inauguration of 18MW CFB 3&4 at Soda Ash

Q4

Apr – June 2015



ICI Pakistan Limited celebrates Earth Day and World Environment Day 2015

Board Meeting – April 21, 2015

'IMPOWER Employee Engagement Survey conducted in partnership with Gallup

CE Session held at Sheikhpura, videolinked to all sites

ICI Pakistan Limited receives ACCA-WWF award for 'Best Sustainability Report'

GR Induction

Commissioning of steam turbine project at Polyester

Sustainability Guiding Principle

We are committed to reducing our impact on the planet and delivering more sustainable products and solutions to our customers. And we can only do this if sustainability is at the heart of everything we do. That is why we aim to integrate sustainability into every area of our business - for the benefit of our customers, shareholders, employees and the world around us.

Awards and Achievements



Asif Jooma, Chief Executive, with his team receiving the ACCA-WWF Best Sustainability Report Award 2013-14

ACCA-WWF Award for 'Best Sustainability Report'

ICI Pakistan Limited received the 'Best Sustainability Report' award at the 2014 ACCA-WWF Pakistan Environmental Reporting Awards held in Karachi in June 2015.

The aim of the awards is to give recognition to organisations reporting and disclosing environmental information, and to encourage the practice of environmental reporting and to raise awareness in corporate transparency issues.

'Sustainability Innovation Award' from BSL, Switzerland

ICI Pakistan Limited is engraving its footprints globally and has recently won a 'Sustainability Innovation Award' from Business School Lausanne, Switzerland, for its recognised sustainability practices and its significant engagement in addressing important economic, societal and environmental issues.

Our aim is to increase stakeholder value by delivering sustainable solutions to our customers and we consider that essential for the success of our Company. ICI Pakistan Limited has been a leader in sustainability and innovation and we have plans to explore methods that not only meet our needs in a growing energy crisis, but also protect the planet's resources.

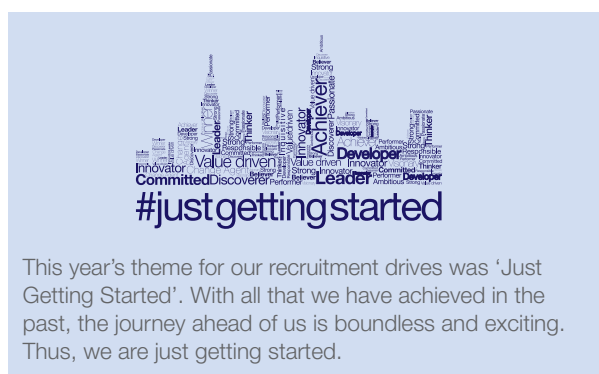
Putting People First

ICI Pakistan Limited is about people. This approach is embedded in our culture and has enabled enduring success. We strongly believe that for an organisation to realise its full potential, it must provide a high-performance culture in which people are engaged, valued and aligned with the Company's vision. This helps us to achieve our brand promise of 'Cultivating Growth', for which talent and leadership development are essential ingredients.



1. Grow our Talent Pool

At ICI Pakistan Limited, we understand that the success of our Businesses is dependent on the quality of our people. Our approach to talent acquisition is two pronged; this includes highly structured Trainee programmes and hiring professionals from industry. Our Graduate Recruit and other Trainee programmes aim to attract and select high-potential individuals, fresh out of university, who are then placed in fast-track career roles. This year, we have taken 38 fresh graduates in Commercial, Finance, HR and Technical streams. Similarly, we also offer rewarding and challenging opportunities for experienced professionals where we have hired 166 professionals in 2014-15, for various management positions.



2. Develop Leaders

We strongly believe in providing our talent with diverse learning and developmental avenues to ensure an all-encompassing approach to capability building. Such opportunities include coaching, mentoring, job rotation, challenging project work, networking, training courses, seminars and conferences.

a. Our Talent Management Process

Our Capability Groups in the area of Commercial, Technical, Finance and HR are a critical link in the overall Talent Management Framework. We completed our Talent Management cycle for 2014-15 by conducting Capability Group Meetings, annual Succession Planning Forum and business/function Leadership Talent Reviews. During this cycle, talent gaps were identified and comprehensive plans were put into place to build the required capability and ensure timely succession.

b. Talent movement across Businesses and functions:

The diversity of our four unique Businesses, with their presence in almost every industry, provides us the perfect opportunity to challenge our employees and significantly contribute to their development. For the year in review, talent movement across Businesses and functions was recorded at 16% providing cross-functional exposure and ongoing opportunities for learning and growth.



c. Learning & Development

Our training programmes include both Leadership and Core Development Programmes focusing on building behavioural and functional competencies. In 2014-15, we successfully completed 2,924 man-days of training across ICI Pakistan Limited. Our Learning & Development portal offers another facet of learning and provides our employees with a platform for ongoing self-development.

Training Man-days per employee **3.5 vs. 3.0 in 2013-14**
Actual against Learning Plan **97%**

d. RISE Mentoring Programme

In order to provide our employees with an opportunity to reach out to knowledge, talent, networks and leaders we successfully launched our Mentoring Programme – RISE in October 2014. The programme is designed to provide a one window solution to our employees where they can select their mentors, develop and manage their objectives, and sustain relationships through the online RISE portal.



3. Sustain Leadership

a. 'iMPower Employee Engagement Survey

"iMPower employee engagement is a long-term programme for ICI Pakistan Limited that will empower us to make the Big Picture by discovering our employees' candid thoughts based on feedback on their workplace experiences and the Company's future direction. We have partnered with Gallup to administer the survey. The survey went live in June 2015 and was successfully completed with a 97% response rate, which reflects the interest and confidence that our

employees have shown towards our collective future.

The results of this year's survey indicate an overall engagement score of 3.87 for ICI Pakistan Limited, on a five-point scale. The score is a good initial benchmark in achieving our aspiration of world-class engagement by 2018.

b. Speak Up

Over the seven decades of our presence in Pakistan, through all the changes in ownership, structure and management, one feature which has remained unchanged at the Company is the ethical culture. This is invaluable to all our stakeholders and Speak Up!, our whistleblowing channel, is an extension of this tradition.



This year, we re-launched Speak Up! in order to raise further awareness about the mechanism and functionality of the programme. Furthermore, we partnered with PricewaterhouseCoopers (PwC) to serve as our external contact to add confidentiality, transparency and anonymity to the process.

Long Service Awards

In order to recognise our employees' long service with the Company, a Long Service Award Ceremony was held at Head Office on December 18, 2014. Awards were given out to those employees who had completed 10, 15, 25 and 30 years of dedicated service with ICI Pakistan Limited. Colleagues who retired from the Company's service on superannuation were also invited to join the ceremony to receive retirement awards.

iMPower

Technology Developments

Vision

Fuelling Business Enablement

“To act as an effective business enabler, ensuring visibility and compliance through innovative and sustainable information solutions, harbouring best of the breed infrastructure and technology.”

Highlights of 2014-2015

Introduction of IT Strategy and Governance Model

Our major focus during the year was to introduce the IT Strategy and Governance Model, which has been approved by the Executive Management Team. Subsequently the IT Governance Group and Functional Steering Committees were developed, with a focus on promoting the harmonisation of business processes and setting up an IT agenda for the relevant functional domains. The whole ecosystem will ensure the further cohesion of the IT agenda with Businesses' objectives.

In Pursuit of best of the breed and cutting edge infrastructure at the Company's data centre, the new hardware replacement project was successfully completed with a best of the breed industry leading solution. Along with state of the art hardware, a backup application and modern chassis were installed and implemented.

Disaster Recovery Drill

In order to ensure uninterrupted IT services, the Company has access to a Disaster Recovery site. To test its efficacy and actively prepare the Disaster Recovery team, a drill was carried out where all ICI Pakistan Limited sites faced a simulated breakdown of all IT services, and they were successfully diverted to the Disaster Recovery site, where IT services were successfully resumed.

Retirement of Lotus Notes to Microsoft SharePoint

We have successfully retired Lotus Notes, through effective migration of applications to Microsoft SharePoint. The extensive migration exercise was performed by Corporate IT along with the support of Businesses and Functions. ICI Pakistan Limited is now only using the leading and globally accepted application platforms of SAP Enterprise Resource Planning (ERP) and Microsoft SharePoint for its business applications and processes.

Unified Business Communication through Microsoft Lync

Unified communication lies at the foundation of our IT Strategy. With the focus to further our aspiration, we have deployed Microsoft Lync 2010 across the Company to enable integrated communication to optimise business processes and increase user productivity through on-the-fly collaboration technologies.



The IT Governance Group, chaired by Muhammad Abid Ganatra, Chief Financial Officer, met in Karachi to discuss strategy

Enabling Swift Decision making through Analytics and Dashboards

Our prime focus was laid towards the enablement of the modern decision maker through reliance on information assets. With performance measurement to track efficiencies and critical KPI reporting, we developed dashboards based on crisp analytics in sales, operations, finance, human resources and supply chain.

Pursuing Global Best Business Practices in ERP

Advocating the use of global best business practices is at the forefront of our ERP agenda. With continuous utilisation of ERP processes, and the alignment of business practices accordingly, we have transformed the recording of the technical parameters of our plants with regard to energy, services and engineering. These conform to the best practices of SAP counters and measuring points.

Enhancing and Strengthening our Systems

With the promise to continuously keep upgrading and strengthening our systems, the Microsoft servers were upgraded from 2008 R2 to 2012 R2. Our network was upgraded to a two-layer architecture, which further enhances our network security and enables us to ensure uninterrupted and reliable IT services.

Customer Information System

A combined team from Corporate IT and Polyester Market Research undertook the project to create a single consolidated repository of all key information projected for quick and accurate analytics to facilitate top class customer service.

Enabling our Sales Force through Mobility

An innovative project was undertaken by Corporate IT and members of the Pharmaceuticals Division of the Life Sciences Business with the focus to enable our sales force. A mobile based solution was developed in collaboration with Mobilink, to monitor the performance of our sales team, draw analytics and identify areas of improvement. A country-wide launch has been targeted for 2015-16 based on the learnings of the pilot project.

Team Dynamics

Our team is a blend of rich experience and youthful energy. It is comprised of talented people who are committed to providing first-class service to colleagues. Our aim is to achieve the best levels in terms of processes, efficiencies and controls.

Future Outlook

We aim to build on the initiatives that were taken in 2014-15. We will continue to look for opportunities and innovations that enable our Businesses to work smarter and faster by expanding our strengths through the development of our people.

Health, Safety, Environment and Security

It is a central tenet at ICI Pakistan Limited to provide a safe working environment for our people, with the highest standards of vigilance and care in our manufacturing. It is also our philosophy to be conscious of our impact on the planet and responsible for working towards a cleaner, greener world.

ICI Pakistan Limited has a long-standing HSE commitment: to ensure the highest levels of health and safety for our employees, customers and contractors, as well as environmental protection in the communities in which we live and work. The Company's focus has been on assessing the effectiveness of the existing regulatory framework and the approaches to management of hazards and risks within Businesses to ensure they are sufficiently robust to protect workers and the public from accidents and ill health.

Beliefs and Principles

Our goal is to increase stakeholder value by delivering sustainable solutions to our customers. We consider this essential for the success of our Company, and to achieve this objective we require processes that ensure sustainable business operations that not only meet our needs today but protect the planet's resources for future generations.

Thus, we continuously innovate and improve our HSE performance and work ethics through corporate leadership, the dedication of our staff and the application of the highest professional standards in our work.

The principles by which we operate are:

- We believe that we must endeavour to protect people working at our sites, the partners who are involved in our Businesses and our suppliers from accidental or deliberate harm, damage or loss. Therefore our target is zero injury.
- Carbon footprint can be minimised through pollution prevention, efficient utilisation of energy resources, conservation of water, reduction of natural resource consumption and emissions, and continuous minimisation and recycling of waste. Emissions from hazardous materials can be prevented and reduced with a proactive approach towards implementing new products and technologies.
- We aim to achieve continuous improvement through strategic management, staff dedication and adherence to the highest professional standards in our work ethics. This will in turn benefit HSE performance, highlight safety and security, and enhance measures for product stewardship that will provide business opportunities and competitive advantages.
- Stakeholders have a right to information about our operations and HSE&S performance; this transparency will promote and increase trust.

HSE&S Management System

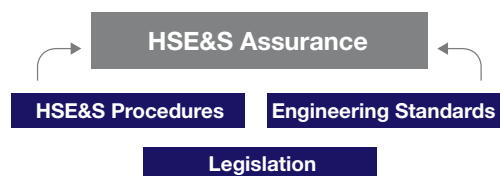
The ICI Pakistan Limited HSE&S Management System comprises policy, standards and guidelines which cover all aspects of the Company's operations within the country. It is aligned with the internationally recognised Responsible Care Management System (RCMS), ISO 14001:2004 and OHSAS 18001:2007.

Last year, ICI Pakistan Limited implemented the certified HSE&S Management System and this year all Businesses/ locations aligned their local HSE&S procedures with the new management system.

Similarly, this year a major task was initiated to review the Company's corporate engineering procedures. All sites are now required to review their local engineering procedures based upon the corporate versions.

HSE&S Assurance Process

A system cannot work without underlined processes and an organisational structure to implement it. The graphical representation of how the HSE&S Management System is implemented at ICI Pakistan Limited is as follows:



Process	Structure
Learning Events/ Incident Reporting	Site/Location HSE&S Committee
Competence	Specialist HSE&S Forum
Procedures Compliance	Executive HSE&S Management Team
Management of Change	Site Communication Sessions
HSE&S Communications	Training Programmes for All Staff Levels
Auditing	Business Area HSE&S Committee Meeting



Year in Review 2014-15

Health

Full compliance with Health Assessment (HAPI) and Work Environment (HYPI) monitoring programmes resulted in a conclusion of the year without any reportable occupational illness. Health awareness sessions on personal hygiene, the effects of diabetes mellitus on eyes, the effects of high blood pressure on body organs, cardiac risk factors, heat stroke, nutrition and a balanced diet, and coronary heart disease were conducted at our Businesses.

First Aid training courses were held at the Polyester Site by the Pakistan Red Crescent Society. Such trainings are invaluable for any potential life-threatening situations and hold immense importance for an industry that strives hard to ensure its workers' safety and wellbeing. ICI Pakistan Limited believes in equipping its employees with skills on how to administer medical assistance in the correct manner when encountering an emergency.

Safety

The Company continued to demonstrate its unwavering commitment to the safety of its employees. Pertaining to this commitment, the total reportable injury rate for employees and supervised contractor dropped to 0.16 from 0.33 in 2013-14. There was one reportable injury for employees and supervised contractor (a road accident reported by the Life Sciences Business) and zero reportable injuries to any independent contractor reported during the year.

The HSE performance of Businesses continues to improve as Polyester, Soda Ash, Life Sciences and Chemicals respectively achieved 5.91, 3.57, 0.46 and 4.53 million man hours without LTI (lost time injury) for employees and supervised contractors.

Total Reportable Injury Rate

2014-15	0.16
2013-14	0.33
2013 H1	0
2012	0.34
2011	0.18
2010	0

A sharper focus on operational discipline and an even stricter adherence to the Company's Health, Safety, Environment and Security Management system has been planned for 2015-16.

Environment

The Company continued to focus on reducing its Operational Eco Efficiency (OEE) footprint. The Soda Ash, Polyester and Chemicals Businesses reported compliance with liquid and air emissions on NEQS.

Hazard Study Appreciation & Risk Assessment Workshop

We believe that employees can contribute substantially to achieve the goals of safety and health, but only if they have an awareness of recognised safety standards and systems, and the ability to identify unsafe and unhealthy situations.

The education and training of each employee is a primary factor in achieving a safe and secure workplace. The Hazard Study Appreciation & Risk Assessment Workshop was conducted to familiarise participants with the ICI Pakistan Limited hazard study methodology and risk assessment process underpinning its implementation. The key objective of the workshop was not just to provide a better understanding on hazard risk management but also to assist management in developing solutions to prevent accidents.

HSE&S Management Audit 2015 & Improvement Plans

The HSE&S Management Audit process has commenced across the Company, out of which the Soda Ash Business audit has been completed. The remaining audits will be completed by the end of Q1, 2015-16. On completion of the audits, Businesses will prepare their 2015-16 HSE improvement plans, which will address any deficiencies identified in the audit.

Chief Executive's HSE&S Trophy & Initiative Awards

As per practice, every year we evaluate the HSE performance of all our Businesses and locations on a pre-determined criterion to assess their performance objectives. The Business that performs the best is then awarded a trophy. This year, the 2014-15 Chief Executive's HSE&S Trophy will be announced on the basis of the HSE&S Management Audit results in Q2, 2015-16. Similarly, the company-wide HSE&S Initiative competition is held for all Businesses and locations, with HSE teams identifying



An initiative to educate pupils at the Tibbi Hariya School, Sheikhpura, about hand washing



The Polyester Business celebrates Earth Day 2015

hazards that could possibly result in incidents and eliminating these within their resources. Recognition certificates are given to the winning teams.

Training

HSE&S training is one of the most important components within the Company's Safety Management System. Our training programme focuses on health and safety concerns that determine the best way to deal with any hazards. The programme facilitates employees in understanding their job responsibilities, bringing new ideas to the workplace, reinforcing existing ideas and practices, and aligning our safety and health programme objectives into action.

For Customers

- The Polyester Business arranged firefighting and emergency training for customer companies in February 2015. Twelve employees from Olympia Blended Fibre Mills Ltd. and Rawal Textile Mills Ltd. participated in the training course which consisted of class room lectures and practical hands-on experience.
- The Business's HSE&S training department also conducted a comprehensive fire management system audit of Shahzad Textile Mills. A report was sent to the management of Shahzad Textile Mills to ensure further improvements in their fire management system.

For Employees

- Firefighting refresher trainings/drills
- Patient handling for first aid providers
- Driving safety
- Warehouse safety
- HSE awareness courses (04 sessions)
- Leading in HSE and sustainability
- Awareness session on sustainability at ICI Pakistan Limited (03 sessions)
- Ergonomics and manual handling
- Permit to work refresher training
- Use of self-contained breathing apparatus
- Electrical safety, fire safety and emergency response procedure

Safety Week

Safety Week highlights the importance of safety in all spheres of everyday life and explores areas where accidents can be prevented. All HSE related activities were carried out by each Business during their respective Safety Weeks, which

included crisis management, security checks, distribution and fire emergency management drills.

Earth Hour and Day

Earth Hour (March 28, 2015) and Earth Day (April 22, 2015) are voluntarily observed across the globe and are the largest awareness hours/days of their kind. We participated in the Earth Hour event by switching off unnecessary lights at all our sites across the country.

Tree Plantation Drive

In collaboration with the Environmental Protection Agency (EPA) and the Frontier Works Organization (FWO), ICI Pakistan Limited celebrated Earth Day on April 22, 2015. ICI Polyester has committed to planting 5,000 Arjun and Conocarpus trees by the end of 2015-16 under the programme titled, 'Tree Plantation Drive in Collaboration with EPD.' This is the initial phase for what is envisaged as a larger programme.

The Soda Ash Business also initiated a tree plantation campaign. The campaign was extended to the local community through the plantation of indigenous trees at Civil Hospital, Khewra. Members of the local civil administration, including the assistant commissioner, the district officer, the medical officer of Civil Hospital and the senior management team of Soda Ash participated in this activity to demonstrate their commitment towards a greener future.

World Environment Day Celebration

World Environment Day is celebrated each year on June 5 and offers an opportunity for worldwide awareness, political consideration and action for environmental issues. Head Office, Polyester and Soda Ash celebrated World Environment day this year. The activities stirred up an enthusiasm and zeal to protect the environment while sustainably utilising natural resources for a better tomorrow. Tree plantation activities were carried out at each site, with a quiz programme, an awareness walk and environment-related videos also part of the event.

Behavior Based Safety (BBS) Programme

The primary objective of the BBS Programme is to create a positive and safe workplace for employees by developing positive safety recognition of management and peers through supportive leadership. The programme continued at regular stages to identify site employee behaviour and its associated impact on safety. Training sessions on BBS were also conducted by Corporate and site HSE Managers.

Community Investment

ICI Pakistan Limited has a history of supporting and working with different communities across the country. The Company's community investment activities are managed through the ICI Pakistan Foundation, a registered trust run and managed by its own Board of Trustees. Additionally, numerous other community activities are carried out directly by the Company itself. The Foundation's philosophy is built around four main areas: education, health, community and environment. However, it also focuses on civic development through investment in community projects, disaster relief and rehabilitation activities.

Education (Ilm-O-Hunar)

The ICI Pakistan Foundation, under its Ilm-o-Huner initiative, launched a pilot Adult Literacy programme in partnership with Literate Pakistan in 2013. The programme is run nationwide, under the brand name of 'Jugnu'. In 2014-15 over 28 women from the Kakapir village at Sandspit, Karachi, graduated from the programme. After the successful completion of the pilot project in Kakapir, the ICI Pakistan Foundation initiated a new Adult Literacy project at Budhni Goth in Mauripur, Karachi,

in collaboration with Jugnu Sabaq. Approximately 40 female students have enrolled in the morning sessions, while 20 male students have enrolled in the evening classes. The popularity of the project has spread to nearby communities and villagers have put forward requests for the same project to be initiated in their localities.

For over a decade, the ICI Pakistan Foundation has been supporting the fishing community's school at Kakapir village.





Tree Plantation Drive at TCF Primary School, Korangi Campus



ICI Pakistan Limited volunteers celebrating Mother's Day at the Bint-e-Fatima old age home

Our engagement with the community has created awareness about the importance of education. The Foundation has also continued its support of the Tibbi Hariya School in Sheikhpura. In line with our CSR strategy, we have been providing educational opportunities to communities based in the neighbouring areas of Khewra and other operational sites. Furthermore, the Foundation made a contribution of funds towards the Pakistan Agricultural Coalition in Lahore to set up an agricultural technical institute.

Health (Zindagi Sehat kay Saath)

Since 1991, the Company has been conducting eye care programmes for the community of Khewra near the Soda Ash plant. The programme is run in collaboration with the Layton Rahmatullah Benevolent Trust (LRBT). The programme has been benefitting deserving patients for the past 24 years and from July 2014 to June 30, 2015, 10 eye clinics were successfully conducted. In this period 4,007 OPDs, 587 major surgeries, 47 minor surgeries and 2,147 refractions were performed.

The Foundation contributed funds towards state-of-the-art operation theatre equipment at the Shahbaz Sharif Mother and Child Complex at Sheikhpura. An IT backup server was also donated to the Punjab Institute of Cardiology in Lahore. Additionally, the Foundation provided financial assistance to the Kidney Centre for one hundred dialyses and also held blood donation camps in collaboration with Fatimid Foundation.

Community (Hamqadam)

ICI Pakistan volunteers celebrated international Mother's Day with the residents of an old age home in Karachi. The residents shared their experiences with the visitors, who presented gift packs. Our volunteers also celebrated Independence Day with patients in the paediatric wards of Civil Hospital and the National Institute of Cardiovascular Diseases. It was an enjoyable activity in which children and their parents participated enthusiastically.

Environment (Saaf Mahol – Taza Hawa)

Instituting respect for the environment is a core philosophy at ICI Pakistan Limited. The Company emphasises and encourages proactive, environmentally-friendly initiatives. Thus a street cleaning drive was conducted in Karachi in collaboration with the Indus Valley School of Arts and Architecture, Karachi. The Company also held a street cleaning drive at Raiti Line in Bath Island, Karachi, in collaboration with the Commissioner Karachi Youth Team and the students of Manzil School.

The Company has been regularly using bio-degradable envelopes to mail Annual Reports to various stakeholders.

Over the years, this initiative has helped save:

25 trees, 4.4 cubic yards of landfill space, 2.9 barrels of oil, 10,150 gallons of water and 5,945 kilowatt hours of electricity. The Company observed Earth Hour on March 29, 2015, by switching off all unnecessary lights across all sites. Earth Day was also celebrated through tree plantation activities held at the Polyester and Soda Ash manufacturing sites at Sheikhpura and Khewra. At the Karachi Head Office, the Company conducted a tree plantation drive in collaboration with The Citizen's Foundation school students. A total of 28 trees were planted by the TCF Korangi Campus students. World Environment Day is celebrated globally on June 5 every year. This year, the entire staff at our Karachi Head Office participated in a tree plantation drive and planted 27 Gulmohar trees near the entrance.

Disaster Relief

In 2014, thousands of people in North Waziristan were forced to leave their homes and thus became Internally Displaced Persons (IDPs). The government and numerous companies from the corporate sector set up relief camps across the country. The Company donated funds towards the Chief Minister's Punjab Relief Fund for North Waziristan IDPs, and employees separately donated half day salaries to the Pakistan Army towards rehabilitation efforts.



Governance & Compliance

Transparency in action

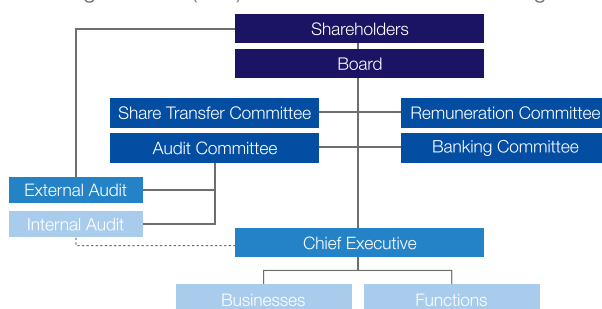
ICI Pakistan Limited has a long-standing reputation for the highest ethical standards. The Company's clarity in Governance and Compliance policies ensures accountability and integrity. This section includes the Board of Directors' report, providing details of all activities and business performances. Our Governance, Compliance and Risk Management policies are also part of this segment.

Corporate Governance and Compliance

ICI Pakistan Limited's corporate governance structure is based on the Company's Articles of Association, and statutory, regulatory and other compliance requirements applicable to companies listed on the stock exchanges, complemented by several internal procedures. These procedures include a risk assessment and control system, as well as a system of assurances on compliance with the applicable laws, regulations and the Company's Code of Conduct.

Corporate Governance Statement

ICI Pakistan Limited is a public limited company established under the laws of Pakistan. The shares of the Company are listed on all three stock exchanges of the country: the Karachi Stock Exchange Limited (KSE), Lahore Stock Exchange Limited (LSE) and Islamabad Stock Exchange



Major External Regulations

- Companies Ordinance, 1984 and other allied laws
- Listing Regulations/Rules of the stock exchanges, KSE, LSE & ISE
- Code of Corporate Governance
- CDC Regulations
- Other SECP Regulations, Circulars, Notifications and Guidelines, etc.

Major Internal Regulations

- The Articles of Association of the Company
- Code of Conduct
- Significant policies
- Financial Remits

Limited (ISE).

The Board of Directors is responsible for governing the organisation by establishing Board policies, setting the goals, objectives and strategies the Company has to adopt, and formulating the policies and guidelines towards achieving those goals and objectives.

The Board is accountable to the shareholders for discharge of its fiduciary function. The management is responsible for implementation of the aforesaid goals and strategies in accordance with the policies and guidelines laid down by the Board of Directors.

In order to facilitate a smooth running of the day-to-day affairs of the Company, the Board entrusts the Chief Executive with necessary powers and responsibilities. The CE in turn is assisted by an Executive Management Team comprising the Chief Financial Officer and the Heads of Businesses and functions. The Board is also assisted by a number of sub-committees comprising mainly of independent/non-executive directors.

Code of Conduct

ICI Pakistan Limited has always held in high esteem the best practices of corporate governance and believes in widely propagating values and ethics for strict adherence by all the employees, contractors, suppliers and others while doing business for the Company.

Even before the introduction of the requirement in the Code of Corporate Governance in 2002 (CCG) ICI Pakistan Limited had a comprehensive Code of Conduct. In order to apprise the employees of the Code of Conduct, the Company organises training sessions and induction programmes on a regular basis to ensure compliance at all levels.

Furthermore, all employees are required to sign a declaration of compliance with the Code of Conduct upon joining the Company, as well as electronically on a regular basis.

Speak Up

In order to facilitate strict adherence to the Code of Conduct, employees also have access to a "Speak Up" programme whereby any employee can report any suspected unethical dealing by any Company employee on a confidential basis either through telephone or e-mail to the relevant HR manager or Head of Internal Audit. During the year, the Board of Directors revisited and further beefed up the process where, to further enhance anonymity, a third party has also been hired (a renowned firm of Chartered Accountants), which can be approached for filing a complaint. All complaints are thoroughly investigated and the results of the investigation are communicated to the complainant (if the return address is provided). This process is overseen by the Board Audit Committee.

Board Composition

The present Board of ICI Pakistan Limited comprises a well-balanced mix of executive, non-executive and independent directors. It has eight directors: two executive directors, four non-executive directors and two independent directors. The Chairman of the Board is a non-executive director. The positions of Chairman and Chief Executive are held by separate individuals with clearly defined roles and responsibilities.

ICI Pakistan Limited has had an Audit Sub Committee and a HR & Remuneration Sub Committee of the Board much prior to the introduction of the Code of Corporate Governance comprising mainly of non-executive directors including the Chairman. The terms of reference of these Committees are provided in this Report.

Internal Control

ICI Pakistan Limited has a sound system of internal control and risk management. The Board has an overall responsibility to oversee the internal control processes. The Risk Management and internal control processes are designed to safeguard the Company's assets and to appropriately address and/or mitigate emerging risks being faced by the Company.

The Company maintains a clear organisational structure with a well-defined chain of authority. Senior management has the responsibility to implement procedures, monitor risk and assess the effectiveness of various controls.

Insider Trading

The Company has a stringent policy on insider trading and securities transactions. The policy paper, which is circulated to all employees of the Company from time to time, lays down the procedure employees have to follow while dealing in the shares of the Company.

Closed periods are announced by the Company prior to the announcement of financial results during which "Executives" (as defined by the Board to be an employee drawing a basic salary of PKR 2.4 million or above in a year) and some finance staff are barred from dealing in the Company's shares. They can deal in the Company's shares only outside the closed periods. Any transaction carried out by an Executive in the shares of the Company has to be reported to the Company Secretary within four days of execution of the transaction with relevant details of purchase/sale of shares.

Competition Law

As embodied in our Code of Conduct, ICI Pakistan Limited supports the principles of free enterprise and fair competition. The Company competes vigorously but fairly with its competitors within the framework of applicable laws - all to provide better and increasingly useful products and more efficient services to our customers.

The Legal Department conducted a comprehensive Competition Law Training to relevant employees in 2014-2015. We continue to regularly hold training sessions to ensure compliance with competition laws for relevant employees. Additionally, all employees are apprised of relevant competition laws in the Code of Conduct, for which each employee signs a declaration of compliance upon joining the Company and on a regular basis thereafter.

United Nations Global Compact (UNGC)

ICI Pakistan Limited remains committed to making the UNGC's Ten Principles part of our strategy, culture and day-to-day operations. The Ten Principles form a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

Adequate Disclosure

At ICI Pakistan Limited, it is our endeavour to continue to be transparent in all our dealings with all stakeholders. This is achieved through adequate and comprehensive disclosure of all communications to our shareholders and other stakeholders, including our financial statements.

All critical accounting estimates, rules and procedures governing extraordinary transactions, or any changes in accounting policies along with their financial impact, are disclosed in the notes to our financial statements. We follow the Companies Ordinance, 1984, and applicable IAS and IFRS (International Accounting Standards and International Financial Reporting Standards). In addition, we endeavour to provide as much supplementary information in the financial statements as possible.

Annual General Meeting (AGM)

The Company holds its AGM of the shareholders in light of the Companies Ordinance, 1984, Listing Regulations, Code of Corporate Governance and its Articles of Association. We request all our shareholders to participate in the AGM and other general meetings as and when convened. We also ensure that a copy of the annual report containing the agenda and notice of our AGM is dispatched to every shareholder at her/his registered address within the stipulated time.

During the last Annual General Meeting of the Company, no issues were raised by the shareholders present. Queries raised with regards to polyester staple fibre (Polyester Business), dense ash (Soda Ash Business) and nutraceuticals (Life Sciences Business), were responded to accordingly.

Ownership & Control Structure

Complete disclosure of ICI Pakistan Limited's shareholding structure is given in the pattern of shareholding pursuant to the Companies Ordinance, 1984, and the Code of Corporate Governance in the printed accounts of the Company. Our share capital is comprised of ordinary shares. No other class of shares is issued by the Company. Yunus Brothers Group (YBG) has acquired 86.72% shares in the Company, details of which are disclosed in the pattern of shareholding. The rest of the shares are held by the general public and institutions.

Related Party Transactions

We maintain a complete and updated list of related parties. All transactions with related parties are carried out on an unbiased, arm's length basis as per formulas approved by the Board of Directors. A complete list of all related party transactions is compiled and submitted to the Audit Committee every quarter. After review by the Audit Committee the transactions are placed before the Board for their consideration and approval.

Material Interests of Board Members

Directors are required to disclose, at the time of appointment and on an annual basis, the directorships or memberships they hold in other corporate bodies. This is in pursuance with Section 214 of the Companies Ordinance, 1984, which also requires them to disclose all material interests. We use this information to help us maintain an updated list of related parties. In case any conflict of interest arises, the matter is referred to the Board's Audit Committee.

Chief Executive Performance Criteria

The performance of the Chief Executive is evaluated on a blend of quantitative 'value' and qualitative 'values' driven objectives. Quantitative value-driven objectives relate to growth and financial performance of the company while qualitative values relate to the Company's performance on sustainability parameters. Underpinning both these objectives is the "how" component, which measures what processes and policies were implemented and complied with.

Evaluation of the Board's Performance

The Board evaluates its performance by looking at the overall performance of the Company. Every member of the Board tries to attend all the meetings of the Board and to actively participate in its proceedings. Discussions are held on various strategic issues. The Board ensures that the Company adopts the best practices of corporate governance in all areas of its operations and has a robust internal control system. The Board closely monitors the major capital expenditure projects including balancing, modernisation and

replacement. Succession planning and compliance with all regulatory requirements are also areas towards which the Board's attention is closely focused throughout the year. The Board is fully cognisant of the Company's commitment to its sustainability strategy based on social, economic and environmental factors and has issued appropriate policy guidelines to ensure continued maintenance of performance in these areas.

Internal and External Audit

Our Internal Audit function plays a pivotal role in providing the Board with an objective view to evaluate and improve the effectiveness of the risk management and related control systems throughout the entity. The Head of Internal Audit independently reports to the Audit Committee and administratively to the Chief Executive. KPMG has been hired to perform the internal audits within the Company. The Head of Internal Audit ensures that the audit plan, as approved by the Audit Committee, is effectively and seamlessly implemented via close coordination with KPMG. Internal Audits were executed across all Businesses by our independent internal auditors and all findings were reported to the Management and the Audit Committee of the Board. Action plans are followed up rigorously to ensure that timely corrective action is implemented for the effective functioning of controls. The Board, through the Audit Committee, has reviewed the assessment of risks, internal control and disclosure procedures and suggested remedial actions where applicable.

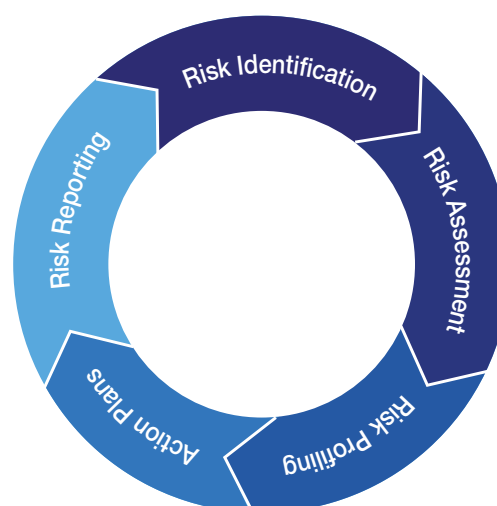
The role of the Audit Committee is to assist the Board in fulfilling their oversight responsibilities regarding the integrity of ICI Pakistan Limited's financial statements, risk management and internal control, compliance with legal and regulatory requirements, the external auditors' performance, qualifications and independence, and the performance of the internal audit function.

The external auditors are appointed by the shareholders on a yearly basis at the AGM on the recommendation of the Board of Directors. The partner in charge of our audit is rotated every five years as per the local regulations.

Risk Management

The Board has an overall responsibility for the risk management process, incorporating risk management and internal control procedures. A comprehensive and robust Enterprise Risk Management (ERM) framework has been implemented recently across the Company. This framework is based on comprehensive, interactive and management-oriented systems and processes which enable the early identification, evaluation and response to those risks that could materially affect the achievement of our strategic, operational, financial and compliance objectives. The Company's documented and regularly reviewed procedures are designed to safeguard assets whilst addressing any risk that the Businesses or the overall Company may face, and ensures timely reporting to the Board and senior management. Our risk management system promotes a balanced approach to manage risks at the Business and organisational level and is capable of identifying, evaluating, measuring and monitoring risk.

The risk management system has identified a number of financial and non-financial risks that the Company is exposed to and necessary action plans are in place to ensure such risks are mitigated in a timely fashion.



Strategic

External Risk

Adapting to changing economic conditions, government policies, and law and order situation

- Risk of ad-hoc tariff adjustments on imports impacting local producers, such as ICI Pakistan Limited.
- Risk of imports at uneconomical prices or dumping in Pakistan by major international manufacturers.
- Risk of disruption of business operations due to worsening law and order situation.

Risk Corrective Action

Continued commitment to the values of customer centricity, product quality, innovation and supply chain efficiencies, along with a strong market footprint, can help us appropriately respond to challenges posed by weak economic and demand conditions. The Board and management endeavour to define and implement a clear strategy to overcome these strategic external risks by regularly benchmarking production efficiencies against competitors to minimise cost. The Board and management continuously seek dialogue with policy makers through various business forums in the overall interest of the domestic industries and is actively vigilant with policies and proceedings of cases filed against anti-dumping. Training is also provided to update concerned stakeholders with regards to the law and order situation.

Internal Risk

Attracting and Retaining Talent

The challenge is retaining and recruiting the right talent to deliver the strategic ambition for the Company.

Risk Corrective Action

Our key focus remains on the growth and wellbeing of our intellectual capital. The re-launch of ICI Pakistan Limited's value driven competency framework (Success Factors) provides the roadmap for talent acquisition and development activities, ensuring that the right talent is available for the delivery of strategic ambitions.

Advancing the wellbeing and engagement of our workforce is a high priority and we consider it a commitment that encompasses employee satisfaction and competitive benefits. The Board and management place great emphasis on attracting, educating, motivating and retaining our workforce, by further strengthening tools such as our performance and development discussion, organisation health surveys and ensuring robust succession planning in the organisation.

Commercial and Operational Risks

External Risk

Severe energy shortages and price hikes affecting cost of doing business and downstream demand

Disruption of supply of natural gas to the Company's production facilities negatively impacts Business deliverables due to considerable erosion of margins as a result of using expensive alternate fuels.

Risk Corrective Action

Major investments have been made in coal/biomass power and steam generation projects and more have been committed to make our manufacturing facilities self-sufficient in terms of their reliance on natural gas. The coal/biomass steam turbine project was successfully commissioned during the year at the Polyester plant. To further enhance the energy mix in the Soda Ash Business, work is in process for new steam and power generation projects.

To partially mitigate the financial impact of gas unavailability, the Company continuously remains engaged in various cost saving, energy and efficiency related projects. The risk of lower downstream demand due to energy shortages is partially managed through technical and commercial support to improve downstream efficiencies.

Internal Risk

Overdependence on single source suppliers and major principals

Risk of failing to identify alternate sources of raw material suppliers. Also, the risk of failing to maintain key business relationships with major principals, which may result in business interruption and subsequently, financial loss to the Company.

Risk Corrective Action

The Company aims to use its purchasing power and long term relationships with suppliers to ensure continuous availability of raw materials and to safeguard their constant delivery at the best conditions. The maintenance of optimum inventory levels partially mitigates the risk of abrupt supply interruption. The management continues to engage principals and partners in the value chain to align strategic views and cement long term partnerships. Also, the Company continues to build a portfolio of 'own brands' to reduce the adverse impact in case of discontinuation of principals.

Health, Safety, Environmental and Security

HSE&S risks in production and supply chain processes can adversely affect our operations. These risks concern areas such as personal health and safety, product safety and operating eco-efficiency. An unlikely scenario can involve major incidents with a high impact for our organisation as well as our local communities, which may cause business disruption and reputational damage.

For us, compliance with HSE&S standards is our licence to operate. The Company continues to focus on energy conservation, waste and operational efficiencies and eco-efficiency foot print reduction. A detailed report on HSE performance and development in 2014-2015 is available in the report.

Financial Risks

External Risk

Fluctuation in exchange rates

Continued depreciation of the Pakistani Rupee against the US Dollar has a negative impact on the financial results of our Businesses through erosion of margins, particularly in the Life Sciences Business, where prices of pharmaceutical products are capped by the Ministry of Health.

Interest rate risk

Risk of an increase in interest rates having an adverse impact on the profitability of the Company.

Internal Risk

Credit Risk

Risk of default in payments by credit customers in the current challenging economic conditions, leading to adverse financial impact on the Company.

Liquidity Risk

Risk of the Company not being able to fulfil its financial obligations due to non-availability of sufficient funds.

Compliance Risks

Internal Risk

Compliance with laws and regulation

Exposure to liabilities arising out of non-compliance with laws and regulations.

Risk Corrective Action

We have a centralised treasury and forward contracts are obtained from time to time to limit the exposure to foreign currency risk. However, the erosion of margins because of an inability to raise prices as highlighted above is a risk the Company has to take and is being partially mitigated through the introduction of generic brands and continuous engagement with policy makers in the Government.

The company has availed financing for working capital requirements at competitive spreads and major borrowing is set on a floating rate. For other borrowings, the interest rate risk is at an acceptable level.

Risk Corrective Action

The Company's counterparty risk is sufficiently diversified with established limits for key customers. Credit reviews are regularly conducted to align the exposure in line with the changing conditions while remaining within the bounds of the overall risk appetite of the Company.

The Company ensures optimum utilisation of cash generated by operations and has sufficient financial lines with various institutions to meet any funding requirements.

Risk Corrective Action

We closely monitor changes in the regulatory environment and adapt to all significant changes in a timely manner. We are dedicated to compliance with all legal and regulatory requirements with special emphasis on conformity with our Code of Conduct.

We operate under a comprehensive Competition Law compliance programme including training, monitoring and assessment.

Board and Management Committees

Committees of the Board

a) **Audit Committee with brief terms of reference**

The Audit Committee ensures that the Company has a sound system of internal financial and operational controls. Chaired by an independent director, the Committee serves as 'the eyes and the ears' of the Board, assisting it in discharge of its fiduciary responsibilities.

The Audit Committee reviews the periodical financial statements of the Company and announcements of results to the stock exchanges. One important responsibility of the Committee is to recommend to the Board the appointment of external auditors, and facilitate the external audit and discuss with the external auditors major observations arising from interim and final audits. In doing so the Committee also reviews the management's response.

Besides this, risk management, compliance with relevant statutory requirements, review of legal matters which may significantly impact the financial statements, monitoring compliance with the best practices of corporate governance and investigating any violations thereof and ensuring coordination between internal and external auditors are also the main responsibilities of the Audit Committee.

In carrying out its duties the Audit Committee has the authority to discuss any issue within its remit directly with the management, internal auditors or external auditors and may obtain outside legal or professional advice on it, if it considers necessary. The Audit Committee comprises three members, of whom two are non-executive directors and the Chairman of the Committee is an independent director and the head of internal Audit act as the Secretary to the Committee. The Chief Financial Officer and representatives of internal auditors attend the Committee meetings by invitation.

The Audit Committee meets at least four times in a year. At least once a year, it meets the external auditors independent of the CFO and the internal auditors.

b) **Human Resource & Remuneration Committee**

The HR and Remuneration Committee is a Sub-Committee of the Board and is responsible for reviewing and recommending the selection, evaluation, compensation of the Chief Executive, the Executive Management Team and the Head of Internal Audit. Additionally, it also reviews and recommends the Human Resource Management Policies and the Succession Planning Process for the position of the Chief Executive and his direct reports.

The Committee also takes into consideration the recommendations of the Chief Executive on such

matters for key management positions who reports directly to the CE and obtains approval on such recommendations from the Board.

The Committee comprises five members: three non-Executive Directors including the Chairman of the Committee, one Executive Director and one Independent Director. The General Manager Human Resource acts as the Secretary to the Committee. The Committee meets at least once a year.

c) **Banking Committee**

This Committee comprising two Executive and one Independent Director has been constituted to approve matters relating to opening, closing and day to day operations of bank accounts. The resolutions passed by the Banking Committee are subsequently ratified by the Board.

d) **Share Transfer Committee**

The Share Transfer Committee consists of two Executive and one Non-Executive Director. This Committee approves registrations, transfers and transmission of shares. Resolutions passed by the Shares Transfer Committee are subsequently placed at Board meetings for ratification.

Management Committees

a) **Executive Management Committee**

The Chief Executive is the Chairman of the Executive Management Committee. The Committee comprises all Business and Functional Heads. This Committee meets once a month under the chairmanship of the Chief Executive and is responsible for strategic business planning, decision making and overall management of the Company.

b) **HSE Management Committee**

The Health, Safety & Environment Committee, chaired by the Chief Executive, periodically reviews and monitors companywide practices. It oversees the health, safety and environment functions of the Company and is also responsible for ensuring that all our operations are environment-friendly and compliant with the prevalent regulatory framework.

c) **Succession Planning Forum**

This forum is chaired by the Chief Executive and meets periodically to review the Company's succession planning and talent pipeline at all levels. This forum is supported by the following capability groups:

- Commercial Capability group
- Technical Capability group
- HR Capability group
- Finance and IT Capability group

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 Committee

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

HR & Remuneration Committee

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

Chief Financial Officer

Muhammad Abid Ganatra

Company Secretary

Saima Kamila Khan

Head of Internal Audit

Muhammad Ali Mirza

Executive Management Team

Asif Jooma	Chief Executive	M A Samie Cashmiri	Vice President, Life Sciences Business & Strategy
Arshaduddin Ahmed	General Manager, Chemicals Business	Saima Kamila Khan	General Counsel, Company Secretary & Head of Corporate Communications & Public Affairs
Fathema Zuberi	General Manager, Human Resources	Suhail Aslam Khan	Vice President, Polyester & Soda Ash Businesses
M Abid Ganatra	Chief Financial Officer		

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

Our Board of Directors



Muhammad Sohail Tabba
Chairman

Muhammad Sohail Tabba is a leading businessman in Pakistan with vast experience in the manufacturing, energy, real estate and cement sectors gained during an illustrious career spanning over two decades.

His association with the Yunus Brothers Group (YBG), one of the largest export houses of Pakistan, has successfully transformed the group's textile concerns into leading global players, including names such as Gadoon Textile Mills Limited and Lucky Knits (Pvt.) Limited where he serves as the Chief Executive, and Yunus Textile Mills Limited and Lucky Textile Mills Limited where he serves as a Director on the Board.

Muhammad Sohail Tabba is also the Chief Executive of Lucky Energy Pvt. Limited and Yunus Energy Limited in addition to Lucky One Pvt. Limited. He is the Chairman of Lucky Paragon Readymix Concrete and a Director on the Board of Lucky Cement Limited, the leading cement manufacturer and exporter of Pakistan.

He was appointed as a Non-Executive Director on the Board of ICI Pakistan Limited on December 28, 2012, and appointed as the Chairman of the Board of Directors of ICI Pakistan Limited on April 29, 2014.

Mr. Sohail Tabba's philanthropic and social engagements include being the founding member of the Child Life Foundation and the Italian Development Council. He also serves as a Director for the Tabba Heart Institute and Aziz Tabba Foundation. In the past he has also served on the Board of Governors at Hamdard University Pakistan.



Muhammad Ali Tabba
Vice Chairman

Appointed as Vice Chairman of ICI Pakistan Limited on December 28, 2012, Muhammad Ali Tabba has been Chief Executive of Lucky Cement Limited since 2005, succeeding his late father. He started his career as a Director with the Yunus Brothers Group (YBG) in 1991 and since then he has successfully reformed and expanded the companies he heads in the Group. He also serves as the Chief Executive of Yunus Textile Mills Ltd., a leading name in the home textile industry with subsidiaries in the US, Europe, Canada and France.

Muhammad Ali Tabba is a distinguished leader and serves as a Board Member of the Trade Development Authority of Pakistan, the premier trade organisation of the country which works under the Federal Ministry of Commerce. He is also a Trustee of the Fellowship Fund for Pakistan which sponsors and sends a top Pakistani scholar every year to the Woodrow Wilson International Centre for Scholars, a think tank based in Washington D.C. In addition to these important roles, Mr. Tabba is also on the Board of Pakistan Business Council (PBC), a business advocacy forum comprising of leading private-sector businesses. He has been nominated on the Board of the Pakistan-India Joint Business Council (PIJBC), which promotes trade between the two countries. Mr. Tabba is also the Chairman of All Pakistan Cement Manufacturing (APCMA), a regulatory body of cement manufacturers in Pakistan.

Muhammad Ali Tabba is also a generous philanthropist with extensive engagements in many community welfare projects. He serves on the Board of Governors of numerous renowned universities, institutions and foundations. He is the Vice Chairman of a not-for-profit organisation, the Aziz Tabba Foundation (ATF), that is working extensively in the field of education, health and housing. The Foundation runs a state-of-the-art cardiac hospital, the Tabba Heart Institute and a kidney centre, the Tabba Kidney Institute. ATF's mission is to provide humanitarian and welfare services to the community at large from all over Pakistan.

Recognising his commitments in the social development sector of the country, the World Economic Forum (WEF) in 2010 bestowed the title of Young Global Leader (YGL) to Mr. Tabba in recognition of his outstanding services and contributions.



Appointed as non-executive Director on the Board of Directors of ICI Pakistan Limited on December 28, 2012, Amina Abdul Aziz Bawany is a post graduate in Early Years Education with over ten years' experience in the education sector. She has held a key oversight position within the Yunus Brothers Group (YBG) and possesses a versatile skill set with experience in customer relations and sales, and is known for her attention to detail and excellent communication skills.

She is also on the boards of various charities that successfully raise funds for the medical and educational needs of underprivileged citizens of Pakistan.



Appointed as Non-Executive Director on the Board of Directors of ICI Pakistan Limited on April 29, 2014, Jawed Yunus Tabba is the Chief Executive of Lucky Textile Mills Limited, which is amongst the top five home textile exporters in Pakistan.

He has rich experience in the textile industry and is also managing the real estate project LuckyOne, which once completed will be the largest mall in Karachi. Jawed Tabba is also involved in the Aziz Tabba Foundation, which is the Yunus Brothers Group's foundation for philanthropy.

Our Board of Directors



Asif Jooma
Chief Executive

Asif Jooma started his career in the corporate sector with ICI Pakistan Limited in 1983 and has over 30 years of extensive experience in senior commercial and leadership roles. Following early years with ICI Pakistan Limited and subsequently Pakistan PTA Limited, Asif Jooma was appointed Managing Director of Abbott Laboratories Pakistan Limited in 2007. After serving there for nearly six years, he returned to ICI Pakistan Limited as Chief Executive in February 2013.

A Bachelor of Arts in Developmental Economics from Boston University, Asif Jooma has previously served as President of the American Business Council, President of the Overseas Investors Chamber of Commerce & Industry, member of the Board of Investment, Government of Pakistan, and Chairman of the Pharma Bureau. Asif Jooma serves on the Board of NIB Bank Limited, Systems Limited and is the Chief Executive of NutriCo Pakistan Pvt. Limited. He is on the Board of Governors of the Lahore University of Management Sciences and the Indus Valley School of Art and Architecture, and is also a Trustee of the Duke of Edinburgh's Awards Programme. Asif Jooma has attended Executive Development Programmes at INSEAD and Harvard Business School.



Khawaja Iqbal Hassan
Independent Director

Khawaja Iqbal Hassan was appointed as an Independent Director on the Board of ICI Pakistan Limited on January 18, 2013.

Mr. Hassan graduated cum laude from the University of San Francisco in 1980 with majors in Finance and Marketing. He started his career with Citibank N.A. where he held key positions in Saudi Arabia, Turkey and Pakistan. After leaving Citibank in 1994, Mr. Hassan co-founded Global Securities Pakistan Limited, a former joint venture firm of UBS and then established NIB Bank Limited which was subsequently majority-acquired by Temasek Holdings of Singapore. He served as the Chief Executive Officer of both institutions.

Mr. Hassan is presently a member of the Board of Directors of the State Bank of Pakistan and the Board of Governors of the Karachi Grammar School. He has previously served on the Boards of the Civil Aviation Authority of Pakistan (CAA), Pakistan Steel Mills Limited, Habib Bank Limited, National Fullerton Asset Management Company Limited, Citicorp Investment Bank Pakistan, the Pakistan Fund, Global Securities Pakistan Limited, NIB Bank Limited, the Lahore University of Management Sciences (LUMS), the Central Depository Company of Pakistan Limited and the Pakistan Centre for Philanthropy (PCP).

Mr. Hassan is a former Vice Chairman of the Pakistan Bankers' Association and has served as Chairperson, Banking Sector Committee on Reform of Pakistan's Banking Companies Ordinance. He has also been a member of the Prime Minister of Pakistan's Task Forces on Foreign Exchange Reserves Management, Corporate Tax Reform and Capital Markets Reform.

In 2007 Mr. Hassan was awarded the Sitara-i-Imtiaz by the Government of Pakistan for meritorious contribution to national interests.



Kamal A Chinoy
Independent Director

Mr. Kamal A Chinoy is Chief Executive of Pakistan Cables Ltd. He graduated from the Wharton School, University of Pennsylvania, USA.

He serves on the Board of Directors of ICI Pakistan Ltd, International Industries Ltd., International Steels Ltd, NBP Fullerton Asset Management Ltd (NAFA), and Atlas Battery Ltd. and is Chairman of Jubilee Life Insurance. He is also Honorary Consul General of the Republic of Cyprus.

Mr. Kamal Chinoy is a member of the Executive Committee of the International Chamber of Commerce (ICC) Pakistan and Past President of the Management Association of Pakistan (MAP). He is also serving on the Board of Governors of Army Burn Hall Institutions.

He has previously served as the Chairman of the Aga Khan Foundation (Pakistan). He has also served as a Director of Pakistan Centre of Philanthropy, Pakistan Security Printing Corporation, Atlas Insurance and First International Investment Bank (an Amex JV). He has also served on the Undergraduate Admissions Committee of the Aga Khan University and the University of Pennsylvania Alumni Committee for Pakistan.

He is an advisor to Tharpak, a consortium of international companies interested in developing the Thar coal field.

He is a "Certified Director" having been certified by the Pakistan Institute of Corporate Governance.



Muhammad Abid Ganatra
Executive Director & CFO

Appointed as a Director on the Board of Directors of ICI Pakistan Limited on December 28, 2012, and as the Chief Financial Officer of the company in April 2013, Abid Ganatra has been associated with the Yunus Brothers Group since 1994. He has more than 20 years of diversified experience in senior management positions with an emphasis on financial management, operational management, capital restructuring, mergers and acquisitions, corporate and legal affairs as well as taxation.

Abid Ganatra is a fellow member of the Institute of Chartered Accountants and the Institute of Cost and Management Accountants of Pakistan. He has also gained a masters' degree in Economics and a bachelors in Law.

1953

The Khewra Soda Ash Company is incorporated as a public limited company.

1966

The name Soda Ash changes to Manufactu

Sitting from Left to Right

Muhammad Abid Ganatra
Chief Financial Officer

Asif Jooma
Chief Executive

Kanize Fathema Zuberi
General Manager
Human Resources

Standing from Left to Right

Suhail Aslam Khan
Vice President
Polyester & Soda Ash

M. A. Samie Cashmiri
Vice President
Life Sciences & Strategy

Saima Kamila Khan
General Counsel, Company
Secretary & Head of CCPA

Arshaduddin Ahmed
General Manager
Chemicals

Our Executive Management Team

of Khewra
Company
ICI Pakistan
ers Limited

1970

ICI Pakistan Manufacturers Limited sets up a Pharmaceutical Factory in Naryanganj East Pakistan. After 1971, the factory became part of ICI Bangladesh Manufacturers Limited

1985

Imperial Chemical Industries Pakistan (Private) Limited and Paintex Limited merge to form ICI Pakistan Manufacturers Limited

1991

ICI Pakistan PowerGen Limited is incorporated as a public limited company

1996

ICI Pakistan increases Polyester Fiber capacity to 60,000 tons and Polymerization capacity to 91,000 tons

2000

PTA Business demerges to form a separate entity, Pakistan PTA Limited

2001

Soda Ash completes Automation Cogeneration Debottlenecking Project

2010

ICI Pakistan Foundation implements a PKR 50 million pan-country Flood Relief Rehabilitation Program providing food and medical care and constructing two villages for affectees



Organisational Structure



Report of the Directors for the year ended June 30, 2015

The Directors are pleased to present their report together with the audited financial statements of the Company for the year ended June 30, 2015.

Overview

Net Sales Income (NSI) of PKR 37,515 million for the year under review is 2% below sales for the year ended June 2014, which was recorded at PKR 38,233 million. This is primarily attributable to lower revenues in the Polyester Business, which declined 16% in line with a downward correction of prices across the petrochemical chain.

NSI in the Soda Ash Business grew by 13% on account of higher volumes and prices, whilst the Life Sciences Business recorded a 17% growth in NSI. The Chemicals Business was almost at par with the same period last year (SPLY).

Operating profit for the year at PKR 3,044 million is 37% higher than the SPLY, on account of significant improvement in the Polyester Business's performance and higher profits in the Soda Ash and Life Sciences Businesses. Furnace oil and natural gas replacement projects were made operational during the year at the Polyester and Soda Ash Businesses, thereby reducing the Company's operational reliance on expensive fuels, considerably easing the energy cost pressure. Lower furnace oil and coal prices also contributed towards improved profitability.

To further enhance the energy mix in the Soda Ash Business, new steam and power generation projects are underway at the Company. These are expected to be completed by next year. Moreover, work on the refined sodium bicarbonate (RSB) and dense soda ash (DA) capacity expansion projects is also progressing satisfactorily.

Earnings per share at PKR 23.02 is 25% higher, compared to PKR 18.43 for the SPLY.

On a consolidated basis (including the result of the Company's wholly owned subsidiary ICI Pakistan PowerGen Limited) Profit after Tax (PAT) for the year at PKR 2,276 million or PKR 24.65 EPS is 24% higher than the SPLY. The Company also completed a 30% equity participation in NutriCo Pakistan Pvt. Ltd. (Morinaga infant formula distribution business), of which PKR 202 million has been recognised as 'Share of Profit from Associate'.

Financial Performance

PKR m	June-15	June-14	Increase/ (Decrease) %age
Turnover	42,594	42,699	0
Net Sales Income	37,515	38,233	(2)
Gross Profit	5,790	4,652	24
Operating Result	3,044	2,226	37
Profit Before Tax	2,703	1,981	36
Profit After Tax	2,126	1,702	25
Earnings Per Share (PKR)	23.02	18.43	25

Dividend

In view of the Company's earnings, the Board of Directors has recommended the Final Cash Dividend in respect of the financial year ended June 30, 2015, at the rate of 65% i.e. PKR 6.5/- per share of PKR 10/-each, subject to the approval of the Shareholders at the forthcoming Annual General Meeting. This, including the interim dividend of PKR 5/- per share already paid, makes a total dividend of PKR 11.5/- per share.

Health, Safety and Environment (HSE)

ICI Pakistan Limited continues to demonstrate an unwavering commitment to health, safety and environment which is comprehensively linked to different business operations. The total reportable injury rate for employees and supervised contractors was lower at 0.16, compared to 0.33 for the SPLY. There was one reportable injury for employees and supervised contractors and no reportable injuries to any independent contractors during the year. A sharp focus on operational discipline and a strict adherence to the Company's Health, Safety, Environment and Security Management System was supported by management focus through the Behaviour-Based Safety (BBS) programme. This is a clear manifestation of our resolve to continue prioritising HSE at the Company.

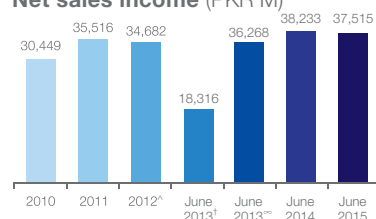
The HSE performance of Businesses continues to improve as Polyester, Soda Ash, Life Sciences and Chemicals respectively achieved 5.91, 3.57, 0.46 and 4.53 million man hours without LTI (lost time injury) for employees and supervised contractors.

The Learning Event database was updated to a new platform, SharePoint, from Lotus Notes, which was previously used. Both databases (Learning Event and EPM) are providing operational effectiveness and will continue to be developed further based on business requirements.

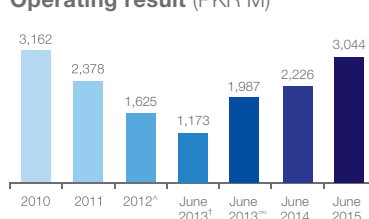
Last year, ICI Pakistan Limited implemented a certified HSE&S Management System and subsequently, in 2014-15, all Businesses and sites completed the review process and

Six years financial performance at a glance

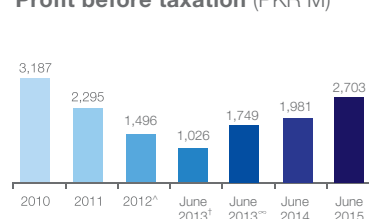
Net sales income (PKR M)



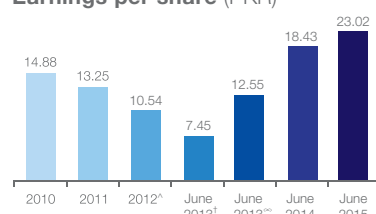
Operating result (PKR M)



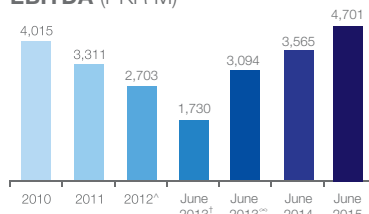
Profit before taxation (PKR M)



Earnings per share (PKR)



EBITDA (PKR M)



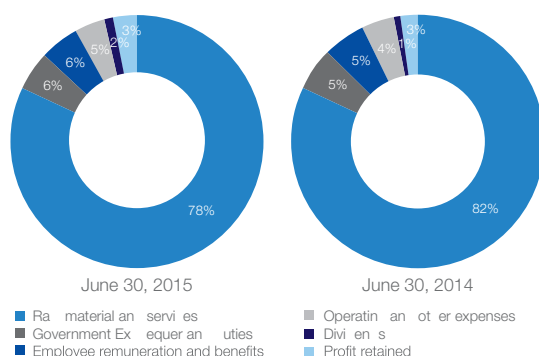
Dividend paid (PKR per share)



^ Restate

† June 13 contains results for the six months period due to an error in financial year

∞ 12 months period June 2013



Value Addition and its distribution

PKR '000

	June 30, 2015	%	June 30, 2014	%
Net Sales including sales tax	40,117,442	99%	40,658,350	99%
Other operating Income	293,547	1%	323,130	1%
	40,410,989	100%	40,981,480	100%
Raw Material and Services	31,424,651	78%	33,433,159	82%
Government Exchequer and duties	2,494,689	6%	1,970,866	5%
Employee remuneration & benefits	2,413,002	6%	2,185,655	5%
Operating and Other expenses	1,952,939	5%	1,689,584	4%
Dividends	831,232	2%	369,436	1%
Profit Retained	1,294,476	3%	1,332,780	3%
	40,410,989	100%	40,981,480	100%

aligned local HSE&S procedures with the new management system. The revised ICI Pakistan Corporate Engineering Procedures were also issued. The HSE&S Management Audit process commenced across the Company; presently the Soda Ash Business audit has been completed, while the remaining audits are due to be completed by Q1, 2015-16. Following the audits, all Businesses shall prepare 2015-16 HSE improvement plans. Additionally, focus on reducing the Company's Operational Eco Efficiency (OEE) footprint has continued throughout the year, with sustainability plans in place for implementation in all Businesses.

ICI Pakistan Limited is renowned for its transparent and comprehensive environmental and sustainability reporting. The Company has received several awards for its reporting in recent years. Maintaining this standing, in June 2015 ICI Pakistan Limited was recognised through the prestigious 'Best Sustainability Report Award', awarded by the ACCA and WWF Pakistan organisation, which recognises companies which support and promote best practices in environmental and sustainability reporting in the country.

A detailed report on HSE performance and development in 2014-15 is available on page 33 of the Annual Report.

Corporate Social Responsibility (CSR)

ICI Pakistan Limited's community investment activities are managed through the ICI Pakistan Foundation, a registered trust run and managed by its own Board of Trustees.

Additionally, numerous other community activities are carried out directly by the Company itself.

The Foundation's philosophy is built around four main areas: education, health, community and environment. However, it also focuses on civic development through investment in community projects, disaster relief and rehabilitation activities.

Education (Ilm-o-Hunar)

The ICI Pakistan Foundation, under its Ilm-o-Hunar initiative, launched a pilot Adult Literacy programme in partnership with Literate Pakistan in 2013. The programme is run nationwide, under the brand name of 'Jugnu'. Last year, over 28 women from the Kakapir village at Sandspit, Karachi, graduated from the programme. After the successful completion of the pilot project at Kakapir, the ICI Pakistan Foundation initiated a new Adult Literacy project at Budhni Goth at Mauripur, Karachi, in collaboration with Jugnu Sabaq. Approximately 40 female students have enrolled in the morning sessions, while 20 male students have enrolled in the evening classes. The popularity of the project has spread to nearby communities and villagers have put forward requests for the same project to be initiated in their localities.

For over a decade, the ICI Pakistan Foundation has been supporting the fishermen community school at the Kakapir village. Our engagement with the community has created awareness about the importance of education. The Foundation has continued its support of the Tibbi Hariya School in Sheikhpura. In line with our CSR strategy, we have



Akira Ohno, Chairman of Morinaga Milk Industry Co. Ltd., with Prime Minister Nawaz Sharif and representatives from NutriCo Pakistan Pvt. Ltd.



Life Sciences donated equipment to a school in Thar

been providing educational opportunities to communities based in the neighbouring areas of Khewra and other operational sites. Furthermore, the Foundation also made a contribution of funds towards the Pakistan Agricultural Coalition in Lahore to set up an agricultural technical institute.

Health (Sehat Zindagi Kay Saath)

Since 1991, the Company has been conducting eye care programmes for the community of Khewra near the Soda Ash plant. The programme is run in collaboration with the Layton Rahmatullah Benevolent Trust (LRBT).

The programme has been benefitting deserving patients for the past 24 years and from July 2014 to June 30, 2015, 10 eye clinics were successfully conducted. In this period 4,007 OPDs, 587 major surgeries, 47 minor surgeries and 2,147 refractions were performed.

The Foundation contributed funds towards state-of-the-art operation theatre equipment at the Shahbaz Sharif Mother and Child Complex at Sheikhpura. An IT backup server was also donated to the Punjab Institute of Cardiology in Lahore. Additionally, the Foundation provided financial assistance to the Kidney Centre for a hundred dialyses and also held blood donation camps in collaboration with Fatimid Foundation.

Environment (Saaf Mahool – Taaza Hawa)

Instituting respect for the environment is a core philosophy at ICI Pakistan Limited. The Company emphasises and encourages proactive, environmentally-friendly initiatives. Thus a street cleaning drive was conducted in Karachi in collaboration with the Indus Valley School of Arts and Architecture, Karachi. The Company also held a clean street drive at Raiti Line in Bath Island, Karachi, in collaboration with the Commissioner Karachi Youth Team and the students of Manzil School.

The Company has also been regularly using bio-degradable envelopes to mail Annual Reports to various stakeholders. Over the years, this initiative has helped save 25 trees, 4.4 cubic yards of landfill space, 2.9 barrels of oil, 10,150 gallons of water and 5,945 kilowatt hours of electricity.

The Company observed Earth Hour on March 29, 2015, by switching off all unnecessary lights across all sites. Earth Day was also celebrated through a tree plantation activity held at our Polyester and Soda Ash manufacturing sites at Sheikhpura and Khewra. At the Karachi Head Office, we conducted a tree plantation drive in collaboration with The

Citizen's Foundation school students. A total of 28 trees were planted by the TCF Korangi Campus students.

World Environment Day is globally celebrated on June 5 every year. This year, the entire staff at our Karachi Head Office participated in a tree plantation drive and planted 27 Gulmohar trees near the entrance.

Community (Hum Qadam)

Volunteers from ICI Pakistan Limited celebrated international Mother's Day with the residents of an old age home in Karachi. The residents shared their experiences with the visitors, who presented gift packs. Our volunteers also celebrated Independence Day with the Civil Hospital Karachi's paediatric ward.

Disaster Relief

In 2014, thousands of people in North Waziristan were forced to leave their homes and thus became Internally Displaced Persons (IDPs). The government and numerous companies from the corporate sector set up relief camps across the country. The Company donated funds towards the Chief Minister's Punjab Relief Fund for North Waziristan IDPs, and employees separately donated half day salaries to the Pakistan Army towards rehabilitation efforts.

A detailed report on CSR performance in 2014-15 is available on page 36 of the Annual Report.

Human Resources

In order to achieve our ambition of growing our business exponentially, it is essential that we invest in growing the capability of our people. This is clearly reflected through our unique Talent Management Framework where we ensure continuous focus on talent development. In 2014-15, we were able to provide 16% of our people an opportunity to try out new roles across Businesses and functions within the Company.

We believe that successful individuals are nurtured when employees are provided opportunities to align themselves to the Company's vision and strategy. Employee engagement not only boosts performance but also helps to create an inclusive and innovative environment. With this objective, we partnered with Gallup this year to administer the famous Q12 for ICI Pakistan Limited.



We provide an enabling environment to our employees where they can continuously learn and grow. This year, a total of 23,392 man-hours were invested in employee training focusing on functional needs, success factors, HSE and values. The RISE Mentoring Programme was also launched to help employees gain insights from mentors within the organisation.

Talent Acquisition is a critical ingredient in developing a high-performance culture. We continue to strengthen our talent pipeline for our various streams: Commercial, Technical, Finance, HR and Supply Chain. This year we hired 38 fresh graduates for our trainee programmes and 166 experienced professionals for lateral positions.

Our commitment to an ethical culture is central to our existence and our whistleblowing programme, Speak Up!, is an extension of this tradition. We launched the Speak Up! Programme whereby managers are encouraged to report any suspected violations of our principles and Code of Conduct by reaching out to HR, line manager, Head of Internal Audit or if anonymity is preferred to an external independent contact, which in this case is PricewaterhouseCoopers. This has further strengthened the platform by adding confidentiality, transparency and anonymity to the process.

A detailed report on Human Resources for 2014-15 is available on page 30 of the Annual Report.

Risk Management Framework

The Board has an overall responsibility to oversee the risk management processes, which include both risk management and internal control procedures. The Company's processes, which are documented and regularly reviewed, are designed to safeguard assets and address any risks that the Businesses might face or that may impact business continuity. These are, in turn, reported to the Board and senior management for timely actions where required, to ensure uninterrupted operations.

The Company maintains a clear organisational structure with a well-defined chain of authority. Senior management has the responsibility to implement procedures, monitor risk and assess the effectiveness of various controls.

Lately, the Board has revamped the entire Risk Management approach and is considering a robust Enterprise Risk

Management (ERM) framework which will be integrated within the organisation to help address risks in a timely fashion. The model is based on comprehensive, interactive and management-oriented systems and processes. These shall enable early identification, evaluation and responses to risks that could materially affect the achievement of strategic, operational, financial and compliance objectives.

A detailed report on risk management philosophy, key risks and tools used by the Company is available on page 43 of the Annual Report.

Polyester Staple Fibre Business (PSF)

Net sales, commission & toll income (PKR M)

June 2014	18,842
June 2015	15,874

Operating result (PKR M)

June 2014	(792)
June 2015	(456)

Crude oil prices fell during the year owing to the global economic slowdown and volatile geopolitical conditions. This led to a sharp decline in prices across the petrochemical chain, with PTA falling by 22% and MEG by 12% compared to the SPLY.

However, the advantage of declining feedstock prices was largely offset by a 17% fall in PSF selling prices due to continuous oversupply in both domestic and regional markets, coupled with persistent dumping by exporters from China at uneconomic levels. Despite the fierce competitive environment, the Business was able to strengthen its customer base and registered a 3% growth in market share. The cumulative impact of the above factors resulted in a decline of 16% in net sales.

This was the first full year of operations of the coal fired heaters post commissioning in June 2014. The replacement of expensive alternate fuel significantly decreased energy costs. Moreover, a 25% reduction in furnace oil prices added to



energy savings. The coal/biomass steam turbine project was also successfully commissioned in June 2015. This will further enhance the energy management capability of the Business and will eliminate dependence on expensive fuel during periods of sporadic natural gas supply. Overall, the reduction in energy bills and the increase in sales volumes curtailed the operating loss by 42% compared to the SPLY.

In March 2015, a new Anti-Dumping application was filed against dumped PSF imports from China with the National Tariff Commission (NTC) and is being vigorously followed up. Any improvement in domestic margins will depend on the outcome of this appeal. The Finance Act 2015-16 has maintained the status quo of the tariff structure for the polyester value chain despite the NTC's recommendation to increase PSF customs duty from 6% to 7%. Further, the Business has submitted a comprehensive response to the application filed by Lotte to the NTC opposing the incremental 1% increase in PTA duty from 4% to 5%.

Going forward, the petrochemical chain is likely to further adjust towards a new equilibrium in light of the Iran gas-pipeline deal and other regional geopolitical developments. On the domestic front, market sentiment will greatly depend on the continuous provision of energy to the textile industry. Furthermore, the promulgation of the GIDC Act, 2015, will add to the energy cost burden of producers and will ultimately hamper the price competitiveness of textile products.

Soda Ash Business

Net sales, commission & toll income (PKR M)

June 2014	8,989
June 2015	10,135

Operating result (PKR M)

June 2014	1,866
June 2015	2,288

NSI for the year grew by 13% on the back of higher sales volumes and increased selling prices.

The soda ash market grew by 3% over the SPLY due to strong growth in the bazaar, glass and detergent segments. Growth in the sodium bicarbonate market also continues to remain strong.

The bazaar and glass segments continue to remain the growth engines in the domestic market. Detergent has become the fastest growing segment due to greater downstream demand, especially from the rural population base.

Alternatively, demand from the paper segment has significantly declined as paper manufacturers are substituting caustic liquid in place of soda ash due to its lower price. The silicate segment continued to underperform due to sluggish downstream demand of laundry soap.

The Business recorded its best ever operating result which grew by 23% compared to the SPLY. The recently installed boilers continue to deliver value to the Business through reduction in production costs and rates especially during periods of low gas availability, which has enabled the Business to maintain its domestic market share and maximise profitability.

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 at 311,278 tons was the highest ever achieved in a year and was 7% higher than the SPLY.

Pre-commissioning activities for the new refined sodium bicarbonate (RSB) warehouse were initiated and the new warehouse has been in service since July 2015. Moreover, work is underway on the RSB and dense soda ash capacity expansion projects as well as on the new coal/biomass power and steam generation projects.

A steady growth for Soda Ash is anticipated in 2015-16 as the Business brings in the dense ash and refined sodium bicarbonate expansion projects to cater to the increasing demand in the domestic market.

Life Sciences Business

The Life Sciences Business, for the year ended June 30, 2015, achieved a growth of 17% in Net Sales Income and 12% in its operating results compared to the SPLY. The Pharma and Animal Health Divisions within the Business posted double



Net sales, commission & toll income (PKR M)

June 2014	6,604
June 2015	7,734

Operating result (PKR M)

June 2014	785
June 2015	878

digit growth at NSI level 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, with both the Livestock and Poultry portfolios performing better than last year. Total sales of the Pharmaceutical Division were better due to higher sales across all portfolios. Sales of the Agri Division 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 the overall downturn of the agriculture sector.

The construction of the Animal Health leased manufacturing facility has been completed and the Company has procured a new manufacturing license for the same in ICI Pakistan Limited's name. The facility will commence production in September 2015 subsequent to the transfer of product registrations to the facility.

The Nutraceuticals manufacturing facility at West Wharf is progressing as per plan and is scheduled to start trial production and stability testing of products in the first quarter of next year with commencement of commercial production by October 2015.

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

Chemicals

Net sales income for the year at PKR 3,787 million was nearly at par with the SPLY. Both General Chemicals and Specialty Chemicals recorded growth over the SPLY as demand remained strong in the textile, consumer, industrial chemicals

Net sales, commission & toll income (PKR M)

June 2014	3,804
June 2015	3,787

Operating result (PKR M)

June 2014	367
June 2015	333

and water treatment segments, circumventing the shortfall in the Polyurethanes segment caused due to low sales volumes. NSI remained at approximately the same level while the operating cost was higher, resulting in a total decrease of 9% in the operating result of PKR 333 million.

Going forward, the Business is geared to deliver strong results through product growth and cost efficiencies.

Finance

The Company's balance sheet on June 30, 2015, remains on a strong footing, maintaining current ratio of 1.02 (2014: 1.38) and quick ratio of 0.49 (2014: 0.70). The ratios have reduced from last year due to increased borrowing on account of capital expenditure made towards the energy projects at both major manufacturing locations as well as expenditures incurred on the refined sodium bicarbonate and dense ash expansion projects in the Soda Ash Business.

Net Sales Income at PKR 37,515 million is 2% lower than the SPLY, mainly attributable to lower sales in Polyester Business; however, this deficit was partially offset by higher revenues in the Soda Ash and Life Sciences Businesses.

Gross profit for the year is 24% higher than the SPLY. This is principally due to increased volumes and an overall reduction in the cost of sales which can be attributed to operations of the energy projects coupled with the reduction in furnace oil and coal prices.

Sales and Distribution expenses for the year are 16% higher than the SPLY, essentially due to increased staff costs and outward freight in line with the Businesses' growth. Administration and general expenses for the year were 8% higher than the SPLY.



Children at the Govt. Kakapir Primary School's annual function



Life Sciences Pharmaceuticals team at the 23rd Cardio Con, Karachi

Short-term financing facilities were availed by the Company from various banks to manage working capital funding requirements. As a result of this and exchange losses incurred, finance costs for the year are 4% higher compared to the SPLY. Other operating income is 9% below on account of provision written back and exchange gain during the SPLY. The impact of the above was partially offset by dividend income from associate during the current year.

Profit after Tax (PAT) amounting to PKR 2,126 million is 25% higher than the SPLY.

Earnings per share of PKR 23.02 for the year is 25% higher than the SPLY.

Future Outlook

The macro-economic outlook of the country is showing positive signs of improvement. The gradual increase in foreign exchange reserves, significantly lower inflation and discount rates coupled with expected improvement in energy availability on the back of fast-track energy related projects will play a significant role in enhancing industrial growth. This will also encourage private sector investors to expand their business and maximise capacity utilisation.

The Honourable Supreme Court, vide its judgement dated August 22, 2014, upheld the earlier judgement of the Honourable Peshawar High Court, declaring the levy of GIDC to be without lawful authority and void ab initio. However, on May 20, 2015, the National Assembly and Senate passed the GIDC Bill incorporating retrospective application for all sectors excluding the industrial sector. The Company is currently closely monitoring the GIDC situation and will take appropriate legal recourse if required.

In addition, dumping and under-invoicing of polyester and soda ash at uneconomical prices remains a major concern. The Company is aggressively pursuing the matter with the NTC and other relevant authorities for urgent redressal, failing which the economic viability, particularly of polyester fibres, will be severely challenged.

Acknowledgment

The results of the Company are a reflection of the unrelenting commitment and contribution of its people and the trust placed in the Company by its customers, suppliers, service providers and shareholders.

Auditors

The present auditors M/s Ernst & Young Ford Rhodes

Sidat Hyder, Chartered Accountants retired and being eligible, have offered themselves for reappointment for the new financial year.

As recommended by the Audit Committee, the Board has approved the proposal to appoint M/s Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, as the statutory auditors of the Company, subject to the approval of the Shareholders at the forthcoming Annual General Meeting of the Company.

Compliance with the Code of Corporate Governance

As required under the Code of Corporate Governance incorporated in the Listing Rules of the Stock Exchanges in the country, the Directors are pleased to state as follows:

- The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any deviation from these has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed in the Listing Regulations.
- Key operating and financial data for the last 10 years is summarised on page 22.
- Outstanding taxes and levies are given in the Notes to the Financial Statements.
- The management of the Company is committed to good corporate governance, and appropriate steps are taken to comply with best practices.

Investment in Retirement Benefits

The values of investments made by the staff retirement funds operated by the trustees of the funds as per their respective financial statements (audited) on June 30, 2014, were as follows:

		30-Jun-14	30-Jun-13
		Value (PKR '000)	Value (PKR '000)
1	ICI Pakistan Management Staff Pension Fund	1,265,813	1,277,861
2	ICI Pakistan Management Staff Gratuity Fund	364,442	353,297
3	ICI Pakistan Management Staff Defined Contribution Superannuation Fund	436,660	491,306
4	ICI Pakistan Management Staff Provident Fund	906,841	819,183
5	ICI Pakistan Non-Management Staff Provident Fund	385,421	380,545

Directors' Attendance

During the period under review, six (06) Board meetings, four (04) Audit Committee meetings and four (04) Human Resource Remuneration Committee (HR&RC) meetings were held. Attendance by each Director/CFO/Company Secretary was as follows:

Name of Director	Board of Directors Meetings	Audit Committee Meetings	HR & Remuneration Committee Meetings
Mr. Muhammad Sohail Tabba	6	-	4
Mr. Muhammad Ali Tabba	6	2	4
Mr. Jawed Yunus Tabba	5	4	3
Mrs. Amina A Aziz Bawany	3	-	-
Mr. Asif Jooma	6	-	4
Mr. Khawaja Iqbal Hassan	5	3	4
Mr. Muhammad Abid Ganatra Director & CFO	6	-	-
Mr. Kamal A Chinoy	5	-	-
Ms. Saima Kamila Khan Company Secretary	6	-	-
Ms. Fathema Zuberi Secretary to HR&RC	-	-	4
Mr. Muhammad Ali Mirza Secretary to the BAC	-	4	-



Muhammad Sohail Tabba
Chairman

Dated: August 26, 2015
Karachi

Directors' Training

The majority of the Board members have the prescribed education and experience required for exemption from training programmes of Directors pursuant to the clause (xi) of the CCG, and the rest of the Directors will be trained as per the prescribed time period. All the Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies. The Board had arranged an orientation course of the Code of Corporate Governance for its Directors in the previous years to apprise them of their roles and responsibilities.

Pattern Of Shareholding

A statement showing the pattern of shareholding in the Company along with additional information as at June 30, 2015 appears on page numbers F 50 to F 52.

As at June 30, 2015, Lucky Holdings Limited together with Gadoon Textile Mills Limited and Lucky Textile Mills Limited held 86.72 % shares, while Institutions held 8.29 %, and individuals and others held the balance 4.99 %.

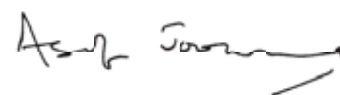
The highest and lowest market prices of ICI Pakistan Limited's shares during 2014-15 were as follows:

Highest	November 10, 2014	PKR 610.00
Lowest	March 30, 2015	PKR 366.39

The Directors, CEO, CFO, Company Secretary and their spouses and minor children did not carry out any transaction in the shares of the Company during the year.

Group Financial Statements

The audited financial statements of the ICI Group for the year ended June 30, 2015 are attached. The ICI Pakistan Group comprises of ICI Pakistan Limited and ICI Pakistan PowerGen Limited, a wholly owned subsidiary.



Asif Jooma
Chief Executive

Statement of Compliance with the Code of Corporate Governance for the year ended June 30, 2015

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Chapter XI, Regulation No. 35 of the Listing Regulation Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent, non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Names
Independent Director	Mr. Khawaja Iqbal Hassan Mr. Kamal A Chinoy
Executive Director	Mr. Asif Jooma Mr. Muhammad Abid Ganatra
Non-Executive Director	Mr. Muhammad Sohail Tabba Mr. Muhammad Ali Tabba Mr. Jawed Yunus Tabba Mrs. Amina A Aziz Bawany

The independent directors meet the criteria of independence under clause i(b) of the CCG.

2. The Directors have confirmed that none of them are serving as a director on more than seven listed companies, including ICI Pakistan Limited.
3. All the resident directors of the Company are registered taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the Board during the year.
5. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedure in addition to being placed on the Company's website.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration, and terms and conditions of employment of the CEO, and other executive and non-executive Directors, have been taken by the Board.
8. During the year, six Board meetings were held, which were all presided over by the Chairman and, in his absence, by the Vice Chairman of the Board. Written notices of all Board Meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. All the Board members have the prescribed education and experience, and are fully conversant with their duties and responsibilities required under the Code of Corporate Governance. During the year, the Board arranged for the training programme, as required under the Code of Corporate Governance, for two of its directors, while two of the other directors are exempted based on the criteria stated therein.
10. No new appointments of the Chief Financial Officer, Company Secretary and Head of Internal Audit were made during the year.
11. The Directors' report has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the Board.
13. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

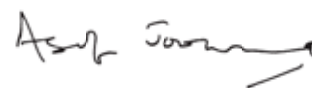
15. The Board has an Audit Committee, which has been in existence since 1992. It comprises of three members, of whom two are non-executive directors and the Chairman of the Committee is an independent director.
16. The meetings of the Audit Committee were held at least every quarter prior to approval of financial results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed a HR & Remuneration Committee, which has also been in operation since 1997. It comprises of five members, of whom three are non-executive directors including the Chairman of the Committee.
18. The Board has outsourced the internal audit function to M/s KPMG Taseer Hadi & Co. Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. They are involved in the internal audit function on a full time basis. The Head of Internal Audit coordinates with the Internal Auditors and reports directly to the Board Audit Committee.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company, and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them, have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/ final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to Directors, CEO, CFO, Head of Internal Audit, other Executives and stock exchanges. ('Executive' as determined by the Board is an employee of the Company who is drawing a basic salary of Rs. 2.4 million or more in a year).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles contained in the CCG have been complied with.



Muhammad Sohail Tabba
Chairman

Karachi
August 26, 2015



Asif Jooma
Chief Executive

Review Report

To the Members on Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the Code of Corporate Governance (the Code) prepared by the Board of Directors of ICI Pakistan Limited (the Company) for the year ended June 30, 2015 to comply with the Listing Regulation No. 35 (Chapter XI) of Karachi, Lahore and Islamabad Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price

and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Code as applicable to the Company for the year ended June 30, 2015.



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Date: 26 August 2015
Karachi





Business Performance

Enduring success

ICI Pakistan Limited is constantly in pursuit of the brightest talent and the most promising opportunities. Channelled through rigorous processes, boundless, blue-sky thinking is the basis for expanding our horizons. This section is about our four main Businesses and their performance and growth in 2014-15.



SODA ASH

We first produced soda ash at our plant in Khewra in 1944, with a capacity of 18,000 tons per annum. Over the course of 71 years this has expanded to 350,000 tons per annum, and is set to become half a million tons in the coming years.

The Soda Ash Business produces soda ash and refined sodium bicarbonate. Soda ash (sodium carbonate) is an inorganic chemical compound manufactured using the Solvay process, in which rock salt and limestone are the key raw materials. It is regarded as one of the most important inorganic chemicals in the world due to its wide range of industrial applications in the production of everyday goods, including glass, detergents, soap and paper.

The Business also manufactures food grade refined sodium bicarbonate, commonly known as 'baking soda', which is used in cooking and also in tanneries, textiles, water purification and poultry feed.

With a product offering that is second to none, the Business has evolved and established itself as one of Pakistan's key industrial assets, and has become the 'Supplier of Choice' in our domestic market.



Market Overview

The soda ash market achieved modest growth over the same period last year despite operating in a harsh business climate. Energy shortages, the unstable political environment and a poor law and order situation have been major hurdles for the industrial sector. The bazaar and detergent segments provided the impetus to market growth due to the high demand of branded/unbranded detergents. The refined sodium bicarbonate market continues to remain strong and a growing population equates to high future growth as well. The glass segment, which constitutes a major share of our market, remained steady through the year despite energy issues and is well placed to take a jump in performance should Pakistan overcome its energy woes.

2014-15 Highlights / Business Performance

The past year was an important landmark in our aspiration of Cultivating Growth with the Business recording the highest ever total sales and net profit in a fiscal year. This achievement reflects our ambition to remain the 'Supplier of Choice' in the domestic market. The Business continued its efforts in retaining key customer accounts in the wake of increased competition from domestic and imported offerings through value-driven propositions and a customer-centric philosophy. The company also made significant progress in export markets. In Northern India, we have established a firm foothold by providing soda ash on a regular basis. The Business also supplied refined sodium bicarbonate to Afghanistan during the year.

Developments

The Board of ICI Pakistan Limited, in its meeting held on February 19, 2015, gave its in principle approval for a phased expansion of 150,000 tons per annum of light soda ash at the Company's Khewra site. This will take the total installed capacity from the current 350,000 tons per annum to 500,000 tons per annum. The first phase of the project is expected to be commissioned in the first quarter of 2018. This expansion project has been undertaken to increase the product offering for our customers in the wake of rising demand and to ensure that the Business continues to remain the supplier of choice for our partners.

Challenges

The Pakistan economic landscape continues to be challenging. Sustaining operations in the face of widespread energy shortages and a poor business climate has been a major hurdle for everyone. This has been true particularly for Soda Ash customers in the silicate, glass, paper, and chemical segments where energy constitutes a major input for operations. The Business continues to invest heavily in projects designed to reduce its dependence on inconsistent natural gas supply and expensive alternate fuels through the installation of coal fired boilers. This allows us to continue to control our costs and provide a reliable and cost effective product to our customers. It is through many such projects and initiatives and strong bond building with our partners that the Business has been, and will be, able to sail through challenging times and continue to deliver value for all stakeholders.

Future Plans

Going forward, the 84,000 tons per annum dense ash and 14,000 tons per annum refined sodium bicarbonate expansion projects are on schedule and will be online in 2015-16. These expansions will enable the Business to further increase market share in the domestic market as well as explore new opportunities for exports in regional markets. The Business will accomplish this by consolidating its relationship with partners, maintaining vigorous focus on providing quality products and services, and creating new relationships in regional markets. The Business anticipates the soda ash and refined sodium bicarbonate markets will maintain their upward growth trajectory. The glass and detergent segments will continue to perform well due to strong downstream demand. Energy supply issues are expected to continue; however, alternative energy projects are in place or have been completed at most sites, which will help buffer the domestic market from further adverse effects. Demand for both soda ash and refined sodium bicarbonate also remains strong from regional markets, which augers well for the Business. ICI Pakistan Limited has become a regional player in the soda ash market, and hence will continue in its aspiration of Cultivating Growth by remaining the supplier of choice for all consumers.



LIFE SCIENCES

At the heart of our Life Sciences Business is the mission to improve lives. From treating tiny cells in our bodies to advancing large scale farming, the Business strives to provide products which enhance all areas of the science of life.

Our portfolios in Animal Health, Pharmaceuticals and Agri have grown considerably in recent years. The core philosophy underpinning these developments is putting our customers first, through empowering communities and ensuring our relationships endure. The Life Sciences Business continues to put down roots for future growth and tend to all its diverse stakeholders.



Asif Jooma, Chief Executive, tours the Animal Health Manufacturing Facility



The Animal Health stall at Expo Lahore

Animal Health

Market Overview

The agriculture sector contributes 21% to the national GDP and employs nearly 44% of the country's labour force. It supports other aspects of the economy by promoting aggregate demand for agro-based industrial goods and services, and accounts for a great proportion of foreign exchange earnings. The livestock sector, which constitutes 56% of the agriculture market, recorded a positive growth of 4.1% in 2014-15 against 2.8% growth during the same period last year. Gross value addition of livestock has increased from PKR 778.3 billion (2013-14) to PKR 801.3 billion (2014-15), a 3% rise. Population growth, urbanisation, increases in per capita income and export opportunities are a few of the main factors fuelling the demand of livestock and livestock products in the country.

The major products of livestock are milk and meat. With abundant natural resources in the shape of a large livestock population and a suitable climate, Pakistan has evolved to become the fourth largest global milk producer. Milk production increased by 3.2% and meat by 4.7% during 2014-15 compared to the previous year. However, the livestock market of Pakistan still remains primarily unorganised; technology adoption is a challenge since the livestock population is scattered with an average farm holding of one to six animals.

Despite the challenges, there is a large gap in Pakistan's per capita consumption of milk and meat compared to the world average and statistics depict an increase in demand for livestock products. This is chiefly due to population growth, higher per capita income, remittances, export proceeds and general immunity from weather-related problems, thereby making the livestock sector a promising avenue for consistent growth.

The poultry sector is one of the most vibrant segments in the agriculture industry of Pakistan. This sector generates employment (direct and indirect) and income for about 1.5 million people. Poultry meat makes up 28% of total meat production in the country. The current investment in the poultry industry is more than PKR 200 billion. The poultry sector has shown a robust growth of 8-10% annually, which reflects its inherent potential. This sector contributed 1.3% in GDP during 2014-15, while its contribution to the agriculture and livestock markets stood at 6.3% and 11.2%, respectively. Value added poultry products at current factor cost has increased from PKR 130.7 billion (2013-14) to PKR 140.5 billion (2014-15), an increase of 7.5% compared to the previous year. The key features of the industry are rapid mechanisation, the introduction of integrated farming systems, superior bio-security and value addition through sizeable investments.

2014-15 Highlights

To further strengthen our portfolio, our Animal Health Division launched four new products: three in the Poultry segment and one in the Livestock segment. Clinafarm is aimed at reducing Aspergillosis in hatcheries and poultry farms. Avi Vit 200 Hepatobooster caters to poultry farmers faced with liver problems. Vemozyme, a naturally thermostable phytase enzyme, is added to strengthen the feed additive portfolio of the Poultry segment. In the Livestock segment, Nuflor has been launched to provide livestock farmers with a top-notch solution to respiratory problems prevalent in livestock.

The revenue of our own brands portfolio under the umbrella of 'Farmer's Choice' was PKR 988 million. Thus, we have recorded a healthy growth of 35% over the same period last year and have made own brands a major component of the Animal Health Division's comprehensive portfolio. The Division's cattle feed Farmer's Choice Vanda has vigorously grown by 32% and Elanco's Somatech exhibited a healthy growth of 31%, resulting from a strong foothold at farm level.

Overall, our Animal Health Division registered net sales of PKR 2,723 million with a robust growth of 32% over the same period last year.

The Animal Health Division also completed the construction of a manufacturing facility and successfully obtained a drug manufacturing license in 2014-15.

Customer Engagement

Our deep-set commitment to our customers defines how we do business. 'Customer Centricity' is one of our core values and this enables us to develop farming communities and introduce sustainable farm management practices to enhance productivity. Awareness campaigns at the grass root level across the country coupled with excellent customer service are the main drivers behind our approach of serving farmers.

Continuing our tradition, in 2014-15 the Animal Health Division arranged technical sessions for customers and invited foreign delegates to discuss current issues related to livestock and poultry. In addition, the Division arranged foreign trips for key customers to attend international conferences and exhibitions with the objective of enhancing awareness about the role of modern technology in increasing productivity and return on investment.

The team is regularly trained in product technologies as well as farm management practices. Their discussions with our end customers are built on finding solutions through the use of innovative technologies. Our interaction with customers is aimed



World Cancer Day awareness activity by the Oncology team

at providing quality education that augments understanding of animal health and safe farm practices.

In addition, the Division organised awareness sessions and corner meetings to not only build rapport with our end customers but also highlight preventive measures and practices for better animal care.

Challenges

The animal health industry continued to face serious challenges in disease endemics and price fluctuations. The plethora of cheap, locally produced, low quality, imported and Chinese generics available at very low prices continued to be a major challenge. Management of high Afla-toxin levels in the inputs for animal feed concentrates (mainly maize, rice polish and cotton seed cake) has remained a major challenge to the livestock industry. Our Animal Health Division has continually provided guidance and technical support to farmers along with the supply of high quality feed concentrate (Farmer's Choice Vanda) contributing to the health of the animals.

Future Plans

We are determined to pursue our strategy of growth and innovation by developing our own brands range to cater to newer and wider segments of the animal health market. The Company is also working on strengthening its biological portfolio by adding new partners both in the livestock and poultry sector.

Pharmaceuticals

Market Overview

The Pakistan pharmaceuticals market stood at PKR 257.7 billion on a moving annual total basis at the end of the financial year 2014-15, registering a growth of 9%. The top 12 players in Pakistan's pharmaceutical industry enjoy 52% of the total market share. In 2014-15 more than 320 new products with a revenue base of PKR 2.3 billion were launched, with national companies dominating with a contribution of 95% towards this figure. Therefore, over the past decade or so, a key trend of the Pakistan market is the shift of share dominance in favour of national companies, which now stands at 59%.

Business Performance

At the end of the fiscal year 2014-15, the net sales income of the Pharmaceuticals Division stood at PKR 3.55 billion, demonstrating a growth of 13% over the previous year. Strong growth was witnessed in our own brands portfolio that grew by 41% over last year. The flag bearers of growth in own brands were our anti-infective portfolio of Fortexone and Icef, registering a growth of 52% over last year. The own brands range was boosted by the launch of Rejuva and Qco. Rejuva is a unique formulation



The Pharma Division holds a Sales Masterclass

that supports bone health by combining the benefits of Calcium and Vitamin D with MK7. MK7 is a type of Vitamin K2 that helps calcium reach bones. Qco, another new launch, compliments the existing portfolio in the Cardiovascular segment as a supplement for overall heart health. Qco is Coenzyme Q10 which is a vitamin-like substance that helps in cellular respiration and energy production in the body.

The Astra Zeneca portfolio of Tenormin, Meronem and Inderal continued to go from strength to strength. The performance of Synflex in the pain management category was robust, registering double digit growth.

Challenges

The major challenges for the Pharmaceuticals Division centered around speedy organic and inorganic business development, including the acquisition of new brands and companies. This was in addition to the challenge of extending the current AstraZeneca and Primary Care portfolio to penetrate fast growing therapeutic and patient segments with innovative solutions.

The Division has developed plans to overcome these challenges and anticipated outcomes shall place the Division on a stronger footing while also delivering robust growth for key business partners including Astra Zeneca and Martin Dow.

Customer Engagement

Aggressive customer engagement initiatives were undertaken for a number of brands. Rejuva conducted an international CME (Continued Medical Education) in Istanbul with participants from the gynecology and orthopedics segments. Amybact celebrated World Water Day through activities in clinics and hospitals, as well as having a dedicated Facebook page to raise awareness in the general public on clean drinking water. The Oncology segment initiated a customer awareness drive on breast cancer through the use of messages aired on FM channels as well as by conducting free screening programs and HCP seminars in major cities of interior Sindh. Leveraging our strong footprint in the Cardiovascular segment, we also marked World Hypertension Day by arranging a walk, followed by a symposium on hypertension and its management. Free BP monitoring camps were also arranged to raise awareness amongst the general public. ICI Pharmaceuticals also participated in all major annual health conferences, including Familycon, Pakistan Pediatrics Association Conference, Orthocon, Cardiocon, Pakistan Hypertension League, Pakistan Psychiatry Association Conference and Surgical Oncology Society of Pakistan.

Future Plans

Our robust future plans are mainly centered around making full use of the newly commissioned nutraceutical facility, which will help bolster



The Agri Division tours the USA with business partners



Asif Jooma, Chief Executive, visits the Sahiwal research farm and warehouse

production of current brands as well as provide the opportunity to tap into new business segments through in-house R&D.

Besides business development, we aim to champion the 'Brilliant on Basics' strategy by developing and implementing a Sales Force Excellence programme that will sharpen our teams' skills as well as help them focus on the fundamentals of selling. From the external environmental perspective, a new Drug Pricing Policy has come into effect from March 2015. The policy contains price reduction clauses which may negatively impact the division. While some clauses have been challenged by the Pharma Bureau and PPMA, clarity will come about in due course. At the same time, there are certain positive developments in the policy on regulating price increases through a mechanism rather than the previous practice of price changes on a case-by-case basis.

Agri

Market Overview

The agriculture sector is one of the most important sectors of Pakistan's economy. During 2014-15, the agriculture sector grew at a rate of 2.9%.

Within the agriculture sector, important crops grew at 0.3% while other crops and cotton ginning witnessed growth of 1.1 % and 7.4 % respectively. Important crops accounted for 25.6% of agricultural value added.

The seeds industry has been dominated by the open pollinated variety (OPV) seed market with more than 70% share. Major crops like wheat, sugar cane, cotton and rice are the major contributors to the agricultural sector. Every year, the share of hybrid seeds is growing in the seed market, especially for corn and rice.

Similar to the seeds industry, the vegetable seeds industry is also dominated by OPVs. It is a largely unregulated segment with many local distributors dominating the market.

The pesticide industry is still dominated by insecticides. However, gradually this trend is changing and herbicides and fungicides are increasing their share.

Business Performance

The Agri Division faced a challenging environment for the year under review. Local market conditions, international prices and government policies adversely affected farmers. Major crops such as cotton, rice and wheat gave low returns to farmers while climatic conditions also affected yields of different crops. The Seeds segment was the most affected as sales of sunflower seeds remained lower than last year due to farmers not sowing sunflower in the current year while the sale of micronutrients was

also affected. During the year, the Division was able to consolidate its position in the Vegetable Seeds segment, which achieved a growth of 31% over last year. Footprints were created in the hybrid okra, hybrid hot pepper, gourds and watermelon markets respectively. The Agrochemical segment witnessed a growth of 365% from last year. Two of our brands, Ulala and Lancer Gold were launched successfully on cotton crop.

Developments

In 2014-15, the focus of the Division was to consolidate its agrochemical products while maintaining and strengthening its position in the existing portfolio of seeds and vegetable seeds. A number of new products of seeds, vegetable seeds and agrochemicals were launched. These included the launch of one variety of spring corn, one canola variety and two new hybrid rice varieties in seeds. In vegetable seeds, one variety each of okra, carrot and cucumber were launched while two varieties of peas and watermelon were launched. Business was initiated with three new principals for vegetable seeds. Ten new products for Agrochemicals were also launched during this period. The segment also held an annual business conference for all its main customers in Lahore, formally announcing its plan to expand in the pesticide market along with highlighting our other products.

Challenges

Challenges in the period included slow economic growth, lack of water and electricity, high input prices and a decrease in global agriculture commodity prices, which have all jointly led to a decline in farmers' ability to invest in farm inputs. Abrupt changes in weather, such as prolonged rains, long dry spells and decreased winters, have all affected the yields of farmers.

Unorthodox market practices along with supply chain issues in the agricultural industry are a major challenge while the registration of agrochemical and seeds products is also a major challenge due to regulatory hurdles. Furthermore, the lack of standardisation and poor controls led to the market being flooded with cheap agrochemicals, micronutrients and bio fertilisers.

Future Plans

The Agri Division plans to achieve aggressive growth in the future years. For this, we are engaged in executing our marketing plans and strengthening our sales team across Pakistan while also planning to launch new products for agrochemicals and micronutrients. The Seeds segment will be further strengthened by the addition of new corn varieties and pearl millet hybrid seeds. We are also evaluating the addition of other principals for our Vegetable Seeds segment in order to strengthen our portfolio. We are determined to strengthen our own brand portfolio by strengthening our OPV products to pursue sustainable growth as this will increase our reach to wider segments of the agricultural market.



CHEMICALS

Our Chemicals Business reaches into almost every home and industry in Pakistan. For decades we have evolved partnerships with trusted suppliers, continuously innovating to provide customers with cutting edge solutions.

ICI Pakistan Limited takes pride in knowing that, from plastics to fabrics, from sports shoes to soup, our chemicals play a vital role in the daily life of millions.



Specialty Chemicals conducts its annual plant shutdown



Specialty Chemicals hosts a Carpenter Club party

General Chemicals

Market Overview

General Chemicals caters to the trading segment of the Company. Representing more than 25 global manufacturers and suppliers in Pakistan, the Division offers a diverse range of chemicals to almost 41 industries, serving more than 300 customers.

Over the course of the past year the Division demonstrated exceptional growth through forming new partnerships. These alliances with new suppliers have helped increase the product portfolio of the Division. Slowly but surely, General Chemicals aims to become the one stop solution for both local and international customers.

'Delivering Enduring Value' is a core value of ICI Pakistan Limited, and this ethos has resulted in us having a customer centric view and maximising relationships with all stakeholders. This commitment to serve our clients better is demonstrated through various initiatives, such as a dedicated after-sales support system, strong service delivery and a strong local presence.

Business Performance and Development

General Chemicals delivered phenomenal results last year on the back of strong performances from all its segments. The division's overall Contribution Margin (CM) delivery was PKR 238 million, which is 17% over the same period last year. Furthermore, different categories went over and above their previous benchmarks. For instance, Water Treatment Chemicals lead the way with PKR 44.2 million in CM, which is a 30% increase over 2013-14. Consumer Chemicals generated PKR 121 million in CM, which is 26% over the last financial year. The Industrial Chemicals segment also contributed to the overall performance by delivering a CM of PKR 67.3 million, which is 15% over the same period last year.

Challenges

Operating in Pakistan presents certain challenges, such as political instability and the uncertain law and order situation. However, ICI Pakistan Limited manages to overcome this by taking these challenges head on. In order to showcase our continuous commitment and our passion for people we constantly venture into uncharted territories by partnering with new suppliers, introducing new products and finding new industries. One of the risks which we do face is with supplier loyalty, as opportunistic organisations may strike a direct deal with customers. However, this risk is pre-empted and mitigated by constantly diversifying our Business's portfolio while focusing on deepening relationships.

Future Outlook

Although initially divided into three segments, the General Chemicals division is now comprised of four segments. This is to ensure that the customer base is managed properly and that the segments have a more focused approach. The segments are now: Consumer Chemicals, General Industry Chemicals, Paints and Coatings, and Water Treatment Chemicals. These segments cater to a diverse set of customers and tap into different industries, showcasing ICI Pakistan Limited's dedication to business development.



The Chemicals Business introduces an 'Employee of the Month' award



Chemicals channels World Cup 'fever' with promotional activities for Fevicol during the tournament

Polyurethanes

Market Overview

In the first half of the year, prices of crude oil drastically plummeted and triggered stock losses, as the Company operates on imported raw materials. However, regional players, by virtue of their proximity to feedstocks of polyurethanes, were better positioned to react to the movement in the feedstock chain. As a result, the Division's contribution margin was negatively affected during the first half of the year.

Despite facing such volatile market variables, Polyurethanes recovered by capitalising on the high season by monitoring feedstock trends, gaining share at customers, stock levels and formulation efficiency. We closed the year with a CM of PKR 301 million. The CM was 3.9% lower than that of last year, in spite losing a client worth PKR 43 million due to a technological change. The Division has also ventured out into new industries and attained an early success by already signing an MOU with an established name in the footwear industry.

Challenges

First and foremost, our primary challenge is to meet the customer's demand for a technologically advanced product. The management focused on new product development and is evaluating technical partners so that we can provide our customers with an even better service.

Future Plans

We aim to further strengthen our relations with existing customers and focus on our customers' needs. Our determination to be customer centric drives us to explore better products and partner with new and existing suppliers for our customers. The polyurethanes industry is witnessing a technological shift and our aim is to be ahead of the curve by not only investing in research and development but also exploring new products and venturing into new business segments.



Specialty Chemicals

Market Overview

Specialty Chemicals is the manufacturing arm of the Chemicals Business and caters to industries that are critical to the economy of Pakistan. The key segments we serve are textiles, adhesives and crops. Our product range includes textiles auxiliaries for fabric processing, adhesives used in construction and crop protection emulsifiers used in pesticides.

In spite of numerous challenges facing the textile industry, Specialty Chemicals posted its best ever numbers and became the largest of the three segments in the Chemicals Business. This was all driven by enhanced focus on customer relationship management, product diversification and market penetration.

Business Performance and Development

The Business delivered its best ever performance in 2014-15. The textiles segment continues to be the major contributor and indicates solid growth. An increasing product base coupled with innovations brought about via strategic alliances with partners in Turkey, China and the United States will contribute to sustainable growth.

Major groundwork was done in the crop segment to create networking with international players and expand the product reach. In adhesives, alliances with manufacturers in India continue to diversify our options allowing us to gain inroads into not only construction, but also the industrial, furniture and fabric sectors.

Challenges

The domestic environment continues to provide challenges. The law and order situation, along with regular energy shortages and political crises, will continue to affect business in 2015-16. However, we expect to deliver in the coming year on the back of our expanding product portfolio, strong customer base and technology partners.

Future Plans

Techno-commercial innovation will continue to be the forte of the Specialty Chemicals segment as we continue to make strides in market share enhancement by creating value for our existing and new customer base.



POLYESTER

Our Polyester Business is an integral part of the domestic polyester staple fibre (PSF) industry. The sector enables Pakistan's primarily cotton-based textiles industry to diversify and align its product range to meet the growing global demand for value-added textiles.

PSF is manufactured by the polymerisation of pure terephthalic acid and mono-ethylene glycol. The first polyester fibre, Terylene, was introduced to the world by ICI in 1941. Today PSF has a wide range of uses and applications, including home furnishings, clothing, apparel and industrial fibres.

Over seven decades since the invention of the product by two British scientists, John Whinfield and James Dickson, ICI Pakistan Limited's Polyester Business continues to serve its customers through product innovation and best practices.



Market Overview

The price of crude oil nosedived during the period under review as US shale and the OPEC oil supply continued to outstrip demand and global economic growth remained elusive. The slump in the crude oil market triggered downward adjustments throughout the polyester value chain, and prices of the main raw materials of PSF declined further due to persistent issues of regional oversupply and weakening demand.

International and domestic cotton prices declined sharply as global cotton inventories increased for a fifth consecutive year and reached a record level of almost 24 million tons, or one full year of demand. China overhauled its controversial stockpiling programme, a decision which had a bearish impact on import prices and demand in the world's largest cotton market.

While the global PSF market continued to present a gloomy outlook due to the weakness in feedstock pricing and regional capacity overhang, the woes of the domestic PSF producers were further exacerbated by the illegal dumping of PSF from China.

Business Performance

During 2014-15 domestic PSF producers were challenged by similar pressures to those which affected the oversupplied regional industry. The situation worsened for the domestic PSF industry due to the dumping of PSF, predominantly from China, with imported fibre prices sliding to inexplicable lows as PSF producers from China resorted to illegal trade practices in a bid to tackle the issue of oversupply. This was a serious impediment to the growth of the Business, with sale volumes and margins remaining under pressure. Despite such adverse market conditions, the Business was able to deliver a growth of 1% over the same period last year, and sold 115,018 MT of PSF during the period under review.

Energy Projects

Two key energy projects were initiated by the Business to reduce energy costs: the coal fired heaters project and the steam turbine project. This has resulted in a significant reduction in energy costs during the period under review. The steam turbine project was commissioned in June 2015 and this key project will further reduce energy costs in the next reporting period. Spread over eight acres, the plant is equipped with two 50 tons per hour boilers that feed steam into the process on one hand and run a 15MW turbine on the other. Conjoining the steam and power requirements of the Polyester Business, this project provides a cheaper fuel alternative to furnace oil and addresses the pervasive gas curtailment issues faced by the industry.



Other Key Initiatives

- The National Tariff Commission (NTC) has initiated the Anti-Dumping Duties (ADD) investigation against dumped PSF imports from China in response to an ADD Application filed by the Business.
- The Business made sustained efforts to enhance the tariff protection for PSF.
- The Business successfully enhanced its product range offerings with the introduction of 'Terylene Black' (black polyester fibre) to meet the spinning industry demand of colored yarns production. The product received widespread acceptance based on its superior quality; it has already been commercialised successfully at a number of customers.
- There was a strong sales achievement on the basis of a robust Key Account Management programme.
- The year saw a strong focus on product quality improvement. A number of projects have been undertaken (polymer filter, in-line reactor commissioning, spin-finish adjustments and process improvements) to measurably enhance customer satisfaction.
- The Go-CIS project was launched to strengthen customer relationship management, which aimed at creating a single consolidated repository of all key information processed by the market research team.


Challenges

The prevailing oversupply in the regional PSF industry leads to increased dumping of PSF from China, which continues to pose the most serious threat to the survival of the domestic industry. Due to historically low margins and continued losses, domestic PSF producers are being forced to reduce operating rates or shut down. Demand also remains sluggish as the severity of the ongoing energy crisis shows no sign of abating and the export potential of the industry is affected by the higher cost of doing business.

Future Outlook

Going forward, the prevailing oversupply situation of the polyester value chain is expected to continue and the supply/demand weakness gives a bleak initial outlook for 2015-16. Cotton markets will adjust according to demand from China and crop estimates from key producing areas. In the domestic downstream industry, energy availability to the textile sector will be the key driver of demand for PSF. Also, the performance of the domestic industry will be greatly dependent on the Government's provision of necessary protection from illegal dumping by Chinese PSF exporters, absence of which will continue to put pressure on volumes and margins. The Business, however, is braced for all possible challenges and opportunities in the future and has the requisite strength and people to take advantage of any growth opportunities available to the domestic industry.





Sustainability Performance

Blue pearl, green planet

ICI Pakistan Limited's sites stretch from the north of the country down to the sea and our products are found throughout the land. The Company treats sustainability as a core responsibility, and this section is a comprehensive report on our strategies, KPIs, annual and long-term targets and performance.

Leadership Statement

Dear Stakeholders,

It gives me immense pleasure to share with you the ICI Pakistan Limited 2014-15 Sustainability Report. 'Integrity and Responsibility' is one of our core values, and we have worked hard to be industry leaders in carrying out operations whilst incorporating the key principles of sustainability.

We started reporting progress on our journey of sustainable development seven years ago. From 2010 onwards, we have reported according to the internationally accepted GRI (Global Reporting Initiative) standards in order to present a more transparent picture of what we are doing as a company to achieve our economic, social and environmental objectives.

In recognition of our efforts and commitment to sustainability, in the past year ICI Pakistan Limited was awarded the ACCA-WWF award for Best Sustainability Report, and a Sustainability Innovation Award from the Business School Lausanne, Switzerland, whilst also being commended for its sustainability reporting at the ICAP/ICMAP awards. We do not, however, take these honours as reason for complacency, but as a spur to do even more.

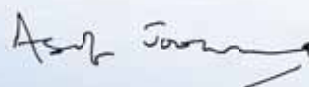
Operating responsibly is a key driver behind our business processes and is integral to our methodology. We apply our principles throughout our operations by actively engaging our internal and external stakeholders to build a cleaner, safer environment.

Our Sustainability Council is entrusted with fostering a culture of excellence, leading the way in environmental stewardship and

building socio-economic value. The Council is also responsible for formulating our strategy, establishing goals and integrating sustainability into the daily business activities across the Company. For 2015-16, the Council has evolved a strategy which clearly outlines how sustainability will continue to play a pivotal role within the organisation.

From Emissions Control to Waste Management figures, we proactively disclose our information in an effort to promote respect for the environment and uphold a strict focus on ethics. We have a zero tolerance approach towards non-compliance, and our objective in this report is to provide a transparent picture of our sustainability achievements and future objectives.

Sustainability is a collective process in which all stakeholders must come together for the common good. Therefore we hope to receive your feedback and suggestions on how to create a cleaner, greener tomorrow through being a more sustainable organisation.



Warm regards,
Asif Jooma

Highlights for 2014-15

- Last year, ICI Pakistan Limited implemented a certified HSE&S Management System; this year all Businesses and locations aligned their local HSE&S procedures with the new management system. Additionally, a major undertaking was initiated to review the ICI Pakistan Limited Corporate Engineering Procedures.
- Fresh water usage per ton of production has again shown improvement over last year, chiefly due to water conservation initiatives. At 8.47 m³/te, we continue to be in line with our 2015-16 target of 8.9 m³/te.
- One reportable injury for employees and supervised contractors was reported during the year, with a total reportable injury rate of 0.16. No reportable injury for independent contractors was reported during the year.
- Due to the challenging energy situation, our use of furnace oil and coal increased, thus negatively impacting gaseous emissions, waste generation and total energy consumption per ton of production.
- The Company has registered zero reportable occupational illnesses.
- EPA approval was acquired for new projects against Environmental Impact Assessment.
- There was an 8% increase in vendor policies signed by key suppliers and a 25% increase in vendor policies signed by NPR suppliers.
- A total of 2,924 man-days of training were successfully completed.



Sustainability Council

Objectives

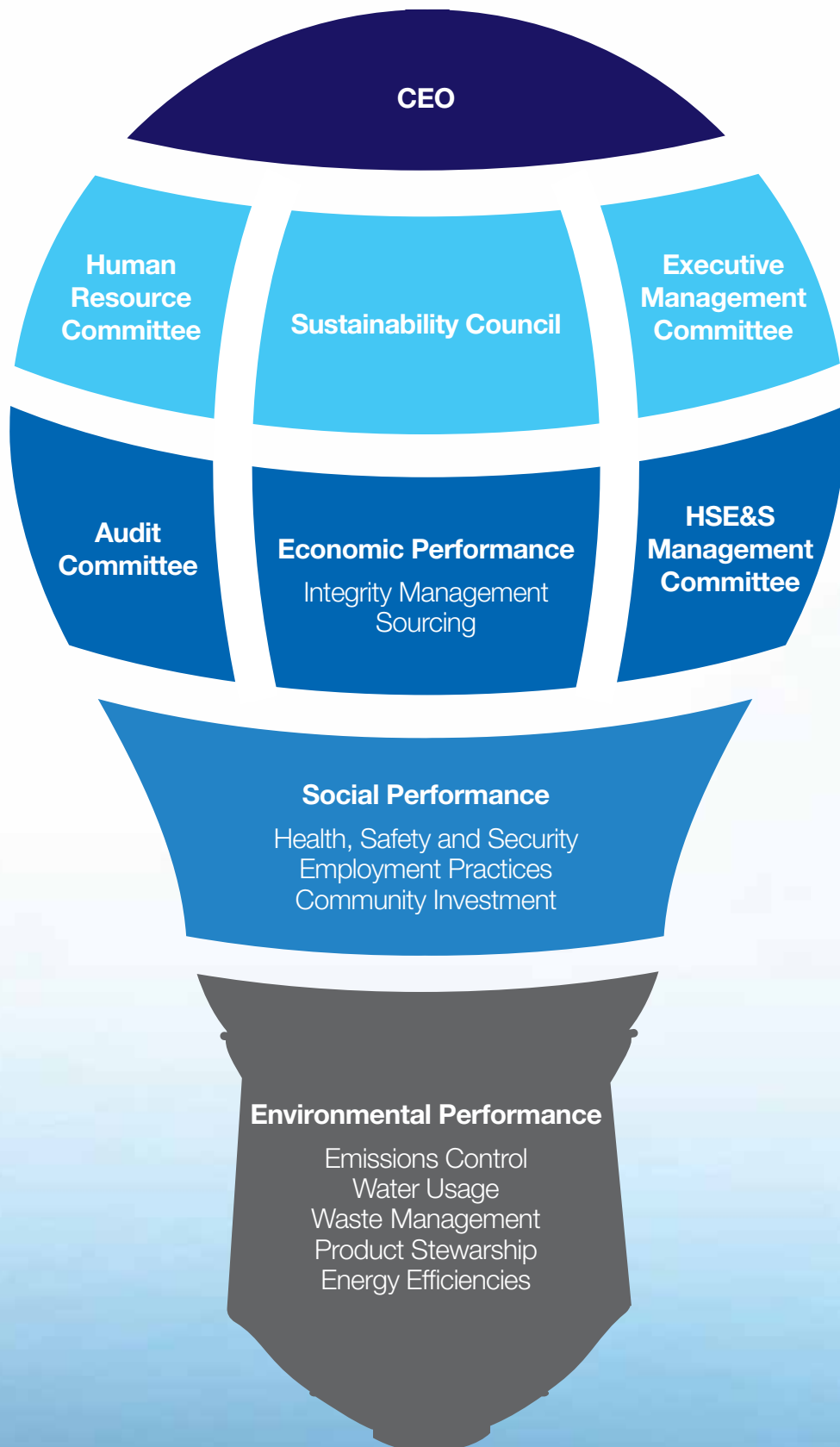
The Council's objective is to assist the Board in fulfilling its oversight responsibilities to the shareholders with regard to sustainability. This concerns the development, implementation and monitoring of the Company's Health, Safety and Environment policies and practices. The overall aim is therefore to continue the sustainable growth of ICI Pakistan Limited.

Roles of the Council

- Define the KPIs and measurement matrix, and establish targets.*
- Continually review partnerships and relationships, both current and proposed, with stakeholders, i.e. customers, regulators, communities, shareholders and suppliers.
- Continue to formulate and execute communication strategies relating to the Company's sustainable growth.
- Review on a continuing basis new and innovative technologies that will further sustainability at the Company and implement actions to protect such technologies.

* In view of the Polyester coal-fired power plant coming online during the year and another coal-based project in the pipeline at our Soda Ash works, the review of the sustainability KPIs has been deferred.

Sustainability Council Structure



Sustainability Strategy

ICI Pakistan Limited has been producing a Sustainability Report for the past seven years. In 2013-14, the Company successfully reconstituted and established its Sustainability Council, which enabled us in 2014-15 to more effectively analyse and address sustainability matters within our Businesses. The Sustainability Council is made up of a multi-disciplinary team which represents all corners of our diversified Company.

Foster a Culture of Excellence

We aim to build an environment in which people constantly strive to deliver more – and we endeavour to achieve this through attracting and retaining the best talent.

Operate with Responsibility

We strive to build lasting partnerships with all our stakeholders and create processes which continually evolve to ensure we operate responsibly.

Environmental Stewardship

We want to be the leaders in innovation and developing solutions for cleaner, greener systems to reduce our impact on the environment.

Socioeconomic Value

We work hard to create value in our local communities by providing the tools required for capacity building.



Sustainability Framework

Economic Performance

Integrity Management
Sourcing

Social Performance

Health, Safety and Security
Employment Practices
Community Investment

Environmental Performance

Emissions Control
Water Usage
Waste Management
Product Stewardship
Energy Efficiencies



About the Report

We began voluntary reporting on our sustainability journey in 2008. This is our seventh Sustainability Report and we have used the G3 Reporting Framework issued by the Global Reporting Initiative (GRI) and are applying the GRI Reporting Framework at Application Level B+.

Report Boundary

The report covers our four core Businesses and all our Corporate functions. We have three manufacturing sites, three corporate offices and five regional/Business offices. The data in this report covers all these locations.

Employee data includes management and non-management staff. Community Investment is handled by the ICI Pakistan Foundation, which is a separate legal entity registered as a Trust. All monetary amounts in this Report are Pakistani Rupees, unless otherwise indicated.

Reporting Period

Following the acquisition of majority shareholding of the Company by YBG, ICI Pakistan Limited's financial year was changed from January-December to July-June for alignment with associated companies in the group. The reporting period is July 31, 2014, to June 30, 2015. Data has mainly been obtained from our financial management reporting systems, the corporate HR information management system and our reporting systems for Health, Safety, Environment & Security (HSE&S) performance indicators.

Report Content

In 2010, an important step towards integrating sustainability within the organisation was conducting a stakeholder dialogue and establishing Key Performance Indicators (KPIs). These KPIs also have targets set for 2016 which shall serve as pathfinders for us. Like last year, the content of this report has been developed in accordance with the KPIs and our performance against these. The content of this report has been decided upon by the Sustainability Council and has been developed in accordance with our sustainability framework based on the triple bottom line concept of economic, social and environmental parameters.

Data Collection

Collection:

All our environmental, health, safety and security data is derived from our EPM (Enterprise Performance Management) database. A quarterly reporting cycle is in practice and all related information is gathered and entered by respective Businesses and functions while the Corporate Health, Safety and Environment Manager, reviews and manages the data for ICI Pakistan Limited as a whole. Data pertaining to integrity management, employment practices, sourcing and community investment is compiled and monitored by the Sustainability Council members responsible for each area. Where there are limitations in collecting some data, appropriate explanations have been made in the report.

Accuracy:

We are confident of the overall reliability of the data reported, but recognise that some of this data is subject to a certain

degree of uncertainty, inherent to limitations associated with measuring and calculating data. Senior managers within the organisation approved the content and the quantitative data used in the sustainability facts and figures relating to their respective areas of responsibility.

Consistency:

The KPIs set and the data reported in previous years have served as a baseline and reporting standard for subsequent years. Any additional developments shall be reported accordingly; however, the reporting framework already established shall be a consistent baseline standard.

Assurance & Verification

Our sustainability performance is monitored through a multi-disciplinary Sustainability Council. This Sustainability Summary Report forms part of our sustainability reporting and is designed for general readership only. United Registrar Systems (URS) has conducted an independent verification and assurance of data presented in this report. The indicators for our sustainability reporting are selected from the G3 Reporting Framework issued by the Global Reporting Initiative (GRI). The GRI is a large multi-stakeholder international network of thousands of sustainability experts. The GRI G3 Reporting Framework is the most widely accepted global standard for corporate responsibility reporting.

Contact Us

Sustainability requires all stakeholders to come together for the common good. Therefore we eagerly encourage feedback on our Sustainability Report. If you would like to comment on the report or find out about our Sustainability strategy and programme, please email us at:

sustainability.council@ici.com.pk

A soft copy of this report and additional information on our business units and products is available on our website at www.ici.com.pk

If you are unable to access these resources or need further information, please contact:

Zafar Farid – Corporate Safety & Environment Manager,
Production
ICI Polyester Business
30 KM Lahore-Sheikhupura Road, Sheikhupura, Pakistan
zafar.farid@ici.com.pk

Muhammad Farhan Ijaz – HSE Engineer
ICI Pakistan Limited
63 Mozang Road, Lahore, Pakistan
farhan.ijaz@ici.com.pk

Stakeholder Engagement

A proactive exchange of ideas with our stakeholders is central to operating responsibly. Sustainability is a collective effort and a shared journey; we engage all our partners to join us in moving forward.

Any individual or group associated with ICI Pakistan Limited is a stakeholder, be they an employee, a supplier, distributor or a shareholder. We try to engage all our stakeholders in our sustainability journey and regularly meet with the community to listen to their ideas, concerns and advice.

Some examples of our stakeholder engagements in 2014-2015 are:

Customer Engagement Sessions

The marketing and sales teams of the Soda Ash Business held a meeting at the Avari Hotel, Lahore, on May 4, 2015, in which two key procedures were discussed. Firstly the teams discussed 'Product Stewardship', which is a demonstrable process through which a business can identify and manage risks in the development, manufacture, distribution, marketing, use and ultimate disposal of its products in a safe, healthy and environmentally sound way. This ensures conformity with local requirements and company policy. The second procedure pertained to 'Emergency Distribution Response', which outlines procedures to follow if any distribution emergency occurs.

Spurred by a philosophy of 'Customer Centricity', the Animal Health Division of our Life Sciences Business conducted its Somatech Customer Sales Strategy & Planning Meeting from November 20-22, 2014, in Sri Lanka. The focus of the meeting was to discuss the different aspects of our product Somatech with partners, and to draw up action plans to advance food safety, improve disease management and ultimately enhance the production efficiency of animals. Along with members of the Animal Health Division, twenty customers attended the event.

HSE Trainings

We believe in operating responsibly and safely. Therefore we strive to create a working environment which is safe and conducive to productivity and constant vigilance.

■ Fire management system audit of Shahzad Textile Mills Limited, Unit-2

Customers are the lifeblood of every business, and the safety of our clients is a vital consideration. Therefore, ICI Pakistan Limited is committed to improving awareness and understanding about Health, Safety, and Environment amongst its customers. Shahzad Textile Mills Ltd. is recognised as one of the major industrial business concerns in Pakistan and a major client of the ICI Polyester Business. In line with our philosophy, our HSE & Training department

conducted a comprehensive fire management system audit of Shahzad Textile Mills. A report was sent to the management of Shahzad Textile Mills to ensure further improvements in their fire management system.

■ Firefighting and emergency training of customers

Firefighting training is an ongoing activity; accidents are avoidable if individuals are well-trained and prepared for potential emergencies. Keeping this in view, the Polyester Business arranged firefighting and emergency training for customer companies in February 2015. Twelve employees from Olympia Blended Fibre Mills Ltd. and Rawl Textile Mills Ltd. participated in the training course which consisted of class room lectures and practical hands-on experience.

Tree Plantation Drive in collaboration with EPA

In collaboration with the Environmental Protection Agency (EPA) and the Frontier Works Organization, ICI Pakistan Limited celebrated Earth Day on April 22, 2015. ICI Polyester has committed to plant 5,000 Arjun and Conocarpus trees by the end of 2015-16. This is the initial phase for what is envisaged as a larger programme. The Soda Ash Business also initiated a tree plantation campaign. The campaign was extended to the local community through the plantation of indigenous trees at Civil Hospital, Khewra. Members of the local civil administration, including the assistant commissioner, the district officer, the medical officer of Civil Hospital and the senior management team of Soda Ash participated in this activity to demonstrate their commitment towards a greener future.

Environment Day celebration with EPA at ICI Pakistan Polyester Business

World Environment Day is celebrated each year on June 5 and offers an opportunity for worldwide awareness, political consideration and action for environmental issues. Head Office and the Polyester and Soda Ash Businesses celebrated World Environment day this year. The activities stirred up an enthusiasm and zeal to protect the environment while sustainably utilising natural resources for a better tomorrow. Tree plantation activities were carried out at each site, with a quiz programme, an awareness walk and environment-related videos also part of the event.

Community Development

ICI Pakistan Limited actively engages in development projects and strives to provide members of the communities we operate in with the tools for change. We have established sustainable programmes which will provide long-term

benefits in education and health, and have rolled out campaigns for regular interaction and community enrichment.

- On March 11, 2015, a team of volunteers from the Polyester Business participated in an activity to spread awareness of washing hands to school children. The team, in partnership with Unilever Pakistan Limited, visited the Tibbi Hariya Scdhoor, which is funded by the ICI Foundation.
- The Foundation provided support to the Shahbaz Sharif Mothers & Children Complex, District Hospital, Sheikhpura, in the form of equipment required for the gynaecology operation theatre. The inauguration took place on September 2, 2014.
- On March 12, 2015, the Polyester plant was visited by a delegation of 30 students from the Institute of Biochemistry and Biotechnology, Punjab University. The aim of the visit was to better understand industrial waste and waste water treatment techniques.
- The Polyester Business has taken an initiative towards enhanced waste water treatment technology through the application of constructed wetlands, in collaboration with Critical Green, a research organisation.
- At Soda Ash, the annual exhibition and prize distribution ceremony of the Ladies Welfare Centre was held on December 22, 2014. Participants appreciated the creativity and quality of various items prepared by students, so much so that all items were sold out within a day.
- Due to the ongoing Army operation in Waziristan, many local people have been uprooted. In the past year ICI Pakistan Limited donated funds towards the assistance of Internally Displaced Persons.
- In 2009, the Company constructed Jinnah Park at P.D. Khan, near its Soda Ash site, for the recreation of children and women of the area. The initiative received wide appreciation from the community. This year the Foundation approved funds for rehabilitation and renovation of the park. The Company has also provided treated, potable and fresh water to the Khewra community. The water is piped from the Watli water springs and from the river Jhelum banks and is provided free of cost to the community throughout the year. The Company also provides firefighting, ambulances, First Aid and other services to the community.
- At Khewra, ICI Pakistan Limited initiated monthly eye surgical workshops in collaboration with LRBT in 1991. Since then, 256 eye surgical workshops have been held uninterrupted, in which 140,786 outpatients have been

treated and 14,786 major/minor surgeries have been carried out. During the 259th eye surgeries camp, held at Winnington Hospital in Khewra from February 23-25, 2015, a record-breaking 95 eye surgeries were successfully conducted. To further support community health, the Foundation has recently approved the establishment of a health clinic in Khewra in collaboration with the Marie Adelaide Leprosy Centre. The construction of a new purpose-built building for the long-running Ladies Welfare Centre has also been approved.

Staff Engagement Sessions

- Chief Executive communication sessions were held at Head Office in Karachi (February 26, 2015) and at the Polyester plant in Sheikhpura (May 6, 2015). The sessions were videolinked live to the Company's other sites, and provided an opportunity for the CE to discuss the latest Company developments and their position within our overall strategy and vision with all colleagues. The CE also answered questions at the end of his presentation.
- Team work is an essential ingredient for a culture which embraces safety. Safety Improvement Teams at the Soda Ash Business work to enhance employee awareness on HSE. Six teams compete with each other throughout the year to improve overall HSE in their respective areas.

EIA Public Hearing of Expansion Projects 2014-15

Conducting an environment impact assessment (EIA) is a legal requirement of the Pakistan Environment Protection Agency. According to Section 12 of the Constitution of Pakistan 1973, the potential impacts of proposed projects relative to the physical, chemical, biological, cultural and socio economic components of the total environment must be assessed.

For this purpose the Soda Ash Business arranged a public hearing of EIA at the nearby Government Degree College auditorium. It was attended by a large number of people, including journalists and students from a professional institute, the Lahore College for Women University. After detailed discussion, the EIA was approved and endorsed by the District Officer Environment, Jhelum, who presided over the hearing.

Participation in the 2nd National HSE & Sustainable Development Summit

ICI Pakistan Limited participated in the 2nd National HSE & Sustainable Development Summit organised by the Pakistan Society for Training and Development at Movenpick Hotel, Karachi, on November 19, 2014. The overarching aim of the summit was to bring a greater focus on HSE to business processes.

Towards a paperless environment

A series of initiatives at ICI Pakistan Limited has significantly reduced our paper usage, converting old paper trails into new paths of digitisation.

In 2014-15 Corporate IT and Finance launched an electronic version of the A-Form (the asset budget sanction form). This eA-Form has brought several benefits, such as automation, digital archiving and on-the-fly reporting. It has also streamlined the A-Form process in general through the centralised budgeting and reporting tool.

The previous process required the physical exchange of documents for approvals and sign-offs. The eA-Form expedites this process, and also enables well-controlled budget prediction and cost management through its record-keeping across all Businesses and functions.

The Company also went paperless with certain deliveries and invoices in 2014-15. Teams from Chemicals, Soda Ash and Corporate IT used paperless correspondence for deliveries and invoices to customers, as opposed to using physical couriers, which is time-consuming, costly, and of course has negative consequences for the environment.

In addition, during the year our Polyester Business adopted an e-Ledger system, in which automatic system-generated emails are sent directly to customers at the end of every month. These statements provide a history of purchases and outstanding balances, and have helped the Business save paper, time and costs.

Key Performance Indicators

Integrity Management		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Code of Conduct confirmed incidents	number	23	20	5	NR	1	1	0
Code of conduct acceptance*	% employees	100	100	100	100	100	100	100**
Management audits including reassurance audits	number	11	9	7	6	6	0	6
Serious incidents - Level 3	number	1	1	1	0	0	0	0
Serious incidents - Level 1,2	number	2	0	0	0	0	0	0
Serious loss of containment - Cat D	number	0	0	0	0	0	0	0
Regulatory actions - Level 3	number	0	0	0	0	0	0	0

*Number of Management and Non-Management Employees.

** We aim to achieve 100% acceptance by including contractual staff as well.

Sourcing		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Vendor Policy signed by key suppliers	%	83.8	85	91	92	88	94	96
Vendor Policy signed by Central NPR Suppliers*	%	x	28**	28	28	38	63	-
Supportive Supplier Visits since 2007	number	79	31	59	35	99	92	146

*Number of Management and Non-Management Employees.

**We aim to achieve 100% training level by including contractual staff as well.

Employment Practices		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Women executives*	%	0	0	0	0	25	25	12
On-line P&D Dialog Participation	%	80	83	NR	NR	98	98	90
Management Development Programme	No of managers	121	211	NR	NR	NR	NR	338
Employee Engagement Index	% favourable	75	82	87	NR	NR	77	80

*Functional and Business Head positions

Community Investment		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Community Programme Investment	PKR Million	42.5*	24.3	6	7.45	4.2	20	30

*This amount includes contribution by stakeholders including ICI Pakistan Limited staff and parent company contribution for floods.

Health, Safety & Security		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Fatalities	number	0	0	1	0	0	0	0
Total reportable injury rate employees/supervised contractors	/million hours	0	0.18	0.34	0	0.33	0.16	0
Occupational Illness Rate employees	/million hours	0	0	0	0	0	0	0
Total illness absence rate employees	%	1.92	1.76	1.72	1.83	1.51	1.23	1.76
Fatalities contractors (supervised and independent)	numbers	0	0	0	0	0	0	0
Total reportable injury rate independent contractors	/million hours	0	0	0	0	0.56	0	0
Lost time injury independent contractors	numbers	0	0	0	0	0	0	0
% sites with BBS programme	%	100	100	100	100	100	100	100
Distribution incidents	numbers	1	1	0	0	0	0	0
Motor vehicle incident with injury	numbers	1	2	0	0	0	1	0

Emissions Control		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Total COD emissions	te	52.59	53.78	39.52	17.82	16.43	18.05	49.96
Per ton production	kg/te	0.11	0.13	0.10	0.10	0.04	0.04	0.10
Total VOC emissions	te	81.81	72.34	57.12	1.33	3.23	3.45	77.72
Per ton production	kg/te	0.18	0.17	0.14	0.01	0.01	0.01	0.16
Total NOx emissions	te	430.70	422.93	420.28	206.06	798.34	1209.18	409
Per ton production	kg/te	0.93	0.99	1.03	1.14	1.83	2.75	0.83
Total SOx emissions	te	2209.1	2672.9	2590.15	1402.4	4338.97	3091.74	2430
Per ton production	kg/te	4.76	6.29	6.35	7.75	10.50	7.02	4.95
Total Direct CO2 emissions (Scope 1)	million te	0.39	0.35	0.35	0.13	0.43	0.52	0.37
Per ton production	kg/te	834.7	829.5	847.95	737.5	1038.11	1196.13	753
Total Indirect CO2 emissions (Scope 2)	te	2447	5642	3235.61	706.86	2413.32	2384.20	2324
Per ton production	kg/te	5.3	13.3	7.93	3.91	5.84	5.42	4.7

*VOC emissions are significantly reduced from 2013 onwards due to the demerger of the Paints Business.

**Unprecedented natural gas curtailment periods have caused increased use of high sulphur furnace oil and coal, thereby causing high CO2 emissions.

Water Usage		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Total Fresh water use	million m ³	4.59	4.12	3.48	1.57	3.49	3.73	4.36
Per ton production	m ³ /te	9.9	9.7	8.53	8.7	8.44	8.47	8.9
% of sites with sustainable fresh water	%	25	25	25	33	33	33	100

Waste Management		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Total waste	kte	4.412	2.73	2.28	0.43	12.88	22.20	4.191
Per ton production	kg/te	9.53	6.44	5.60	2.35	31.18	50.44	8.53
Total hazardous waste	kte	0.54	0.52	0.53	0.001	0.0076	0.24	0.51
Per ton production	kg/te	1.17	1.22	1.30	0.003	0.001	0.001	1.04
Total non-reusable waste	kte	0.295	0.384	0.385	0.001	0.0076	0.24	0.28
Per ton production	kg/te	0.64	0.90	0.94	0.00	0.001	0.001	0.57
Total non-reusable Hazardous waste	kte	0.251	0.327	0.323	0.001	0.008	0.24	0.238
Per ton production	kg/te	0.54	0.77	0.79	0.00	0.00	0.001	0.48
Total Hazardous waste to landfill	kte	0	0	0	0	0	0	0
Per ton production	kg/te	0	0	0	0	0	0	0

Product Stewardship		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Product Eco-premium solutions	% sales		15.7	*	NR	NR	NR	30

*Data not available due to demerger of Paints Business

Energy Usage		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
Total Energy Consumption	1000Tj	4.8	4.3	4.3	2.1	4.9	5.7	4.6
Per ton production	GJ/Te	10.4	10.1	10.4	11.62	11.84	13.03	9

NR: Not Reported

Economic Performance

Management Approach

One of our core values is 'Integrity and Responsibility' and we apply this principle in our daily operations, in our projects and in the way we do business. We aim for the highest standards in all our dealings and aim to partner with suppliers who not only endorse our values but incorporate them in their businesses.

It is our belief that a strict focus on ethics and responsibility will result in business value for all involved stakeholders. Thus, we make sure that our actions speak louder than words.



Integrity Management

Our most valuable resource is our people. We believe in and adhere to the principles of nondiscrimination, freedom of association and other internationally recognised expectations for business ethics. Guided by our values, we encourage our people to aim for the highest standards of performance in all operations. Our business principles are transparent and reflected in our code of conduct. We maintain an open dialogue with employees through the P&DD performance tool and prioritise the development of our talent, which includes training.

Our Values and Code of Conduct are available for all stakeholders on our website: www.ici.com.pk

Key Performance Indicators

Integrity Management		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Code of Conduct confirmed incidents	number	23	20	5	NR	1	1	0
Code of conduct acceptance*	% employees	100	100	100	100	100	100	100**
Management audits including reassurance audits	number	11	9	7	6	6	0	6
Serious incidents - Level 3	number	1	1	1	0	0	0	0
Serious incidents - Level 1,2	number	2	0	0	0	0	0	0
Serious loss of containment - Cat D	number	0	0	0	0	0	0	0
Regulatory actions - Level 3	number	0	0	0	0	0	0	0

*Number of Management and Non-Management Employees.

** We aim to achieve 100% acceptance by including contractual staff as well.

2014-15 Overview

No serious incident level 1, 2 & 3 was reported during the year. No HSE&S Management Audit was conducted due to the commissioning of new expansion projects.

Sourcing

We work closely with our supply chain partners and look beyond our own manufacturing cycle to find ways to promote sustainability in their operations. In this way, we not only improve our own performance but also influence the work ethics of our partners.

Key Performance Indicators

Sourcing		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Vendor Policy signed by key suppliers	%	83.8	85	91	92	88	94	96
Vendor Policy signed by Central NPR Suppliers*	%	x	28**	28	28	38	63	-
Supportive Supplier Visits since 2007	number	79	31	59	35	99	92	146

*Major public sector utility suppliers not included in this analysis.

**Monitoring started in 2011 only by Polyester Business.

2014-15 Overview

We are happy to report an 8% increase in vendor policies signed by our key suppliers. The non-product related (NPR) suppliers sign-off system started in 2011 with our Polyester Business. This year we focused on discussing our policies with central NPR suppliers and as a result we achieved significant progress compared to last year. We have been able to achieve a 25% increase in vendor policies signed by the central NPR suppliers, despite the fact that NPR suppliers are mainly government institutions of mass scale and it is difficult to have the policy signed by such major public sector suppliers.

Our programme of on-site visits to critical suppliers aims to identify and develop critical suppliers as sustainable business partners. Through formal feedback and follow-up visits, we work together with our suppliers to improve their overall sustainability. Although there was limited progress in 2014-15, we are actively working to improve the supplier visits number as our Businesses have planned more such visits in the future. We are taking measures to ensure that we meet our 2015-16 target.

Social Performance

Management Approach

A safe workplace is a healthy workplace.

For us, nothing means more than the safety of our people and the people we work with. Our aim is to empower employees and communities and find ways to enable them in a culture that is conducive to professional growth. We endorse and practise equal opportunities and are committed to equitable treatment of all employees, irrespective of origin, race or gender.

We have a passion for people and this is a fundamental part of our DNA as a responsible Company.



Employment Practices

To attract, retain and bring out the best in our people, we invest in leadership and development trainings and offer rewarding careers to foster a culture of excellence. Not only are we committed to providing a safe and healthy working environment, but we are also involved in finding ways for employees to continuously engage in learning.

We encourage our employees to embrace and exemplify our values (Customer Centricity, Integrity & Responsibility, Innovation, Passion for People, Delivering Enduring Value) in the course of their work and daily routine activities.

As of 30th June, 2015

Total Number of Employees: 1,255

Management: 838

Non-Management: 417

Key Performance Indicators

Employment Practices		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Women Executive*	%	0	0	0	0	25	25	12
Online P&D Discussion Participation	%	80	83	NR	NR	98	98	90
Management Development Program	No of managers	121	211	NR	NR	NR	NR	338
Employee Engagement Index	% favourable	75	82	87	NR	NR	77	80

*Functional and Business Head positions

2014-15 Overview

- Our performance management online system, "Performance & Development Discussion," is well in place and we ensure maximum participation from our employees.
- We conducted the Q12 employee engagement survey with Gallup which took place in the period under review and 97% of employees participated in the survey.
- We have developed a comprehensive Leadership Development Road Map based on our Success Factors for all employees and it will be rolled-out in 2015-16. In the period under review, we successfully completed 2,924 man-days of training as per our training needs analysis.

Community Investment

Our community investment activities are managed through the ICI Pakistan Foundation, which is a separate legal entity with its own Board of Trustees. The Foundation is governed by a Trust Deed that outlines policies and procedures and clearly defines the scope of community investment activities. The accounts of the Foundation are audited annually by A.F. Ferguson & Co.

The Foundation's philosophy is built around four main areas: education, health, community and environment. It also focuses on civic development through investment in community projects, disaster relief and rehabilitation activities.

Key Performance Indicators

Community Investment		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Community Programme Investment	PKR Million	42.5*	24.3	6	7.45	4.2	20	30

*This amount includes contribution by stakeholders including ICI Pakistan Limited staff and parent company contribution for floods.

2014-15 Overview

The ICI Pakistan Foundation, under its Ilm-o-Huner initiative, runs a nationwide Adult Literacy programme in partnership with Literate Pakistan. After the successful completion of a pilot project in Kakapir, the ICI Pakistan Foundation initiated a new Adult Literacy project at Budhni Goth in Mauripur, Karachi, in collaboration with Jugnu Sabaq. The Foundation has also continued its support of the Tibbi Hariya School in Sheikhpura and provided educational opportunities to communities based in the neighbouring areas of Khewra and other operational sites. Furthermore, the Foundation also made a contribution of funds towards the Pakistan Agricultural Coalition in Lahore to set up an agricultural technical institute.

Since 1991, the Company has been conducting eye care programmes for the community of Khewra near the Soda Ash plant. The programme is run in collaboration with the Layton Rahmatullah Benevolent Trust (LRBT). In 2014-15 the Foundation also contributed funds towards state-of-the-art operation theatre equipment at the Shahbaz Sharif Mother and Child Complex at Sheikhpura. An IT backup server was donated to the Punjab Institute of Cardiology in Lahore. Additionally, the Foundation provided financial assistance to the Kidney Centre for one hundred dialyses and also held blood donation camps in collaboration with Fatimid Foundation.

ICI Pakistan Limited volunteers celebrated international Mother's Day with the residents of an old age home in Karachi. Volunteers from the Company also celebrated Independence Day with patients in the paediatric wards of Civil Hospital and the National Institute of Cardiovascular Diseases.

A street cleaning drive was conducted in Karachi in collaboration with the Indus Valley School of Arts and Architecture, Karachi. The Company also held a clean street drive at Raiti Line in Bath Island, Karachi, in collaboration with the Commissioner Karachi Youth Team and the students of Manzil School. ICI Pakistan Limited has also been regularly using bio-degradable envelopes to mail Annual Reports to various stakeholders. The Company observed Earth Hour, Earth Day and World Environment Day through tree plantation drives and other activities at its sites and at schools run by The Citizen's Foundation.

The Company donated funds towards the Chief Minister's Punjab Relief Fund for North Waziristan IDPs, and employees separately donated half day salaries to the Pakistan Army towards rehabilitation efforts.

Health, Safety & Security

Health, safety and security are the foundation of all our operations. We consider the prevention of accidents in daily operations, in day-to-day work and on work-related travel and transportation routes to be of prime importance. Providing a safe workplace for our employees and contractors is one of our top priorities, and thus we have established systems to enable safe operations and prevent accidents based on the corporate guidelines. We believe all accidents are preventable; therefore zero harm in terms of health, safety and security remains our keystone for conducting sustainable business.

Our activities in the areas of HSE are geared to ensuring the occupational health and safety of employees, contractors, and suppliers on our company premises under the supervision of ICI Pakistan Limited. In this way, we also reduce running costs by avoiding damages and disruptions.

Key Performance Indicators

Health, Safety & Security		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Fatalities	number	0	0	1	0	0	0	0
Total reportable injury rate employees/supervised contractors	/million hours	0	0.18	0.34	0	0.33	0.16	0
Occupational Illness Rate employees	/million hours	0	0	0	0	0	0	0
Total illness absence rate employees	%	1.92	1.76	1.72	1.83	1.51	1.23	1.76
Fatalities contractors (supervised and independent)	numbers	0	0	0	0	0	0	0
Total reportable injury rate independent contractors	/million hours	0	0	0	0	0.56	0	0
Lost time injury independent contractors	numbers	0	0	0	0	0	0	0
% sites with BBS programme	%	100	100	100	100	100	100	100
Distribution incidents	numbers	1	1	0	0	0	0	0
Motor vehicle incident with injury	numbers	1	2	0	0	0	1	0

2014-15 Overview

The total reportable injury rate for employees and supervised contractor dropped to 0.16 from 0.33 in 2013-14. There was one reportable injury for employees and supervised contractor and zero reportable injuries to any independent contractor reported during the year. That was a road driving incident reported by the Life Sciences Business, which was thoroughly investigated, following which an action plan was developed to avoid recurrences. The safety performance at other sites remained well controlled.

The HSE performance of Businesses continues to improve, as Polyester, Soda Ash, Life Sciences and Chemicals respectively achieved 5.91, 3.57, 0.46 and 4.53 million man hours without LTI (lost time injury) for employees and supervised contractors.

The HSE&S Management Audit process commenced across the Company, of which the Soda Ash Business audit has been completed. The remaining audits will be completed by Q1, 2015-16. The focus on reducing the Operational Eco Efficiency (OEE) footprint continued, with sustainability plans in place for implementation in all Businesses. The total illness absence rate decreased due to 100% compliance with the health and hygiene assessment monitoring programme.

Environmental Performance

Management Approach

One of our philosophies is that what we take from the planet, we must endeavour to give back. No organisation can thrive if our landscapes are diminished and our natural resources are depleted. We understand that our operations have an impact on the planet and its climate, and therefore our core objectives include methods by which we can mitigate this impact.

Pakistan is a beautiful country with incredible biodiversity. Our sites stretch from north to south, and our products cover the breadth of this land. We are part of nature, not separate from it, and it is our duty to strive for environmental responsibility within the Company and beyond.

In this spirit, environmental objectives are comprehensively integrated into our corporate and business goals and we ensure that we fully comply with the National Environment Legislation.



Going green, one step at a time



The Life Sciences Business, with its mission to 'Improve Lives', is a strong believer in sustainability and recycling. In 2014-15 the Business launched two promising initiatives at its Sahiwal warehouse to make the facility more environmentally friendly.

To conserve resources and generate energy, solar panels were installed at the warehouse. Solar energy is now being used as the primary source for all the lights and computers at the facility, and the cost for the solar panels will be recovered within a period of six years.

In addition, the Business reused wooden pallets at the warehouse, which would otherwise have been wasted. These pallets are used in imported shipments that bring in key Life Sciences products.

During the year the wooden pallets were repurposed and refurbished in the shape of fences that line portions of the facility. This recycling initiative has not only given the warehouse a boost in appearance, but has also breathed new life into material that would have otherwise been wasted.

Emissions Control

We are highly conscious of environmental impacts all throughout the cycle, which includes upstream to downstream production, and seek to address environmental issues responsibly. We are committed to exploring ways to combat the challenges of climate change and carbon management.

As a Company, we strive to manage energy and natural resources efficiently and to reduce emissions and discharges. We seek innovative methods to reduce energy consumption and minimise waste through source reduction, recycling and disposal in an environmentally sound manner. Environmental issues are taken into account in decision-making processes, both at the corporate and operational level.

Key Performance Indicators

Emissions Control		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Total COD emissions	te	52.59	53.78	39.52	17.82	16.43	18.05	49.96
Per ton production	kg/te	0.11	0.13	0.10	0.10	0.04	0.04	0.10
Total VOC emissions	te	81.81	72.34	57.12	1.33	3.23	3.45	77.72
Per ton production	kg/te	0.18	0.17	0.14	0.01	0.01	0.01	0.16
Total NOx emissions	te	430.70	422.93	420.28	206.06	798.34	1209.18	409
Per ton production	kg/te	0.93	0.99	1.03	1.14	1.83	2.75	0.83
Total SOx emissions	te	2209.1	2672.9	2590.15	1402.4	4338.97	3091.74	2430
Per ton production	kg/te	4.76	6.29	6.35	7.75	10.50	7.02	4.95
Total Direct CO2 emissions (Scope 1)	million te	0.39	0.35	0.35	0.13	0.43	0.52	0.37
Per ton production	kg/te	834.7	829.5	847.95	737.5	1038.11	1196.13	753
Total Indirect CO2 emissions (Scope 2)	te	2447	5642	3235.61	706.86	2413.32	2384.20	2324
Per ton production	kg/te	5.3	13.3	7.93	3.91	5.84	5.42	4.7

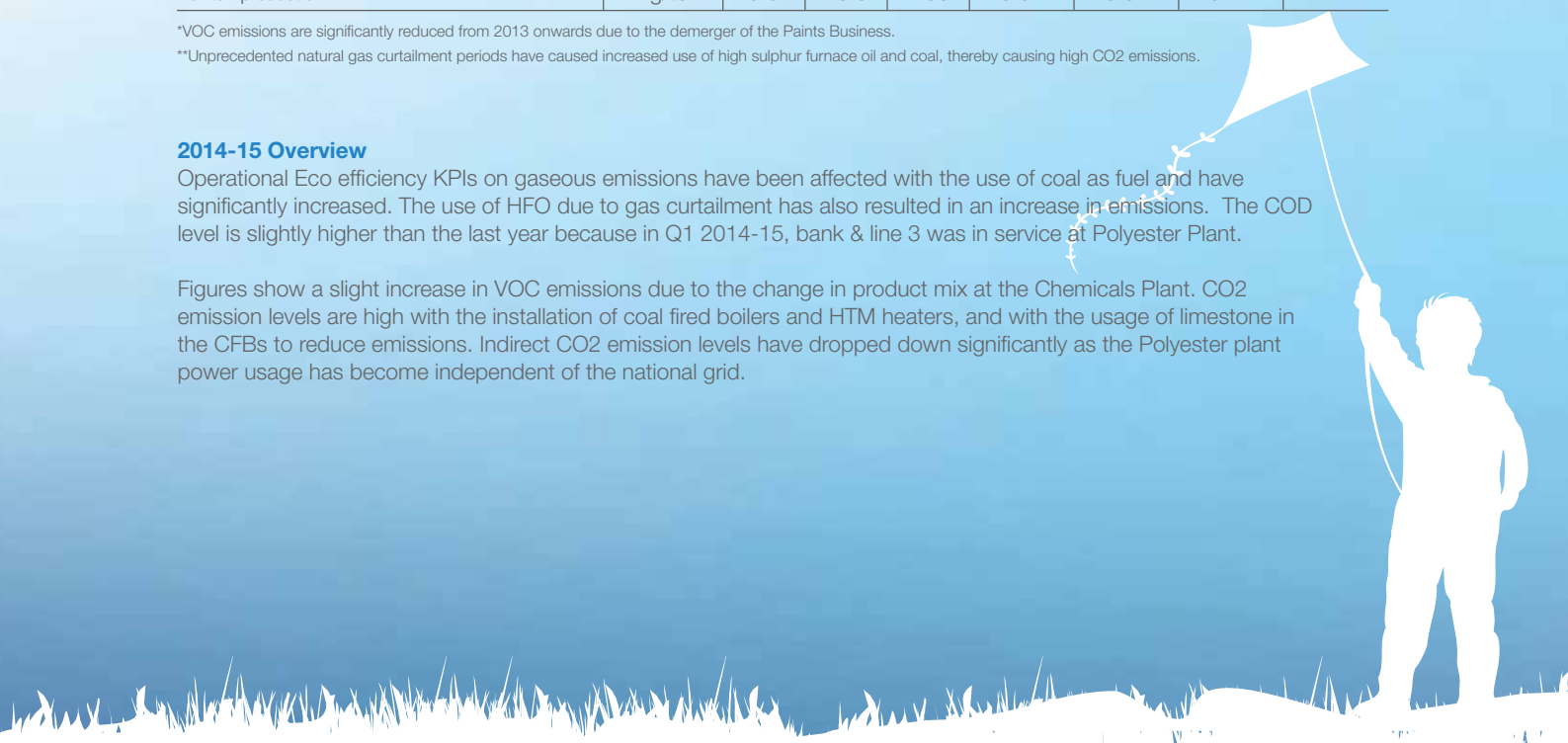
*VOC emissions are significantly reduced from 2013 onwards due to the demerger of the Paints Business.

**Unprecedented natural gas curtailment periods have caused increased use of high sulphur furnace oil and coal, thereby causing high CO2 emissions.

2014-15 Overview

Operational Eco efficiency KPIs on gaseous emissions have been affected with the use of coal as fuel and have significantly increased. The use of HFO due to gas curtailment has also resulted in an increase in emissions. The COD level is slightly higher than the last year because in Q1 2014-15, bank & line 3 was in service at Polyester Plant.

Figures show a slight increase in VOC emissions due to the change in product mix at the Chemicals Plant. CO2 emission levels are high with the installation of coal fired boilers and HTM heaters, and with the usage of limestone in the CFBs to reduce emissions. Indirect CO2 emission levels have dropped down significantly as the Polyester plant power usage has become independent of the national grid.



Water Usage

Water, 'the source of life', is of course a critical natural resource. Water management has remained a key driver towards our sustainability strategy and has been vital to business continuity. We have developed measures to ensure responsible management of fresh water, and constantly strive to use recycled waste water in our business operations.

Key Performance Indicators

Water Usage		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Total Fresh water use	million m ³	4.59	4.12	3.48	1.57	3.49	3.73	4.36
Per ton production	m ³ /te	9.9	9.7	8.53	8.7	8.44	8.47	8.9
% of sites with sustainable fresh water	%	25	25	25	33	33	33	100

2014-15 Overview

The water consumption figure is slightly higher than the last year, but is within the target as water was being used for the construction and commissioning of major projects at the Soda Ash and Polyester sites. At the same time fresh water usage reduction initiatives at our manufacturing sites were taken to ensure the minimum use of fresh water.

The Polyester Business has shifted eleven sprinklers, from the Admin building's lawn, from raw water to effluent treated water. Before that seven sprinklers were already on effluent treated water. In 2015-16, five more will be shifted to treated water. This modification has resulted in 40,000 litres less fresh water consumption per day.



Waste Management

We continue to implement global practices to encourage waste reduction and the optimisation of waste processing. The Company adheres to the following clear principles and employs the '3 Rs' in its Waste Management system:

- Reduce
- Reuse
- Recycle
- Convert Waste to Energy
- Dispose

We actively participate in small initiatives to reduce waste and reuse material as much as possible.

Key Performance Indicators

Waste Management		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Total waste	kte	4.412	2.73	2.28	0.43	12.88	22.20	4.191
Per ton production	kg/te	9.53	6.44	5.60	2.35	31.18	50.44	8.53
Total hazardous waste	kte	0.54	0.52	0.53	0.001	0.0076	0.24	0.51
Per ton production	kg/te	1.17	1.22	1.30	0.003	0.001	0.001	1.04
Total non-reusable waste	kte	0.295	0.384	0.385	0.001	0.0076	0.24	0.28
Per ton production	kg/te	0.64	0.90	0.94	0.00	0.001	0.001	0.57
Total non-reusable Hazardous waste	kte	0.251	0.327	0.323	0.001	0.008	0.24	0.238
Per ton production	kg/te	0.54	0.77	0.79	0.00	0.00	0.001	0.48
Total Hazardous waste to landfill	kte	0	0	0	0	0	0	0
Per ton production	kg/te	0	0	0	0	0	0	0

2014-15 Overview

Waste at the Soda Ash and Polyester plants has increased after the commissioning of the coal fired boilers and HTM heaters. This is due to an increase in fly ash and slag, which results from the usage of coal. Both the Businesses are working on options to reuse the fly ash and slag waste either at their own sites or at other plants locally.



Product Stewardship

The life cycle of any product goes through numerous stages: from R&D to manufacturing, and from packaging to delivery. We as a company continuously strive towards ensuring that our products are made with minimal risks to health and the environment at each step of the value chain.

This can only be achieved if stakeholders are involved and take responsibility for the efficient use of resources and the minimisation of waste. We believe in sharing our HSE&S best practices with our suppliers and thus encourage product security from raw material supplies to product delivery.

Key Performance Indicators

Product Stewardship		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
								Target
Product Eco-premium solutions	% sales		15.7	*	NR	NR	NR	30

*Data not available due to demerger of Paints Business

2014-15 Overview

As part of our comprehensive product stewardship, our Life Sciences Business completed 19 pre-commercialisation product reviews through the New Product Evaluation Database to evaluate the associated risks. Additionally, 54 products underwent post commercialisation reviews to update the information where necessary.

The Chemicals Business continues to explore avenues to minimise the environmental footprint of its products. Environmentally-friendly alternatives are being researched and developed to remove harmful effects from products and raw materials. In the interests of health, the Business no longer uses the raw material formaldehyde in the production of its textile binder product PBZF (PBL). Through the research of its product development team, an environmentally-friendly substitute has replaced formaldehyde in the product.

In line with feedback from customers, the Polyester Business took multiple initiatives to accomplish outlined targets and performed several activities for product stewardship. These included trials and production of black polyester staple fibre (PSF), successful life tests of PSF bale wrappers with regards to UV protection, and the development of systems to enable customers to track their dispatch.



Energy Efficiencies

As a forward-looking organisation, ICI Pakistan Limited pursues opportunities for renewable solutions with regard to energy issues. The ongoing energy crisis in the country has augmented our belief that we as a Company have a responsibility to conserve energy and reduce our carbon emissions.

Key Performance Indicators

Energy Usage		2010	2011	2012	2013 H1	2013-14	2014-15	2015-16
Total Energy Consumption	1000TJ	4.8	4.3	4.3	2.1	4.9	5.7	4.6
Per ton production	GJ/Te	10.4	10.1	10.4	11.62	11.84	13.03	9

2014-15 Overview

Natural gas shortages have driven the Company into coal-based technologies in order to generate steam and power. ICI Pakistan Limited's manufacturing facilities at Sheikhpura (Polyester) and Khewra (Soda Ash) have seen significant investments in coal fired boilers and steam turbines. Intrinsically these power plants are energy intensive because of their base parasitic loads which are significantly higher than similar capacity units operating on natural gas. This excessive energy consumption was reflected in higher per ton energy usage in 2014-15.

Energy conservation initiatives are being undertaken in parallel to mitigate to some degree high energy consumption. Some examples are as follows:

Soda Ash Site

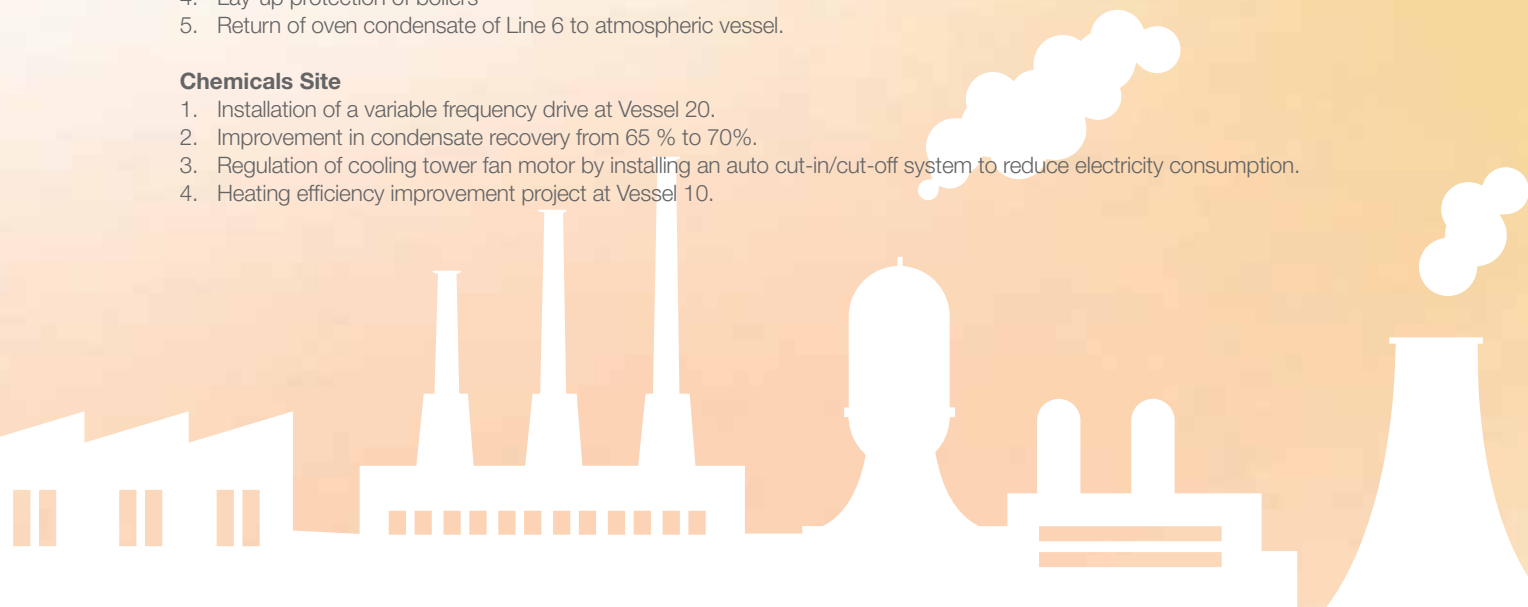
1. Replacement of Gas Turbine 1 (Alstom) with a high efficiency TurboMac Gas Turbine (Solar), shifted from the Polyester plant.
2. Installation of new RO/EDI unit in order to improve boiler feed water quality, which contributed to increasing the cycles of concentration through reduced blowdown and ensuring smooth boiler operation.
3. Bicarb moisture reduction at filters.

Polyester Site

1. Cooling tower/boilers blowdown optimisation.
2. Replacement of pole lights with LEDs.
3. Lines 4/5 AC - EC stoppage during line stoppage.
4. Lay-up protection of boilers
5. Return of oven condensate of Line 6 to atmospheric vessel.

Chemicals Site

1. Installation of a variable frequency drive at Vessel 20.
2. Improvement in condensate recovery from 65 % to 70%.
3. Regulation of cooling tower fan motor by installing an auto cut-in/cut-off system to reduce electricity consumption.
4. Heating efficiency improvement project at Vessel 10.



G3 Content Index

STANDARD DISCLOSURES PART 1

Profile Disclosure	Description	Cross-Reference
Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organisation	Overview & Strategy; CE Message; Sustainability Performance; Leadership Statement
1.2	Description of key impacts, risks, and opportunities	Governance & Compliance; Risk Management
Organisational Profile		
2.1	Name of the organisation	Cover Page; ICI Pakistan at a Glance
2.2	Primary brands, products, and/or services	Business Performance, ICI Pakistan at a Glance
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures	Governance & Compliance; Director's Report
2.4	Location of organisation's headquarters	Governance & Compliance; Company Information
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	Snapshot page
2.6	Nature of ownership and legal form	Governance & Compliance; Corporate Governance and Compliance
2.7	Markets served (including geographic breakdown, sectors served and types of customers/beneficiaries)	Business Performance
2.8	Scale of the reporting organisation	ICI Pakistan at a Glance
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Governance & Compliance; Director's Report
2.1	Awards received in the reporting period	Overview & Strategy; Awards & Achievements
Report Parameters		
3.1	Reporting period (e.g., fiscal/calender year) for information provided	Governance & Compliance; Director's Report Sustainability Performance; About the Report
3.2	Date of most recent previous report (if any)	Overview & Strategy; Awards & Achievements
3.3	Reporting cycle (annual, biennial, etc.)	Annual
3.4	Contact point for questions	Sustainability Performance; About the Report
3.5	Process for defining report content	Sustainability Performance; About the Report
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance	Sustainability Performance; About the Report
3.7	State any specific limitations on the scope or boundary of the report (see completeness Principle for explanation of scope)	Sustainability Performance; About the Report
3.8	Basis for reporting on joint ventures	NA
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	Sustainability Performance; About the Report

3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/ periods, nature of business, measurement methods)	Overview & Strategy; CE Message Sustainability Performance; About the Report
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	None
3.12	Table identifying the location of the Standard Disclosures in the report	This table
3.13	Policy and current practice with regard to seeking external assurance for the report	Sustainability Performance; About the Report

Governance, Commitments and Engagement

4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight	Governance and Compliance; Corporate Governance and Compliance
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	Governance and Compliance; Our Board of Directors
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	Governance and Compliance; Our Board of Directors
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Governance & Compliance; Corporate Governance and Compliance
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives	Amongst others, the drivers of compensation are individual performance as well as overall company performance
4.6	Processes in place for the highest governance body to ensure conflicts of interests are avoided.	Governance & Compliance; Corporate Governance and Compliance
4.7	Process for determining the composition, qualifications and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	Governance & Compliance; Our Board of Directors, Report of the Directors
4.8	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental and social performance and the status of their implementation	Overview & Strategy; Our Vision
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities and adherence or compliance with internationally agreed standards, codes of conduct and principles	Governance & Compliance; Risk Management. Sustainability Performance
4.1	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental and social performance.	Governance & Compliance; Corporate Governance and Compliance
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation	Governance & Compliance; Risk Management
4.12	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or endorses	Governance & Compliance; Corporate Governance and Compliance
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations	UNGC, MAP, KCC, PBC
4.14	List of stakeholder groups engaged by the organisation	Sustainability Performance; Stakeholder Engagement
4.15	Basis of identification and selection of stakeholders with whom to engage	Sustainability Performance; Stakeholder Engagement
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Sustainability Performance; Stakeholder Engagement
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting	Sustainability Performance; Stakeholder Engagement

STANDARD DISCLOSURES PART III: Performance Indicators

Economic Performance

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments	Governance & Compliance; Report of the Directors
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change	Governance & Compliance; Risk Management. Sustainability Performance; Environmental Performance
EC4	Significant financial assistance received from the government	None
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Economic Performance; Sourcing
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	Overview & Strategy; Community Investment
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Sustainability Performance; Social Performance; Community Investment

Environmental Performance

EN2	Percentage of materials used that are recycled input materials.	Sustainability Performance; Environmental Performance. Waste Management
EN3	Direct energy consumption by primary energy source.	Sustainability Performance; Environmental Performance; Energy Efficiencies
EN4	Indirect energy consumption by primary source.	Sustainability Performance; Environmental Performance; Energy Efficiencies
EN5	Energy saved due to conservation and efficiency improvements.	Sustainability Performance; Environmental Performance; ; Energy Efficiencies
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Environmental Performance; Case Study (Nothing like Sunshine)
EN8	Total water withdrawal by source.	Sustainability Performance; Environmental Performance; Water Usage
EN10	Percentage and total volume of water recycled and reused.	Sustainability Performance; Environmental Performance; Water Usage
EN16	Total direct and indirect greenhouse gas emissions by weight.	Sustainability Performance; Environmental Performance; Emissions Control
EN17	Other relevant indirect greenhouse gas emissions by weight.	Sustainability Performance; Environmental Performance; Emissions Control
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Sustainability Performance; Environmental Performance; Energy Efficiencies
EN19	Emissions of ozone-depleting substances by weight.	Sustainability Performance; Environmental Performance; Emissions Control
EN20	NOx, SOx, and other significant air emissions by type and weight.	Sustainability Performance; Environmental Performance; Emissions Control
EN22	Total weight of waste by type and disposal method.	Sustainability Performance; Environmental Performance; Waste Management
EN23	Total number and volume of significant spills.	None
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Sustainability Performance; Environmental Performance; Waste Management

EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Sustainability Performance; Environmental Performance
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	None

Social: Labor Practice and Decent Work

LA1	Total workforce by employment type, employment contract, and region broken down by gender	Sustainability Performance; Social Performance; Employment Practices
LA4	Percentage of employees covered by collective bargaining agreements	100%
LA7	Rates of injury, occupational diseases, lost days and absenteeism and number of work related fatalities by region and gender	Sustainability Performance; Social Performance; Health, Safety and Security
LA10	Average hours of training per year per employee by gender and by employee category	Sustainability Performance; Social Performance
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Sustainability Performance; Social Performance; Employment Practices

Social: Human Rights

HR4	Total number of incidents of discrimination and corrective actions taken	None
Social: Society		
SO2	Percentage and total number of business units analysed for risks related to corruption	100%
SO3	Percentage of employees trained in organisation's anti-corruption policies	100%
SO4	Actions taken in response to incidents of corruption	
SO5	Public policy positions and participation in public policy development and lobbying	Governance & Compliance; Corporate Governance and Compliance
SO6	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country	None
SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly	None
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	None

Social: Product Responsibility

PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	None
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Sustainability Performance; Stakeholder Engagement
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	None
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	None



Sustainability Report Assurance Statement

ICI Pakistan Limited (ICIPL) commissioned United Registrar of Systems (URS) to provide independent assurance over the sustainability content of their 2014-2015 Sustainability Report (the Report)

Scope of Assurance

Our engagement was designed to provide the readers of The Report with limited assurance on whether the information in The Report is in all material respects fairly presented in accordance with the reporting criteria described below.

Reporting Criteria and Basis of Assurance

ICIPL applies the Sustainability Reporting Guidelines of the Global Reporting Initiative (G3.1), supported by internally developed guidelines. It is important to view the performance data in the context of this explanatory information. We believe that these criteria are suitable in view of the purpose of our assurance engagement.

The ICIPL Sustainability Framework encompasses the aspects of social, environmental and economic performance and our assurance process covered these aspects during the Reporting period

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000 and the URS Assurance Protocol. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement under consideration of materiality to express our conclusion with limited assurance.

Management's Responsibility

The Managing Board of ICIPL is responsible for the preparation of the Sustainability Report in

accordance with the criteria stated in the Sustainability Reporting Guidelines G3.1 of the Global Reporting Initiative (GRI). This responsibility includes the selection and application of appropriate methods to prepare the Sustainability Report and the use of assumptions and estimates for individual sustainability disclosures which are reasonable in the circumstances.

Practitioner's Responsibility

URS recognizes the need for a robust, transparent assurance process to ensure credibility and to act as a tool to drive performance improvement in ICIPL's sustainability reporting and strategy. This is achieved by providing an impartial commentary on the reporting process and a summary of recommendations is presented to ICIPL in an internal report.

Our responsibility is to express a conclusion based on our work performed as to whether any matters have come to our attention that cause us to believe that the Sustainability Report for the fiscal year 2014-2015 has not been prepared, in all material respects, in accordance with the above mentioned criteria of the Sustainability Reporting Guidelines G3.1 of the GRI.

Assurance Methodology

We have performed the procedures deemed necessary to obtain the evidence that is sufficient and appropriate to provide a basis for our conclusions. Both quantitative and qualitative data were substantiated through examination of relevant

files and documents supplied by the report's authors.

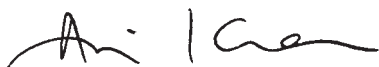
Visits to the site, projects and other stakeholders did not form part of the assurance scope.

Our Independence

URS was not responsible for preparing any part of the Report. We confirm that we are not aware of any other engagement or issue that could impair our objectivity in relation to this assurance engagement.

Conclusion

URS highly values IC IPL's diverse efforts and performance to improve its sustainability initiatives. The Report presents a structured and comprehensive overview of the environmental, social and economic performance for the period under review. We believe that the 2014-2015 Sustainability Report provides a reasonable and balanced representation of information concerning report content, quality, boundary setting and material indicators.



Ali Khan
Chief Executive
United Registrar of Systems - Pakistan
September 22, 2015

Furthermore, we are confident that, in all material respects, the selected quantitative sustainability information of the Sustainability Report has been prepared in accordance with the abovementioned criteria of the Sustainability Reporting Guidelines Vol. 3.1 of the Global Reporting Initiative (GRI).

We are also satisfied that this report accurately reflects IC IPL's ability to manage and report sustainability performance.

Statement of independence, impartiality and competence

URS operates strict conflict of interest checks and has confirmed our independence to work on this engagement with IC IPL. The members of the review team have not provided consulting services and were not involved in the preparation of any part of the Report. The review team has the required combination of education, experience, training and skills for this engagement.



Jackson Wilson
Jackson Wilson & Co.
Chartered Accountants
ICAP Membership # 6224





Financial Performance

Prosperity through prudence

ICI Pakistan Limited continually mines its operations to sharpen its processes and enhance its performance. This section provides a complete record of our financials for 2014-15.



ICI PAKISTAN LTD.

ICI Pakistan Limited Financial Statements

Auditors' Report to the Members

We have audited the annexed unconsolidated balance sheet of **ICI Pakistan Limited** (the Company) as at **30 June 2015** and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the unconsolidated balance sheet and unconsolidated profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for changes as stated in note 44 to the accompanying unconsolidated financial statements with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30 June 2015** and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Date: 26 August, 2015

Karachi



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Shariq Ali Zaidi

Unconsolidated Balance Sheet

As at June 30, 2015

Amounts in Rs '000


	Note	June 30, 2015	June 30, 2014
ASSETS			
Non-current assets			
Property, plant and equipment	3	14,236,363	11,652,057
Intangible assets	4	28,318	64,261
		14,264,681	11,716,318
Long-term investments	5	1,222,976	502,976
Long-term loans	6	324,610	253,477
Long-term deposits and prepayments	7	30,777	27,843
		1,578,363	784,296
		15,843,044	12,500,614
Current assets			
Stores, spares and consumables	8	653,582	559,256
Stock-in-trade	9	4,921,766	4,582,632
Trade debts	10	1,431,370	858,347
Loans and advances	11	323,696	191,121
Trade deposits and short-term prepayments	12	412,133	206,775
Other receivables	13	909,710	1,420,794
Taxation - net		2,054,870	1,765,784
Cash and bank balances	14	119,612	852,095
		10,826,739	10,436,804
Total assets		26,669,783	22,937,418

	Note	June 30, 2015	June 30, 2014
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
1,500,000,000 (June 30, 2014: 1,500,000,000) ordinary shares of Rs. 10 each		15,000,000	15,000,000
Issued, subscribed and paid-up capital	15	923,591	923,591
Capital reserves	16	309,643	309,643
Unappropriated profit		11,483,846	10,004,193
Total equity		12,717,080	11,237,427
Surplus on revaluation of property, plant and equipment	17	576,458	639,372
Non-current liabilities			
Provisions for non-management staff gratuity	18	87,422	77,842
Long-term loans	19	1,493,943	2,314,805
Deferred tax liability - net	20	1,181,167	1,093,718
		2,762,532	3,486,365
Current liabilities			
Trade and other payables	21	7,717,908	6,203,059
Accrued mark-up		56,658	61,606
Short-term borrowings and running finance	22	1,883,592	437,368
Current portion of long-term loans		955,555	872,221
		10,613,713	7,574,254
Total equity and liabilities		26,669,783	22,937,418
Contingencies and commitments	23		

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


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Unconsolidated Profit and Loss Account

For the year ended June 30, 2015

Amounts in Rs '000

	Note	For the year ended June 30, 2015	For the year ended June 30, 2014
Turnover	25.1	42,593,948	42,698,659
Sales tax, commission and discounts	24	(5,078,620)	(4,465,182)
Net turnover		37,515,328	38,233,477
Cost of sales	25.2	(31,725,574)	(33,581,636)
Gross profit		5,789,754	4,651,841
Selling and distribution expenses	27	(1,781,989)	(1,530,254)
Administration and general expenses	28	(963,658)	(895,653)
Operating result		3,044,107	2,225,934
Other charges	29	(231,373)	(181,058)
Finance costs	30	(402,787)	(387,042)
		(634,160)	(568,100)
Other income	31	293,547	323,130
Profit before taxation		2,703,494	1,980,964
Taxation	32	(577,786)	(278,748)
Profit after taxation		2,125,708	1,702,216
Basic and diluted earnings per share (Rupees)	33	23.02	18.43

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


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Unconsolidated Statement of Comprehensive Income

For the year ended June 30, 2015

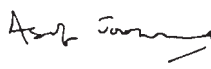
Amounts in Rs '000

	For the year ended June 30, 2015	For the year ended June 30, 2014
Profit after taxation	2,125,708	1,702,216
Items to be reclassified to profit or loss in subsequent periods:		
Loss on hedge during the year	(461)	-
Income tax relating to hedging reserve	128	-
	(333)	-
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress	333	-
	-	-
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial gains on defined benefit plans	167,444	52,914
Tax effect	(49,811)	(17,462)
	117,633	35,452
Total comprehensive income for the year	2,243,341	1,737,668

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Unconsolidated Cash Flow Statement

For the year ended June 30, 2015

Amounts in Rs '000

	For the year ended June 30, 2015	For the year ended June 30, 2014
Cash flows from operating activities		
Profit before taxation	2,703,494	1,980,964
Adjustments for:		
Depreciation and amortisation - note 3.5 and 4.1	1,657,278	1,338,740
(Gain) / loss on disposal of operating fixed assets - note 29 and 31	(5,532)	14,084
Write offs	-	27,322
Provision for staff retirement benefit plan - note 18.1.1	38,071	52,360
Provision for non-management staff gratuity and eligible retired employees' medical scheme	11,583	4,801
Interest on bank deposits	(649)	(368)
Dividend from investment in equity shares	(40,000)	-
Dividend from associate	(150,000)	-
Interest expense	354,795	381,528
Provision for doubtful debts - note 40.6	26,195	1,556
Provision for slow moving and obsolete stock-in-trade - note 9.1	36,000	12,389
Provision for slow moving and obsolete stores and spares - note 8.2	15,044	154
Provisions and accruals no longer required written back - note 31	(9,936)	(138,552)
	4,636,343	3,674,978
Movement in:		
Working capital	453,029	1,192,838
Long-term loans	(71,133)	(54,414)
Long-term deposits and prepayments	(2,935)	5,495
Cash generated from operations	5,015,304	4,818,897
Payments for :		
Staff retirement benefit plans - note 18.1.2	(60,477)	(62,798)
Non-management staff gratuity and eligible retired employees' medical scheme	(24,088)	(23,695)
Taxation	(824,476)	(574,280)
Interest	(357,846)	(351,539)
Net cash generated from operating activities	3,748,417	3,806,585
Cash flows from investing activities		
Capital expenditure	(3,855,116)	(2,408,806)
Proceeds from disposal of operating fixed assets	11,995	7,506
Interest received on bank deposits	649	368
Investment in associate	(720,000)	-
Dividend from investment in equity shares	40,000	-
Dividend from associate	150,000	-
Net cash used in investing activities	(4,372,472)	(2,400,932)

Amounts in Rs '000

	For the year ended June 30, 2015	For the year ended June 30, 2014
Cash flows from financing activities		
Long-term loans (repaid) / obtained	(737,529)	1,300,000
Dividends paid	(817,123)	(366,726)
Net cash (used in) / generated from financing activities	(1,554,652)	933,274
Net (decrease) / increase in cash and cash equivalents	(2,178,707)	2,338,927
Cash and cash equivalents at the beginning of the year	414,727	(1,924,200)
Cash and cash equivalents at the end of the year	(1,763,980)	414,727
Movement in working capital		
(Increase) / decrease in current assets		
Stores, spares and consumables	(109,370)	(674)
Stock-in-trade	(375,130)	(14,858)
Trade debts	(599,216)	8,287
Loans and advances	(122,639)	(11,406)
Trade deposits and short-term prepayments	(12,062)	18,691
Other receivables	511,085	(286,895)
	(707,332)	(286,855)
Increase in current liabilities		
Trade and other payables	1,160,361	1,479,693
	453,029	1,192,838
Cash and cash equivalents at the end of the year comprise of:		
Cash and bank balances - note 14	119,612	852,095
Short-term borrowings and running finance - note 22	(1,883,592)	(437,368)
	(1,763,980)	414,727

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


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2015

Amounts in Rs '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total
As at July 01, 2013	923,591	309,643	8,555,755	9,788,989
Interim dividend for the year ended June 30, 2014 @ Rs. 4.00 per share	-	-	(369,436)	(369,436)
	-	-	(369,436)	(369,436)
Profit for the year	-	-	1,702,216	1,702,216
Other comprehensive income for the year, net of tax	-	-	35,452	35,452
Total comprehensive income	-	-	1,737,668	1,737,668
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 17	-	-	80,206	80,206
	-	-	80,206	80,206
As at June 30, 2014	923,591	309,643	10,004,193	11,237,427
Final dividend for the year ended June 30, 2014 @ Rs. 4.00 per share	-	-	(369,436)	(369,436)
Interim dividend for the year ended June 30, 2015 @ Rs. 5.00 per share	-	-	(461,796)	(461,796)
	-	-	(831,232)	(831,232)
Profit for the year	-	-	2,125,708	2,125,708
Other comprehensive income for the year, net of tax	-	-	117,633	117,633
Total comprehensive income	-	-	2,243,341	2,243,341
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 17	-	-	67,544	67,544
	-	-	67,544	67,544
As at June 30, 2015	923,591	309,643	11,483,846	12,717,080

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


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

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

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

2 Summary of Significant Accounting Policies

Following are the details of significant accounting policies:

2.1 Statement of compliance

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

2.2 Basis of preparation

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

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

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historic experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the unconsolidated financial statements in subsequent years are discussed in note 43.

2.3 Property, plant and equipment and depreciation

Property, plant and equipment (except freehold land, buildings on freehold and leasehold land and plant and machinery) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land, buildings on freehold and leasehold land and plant and machinery are stated at revalued amounts less subsequent accumulated depreciation and subsequent impairment losses, if any. Capital work-in-progress is stated at cost less impairment, if any. Cost of certain property, plant and equipment comprises historical cost. Such cost includes the cost of replacing parts of the property, plant and equipment and the cost of borrowings for long-term construction projects, if the recognition criteria is met.

Depreciation charge is based on the straight-line method whereby the cost or revalued amount of an asset is written off to profit and loss account over its estimated useful life after taking into account residual value, if material. The cost of leasehold land is depreciated in equal installments over the lease period. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month of disposal.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed at each balance sheet date and adjusted, if appropriate.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Improvements are capitalised when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably. Assets replaced, if any, are derecognised.

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

2.4 Intangible assets and amortisation

Intangible assets with a finite useful life, such as certain softwares, licenses (including extraction rights, software licenses, etc.) and property rights, are capitalised initially at cost and subsequently stated at cost less accumulated amortisation and impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit and loss account as incurred.

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

2.5 Investments

Investments in subsidiary and associates are stated at cost less provision for impairment, if any.

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

2.6 Stores, spares and consumables

Stores, spares and consumables are stated at the lower of weighted average cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less net estimated costs to sell, which is generally equivalent to replacement cost. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the balance sheet date.

2.7 Stock-in-trade

Stock-in-trade is valued at the lower of weighted average cost and estimated net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and selling expenses.

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

2.8 Trade debts and other receivables

Trade debts and other receivables are recognised at original invoice amount less provision for doubtful debts and other receivables, if any. A provision for doubtful debts and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables (Refer note 40.6.1). Bad Debts are written off when identified.

2.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income or below equity, in which case it is recognised in other comprehensive income or below equity, respectively.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognised using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside profit and loss account is recognised outside profit and loss account. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Further, the Company recognises deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks. Short term finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

2.11 Impairment

Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit and loss account and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss account.

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss account.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.12 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on revaluation of property, plant and equipment" account shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Company has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated January 13, 2003:

- a) depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and
- b) an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on revaluation of property, plant and equipment" account to accumulated profit / loss through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

2.13 Staff retirement benefits

The Company's retirement benefit plans comprise of provident funds, pensions, gratuity schemes and a medical scheme for eligible retired employees.

Defined benefit plans

The Company operates a funded pension scheme and a funded gratuity scheme for management staff. The pension and gratuity schemes are salary schemes providing pension and lump sums, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Company also operates gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. The pension and gratuity plans are final salary plans. The pensioner's medical plan reimburses actual medical expenses to pensioners as per entitlement. The Company recognises expense in accordance with IAS 19 "Employee Benefits".

An actuarial valuation of all defined benefit schemes except eligible retired employees' medical scheme is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income.

All past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or termination benefits.

Defined contribution plans

The Company operates two registered contributory provident funds for its entire staff and a registered defined contribution superannuation fund for its management staff, who has either opted for this fund by July 31, 2004 or have joined the Company after April 30, 2004. In addition to this the Company also provides group insurance to all its employees.

Compensated absences

The Company recognises the accrual for compensated absences in respect of employees for which these are earned up to the balance sheet date. The accrual has been recognised on the basis of actuarial valuation.

2.14 Operating leases / Ijarah contracts

Leases, other than those under Ijarah contracts, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Ijarah contracts are classified as operating leases irrespective of whether significant portion of the risks and rewards of ownership are retained by lessor. Payments made under operating leases (net of any incentives received from the lessor) and Ijarah contracts are charged to the profit and loss account on a straight-line basis over the period of the lease.

2.15 Trade and other payables

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

2.16 Borrowings and their cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

2.17 Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognised as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

2.18 Financial liabilities

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

2.19 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pak Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pak Rupees at the foreign exchange rates at the balance sheet date. Exchange differences are taken to the profit and loss account.

2.20 Functional and presentation currency

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

2.21 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer. For those products which are often sold with a right of return, accumulated experience is used to estimate and provide for such returns at the time of sale.

Commission income is recognised on the date of shipment from suppliers.

Profit on short-term deposits is accounted for on a time-apportioned basis using the effective interest rate method.

Dividend income is recognised when the right to receive dividend is established.

Toll manufacturing income is recognised when services are rendered.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

2.22 Financial expense and financial income

Financial expenses are recognised using the effective interest rate method and comprise foreign currency losses and markup / interest expense on borrowings.

Financial income comprises interest income on funds invested. Markup / interest income is recognised as it accrues in profit and loss account, using the effective interest rate method.

2.23 Dividend

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

2.24 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer (the CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditures. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments. Segments reported are Polyester, Soda Ash, Life Sciences and Chemicals, which also reflects the management structure of the Company.

2.25 Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. Derivatives qualifying for hedge accounting are accounted for accordingly whereas, derivatives that do not qualify for hedge accounting are accounted for as held for trading instruments. All changes in the fair value are recognised in the profit and loss account.

2.26 Off-setting

Financial assets and liabilities are offset and the net amount is reported in the unconsolidated financial statements only when there is, legally enforceable right to set-off the recognised amount and the Company intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
3. Property, plant and equipment		
3.1 The following is a statement of property, plant and equipment:		
Operating fixed assets - note 3.2	12,573,587	10,756,006
Capital work-in-progress - note 3.7	1,662,776	896,051
	14,236,363	11,652,057

3.2 The following is a statement of operating fixed assets:

	Land		Lime beds	Buildings		Plant and	Railway	Rolling	Furniture	Total
	Freehold	Leasehold	on freehold land	On freehold land	On leasehold land	machinery	sidings	stock and vehicles	and equipment	
	Note 3.3			Note 3.3		Note 3.3 & 3.4				
	As at June 30, 2015									
Net carrying value basis										
Opening net book value (NBV)	438,021	-	133,860	265,384	1,080,087	8,665,237	-	26,402	147,015	10,756,006
Addition / transfer - note 3.2.1	30,287	-	923	518,133	168,800	2,599,384	-	9,435	108,792	3,435,754
Disposal (at NBV)	-	-	-	-	(387)	(5,731)	-	-	(345)	(6,463)
Depreciation charge - note 3.5	-	-	(11,667)	(56,373)	(104,277)	(1,368,917)	-	(13,011)	(57,465)	(1,611,710)
Closing net book value	468,308	-	123,116	727,144	1,144,223	9,889,973	-	22,826	197,997	12,573,587
Gross carrying value basis										
Cost / revaluation	468,308	562,166	251,479	2,915,687	2,167,867	24,532,344	297	126,369	656,419	31,680,936
Accumulated depreciation	-	(562,166)	(128,363)	(2,188,543)	(1,023,644)	(14,642,371)	(297)	(103,543)	(458,422)	(19,107,349)
Closing net book value	468,308	-	123,116	727,144	1,144,223	9,889,973	-	22,826	197,997	12,573,587
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 25	3 to 33.33	3.33 to 50	3.33	10 to 33.33	10 to 50	
As at June 30, 2014										
Net carrying value basis										
Opening net book value	341,885	-	134,525	310,465	655,011	6,361,578	-	12,964	184,256	8,000,684
Addition / transfer - note 3.2.1	96,137	-	10,899	92,172	443,596	3,398,311	-	6,090	63,604	4,110,809
Adjustments (at NBV)	-	-	-	(30)	(260)	(16,045)	-	(4,700)	(555)	(21,590)
Disposal (at NBV)	(1)	(29)	(15)	(88,751)	86,752	(23,557)	-	26,778	(43,091)	(41,914)
Depreciation charge / Reversal - note 3.5	-	29	(11,549)	(48,472)	(105,012)	(1,055,050)	-	(14,730)	(57,199)	(1,291,983)
Closing net book value	438,021	-	133,860	265,384	1,080,087	8,665,237	-	26,402	147,015	10,756,006
Gross carrying value basis										
Cost / revaluation	438,021	562,166	250,556	2,398,205	1,968,029	22,461,480	297	118,610	491,709	28,689,073
Accumulated depreciation	-	(562,166)	(116,696)	(2,132,821)	(887,942)	(13,796,243)	(297)	(92,208)	(344,694)	(17,933,067)
Closing net book value	438,021	-	133,860	265,384	1,080,087	8,665,237	-	26,402	147,015	10,756,006
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 25	3 to 33.33	3.33 to 50	3.33	10 to 33.33	10 to 50	

3.2.1 Additions to plant and machinery include borrowing cost for various projects amounting to Rs. 109.705 million (June 30, 2014: Rs. 95.406 million) and transfer from capital work-in-progress (Note 3.7.1). The rate used to determine the amount of borrowing cost eligible for capitalization is 9.20% (June 30, 2014: 9.76%).										
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Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
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3.2.2 Operating fixed assets include the following major spare parts and stand by equipment:

Cost	384,087	362,904
Net book value	181,539	194,844

3.3 Subsequent to revaluations on October 1, 1959, September 30, 2000 and December 15, 2006 which had resulted in a surplus of Rs. 14.207 million, Rs. 1,569.869 million and Rs. 667.967 million respectively, the land, buildings on freehold and leasehold land and plant and machinery were revalued again on December 31, 2011 resulting in a net surplus of Rs. 712.431 million, respectively. The valuation was conducted by an independent valuer. Valuations for plant and machinery and building were based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence. Land was valued on the basis of fair market value.

3.4 Plant and machinery including equipment held with Searle Pakistan Limited, Breeze Pharmaceutical Limited and Maple Pharmaceutical (Private) Limited (toll manufacturers), are as follows:

Cost	8,111	8,369
Net book value	4,900	5,638

	For the year ended June 30, 2015	For the year ended June 30, 2014
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3.5 The depreciation charge for the year has been allocated as follows:

Cost of sales	1,553,688	1,229,818
Selling and distribution expenses	15,015	13,821
Administration and general expenses	43,007	48,344
	1,611,710	1,291,983

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

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

	As at June 30, 2015	As at June 30, 2014
Net book value		
Freehold land	169,028	138,741
Buildings	1,743,972	1,218,076
Plant and machinery	9,471,538	8,246,802
	11,384,538	9,603,619

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
3.7 Capital work-in-progress comprises of:		
Civil works and buildings	327,797	270,916
Plant and machinery	844,743	549,576
Miscellaneous equipment	88,840	44,606
Advances to suppliers / contractors	353,678	19,013
Designing, consultancy and engineering fee	47,718	11,940
	1,662,776	896,051

This includes interest charged during the year ended June 30, 2015 in respect of long-term loan obtained for various projects amounting to Rs. 30.873 million (June 30, 2014: Rs. Nil). The rate used to determine the amount of borrowing cost eligible for capitalization is 8.83% (June 30, 2014: Rs. Nil).

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

Balance at the beginning of the year	896,051	2,549,354
Addition during the year	4,167,569	2,409,836
	5,063,620	4,959,190
Transferred to operating fixed assets during the year	(3,400,844)	(4,063,139)
Balance at the end of the year	1,662,776	896,051

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

As at June 30, 2015						
	Mode of sale	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyers
Plant and machinery						
Boiler, Deaerator and other assets	Scrap	48,370	44,614	3,756	2,124	Hanif Ghouri Malakwal District Mandi Bahauddin
Building on leasehold land						
Old quarter's doors and windows	Bidding	499	288	211	89	Anjum Wood Craft Khewra
Furniture and Equipments						
Dell Laptops	Insurance Claim	250	107	143	155	PICIC Insurance
As at June 30, 2014						
Plant and machinery						
Refractory, Panelmate and various other assets	Scrap	30,470	14,125	16,345	1,301	Shahbaz and Company, Malakwal District Mandi Bahauddin
Rolling stock and vehicles						
Audi and Fork lift trucks	Auction	6,440	1,739	4,701	5,343	Mr. Azfar Abbas Ashary, Karachi
Building						
Civil Work Lime Stone Storage	Scrap	2,877	2,648	229	20	Shahbaz and Company, Malakwal District Mandi Bahauddin

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

4 Intangible assets

As at June 30, 2015			
	Software	Licenses	Total
Net carrying value basis			
Opening net book value (NBV)	10,368	53,893	64,261
Addition / transfer	1,124	8,501	9,625
Amortisation charge - note 4.1	(9,512)	(36,056)	(45,568)
Closing net book value	1,980	26,338	28,318
Gross carrying amount			
Cost	173,311	197,046	370,357
Accumulated amortisation	(171,331)	(170,708)	(342,039)
Closing net book value	1,980	26,338	28,318
Amortisation rate % per annum	20	20 to 50	
As at June 30, 2014			
Net carrying value basis			
Opening net book value (NBV)	11,754	33,369	45,123
Addition / transfer	-	51,303	51,303
Adjustments (at NBV)	10,900	3,692	14,592
Amortisation charge - note 4.1	(12,286)	(34,471)	(46,757)
Closing net book value	10,368	53,893	64,261
Gross carrying amount			
Cost	172,187	188,546	360,733
Accumulated amortisation	(161,819)	(134,653)	(296,472)
Closing net book value	10,368	53,893	64,261
Amortisation rate % per annum	20	20 to 50	
	For the year ended June 30, 2015	For the year ended June 30, 2014	

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

Cost of sales	14,219	13,614
Selling and distribution expenses	4,649	1,948
Administration and general expenses	26,700	31,195
	45,568	46,757

	As at June 30, 2015	As at June 30, 2014
5. Long-term investments		
Unquoted - at cost		
Subsidiary		
– ICI Pakistan PowerGen Limited (wholly owned)		
7,100,000 ordinary shares (June 30, 2014: 7,100,000) of Rs. 100 each - note 5.1	710,000	710,000
Less: Provision for impairment loss - note 5.2	209,524	209,524
	500,476	500,476
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	-
Others		
<i>Equity security available-for-sale</i>		
– Arabian Sea Country Club Limited		
250,000 ordinary shares (June 30, 2014: 250,000) of Rs. 10 each	2,500	2,500
	1,222,976	502,976

5.1 As of the balance sheet date, the value of the Company's investment on the basis of net assets of ICI Pakistan PowerGen Limited (the Subsidiary) as disclosed in its audited financial statements for the year ended June 30, 2015 amounted to Rs. 871.533 million (June 30, 2014: Rs. 773.149 million).

5.2 The Company has reassessed the recoverable amount of the Subsidiary as at the balance sheet date and based on its assessment no material adjustment is required to the carrying amount stated in the financial statement.

6. Long-term loans

Considered good

Due from executives and employees - note 6.1

324,610 253,477

6.1 Due from executives and employees

	Motor car	House building	Total	Total
Due from executives - note 6.2, 6.3 and 6.4	186,276	58,730	245,006	202,734
Less: Receivable within one year	29,359	23,993	53,352	53,011
	156,917	34,737	191,654	149,723
Due from employees - note 6.3			164,926	126,390
Less: Receivable within one year			31,970	22,636
			132,956	103,754
			324,610	253,477
Outstanding for period:				
- less than three years but over one year			125,397	161,338
- more than three years			199,213	92,139
			324,610	253,477

6.2 Reconciliation of the carrying amount of loans to executives:

Balance at the beginning of the year	202,734	184,494
Disbursements during the year	108,155	123,414
Repayments during the year	(65,883)	(105,174)
Balance at the end of the year	245,006	202,734

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

6.4 The maximum aggregate amount of loans due from the executives at the end of any month during the year was Rs. 245.006 million (June 30, 2014: Rs. 202.734 million).

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
7. Long-term deposits and prepayments		
Deposits	27,323	25,679
Prepayments	3,454	2,164
	30,777	27,843

8. Stores, spares and consumables		
Stores - note 8.1	55,811	34,912
Spares - note 8.1	663,018	608,509
Consumables	103,300	100,570
	822,129	743,991
Less: Provision for slow moving and obsolete stores and spares - note 8.2	168,547	184,735
	653,582	559,256

8.1 The above amounts include stores and spares in transit of Rs. 27.516 million (June 30, 2014: Rs. 15.625 million)

8.2 Movement of provision for slow moving and obsolete stores and spares is as follows:

Balance at the beginning of the year	184,735	184,683
Charge for the year - note 28	15,044	154
Write-off during the year	(31,232)	(102)
Balance at the end of the year	168,547	184,735

9. Stock-in-trade		
Raw and packing material (include in-transit Rs. 430.910 million June 30, 2014: Rs. 791.619 million) - note 9.3	2,070,383	2,348,115
Work-in-process	96,034	165,341
Finished goods (include in-transit Rs. 348.217 million June 30, 2014: Rs. 137.44 million)	2,882,416	2,166,884
	5,048,833	4,680,340
Less: Provision for slow moving and obsolete stock-in-trade - note 9.1		
- Raw material	13,659	8,771
- Finished goods	113,408	88,937
	127,067	97,708
	4,921,766	4,582,632

9.1 Movement of Provision for slow moving and obsolete stock-in-trade is as follows:

Balance at the beginning of the year	97,708	93,142
Charge for the year - note 28	36,000	12,389
Reversal during the year	-	(6,890)
Write-off during the year	(6,641)	(933)
Balance at the end of the year	127,067	97,708

9.2 Stock amounting to Rs. 498.295 million (June 30, 2014: Rs. 28.801 million) is measured at net realisable value and expense amounting to Rs. 9.465 million (June 30, 2014: write back of Rs. 20.529 million) has been charged to cost of sales.

9.3 Raw and packing materials held with various toll manufacturers amount to Rs. 556.110 million (June 30, 2014: Rs. 423.255 million)

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
10. Trade debts		
Considered good		
- Secured	168,723	135,393
- Unsecured	1,474,293	892,385
	1,643,016	1,027,778
Considered doubtful	40,987	93,664
	1,684,003	1,121,442
Less: Provision for:		
- Doubtful debts - note 40.4 and 40.6	40,987	93,664
- Discounts payable on sales	211,646	169,431
	252,633	263,095
	1,431,370	858,347

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

Secured		
ICI Pakistan PowerGen Limited	1,273	371
Unsecured		
Yunus Textile Mills Limited	15,190	26,397
Lucky Textile Mills Limited	4,231	1,162
Lucky Knits (Private) Limited	499	3,340
NutriCo Pakistan (Private) Limited	11,095	-
Feroze Mills Limited	377	-
	32,665	31,270

11. Loans and advances

Considered good		
Loans due from:		
Director and executives - note 11.1	59,667	53,011
Employees	31,970	22,636
	91,637	75,647
Advances to:		
Executives	8,118	14,241
Employees	319	276
Contractors and suppliers	219,513	95,368
Others	4,109	5,589
	232,059	115,474
	323,696	191,121
Considered doubtful	-	7,292
	323,696	198,413
Less: Provision for doubtful loans and advances - note 40.4 and 40.6	-	7,292
	323,696	191,121

11.1 The maximum aggregate amount of loans due from the directors and executives at the end of any month during the year was Rs. 9.315 million and Rs. 12.401 million (June 30, 2014: Rs. 3.221 million and Rs. 14.037 million) respectively.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
12. Trade deposits and short-term prepayments		
Trade deposits	28,194	25,803
Short-term prepayments	383,939	180,972
	412,133	206,775

13. Other receivables

Considered good		
Duties, sales tax and octroi refunds due	328,126	243,107
Commission and discounts receivable	25,002	22,612
Receivable from principal - note 13.1	483,504	1,068,427
Others	73,078	86,648
	909,710	1,420,794
Considered doubtful	1,622	20,237
	911,332	1,441,031
Less: Provision for doubtful receivables - note 13.2	1,622	20,237
	909,710	1,420,794

13.1 This includes receivable amounting to Rs. 401.706 million (June 30, 2014: Rs. 1,019.800 million) from a foreign vendor in relation to margin support guarantee.

13.2 Movement of provision for doubtful receivables is as follows:

Balance at the beginning of the year	20,237	57,312
Write-off during the year	(18,615)	-
Reversal during the year	-	(37,075)
Balance at the end of the year	1,622	20,237

14. Cash and bank balances

Cash at banks:		
- Short-term deposits - note 14.1	106,000	103,000
- Current accounts	9,047	741,738
Cash in hand	4,565	7,357
	119,612	852,095

14.1 Represent security deposits from customer that are placed with various banks at pre-agreed rate maturing at various dates. The mark-up on these deposits is 10% (June 30, 2014: 8.00% to 9.00%) and these term deposits are readily encashable without any penalty.

Amounts in Rs '000

As at June 30, 2015 (Numbers)	As at June 30, 2014		As at June 30, 2015	As at June 30, 2014
15. Issued, subscribed and paid-up capital				
83,734,062	83,734,062	Ordinary shares of Rs. 10 each fully paid in cash	837,341	837,341
211,925	211,925	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation (note 15.1)	2,119	2,119
16,786	16,786	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	168	168
8,396,277	8,396,277	Ordinary shares issued pursuant to the previous scheme as fully paid for consideration of investment in associate (note 15.2)	83,963	83,963
92,359,050	92,359,050		923,591	923,591

15.1 The process for amalgamation of three companies namely Paintex Limited, ICI Pakistan Manufacturers Limited and Imperial Chemical Industries Limited resulted in a new company as ICI Pakistan Limited on April 01, 1987.

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

15.3 On December 28, 2012, Lucky Holdings Limited acquired from ICI Omicron B.V. its entire shareholding of 70,019,459 shares in ICI Pakistan Limited, besides acquiring 111,698 additional shares by way of public offer made by it to all the shareholders of the Company in pursuance of the provisions of the Listed Companies (Substantial Acquisition of Voting Shares & Take-overs), Ordinance, 2002 and the Listed Companies (Substantial Acquisition of Voting Shares & Take-overs) Regulations, 2008. Thus, Lucky Holdings Limited became the parent company, and Lucky Cement Limited became the ultimate holding company of ICI Pakistan Limited with effect from December 28, 2012. Along with Lucky Holdings Limited, two other companies of the Yunus Brothers Group namely, Gadoon Textile Mills Limited and Lucky Textile Mills Limited also participated in the public offer thereby acquiring 5,980,917 shares and 5,077,180 shares respectively. As at the balance sheet date, Lucky Cement Limited together with the group companies held 86.72% (June 30, 2014: 87.33%) shareholding.

16. Capital reserves

Share premium - note 16.1	309,057	309,057
Capital receipts - note 16.2	586	586
	309,643	309,643

16.1 Share premium includes the premium amounting to Rs. 0.902 million received on shares issued for the Company's Polyester Plant installation in 1980 and share premium of Rs. 464.357 million representing the difference between nominal value of Rs. 10 per share of 12,618,391 ordinary shares issued by the Company and the market value of Rs. 590.541 million of these shares corresponding to 25% holding acquired in Lotte Pakistan PTA Limited, an ex-associate, at the date of acquisition i.e. November 2, 2001 and the number of shares that have been issued were determined in accordance with the previous scheme in the ratio between market value of the shares of two companies based on the mean of the middle market quotation of the Karachi Stock Exchange over the ten trading days between October 22, 2001 to November 2, 2001.

16.2 Capital receipts represent the amount received from various ICI plc group companies overseas for the purchase of property, plant and equipment. The remitting companies have no claim to their repayments.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
17. Surplus on revaluation of property, plant and equipment		
Balance at the beginning of the year	639,372	698,536
Adjustment due to change in tax rate - note 20.1	4,630	21,042
Transferred to unappropriated profit in respect of incremental depreciation during the year - net of deferred tax	(67,544)	(80,206)
Balance at the end of the year	576,458	639,372

18. Provisions for non-management staff gratuity	87,422	77,842
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18.1 Staff retirement benefits

	2015				2014			
	Pension	Funded Gratuity	Unfunded Total		Pension	Funded Gratuity	Unfunded Total	
18.1.1 The amounts recognised in the profit and loss account against defined benefit schemes are as follows:								
Current service cost	16,808	37,326	54,134	3,158	17,153	32,322	49,475	3,291
Interest cost	113,592	69,378	182,970	9,455	102,896	54,286	157,182	8,118
Expected return on plan assets	(152,025)	(48,038)	(200,063)	-	(127,167)	(37,245)	(164,412)	-
Past service cost	-	1,030	1,030	(1,030)	-	10,115	10,115	(10,115)
Net (reversal) / charge for the year	(21,625)	59,696	38,071	11,583	(7,118)	59,478	52,360	1,294
Other comprehensive income:								
Loss / (Gain) on obligation	16,941	(33,989)	(17,048)	3,448	7,112	21,574	28,686	5,677
(Gain) on plan assets	(104,216)	(49,628)	(153,844)	-	(75,645)	(11,632)	(87,277)	-
Net (gain) / loss	(87,275)	(83,617)	(170,892)	3,448	(68,533)	9,942	(58,591)	5,677

18.1.2 Movement in the net assets / (liability) recognised in the balance sheet are as follows:								
Opening balance	301,428	(196,734)	104,694	(77,842)	225,777	(190,112)	35,665	(79,678)
Net reversal / (charge) - note 18.1.1	21,625	(59,696)	(38,071)	(11,583)	7,118	(59,478)	(52,360)	(1,294)
Other comprehensive income	87,275	83,617	170,892	(3,448)	68,533	(9,942)	58,591	(5,677)
Contributions / payments during the year	-	60,477	60,477	5,451	-	62,798	62,798	8,807
Closing balance	410,328	(112,336)	297,992	(87,422)	301,428	(196,734)	104,694	(77,842)

18.1.3 The amounts recognised in the balance sheet are as follows:								
Fair value of plan assets - note 18.1.5	1,365,979	470,938	1,836,917	-	1,274,962	379,191	1,654,153	-
Present value of defined benefit obligation - note 18.1.4	(955,651)	(583,274)	(1,538,925)	(87,422)	(973,534)	(575,925)	(1,549,459)	(77,842)
Surplus / (deficit)	410,328	(112,336)	297,992	(87,422)	301,428	(196,734)	104,694	(77,842)

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

18.1.4 Movement in the present value of defined benefit obligation:								
Opening balance	973,534	575,925	1,549,459	77,842	1,067,969	552,340	1,620,309	79,678
Current service cost	16,808	37,326	54,134	3,158	17,153	32,322	49,475	3,291
Interest cost	113,592	69,378	182,970	9,455	102,896	54,286	157,182	8,118
Benefits paid	(165,224)	(66,396)	(231,620)	(5,451)	(221,596)	(94,712)	(316,308)	(8,807)
Actuarial loss / (gain)	16,941	(33,989)	(17,048)	3,448	7,112	21,574	28,686	5,677
Past service cost	-	1,030	1,030	(1,030)	-	10,115	10,115	(10,115)
Closing balance	955,651	583,274	1,538,925	87,422	973,534	575,925	1,549,459	77,842

18.1.5 Movement in the fair value of plan assets:								
Opening balance	1,274,962	379,191	1,654,153	-	1,293,746	362,228	1,655,974	-
Expected return	152,025	48,038	200,063	-	127,167	37,245	164,412	-
Contributions	-	60,477	60,477	-	-	62,798	62,798	-
Benefits paid	(165,224)	(66,396)	(231,620)	-	(221,596)	(94,712)	(316,308)	-
Actuarial gain	104,216	49,628	153,844	-	75,645	11,632	87,277	-
Closing balance - note 18.1.7	1,365,979	470,938	1,836,917	-	1,274,962	379,191	1,654,153	-

Amounts in Rs '000

18.1.6 Historical information	June 30			December 31	
	2015	2014	2013	2012	2011
Present value of defined benefit obligation	1,626,347	1,627,301	1,699,987	2,264,010	2,337,261
Fair value of plan assets	(1,836,917)	(1,654,153)	(1,655,974)	(1,509,900)	(1,581,574)
(Surplus) / deficit	(210,570)	(26,852)	44,013	754,110	755,687

18.1.7 Major categories / composition of plan assets are as follows:	2015	2014
Debt instruments	77.01%	68.77%
Equity at market value	23.36%	28.70%
Cash	0.34%	2.53%

Fair value of plan asset	Pension		Gratuity	
	As at June 30, 2015		As at June 30, 2014	
Investment				
National savings deposits	262,604	15,580	181,164	-
Government bonds	820,415	310,846	667,896	283,066
Corporate bonds	-	5,777	-	6,936
Shares	285,632	143,569	406,635	67,586
Cash	4,807	764	19,267	21,603
Total	1,365,979	470,938	1,274,962	379,191

Mortality of active employees and pensioners is represented by the LIC (96-98) table. The table has been rated down three years for mortality of female pensioners and widows.

Actual return on plan assets during 2015 was Rs. 206.290 million (June 30, 2014: Rs. 251.689 million).

	2015	2014
18.1.8 The principal actuarial assumptions at the reporting date were as follows:		
Discount rate	9.33%	12.75%
Future salary increases - Management	7.25%	10.50%
Future salary increases - Non-management	4.67%	8.00%
Future pension increases	4.00%	7.50%

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

Assumption	1% Increase	1% Decrease
Discount rate	(87,370)	97,800
Salary increase	64,833	(59,122)
Pension increase	35,247	(31,709)

18.1.10 The Company contributed Rs. 68.222 million (June 30, 2014: Rs. 62.166 million) and Rs. 47.346 million (June 30, 2014: Rs. 44.950 million) to the provident fund and the defined contribution superannuation fund respectively during the year.

	As at June 30, 2015 (Unaudited)	As at June 30, 2014 (Audited)
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18.2 Provident fund

Size of the fund (net assets)	1,018,560	1,269,506
Cost of investments made (actual investments made)	969,253	1,127,747
Percentage of investments made (cost of investments)	95%	89%
Fair value of investments	994,698	1,192,093

18.2.1 Break-up of investments of provident fund

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

	As at June 30, 2015 (Unaudited)		As at June 30, 2014 (Audited)	
	Investments	% of investment as size of the fund	Investments	% of investment as size of the fund
On fair value				
Pakistan Investment Bonds	581,239	58%	854,999	72%
Treasury Bill	8,552	1%	49,604	4%
Regular Income Certificates	18,000	2%	-	0%
Mutual Funds	97,346	10%	81,682	7%
Shares	289,561	29%	196,142	16%
Term Finance Certificates	-	0%	9,666	1%
	994,698	100%	1,192,093	100%

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
19 Long-term loans	1,493,943	2,314,805
19.1 From banking companies / financial institutions:		
- Faysal Bank Limited	-	343,591
- Less: Current portion of long-term finance	-	-
	-	343,591
- Habib Bank Limited	-	543,435
- Less: Current portion of long-term finance	-	-
	-	543,435
- United Bank Limited	221,719	-
- Less: Current portion of long-term finance	-	-
	221,719	-

The Company has obtained Long-Term Finance Facility (LTFF) for plant and machinery from United Bank Limited of Rs. 221.719 million (limit: Rs.1,500 million) for a period of 10 years (including 2 years grace period), with the principal payable on quarterly basis. The mark-up is chargeable at fixed rate of 5% payable on quarterly basis. This facility is secured against first specific charge on the property, plant and equipment of the Company's Soda Ash Business located at Khewra. The loan has been refinanced by the State Bank of Pakistan under LTFF for Export Oriented Projects. The Company prepaid its previous LTFFs from HBL and FBL in the last quarter of FY 2015.

19.2 Islamic Term Finance

From banking companies / financial institutions:

-Standard Chartered Bank (Pakistan) Limited	400,000	800,000
-Less: Current portion of long-term finance	400,000	400,000
	-	400,000

The Company had obtained long-term finance of Rs. 1,000 million in June 2013 from Standard Chartered Bank (Pakistan) Limited under Islamic Diminishing Musharakah for a period of 3 years (including 6 months grace period). The rental payment is charged at relevant KIBOR plus 0.25% p.a. payable on semi annual basis. This facility is secured by a ranking charge which is to be replaced by a first pari passu hypothecation charge on the present and future fixed assets of the Company's Polyester Business located at Sheikhpura.

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

The Company had obtained long-term finance of Rs. 500 million from Meezan Bank Limited in 2014 under Islamic Diminishing Musharakah for a period of 3 years (including 9 months grace period). The rental payment is charged at relevant KIBOR plus 0.25% p.a. payable on a quarterly basis. This facility is secured by a first pari passu hypothecation charge on the present and future plant, machinery and equipment of the Company's Soda Ash Business located at Khewra.

19.3 Other Long Term Loan

From banking companies / financial institutions:

Allied Bank Limited	750,001	1,000,000
Less: Current portion of long-term loan	333,333	249,999
	416,668	750,001

The Company had obtained long-term loan for Rs. 1,000 million from Allied Bank Limited in 2014 for a period of 4 years (including 1 year grace period). The rental payment is charged at relevant KIBOR plus 0.25% p.a. payable on a quarterly basis. This facility is secured by a first pari passu hypothecation charge on the present and future plant, machinery and equipment of the Company's Soda Ash Business located at Khewra.

United Bank Limited	800,000	-
Less: Current portion of long-term loan	-	-
	800,000	-

During the year, the Company has obtained long-term finance of Rs. 800 million from United Bank Limited for a period of 5 years (including 2 years grace period). The Interest payment is charged at relevant KIBOR plus 0.25% p.a. payable on a quarterly basis. This facility is initially secured by a ranking charge to be subsequently replaced by a first pari passu hypothecation charge on the present and future plant, machinery and equipment of the Company's Polyester Business located at Sheikhpura.

Amounts in Rs '000

	As at June 30, 2015			As at June 30, 2014		
	Opening	Charge	Closing	Opening	Charge / (Reversal)	Closing
20 Deferred tax liability - net						
Deductible temporary differences						
Provisions for retirement benefits, doubtful debts and others	(259,368)	29,350	(230,018)	(301,666)	42,298	(259,368)
Retirement fund provisions	(65,232)	49,811	(15,421)	(93,508)	28,276	(65,232)
Taxable temporary differences						
Property, plant and equipment - note 20.1	1,418,318	8,288	1,426,606	1,496,285	(77,967)	1,418,318
	1,093,718	87,449	1,181,167	1,101,111	(7,393)	1,093,718

20.1 Charge during the year includes Rs. 4.630 million (June 30, 2014: reversal of Rs. 21.042 million) adjusted in surplus on revaluation of property, plant and equipment on account of change in tax rate.

	As at June 30, 2015	As at June 30, 2014
21 Trade and other payables		
Trade creditors - note 21.1 and 21.2	1,764,655	1,717,081
Bills payable	2,962,835	2,338,246
Excise and custom duties	-	3,959
Accrued expenses - note 21.3	1,448,765	966,337
Technical service fee / royalty - note 21.4	21,401	23,686
Workers' profit participation fund - note 21.5	148,200	107,446
Workers' welfare fund	98,334	43,797
Distributors' security deposits - payable on termination of distributorship - note 21.6	104,761	106,142
Contractors' earnest / retention money	10,946	9,808
Running account with customers - note 21.7	155,339	223,874
Unclaimed dividends	62,802	48,693
Payable for capital expenditure	811,979	328,317
Accrual for compensated absences - note 21.8	31,249	31,249
Payable to ICI Pakistan PowerGen Limited	-	129,519
Others	96,642	124,905
	7,717,908	6,203,059

21.1 This includes an amount of Rs. 543.022 million (June 30, 2014: Rs. 344.692 million) payable to ICI Pakistan PowerGen Limited, a related party on account of purchase of electricity.

21.2 This amount includes Rs. 3.380 million (June 30, 2014: Rs. Nil) on account of exchange loss on forward exchange contracts.

21.3 This amount includes Pensioner medical liability of Rs. 9.696 million (June 30, 2014: Rs. 28.334 million).

21.4 This amount includes Rs. 20.701 million (June 30, 2014: Rs. 23.008 million) on account of royalty payable to Lucky Holdings Limited, the Holding Company.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
21.5 Workers' profit participation fund		
Balance at the beginning of the year	107,446	61,635
Allocation for the year - note 29	142,434	104,422
	249,880	166,057
Interest on funds utilised in the Company's businesses at 30% (June 30, 2014: 41.25%) per annum - note 30	2,746	3,049
Less: Payment to the fund	104,426	61,660
Balance at the end of the year	148,200	107,446
21.6 Interest on security deposits from certain distributors is payable at 10% (June 30, 2014: 8.8%) per annum as specified in the respective agreements.		
21.7 Included herein are amounts due to the following associated undertakings:		
Gadoon Textile Mills	238	27,910
Yunus Textile Mills	267	197
Fazal Textile Mills	342	764
	847	28,871
21.8 This figure is based on actuarial valuation and estimation.		
22 Short-term borrowings and running finance	1,883,592	437,368
Short-term borrowings and running finance facility from various banks aggregated to Rs. 5,171 million (June 30, 2014: Rs. 4,921 million) and carry mark-up during the year ranging from relevant KIBOR + 0.10% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.28% on utilized limits (June 30, 2014: relevant KIBOR + 0.20% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.20% on utilized limits). These facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Company.		
22.1 Foreign currency loan against import finance	-	267,368
The Company repaid Rs. 518.368 million out of which Rs. 251 million was obtained during the year. The foreign currency loan carried mark up at relevant LIBOR + bank's spread which is decided at the time of disbursement.		
22.2 Export refinance	241,962	170,000
The Company has export refinance facility of upto Rs. 800 million (June 30, 2014: Rs. 200 million) available from Faysal Bank Limited as at June 30, 2015 out of which Rs. 242 million was utilized (June 30, 2014: Rs. 170 million). The above export refinance facility is secured by first pari passu hypothecation charge. The export refinance facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 5%) + 0.25% per annum (June 30, 2014: SBP rate 8.4% + 0.25% per annum).		
22.3 Short-term running finance - secured	1,641,630	-

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
23 Contingencies and Commitments		
23.1 Claims against the Company not acknowledged as debts are as follows:		
Local bodies	8,527	32,261
Others	28,529	36,616
	37,056	68,877

23.1.1 Collectorate of Customs - classification issue in PCT heading

Collectorate of Customs has raised an additional demand of Rs. 71.938 million against the Company on the ground that Company is classifying two of its imported product 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.

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

23.3 Commitments in respect of capital expenditure (including various projects of the Soda Ash business and Polyester business) amounted to Rs. 2,627.142 million (June 30, 2014: Rs. 1,168.636 million).

23.4 During the year, the Company 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.

23.5 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles amounting to Rs. 134.316 million (June 30, 2014: Rs. 153.912 million) are as follows:

Year		
2014-15	-	61,657
2015-16	57,839	48,649
2016-17	45,988	34,403
2017-18	23,848	9,203
2018-19	6,641	-
	134,316	153,912
Payable not later than one year	57,839	61,657
Payable later than one year but not later than five years	76,477	92,255
	134,316	153,912

23.6 Outstanding foreign exchange contracts as at June 30, 2015 entered into by the Company amounted to Rs. 383 million (June 30, 2014: Rs. Nil).

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

24. Operating segment results

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	
	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014
Sales										
Afghanistan	-	-	3,343	7,750	-	-	4,755	2,358	8,098	10,108
India	-	-	818,352	497,500	-	-	-	-	818,352	497,500
United Arab Emirates	-	-	-	-	-	-	-	50,410	-	50,410
	-	-	821,695	505,250	-	-	4,755	52,768	826,450	558,018
Inter-segment	-	-	-	-	-	-	14,662	5,857	14,662	5,857
Local	16,673,511	19,667,433	11,385,584	10,427,943	9,106,882	7,504,584	4,549,642	4,479,076	41,715,619	42,079,036
	16,673,511	19,667,433	12,207,279	10,933,193	9,106,882	7,504,584	4,569,059	4,537,701	42,556,731	42,642,911
Commission / toll income	-	-	-	-	-	-	51,879	61,605	51,879	61,605
Turnover	16,673,511	19,667,433	12,207,279	10,933,193	9,106,882	7,504,584	4,620,938	4,599,306	42,608,610	42,704,516
Sales tax	326,967	385,692	1,658,439	1,518,523	125,378	40,978	491,330	479,680	2,602,114	2,424,873
Commission and discounts	472,358	439,358	414,120	425,196	1,247,771	859,787	342,257	315,968	2,476,506	2,040,309
	799,325	825,050	2,072,559	1,943,719	1,373,149	900,765	833,587	795,648	5,078,620	4,465,182
Net turnover	15,874,186	18,842,383	10,134,720	8,989,474	7,733,733	6,603,819	3,787,351	3,803,658	37,529,990	38,239,334
Cost of sales - note 26	15,792,527	19,066,559	7,288,848	6,622,359	5,614,000	4,792,331	3,044,861	3,106,244	31,740,236	33,587,493
Gross profit	81,659	(224,176)	2,845,872	2,367,115	2,119,733	1,811,488	742,490	697,414	5,789,754	4,651,841
Selling and distribution expenses - note 27	238,369	258,230	278,420	236,780	1,017,286	824,909	247,914	210,335	1,781,989	1,530,254
Administration and general expenses - note 28	298,843	309,150	279,111	264,293	224,288	201,989	161,416	120,221	963,658	895,653
Operating result	(455,553)	(791,556)	2,288,341	1,866,042	878,159	784,590	333,160	366,858	3,044,107	2,225,934

24.1 Segment assets

- note 24.5 and 25.3 8,726,169 7,643,268 14,144,573 14,930,493 6,261,565 6,335,403 2,644,678 2,809,583 23,391,937 20,668,658

24.2 Unallocated assets

3,277,846 2,268,760

26,669,783 22,937,418

24.3 Segment liabilities

- note 24.5

and 25.4 12,038,656 11,008,737 2,193,698 3,997,977 2,355,636 2,429,086 720,757 940,215 8,923,695 7,325,926

24.4 Unallocated liabilities

4,452,550 3,734,693

13,376,245 11,060,619

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

24.6 Depreciation and amortization

- note 3.5 and 4.1 651,348 528,092 944,005 751,803 26,474 23,750 35,451 35,095 1,657,278 1,338,740

24.7 Capital expenditure 1,869,978 1,627,533 2,224,678 803,035 87,956 43,008 29,492 35,233 4,212,104 2,508,809

24.8 Inter-segment pricing

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

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

Amounts in Rs '000

	For the year ended June 30, 2015	For the year ended June 30, 2014
25. Reconciliations of reportable segment turnover, cost of sales, assets and liabilities		
25.1 Turnover		
Total turnover for reportable segments - note 24	42,608,610	42,704,516
Elimination of inter-segment turnover - note 24	(14,662)	(5,857)
Total turnover	42,593,948	42,698,659
25.2 Cost of sales		
Total cost of sales for reportable segments - note 26	31,740,236	33,587,493
Elimination of inter-segment purchases - note 26	(14,662)	(5,857)
Total cost of sales	31,725,574	33,581,636
	As at June 30, 2015	As at June 30, 2014
25.3 Assets		
Total assets for reportable segments	23,391,937	20,668,658
Taxation recoverable	2,054,870	1,765,784
Long-term investments - note 5	1,222,976	502,976
Total assets	26,669,783	22,937,418
25.4 Liabilities		
Total liabilities for reportable segments	8,923,695	7,325,926
Short-term loan	1,883,592	437,368
Long-term loan	2,449,498	3,187,026
Accrued mark-up	56,658	61,606
Unclaimed dividends - note 21	62,802	48,693
Total liabilities	13,376,245	11,060,619

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

26. Cost of Sales

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	
	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014
Raw and packing materials consumed										
Opening stock	878,010	897,238	552,167	510,102	636,348	453,994	272,819	207,993	2,339,344	2,069,327
Purchases										
Inter-segment	14,662	5,857	-	-	-	-	-	-	14,662	5,857
Others	12,796,443	15,157,139	2,140,074	2,198,446	1,869,484	2,058,518	1,681,793	1,802,666	18,487,794	21,216,769
	12,811,105	15,162,996	2,140,074	2,198,446	1,869,484	2,058,518	1,681,793	1,802,666	18,502,456	21,222,626
	13,689,115	16,060,234	2,692,241	2,708,548	2,505,832	2,512,512	1,954,612	2,010,659	20,841,800	23,291,953
Closing stock - note 9	(665,385)	(878,010)	(405,275)	(552,167)	(690,608)	(636,348)	(295,456)	(272,819)	(2,056,724)	(2,339,344)
Raw material consumed	13,023,730	15,182,224	2,286,966	2,156,381	1,815,224	1,876,164	1,659,156	1,737,840	18,785,076	20,952,609
Salaries, wages and benefits - note 26.1	396,114	355,018	742,219	665,445	5,585	4,752	49,005	45,544	1,192,923	1,070,759
Stores and spares consumed	169,137	183,251	113,416	104,415	2	-	14,829	7,697	297,384	295,363
Conversion fee paid to contract manufacturers	-	-	-	-	399,695	396,884	10,554	10,056	410,249	406,940
Oil, gas and electricity	1,328,146	1,890,218	2,882,548	2,713,782	-	-	14,434	12,481	4,225,128	4,616,481
Rent, rates and taxes	1,008	936	1,185	1,098	4,000	-	18,369	14,321	24,562	16,355
Insurance	16,772	24,031	25,957	27,989	14	-	1,894	1,110	44,637	53,130
Repairs and maintenance	6,587	4,596	856	891	290	608	5,269	4,678	13,002	10,773
Depreciation and amortisation charge - note 3.5 and 4.1	627,248	500,637	924,969	728,703	487	262	15,203	13,830	1,567,907	1,243,432
Write-offs	-	1,708	-	20,706	-	-	-	751	-	23,165
Technical fees	-	-	-	-	1,386	1,020	2,793	2,807	4,179	3,827
Royalty	-	-	-	-	2,635	1,629	-	-	2,635	1,629
General expenses	179,196	161,364	169,304	148,485	1,115	967	17,367	16,152	366,982	326,968
Opening stock of work-in-process	143,343	170,516	-	-	16,447	59,475	5,551	2,850	165,341	232,841
Closing stock of work-in-process - note 9	(72,137)	(143,343)	-	-	(13,391)	(16,447)	(10,506)	(5,551)	(96,034)	(165,341)
Cost of goods manufactured	15,819,144	18,331,156	7,147,420	6,567,895	2,233,489	2,325,314	1,803,918	1,864,566	27,003,971	29,088,931
Opening stock of finished goods	395,205	994,304	24,303	78,767	1,291,836	793,560	366,603	404,476	2,077,947	2,271,107
Finished goods purchased	62,560	136,304	299,155	-	3,780,829	2,977,682	1,320,782	1,203,805	5,463,326	4,317,791
	16,276,909	19,461,764	7,470,878	6,646,662	7,306,154	6,096,556	3,491,303	3,472,847	34,545,244	35,677,829
Closing stock of finished goods - note 9	(484,382)	(395,205)	(182,030)	(24,303)	(1,668,871)	(1,291,836)	(433,725)	(366,603)	(2,769,008)	(2,077,947)
Provision for slow moving and obsolete stocks - note 28	-	-	-	-	(23,283)	(12,389)	(12,717)	-	(36,000)	(12,389)
	15,792,527	19,066,559	7,288,848	6,622,359	5,614,000	4,792,331	3,044,861	3,106,244	31,740,236	33,587,493

26.1 Staff retirement benefits

Salaries, wages and benefits include Rs. 29.710 million (June 30, 2014: Rs. 31.205 million) in respect of staff retirement benefits.

27. Selling and distribution expenses

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	
	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014
Salaries and benefits - note 27.1	51,474	48,465	36,762	31,318	490,878	405,101	95,828	82,227	674,942	567,111
Repairs and maintenance	97	155	2,087	1,810	4,740	2,828	2,545	2,491	9,469	7,284
Advertising and publicity expenses	2,544	1,103	6,473	15,409	143,544	118,980	7,331	5,347	159,892	140,839
Rent, rates and taxes	416	400	2,294	3,015	8,546	7,936	1,227	1,225	12,483	12,576
Insurance	-	-	317	370	9,767	7,238	2,695	2,264	12,779	9,872
Lighting, heating and cooling	118	107	2,227	1,862	3,709	3,336	7,780	6,292	13,834	11,597
Depreciation and amortisation charge - note 3.5 and 4.1	-	-	92	97	13,972	10,416	5,600	5,256	19,664	15,769
Outward freight and handling	7,405	2,751	116,473	81,359	89,805	61,650	74,544	66,133	288,227	211,893
Travelling expenses	9,621	7,415	3,249	3,138	144,124	116,545	21,200	16,408	178,194	143,506
Postage, telegram, telephone and telex	1,166	1,155	1,388	1,191	19,917	17,982	3,577	3,425	26,048	23,753
Royalty	158,742	188,424	101,347	89,895	-	-	-	-	260,089	278,319
Write-offs	-	-	-	-	-	862	-	-	-	862
General expenses	6,786	8,255	5,711	7,316	88,284	72,035	25,587	19,267	126,368	106,873
	238,369	258,230	278,420	236,780	1,017,286	824,909	247,914	210,335	1,781,989	1,530,254

27.1 Staff retirement benefits

Salaries and benefits include Rs. 11.758 million (June 30, 2014: Rs. 13.776 million) in respect of staff retirement benefits.

28. Administration and general expenses

Salaries and benefits - note 28.1	178,663	186,182	165,383	168,080	118,139	113,873	82,952	79,650	545,137	547,785
Repairs and maintenance	3,089	4,235	3,601	3,470	5,970	4,732	1,133	1,185	13,793	13,622
Advertising and publicity expenses	1,781	5,057	1,915	5,778	967	1,915	457	1,249	5,120	13,999
Rent, rates and taxes	9,041	5,645	7,164	2,986	2,731	965	1,548	645	20,484	10,241
Insurance	596	1,310	713	1,567	4,824	2,793	227	426	6,360	6,096
Lighting, heating and cooling	5,625	6,241	3,984	4,905	10,849	9,118	861	1,060	21,319	21,324
Write-offs	-	993	-	1,188	-	667	-	448	-	3,296
Depreciation and amortisation charge - note 3.5 and 4.1	24,100	27,455	18,944	23,003	12,015	13,072	14,648	16,009	69,707	79,539
Provision for doubtful debts - note 40.6	2,956	-	-	-	2,218	1,556	21,021	-	26,195	1,556
Provision for slow moving and obsolete stock-in-trade - note 9.1	-	-	-	-	23,283	12,389	12,717	-	36,000	12,389
Provision for slow moving and obsolete stores and spares - note 8.2	-	-	15,044	52	-	102	-	-	15,044	154
Travelling expenses	7,784	7,872	5,299	4,753	6,759	7,113	4,739	4,109	24,581	23,847
Postage, telegram, telephone and telex	3,179	3,276	2,899	3,154	2,648	2,935	1,481	1,707	10,207	11,072
General expenses	62,029	60,884	54,165	45,357	33,885	30,759	19,632	13,733	169,711	150,733
	298,843	309,150	279,111	264,293	224,288	201,989	161,416	120,221	963,658	895,653

28.1 Staff retirement benefits

Salaries and benefits include Rs. 8.650 million (June 30, 2014: Rs. 12.274 million) in respect of staff retirement benefits.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

	For the year ended June 30, 2015	For the year ended June 30, 2014
29. Other charges		
Auditors' remuneration - note 29.1	4,439	3,687
Donations - note 29.2	20,145	17,452
Workers' profit participation fund - note 21.5	142,434	104,422
Workers' welfare fund	55,173	40,428
Loss on disposal of operating fixed assets	-	15,069
Others	9,182	-
	231,373	181,058
29.1 Auditors' remuneration		
Statutory audit fee	2,505	2,050
Half yearly review and other certifications	1,120	950
Out of pocket expenses	814	687
	4,439	3,687
29.2	Represents provision in respect of donation to ICI Pakistan Foundation (Head office, Karachi). Mr. Asif Jooma, Director of the Group, Mr. Suhail Aslam Khan, Mr. Arshaduddin Ahmed, Ms. Saima Kamila Khan and Ms. Fathema Zuberi, Executives of the Company are amongst the Trustees of the Foundation. No amount has been paid during the current year and corresponding year.	
30. Finance costs		
Mark-up	292,444	327,724
Interest on workers' profit participation fund - note 21.5	2,746	3,049
Discounting charges on receivables	59,230	46,292
Exchange losses	47,467	4,144
Guarantee fee and others	900	5,833
	402,787	387,042
31. Other income		
Income from financial assets		
Income from related party		
Service fee from related party - note 31.1	1,980	1,980
Income from other financial assets		
Profit on short-term and call deposits	649	368
	2,629	2,348
Income from non-financial assets		
Scrap sales	68,403	67,371
Gain on disposal of operating fixed assets	5,532	985
Provisions and accruals no longer required written back	9,936	138,552
Exchange gain	-	104,774
Dividend from investment in equity shares	40,000	-
Dividend from associate	150,000	-
Sundries	17,047	9,100
	293,547	323,130

31.1 This represents amount charged by the Company for certain management and other services rendered to its wholly owned subsidiary, ICI Pakistan PowerGen Limited, in accordance with the service agreement.

Amounts in Rs '000

	For the year ended June 30, 2015	For the year ended June 30, 2014
32. Taxation		
Current	535,518	311,133
Prior	-	(102,548)
Deferred	42,268	70,163
Net tax charged - note 32.1	577,786	278,748

32.1 Tax reconciliation

Profit before taxation	2,703,494	1,980,964
Tax @ 33% (June 30, 2014: 34%)	892,153	673,528
Effect of prior year charge	-	(102,548)
Effect of credit under section 65B	(245,834)	(316,690)
Effect of change in tax rate on beginning deferred tax	(36,922)	(62,510)
Tax impact due to change of FTR ratio	(51,183)	89,034
Super Tax	75,289	-
Tax effect of dividend (taxed at 10% instead of 33%)	(43,700)	-
Tax effect of items not deductible for tax purposes	5,410	7,278
Others	(17,427)	(9,344)
Net tax charged	577,786	278,748
Average effective tax rate	21.37%	14.07%

33. Basic and diluted earning per share (EPS)

Profit after taxation for the year	2,125,708	1,702,216
Number of shares		
Weighted average number of ordinary shares in issue during the year	92,359,050	92,359,050
Rupees		
Basic and diluted earning per share (EPS)	23.02	18.43

34. Remuneration of chief executive, directors and executives

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

	Chief Executive		Directors		Executives		Total	
	For the year ended June 30, 2015	For the Year ended June 30, 2014	For the year ended June 30, 2015	For the Year ended June 30, 2014	For the year ended June 30, 2015	For the Year ended June 30, 2014	For the year ended June 30, 2015	For the Year ended June 30, 2014
Managerial remuneration	47,375	46,447	30,716	41,251	726,562	605,490	804,653	693,188
Retirement benefits	7,754	7,601	5,463	6,058	155,569	131,977	168,786	145,636
Group insurance	29	34	29	68	4,242	4,377	4,300	4,479
Rent and house maintenance	961	894	-	-	207,184	175,134	208,145	176,028
Utilities	656	783	-	-	52,059	43,503	52,715	44,286
Medical expenses	59	71	45	178	36,098	30,880	36,202	31,129
	56,834	55,830	36,253	47,555	1,181,714	991,361	1,274,801	1,094,746
Number of persons as at the balance sheet date	1	1	1	1	521	446	523	449

34.1 Remuneration paid to Chairman during the year was Rs. Nil (June 30, 2014: Rs. Nil).

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

34.3 During the year fees paid to non-executive directors amount to Rs. 4.375 million (June 30, 2014: Rs. 1.863 million) for attending board and other meetings, which is not part of remuneration.

34.4 The above amounts include an amount of Rs. 186.860 million (June 30, 2014: Rs. 189.010 million) on account of remuneration of key management personnel out of which Rs. 29.210 million (June 30, 2014: Rs. 29.310 million) relates to post employment benefits.

	As at and for the year ended June 30, 2015	As at and for the year ended June 30, 2014
34.5 Total number of employees as at the balance sheet date	1242	1138
Average number of employees during the year	1204	1086

35. Transactions with related parties

The related parties comprise the holding company (Lucky Holdings Limited), the ultimate parent company (Lucky Cement Limited) and related group companies, local associated company, subsidiary company, directors of the Company, companies where directors also hold directorship, key employees (note 34) and staff retirement funds (note 18). Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

	For the year ended June 30, 2015	For the year ended June 30, 2014
Holding Company		
Dividend	625,591	278,396
Royalty	260,089	278,319
Subsidiary Company		
Purchase of electricity	829,302	1,068,140
Sale of goods and material	5,320	2,440
Associated companies		
Purchase of goods, materials and services	44,459	17,167
Sale of goods and materials	1,457,755	1,646,191
Dividend	99,523	44,233
Reimbursement of expenses	43,197	-
Dividend received from associate	150,000	-

36. Plant capacity and annual production

- in metric tonnes:

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	Annual Name Plate Capacity	Production	Annual Name Plate Capacity	Production
Polyester	122,250	115,711	122,000	109,810
Soda Ash	350,000	308,499	350,000	287,445
Chemicals - note 36.2	-	13,299	-	15,643
Sodium Bicarbonate	26,000	27,840	26,000	27,000

36.1 Production of Soda Ash as compared to last year was greater as coal fired boilers operated during the year at full capacity. Overall production of Soda Ash and Polyester is lower due to market demand as compared to capacity.

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

37. Fair value of financial assets and liabilities

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

38. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

38.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

39. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk.

39.1 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments were:

	Carrying Amount	
	As at June 30, 2015	As at June 30, 2014
Fixed rate instruments		
Financial assets - note 14	106,000	103,000
Financial liabilities - note 19 and 21	(326,480)	(993,168)
	(220,480)	(890,168)
Variable rate instruments		
Financial liabilities - note 19 and 22	(4,111,371)	(2,737,368)
	(4,111,371)	(2,737,368)

Sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the year would have been Rs. 41.114 million (June 30, 2014: Rs. 27.374 million).

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

39.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company is exposed to foreign currency risk on sales and purchases which are entered in a currency other than Pak Rupees. When the management expects future depreciation of Pak Rupee, the Company enters into forward foreign exchange contracts in accordance with State Bank of Pakistan instructions and the Company's treasury policy. The policy allows the Company to take currency exposure within predefined limits while open exposures are rigorously monitored.

Following is the gross balance sheet exposure classified into separate foreign currencies:

	EURO	USD	GBP
As at June 30, 2015			
Other receivables	3,103	14,432	-
Cash and bank balances	-	7,525	-
	3,103	21,957	-
Trade and other payables	(123,418)	(1,772,713)	(1,097,018)
Gross balance sheet exposure	(120,315)	(1,750,756)	(1,097,018)
As at June 30, 2014			
Other receivables	4,092	11,280	-
Cash and bank balances	-	6,897	-
	4,092	18,177	-
Trade and other payables	(63,171)	(1,276,899)	(1,050,235)
Gross balance sheet exposure	(59,079)	(1,258,722)	(1,050,235)

Significant exchange rates applied during the year were as follows:

	Average rate		Spot rate	
	For the year ended June 30, 2015	For the year ended June 30, 2014	As at June 30, 2015	As at June 30, 2014
Rupees per	Rupees		Rupees	
EURO	121.72	134.97	112.95	134.94
USD	101.46	98.90	101.80	98.80
GBP	159.58	168.43	159.90	168.15

Sensitivity analysis

Every 1% increase or decrease in exchange rate with all other variables held constant will decrease or increase profit before tax for the year by Rs. 29.681 million (June 30, 2014: Rs. 23.680 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2015, if Pak Rupee (PKR) had weakened / strengthened by 1% against other currencies, with all other variables held constant, the effect on the Company profit before tax at June 30, 2015 and June 30, 2014 would be as follows:

	Increase / decrease in exchange rates	Effect on Profit before tax (EURO)	Effect on Profit before tax (USD)	Effect on Profit before tax (GBP)
2015				
Pak Rupee	+1%	1,203	17,508	10,970
Pak Rupee	-1%	(1,203)	(17,508)	(10,970)
2014				
Pak Rupee	+1%	591	12,587	10,502
Pak Rupee	-1%	(591)	(12,587)	(10,502)

40. Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

The Company's gross maximum exposure to credit risk at the balance sheet date is as follows:

	As at June 30, 2015	As at June 30, 2014
40.1 Financial assets		
Long-term investments - note 5	722,500	2,500
Long-term loans - note 6	324,610	253,477
Long-term deposits - note 7	27,323	25,679
Trade debts - note 10	1,431,370	858,347
Loans and advances - note 11	323,696	191,121
Trade deposits - note 12	28,194	25,803
Other receivables - note 13	581,584	1,177,687
Bank balances - note 14	115,047	844,738
	3,554,324	3,379,352
40.2 The Company has placed its funds with banks which are rated A1+ by PARCA and A-1+ by JCR-VIS		
40.3 Financial assets		
- Secured	593,407	479,034
- Unsecured	2,960,917	2,900,318
	3,554,324	3,379,352
40.4 The ageing of trade debts and loans and advances at the balance sheet date is as follows:		
Not past due	1,636,936	921,068
Past due but not impaired:		
Not more than three months	120,055	106,392
Past due and impaired:		
More than three months and not more than six months	3,709	3,726
More than six months and not more than nine months	177	4,448
More than nine months and not more than one year	8,328	2,321
More than one year	26,848	112,469
	159,117	229,356
Less: Provision for:		
- Doubtful debts - note 10	40,987	93,664
- Doubtful loans and advances - note 11	-	7,292
	40,987	100,956
	1,755,066	1,049,468

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

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	As at June 30, 2015	As at June 30, 2014
40.5 The maximum exposure to credit risk for past due and impaired at the balance sheet date by type of counterparty was:		
Wholesale customers	22,657	72,282
Retail customers	111,125	26,008
End-user customers	25,335	131,066
	159,117	229,356
Less: Provision for:		
- Doubtful debts - note 10	40,987	93,664
- Doubtful loans and advances - note 11	-	7,292
	40,987	100,956
	118,130	128,400

40.6 Movement of provision for trade debts and loans and advances

	Trade debts	Loans and advances	Total	Total
Balance at the beginning of the year	93,664	7,292	100,956	102,094
Additional provision - note 28	26,195	-	26,195	1,556
Written off during the year	(78,872)	(7,292)	(86,164)	(194)
Provision no longer required	-	-	-	(2,500)
Balance at the end of the year	40,987	-	40,987	100,956

40.6.1 The recommended approach for provision is to assess the top layer (covering 50%) of trade receivables on an individual basis and apply a dynamic approach to the remainder of receivables. The procedure introduces a company-standard for dynamic provisioning:

- Provide an impairment loss for 50% of the outstanding receivable when overdue more than 90 days, and
- Provide an impairment loss for 100% when overdue more than 120 days.

40.7 Concentration risk

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

	As at June 30, 2015	As at June 30, 2014
Textile and Chemicals	511,797	457,365
Glass	72,237	106,513
Paper and Board	92,091	12,056
Pharmaceuticals	323,162	77,861
Paints	18,181	16,893
Banks	119,612	844,738
Loans, advances and others	778,585	479,736
	1,915,665	1,995,162
Less: Provision for:		
- Doubtful debts - note 10	40,987	93,664
- Doubtful loans and advances - note 11	-	7,292
	40,987	100,956
	1,874,678	1,894,206

40.8 Other price risk is the risk that the value of future cash flows of the financial instrument will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the balance sheet date, the Company is not materially exposed to other price risk except investment in subsidiary which is carried at cost against which provision for impairment has been provided in these unconsolidated financial statements.

41. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the maturity date.

	Carrying amount	Contractual cash flows	Less than one year
As at June 30, 2015			
Financial liabilities			
Trade creditors - note 21	1,764,655	(1,764,655)	(1,764,655)
Bills payable - note 21	2,962,835	(2,962,835)	(2,962,835)
Accrued mark-up	56,658	(56,658)	(56,658)
Accrued expenses - note 21	1,448,765	(1,448,765)	(1,448,765)
Technical service fee / royalty - note 21	21,401	(21,401)	(21,401)
Distributors' security deposits - payable on termination of distributorship - note 21 & 21.5	104,761	(114,189)	(114,189)
Contractors' earnest / retention money - note 21	10,946	(10,946)	(10,946)
Unclaimed dividends - note 21	62,802	(62,802)	(62,802)
Payable for capital expenditure - note 21	811,979	(811,979)	(811,979)
Others - note 21	96,642	(96,642)	(96,642)
Long-term loan	2,449,498	(2,449,498)	(955,555)
Short-term borrowings - note 22	1,883,592	(1,883,592)	(1,883,592)
	11,674,534	(11,683,962)	(10,190,019)

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

As at June 30, 2014

Financial liabilities			
Trade creditors - note 21	1,717,081	(1,717,081)	(1,717,081)
Bills payable - note 21	2,338,246	(2,338,246)	(2,338,246)
Accrued mark-up	61,606	(61,606)	(61,606)
Accrued expenses - note 21	966,337	(966,337)	(966,337)
Technical service fee / royalty - note 21	23,686	(23,686)	(23,686)
Distributors' security deposits - payable on termination of distributorship - note 21 & 21.5	106,142	(115,482)	(115,482)
Contractors' earnest / retention money - note 21	9,808	(9,808)	(9,808)
Unclaimed dividends - note 21	48,693	(48,693)	(48,693)
Payable for capital expenditure - note 21	328,317	(328,317)	(328,317)
Payable to ICI Pakistan PowerGen Limited - note 21	129,519	(129,519)	(129,519)
Others - note 21	124,905	(124,905)	(124,905)
Long-term loan	3,187,026	(3,187,026)	(872,221)
Short-term borrowings - note 22	437,368	(437,368)	437,368
	9,478,734	(9,488,074)	(6,298,533)

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42. Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt. The gearing ratio as at June 30, 2015 and June 30, 2014 is as follows:

	As at June 30, 2015	As at June 30, 2014
Long-term loans	2,449,498	3,187,026
Short-term borrowings and running finance	1,883,592	437,368
Total debt	4,333,090	3,624,394
Cash and bank balances	(119,612)	(852,095)
Net debt	4,213,478	2,772,299
Share capital	923,591	923,591
Capital reserves	309,643	309,643
Unappropriated profit	11,483,846	10,004,193
Equity	12,717,080	11,237,427
Capital	16,930,558	14,009,726
Gearing ratio	24.89%	19.79%

43. Accounting estimates and judgements

Income taxes

The Company takes into account the current income and sales tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the authorities at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities (unless there is remote possibility of transfer of benefits). The details of the tax matters are as follows:

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

In the case of assessment year 2001-2002, FBR had made an assessment on May 29, 2002 while deciding the issues related to claim and carry forward of depreciation pertaining to PTA's assets in our favor. The depreciation related to PTA's assets was claimed by the Company in assessment year 2001-02 and the unabsorbed part was carried forward and adjusted till tax year 2010. FBR reopened the income tax assessment for the assessment year 2001-02 under section 122(5A) of the Income Tax Ordinance, 2001 on the ground that demerger of PTA business from ICI Pakistan was effective from the completion date i.e. August 6, 2001 which falls in assessment year 2002-03. This was challenged by the Company in the High Court which upheld the Company's contention that FBR did not have the right to reopen this finalized assessment of assessment year 2001-02 under the Income Tax Ordinance, 2001 since assessment year 2001-02 pertained to the period in which Income Tax Ordinance, 1979 was effective. FBR filed an appeal in the Supreme Court against the High Court's order which also maintained the decision

of High Court that the cases finalized under the old law of 1979 cannot be reopened under the new law of 2001. After the Supreme Court's decision, FBR issued an order under section 66A of the old law i.e. Income Tax Ordinance, 1979. In response, the Company filed an appeal before the Tribunal which decided the case in Company's favor on the basis that order issued on May 7, 2012 was barred by time. FBR filed an appeal in the High Court in 2013 against the decision of the Tribunal which is pending for hearing. In the meanwhile, FBR also issued an order through which Tribunal's order has been given effect and Company's position has been accepted.

In the case of assessment year 2002-2003, on receipt of notice under section 62 of the Income Tax Ordinance, 1979, the Company had filed a writ petition in the Supreme Court, after it being dismissed by the Sindh High Court on maintainability, challenging FBR's notice which stated that the effective date of PTA's demerger was August 6, 2001 (falling in assessment year 2002-03) rather than the effective date given in the Scheme of Arrangement as October 1, 2000 (which falls in assessment year 2001-02). The notice had raised certain issues relating to vesting of PTA assets by the Company. On March 18, 2015, the Supreme Court has passed an interim order stating that this case has nexus with the case of assessment year 2001-02 and hearing will take place once the High Court decides the case in assessment year 2001-02.

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

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

Pension and Gratuity

Certain actuarial assumptions have been adopted as disclosed in note 18 to the unconsolidated financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. The future cash flows used in the impairment testing of assets is based on management's best estimates which may change in future periods. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

44. Standards, amendments and interpretations adopted during the year

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

44.1 New, Amended and Revised Standards and Interpretations of IFRSs

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

IAS 19 - Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions
 IAS 32 - Financial Instruments: Presentation - (Amendment) - Offsetting Financial Assets and Financial Liabilities
 IAS 36 - Impairment of Assets - (Amendment) - Recoverable amount Disclosures for Non - Financial Assets
 IAS 39 - Financial Instruments: Recognition and Measurement - (Amendment) - Novation of Derivatives and Continuation of Hedge Accounting
 IFRIC 21 - Levies

Improvements to Accounting Standards issued by the IASB

IFRS 2 - Share Based Payment - Definitions of vesting conditions
 IFRS 3 - Business Combinations - Accounting for contingent consideration in a business combination
 IFRS 3 - Business Combinations - Scope exceptions for joint ventures
 IFRS 8 - Operating Segments - Aggregation of operating segments
 IFRS 8 - Operating Segments - Reconciliation of the total of the reportable segments assets to the entity's assets
 IFRS 13 - Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
 IAS16 - Property, Plant and Equipment and IAS 38 Intangible Assets – Revaluation method – proportionate restatement of accumulated depreciation / amortisation
 IAS 24 - Related Party Disclosures - Key management personnel
 IAS 40 - Investment Property - Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above revision, amendments and interpretation of the standards did not have any effect on the financial statements.

Standards, Interpretations and Amendments to Approved Accounting Standards that are not yet effective

The following are the standards and interpretations, which have been issued but are not yet effective for the current financial year:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 10 - Consolidated Financial Statements	January 01, 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 27 Separate Financial Statements - Investments Entities (Amendment)	January 01, 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 27 Separate Financial Statements - Investments Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment).	January 01, 2016
IFRS 11 - Joint Arrangements	January 01, 2015
IFRS 11 - Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment).	January 01, 2016
IFRS 12 - Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 - Fair Value Measurement	January 01, 2015
IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 16 - Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Method of Depreciation and Ammortization (Amendment)	January 01, 2016
IAS 16 - Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 - Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment).	January 01, 2016

Standard or Interpretation	Effective date (annual periods beginning on or after)
The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.	
In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after 01 January, 2016. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.	
Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.	
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018

45. Post balance sheet events - dividends

The Directors in their meeting held on August 26, 2015 have recommended a final dividend of Rs. 6.5 per share (June 30, 2014: Rs. 4 per share) in respect of year ended June 30, 2015. This dividend is in addition to interim dividend paid of Rs. 5 per share during the current year. The unconsolidated financial statements for the year ended June 30, 2015 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

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

Based on the pattern of distribution of dividend by the Company, the distributed dividend already meets the minimum dividend requirement as aforesaid. Accordingly, the Company would not be liable to pay tax on its undistributed reserves as of June 30, 2015.

46. Date of authorisation

These financial statements were authorised for issue in the Board of Directors meeting held on August 26, 2015.

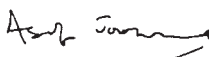
47. General

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

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2015

	2006	2007 Restated	2008 Restated	
Balance Sheet				
Equity	10,265,010	11,368,830	12,448,126	
Revaluation Reserves	1,124,220	1,012,167	962,795	
Equity and Revaluation Reserve	11,389,230	12,380,997	13,410,921	
Non Current Liability	104,079	119,571	612,954	
Current Liability	5,436,275	6,263,805	4,446,810	
Total Equity and Liabilities	16,929,584	18,764,373	18,470,685	
Non Current Assets	9,905,729	9,741,603	10,435,258	
Current Assets	7,023,855	9,022,770	8,035,427	
Total Assets	16,929,584	18,764,373	18,470,685	
Profit and Loss Account				
Turnover	21,947,688	25,988,351	31,921,873	
Net sales, commission & toll income	19,574,118	23,024,123	27,798,915	
Cost of Sales	15,492,648	18,205,369	22,303,138	
Gross profit	4,081,470	4,818,754	5,495,777	
Operating Result	2,479,018	2,984,004	3,052,360	
Profit before taxation	2,117,797	2,768,523	2,812,778	
Profit after taxation	1,455,628	1,784,800	1,862,738	
Summary of Cash Flows				
Cash generated from / (used in) operations	3,554,048	4,312,406	1,188,392	
Net cash generated from / (used in) operating activities	3,477,093	4,093,537	969,809	
Net cash used in investing activities	(1,040,183)	(1,397,436)	(1,780,969)	
Net cash generated from / (used in) financing activities	(2,337,028)	(868,583)	(832,815)	
Cash and cash equivalents at December 31 / June 30	1,787,538	3,615,056	1,971,081	

2011 and 2012 numbers have been restated due to IAS 19 revision

Year 2011 onwards exclude the effect of Paints business due to demerger

Year 2012-13 is based on twelve months performance for a meaningful comparison

Amounts in Rs '000

January to December					July to June		
	2009	2010	2011 Restated	2012 Restated	2012-13 Restated	2013-14	2014-15
	13,482,796	14,548,093	9,066,723	9,024,890	9,788,989	11,237,427	12,717,080
	931,846	907,352	824,207	740,656	698,536	639,372	576,458
	14,414,642	15,455,445	9,890,930	9,765,546	10,487,525	11,876,799	13,293,538
	1,208,117	1,093,190	1,340,306	1,593,267	3,067,815	3,486,365	2,762,532
	5,799,898	5,482,037	9,280,988	9,355,282	7,389,365	7,574,254	10,613,713
	21,422,657	22,030,672	20,512,224	20,714,095	20,944,705	22,937,418	26,669,783
	10,297,489	10,152,415	9,154,438	10,898,077	11,330,538	12,500,614	15,843,044
	11,125,168	11,878,257	11,357,786	9,816,018	9,614,167	10,436,804	10,826,739
	21,422,657	22,030,672	20,512,224	20,714,095	20,944,705	22,937,418	26,669,783
	32,399,181	39,532,506	38,348,591	37,809,433	39,627,119	42,698,659	42,593,948
	28,429,897	35,129,980	35,516,114	34,681,563	36,267,761	38,233,477	37,515,328
	22,754,005	28,443,690	30,910,029	30,688,097	32,193,170	33,581,636	31,725,574
	5,675,892	6,686,290	4,606,085	3,993,466	4,074,592	4,651,841	5,789,754
	3,027,654	3,712,566	2,378,449	1,624,634	1,986,737	2,225,934	3,044,107
	3,072,506	3,731,516	2,294,653	1,496,223	1,749,207	1,980,964	2,703,494
	2,044,738	2,428,826	1,531,430	973,661	1,158,701	1,702,216	2,125,708
	4,938,310	3,716,187	4,127,104	(1,963,689)	(164,272)	4,818,897	5,015,304
	4,476,231	2,334,428	2,875,020	(3,176,714)	(971,364)	3,806,585	3,748,417
	(938,043)	(752,830)	(509,814)	(2,125,793)	(940,727)	(2,400,932)	(4,372,472)
	(1,041,018)	(1,388,027)	(2,151,436)	(796,407)	1,453,483	933,274	(1,554,652)
	4,468,251	4,661,822	4,633,322	(1,465,592)	(1,924,200)	414,727	(1,763,980)

Pattern of Shareholding

as at June 30, 2015

No. of Shareholders	Categories		No. of Shares
	From	To	
6,370	1	100	214,278
2,736	101	500	656,442
679	501	1,000	503,389
617	1001	5,000	1,334,493
78	5001	10,000	559,576
31	10001	15,000	401,337
10	15001	20,000	180,248
15	20001	25,000	337,822
11	25001	30,000	301,148
3	30001	35,000	98,569
3	40001	45,000	134,400
6	45001	50,000	288,100
2	50001	55,000	101,770
2	55001	60,000	113,018
2	65001	70,000	132,040
1	70001	75,000	71,850
1	75001	80,000	75,268
1	80001	85,000	84,700
2	95001	100,000	197,900
2	100001	105,000	205,765
1	115001	120,000	119,687
1	135001	140,000	137,474
1	140001	145,000	141,579
1	160001	165,000	162,523
1	165001	170,000	167,570
1	170001	175,000	173,536
2	210001	215,000	423,238
1	300001	305,000	304,782
1	305001	310,000	307,281
1	325001	330,000	327,850
1	450001	455,000	452,600
1	505001	510,000	506,920
1	915001	920,000	915,175
1	2125001	2,130,000	2,129,188
1	5075001	5,080,000	5,077,180
1	5980001	5,985,000	5,980,917
1	69035001	69,040,000	69,039,437
10,590			92,359,050

Pattern of Shareholding

as at June 30, 2015

S.No.	Categories of Shareholders	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	3	520,515	0.56
2	Associated Companies, Undertakings and related Parties	3	80,097,534	86.72
3	NIT and ICP	0	0	0
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	28	517,657	0.56
5	Insurance Companies	18	2,782,192	3.01
6	Modarabas and Mutual Funds	30	2,184,749	2.37
7	Shareholders holding 10%	1	69,039,437	74.75
8	General Public :			
	a. Local	10,340	4,084,636	4.42
	b. Foreign			
9	Others	168	2,171,767	2.35
	Total (excluding : shareholders holding 10%)	10,590	92,359,050	100.00

Pattern of Shareholding

as at June 30, 2015

ADDITIONAL INFORMATION

Shareholder's Category	Number of Shareholders / folios	Number of Shares Held	%
i. Associated Companies, Undertakings and Related Parties (name wise details)			
GADOON TEXTILE MILLS LIMITED	1	5,980,917	6.48
LUCKY HOLDINGS LIMITED	1	69,039,437	74.75
LUCKY TEXTILE MILLS LIMITED	1	5,077,180	5.50
	3	80,097,534	86.72
ii. Mutual Funds (name wise details)			
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	327,850	0.35
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	31,000	0.03
CDC - TRUSTEE MEEZAN BALANCED FUND	1	25,116	0.03
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	3,038	0.00
CDC-TRUSTEE PAK INT ELEMENT ISLAMIC ASSET ALLOCATION FUND	1	44,600	0.05
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	141,579	0.15
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	915,175	0.99
CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	1	45,000	0.05
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1	213,238	0.23
CDC - TRUSTEE MEEZAN TAHAFUZZ PENSION FUND - EQUITY SUB FUND	1	167,570	0.18
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	100,800	0.11
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	46,900	0.05
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	33,569	0.04
CDC - TRUSTEE FIRST HABIB STOCK FUND	1	3,000	0.00
CDC - TRUSTEE HBL IPF EQUITY SUB FUND	1	17,200	0.02
CDC - TRUSTEE HBL PF EQUITY SUB FUND	1	17,500	0.02
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	7,188	0.01
CDC - TRUSTEE PAKISTAN SARMAHA MEHFOOZ FUND	1	25,000	0.03
GOLDEN ARROW SELECTED STOCKS FUND	1	7	0.00
DOMINION STOCK FUND LIMITED	1	182	0.00
M/S. INVESTEC MUTUAL FUND LIMITED	1	17	0.00
CONFIDENCE MUTUAL FUND LTD	1	7	0.00
SECURITY STOCK FUND LIMITED	1	36	0.00
SAFEWAY MUTUAL FUND LIMITED	1	256	0.00
	24	2,165,828	2.35
iii. Directors and their spouse (s) and minor children (name wise details)			
MR. ASIF JOOMA	1	506,920	0.55
MR. KAMAL A CHINOY	1	1,095	0.00
MR. KHAWAJA IQBAL HASSAN	1	12,500	0.01
	3	520,515	0.56
iv. Executives	8	380	0.00
v. Public Sector Companies and Corporations	2	2,129,832	2.31
vi. Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds	55	1,276,920	1.38
vii. Shareholder Holding five percent or more voting Rights in the Listed Company (name wise details)			
GADOON TEXTILE MILLS LIMITED	1	5,980,917	6.48
LUCKY HOLDINGS LIMITED	1	69,039,437	74.75
LUCKY TEXTILE MILLS LIMITED	1	5,077,180	5.50
	3	80,097,534	86.72
viii. Others & General Public	10,495	6,204,041	6.72
Total (excluding : shareholders holding 5%)	10,590	92,395,050	100
ix. Details of trading in the shares by the Directors, CEO, CFO, Company Secretary and their spouses.			

The Directors, CEO, CFO, Company Secretary and their spouses and minor children did not carry out any transaction in the shares of the company during the year.

Notice of 64th Annual General Meeting

Notice is hereby given that the Sixty-Fourth Annual General Meeting of ICI Pakistan Limited will be held on Tuesday, October 27, 2015, 9.00 a.m. at ICI House, 5 West Wharf, Karachi, to transact the following business;

1. To receive, consider and adopt the accounts of the Company for the year ended June 30, 2015, the report of the Auditors thereon and the report of the Directors.
2. To declare and approve Final cash dividend @ 65 % i.e. Rs. 6.50 /- per ordinary share of Rs.10/- each for the year ended June 30, 2015, as recommended by the Directors, payable to the Members whose names appear in the Register of the Members as at October 20, 2015.
3. To appoint the Auditors of the Company and to fix their remuneration.

By Order of the Board



Saima Kamila Khan
Company Secretary

October 6, 2015
Karachi

Notes:

1. Share Transfer Books of the Company will remain closed from October 21, 2015 to October 27, 2015 (both days inclusive). Transfers received in order at the office of our Shares Registrar, FAMCO Associates (Pvt) Limited, 8-F, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi, by the close of business on October 20, 2015 will be in time, to entitle the transferees to the final dividend and to attend Annual General Meeting.
2. All Members are entitled to attend and vote at the Meeting. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote for him/her. A proxy must be a Member of the Company.
3. An instrument of proxy applicable for the Meeting is being provided with the notice sent to Members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: www.ici.com.pk.
4. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must, to be valid, be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
5. Members are requested to submit a copy of their Computerized National Identity Card/Smart National Identity Card (CNIC/SNIC), if not already provided and notify immediately changes, if any, in their registered address to our Shares Registrar, FAMCO Associates (Pvt) Ltd.
6. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

A. For Attending the Meeting:

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

B. For Appointing Proxies:

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

Notice of 64th Annual General Meeting

Consent for circulation of audited financial statements and Notice of AGM through E-mail.

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

Submission of CNIC (mandatory)

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

Dividend Mandate (Optional)

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

Revised Treatment of Withholding Tax

Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and pursuant to Finance Act 2015, effective July 1, 2015, a new criteria for withholding of tax has been introduced by Federal Board of Revenue ("FBR"). According to the revised criteria, tax is to be withheld based on 'Filer' and 'Non-Filer' status of shareholders @ 12.5% and 17.5% respectively where 'Filer' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (<http://www.fbr.gov.pk/>) or a holder of "Taxpayer's Card" and 'Non-Filer' means a person who is not a filer.

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

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

Form of Proxy

64th Annual General Meeting

I / We _____

of _____

being member(s) of ICI Pakistan Limited holding _____

ordinary shares hereby appoint _____

of _____ or failing him / her _____

of _____ who is / are also member(s) of ICI Pakistan Limited as my/our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the Sixty Fourth Annual General Meeting of the Company to be held on October 27, 2015 and at any adjournment thereof.

As witness my / our hand / seal this _____ day of _____ 2015

Signed by the said _____

in the presence of 1. _____

2. _____

Folio / CDC Account No.

Signature

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

Important:

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

For CDC Account Holders / Corporate Entities:

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

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

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

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ICI PAKISTAN LTD.

ICI Pakistan Limited and its Subsidiary Company Consolidated Financial Statements

Report of the Directors

For the year ended June 30, 2015

The Directors are pleased to present their report together with the audited Group results of ICI Pakistan Limited for the year ended June 30, 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 year ended June 30, 2015, has been presented separately.

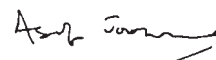
Net Sales of PowerGen for the year ended stands at PKR 709 million which is 22% lower than the corresponding period due to lower electricity sales, owing to lower demand from the Polyester plant of ICI Pakistan Limited.

The Company has also completed a 30% equity participation in NutriCo Pakistan Pvt. Ltd., (Morinaga infant formula distribution business) of which PKR 202 million has been recognised as 'Share of Profit from Associate'.

On a consolidated basis (including the result of the Company's wholly owned subsidiary ICI Pakistan PowerGen Limited) Profit after Tax (PAT) for the year at PKR 2,276 million or PKR 24.65 EPS is 24% higher compared to the SPLY.



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive

Dated: August 26, 2015

Karachi

Auditors' Report to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **ICI Pakistan Limited** (the Holding Company) and its subsidiary company (together referred to as Group) as at **30 June 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, for the year then ended. We have also expressed separate opinions on the financial statements of the Holding Company and its subsidiary company namely ICI Pakistan PowerGen Limited. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the consolidated financial statements present fairly the financial position of the Holding Company and its subsidiary company as at **30 June 2015** and the results of their operations for the year then ended.

Date: 26 August, 2015

Karachi



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Shariq Ali Zaidi

Consolidated Balance Sheet

As at June 30, 2015

Amounts in Rs '000

	Note	June 30, 2015	June 30, 2014
ASSETS			
Non-current assets			
Property, plant and equipment	3	14,388,924	11,808,502
Intangible assets	4	28,318	64,261
		14,417,242	11,872,763
Long-term investment	5	774,724	2,500
Long-term loans	6	326,515	256,525
Long-term deposits and prepayments	7	30,777	27,843
		1,132,016	286,868
		15,549,258	12,159,631
Current assets			
Stores, spares and consumables	8	709,198	617,668
Stock-in-trade	9	4,943,409	4,607,216
Trade debts	10	1,431,094	883,710
Loans and advances	11	325,259	193,000
Trade deposits and short-term prepayments	12	413,250	220,018
Other receivables	13	984,272	1,488,685
Taxation - net		2,054,870	1,765,784
Cash and bank balances	14	120,447	858,204
		10,981,799	10,634,285
Total assets		26,531,057	22,793,916

Amounts in Rs '000

	Note	June 30, 2015	June 30, 2014
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
1,500,000,000 (June 30, 2014: 1,500,000,000) ordinary shares of Rs. 10 each		15,000,000	15,000,000
Issued, subscribed and paid-up capital	15	923,591	923,591
Capital reserves	16	309,643	309,643
Unappropriated profit		11,755,187	10,125,694
Total equity		12,988,421	11,358,928
Surplus on revaluation of property, plant and equipment	17	722,369	784,517
Non-current liabilities			
Provisions for non-management staff gratuity	18	87,422	78,081
Long-term loans	19	1,493,943	2,314,805
Deferred tax liability - net	20	1,181,167	1,093,718
		2,762,532	3,486,604
Current liabilities			
Trade and other payables	21	7,212,275	5,792,672
Accrued mark-up		56,658	61,606
Short-term borrowings and running finance	22	1,833,247	437,368
Current portion of long-term loans		955,555	872,221
		10,057,735	7,163,867
Total equity and liabilities		26,531,057	22,793,916
Contingencies and commitments	23		

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


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Consolidated Profit and Loss Account

For the year ended June 30, 2015

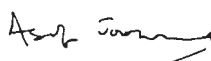
Amounts in Rs '000

	Note	For the year ended June 30, 2015	For the year ended June 30, 2014
Turnover	25.1	42,593,948	42,698,659
Sales tax, commission and discounts	24	(5,199,117)	(4,620,382)
Net turnover		37,394,831	38,078,277
Cost of sales	25.2	(31,491,085)	(33,280,470)
Gross profit		5,903,746	4,797,807
Selling and distribution expenses	27	(1,781,989)	(1,530,254)
Administration and general expenses	28	(963,890)	(896,407)
Operating result		3,157,867	2,371,146
Other charges	29	(244,838)	(191,033)
Finance costs	30	(403,568)	(388,024)
		(648,406)	(579,057)
Other income	31	142,415	321,776
Share of profit from an associate	5	202,224	-
Profit before taxation		2,854,100	2,113,865
Taxation	32	(577,786)	(278,748)
Profit after taxation		2,276,314	1,835,117
Basic and diluted earnings per share (Rupees)	33	24.65	19.87

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2015

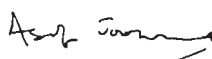
Amounts in Rs '000

	For the year ended June 30, 2015	For the year ended June 30, 2014
Profit after taxation	2,276,314	1,835,117
Items to be reclassified to profit or loss in subsequent periods:		
Loss on hedge during the year	(461)	-
Income tax relating to hedging reserve	128	-
	(333)	-
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress	333	-
	-	-
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial gains on defined benefit plans	167,444	52,914
Tax effect	(49,811)	(17,462)
	117,633	35,452
Total comprehensive income for the year	2,393,947	1,870,569

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Consolidated Cash Flow Statement

For the year ended June 30, 2015

Amounts in Rs '000

	For the year ended June 30, 2015	For the year ended June 30, 2014
Cash flows from operating activities		
Profit before taxation	2,854,100	2,113,865
Adjustments for:		
Depreciation and amortisation - note 3.5 and 4.1	1,710,131	1,381,219
(Gain) / loss on disposal of operating fixed assets - note 29 and 31	(5,532)	14,081
Write offs	-	27,404
Provision for staff retirement benefit plan - note 18.1.1	38,423	52,740
Provisions for non-management staff gratuity and eligible retired employees' medical scheme	11,675	4,800
Interest on bank deposits and loan to the Subsidiary	(649)	(368)
Dividend from investment in equity shares	(40,000)	-
Share of profit from associate	(202,224)	-
Interest expense	354,854	381,878
Provision for doubtful debts - note 40.6	26,195	1,556
Provision for slow moving and obsolete stock-in-trade - note 9.1	36,000	12,389
Provision for slow moving stores and spares - note 8.2	15,044	154
Provisions and accruals no longer required written back	(9,936)	(138,552)
	4,788,081	3,851,166
Movement in:		
Working capital	268,948	963,515
Long-term loans	(69,990)	(54,455)
Long-term deposits and prepayments	(2,935)	5,495
Cash generated from operations	4,984,104	4,765,721
Payments for :		
Staff retirement benefit plans - note 18.1.2	(60,787)	(63,178)
Non-management staff gratuity and eligible retired employees' medical scheme	(24,419)	(23,695)
Taxation	(824,476)	(574,280)
Interest	(357,904)	(351,889)
Net cash generated from operating activities	3,716,518	3,752,679
Cash flows from investing activities		
Capital expenditure	(3,778,146)	(2,454,705)
Proceeds from disposal of operating fixed assets	11,995	7,626
Interest received on bank deposits	649	368
Investment in associate	(720,000)	-
Dividend from investment in equity shares	40,000	-
Dividend from associate	150,000	-
Net cash used in investing activities	(4,295,502)	(2,446,711)

Amounts in Rs '000

	For the year ended June 30, 2015	For the year ended June 30, 2014
Cash flows from financing activities		
Long-term loans (repaid) / obtained	(737,529)	1,300,000
Dividends paid	(817,123)	(366,726)
Net cash (used in) / generated from financing activities	(1,554,652)	933,274
Net (decrease) / increase in cash and cash equivalents	(2,133,636)	2,239,242
Cash and cash equivalents at the beginning of the year	420,836	(1,818,406)
Cash and cash equivalents at the end of the year	(1,712,800)	420,836

Movement in working capital

(Increase) / decrease in current assets

Stores, spares and consumables	(106,574)	(2,040)
Stock-in-trade	(372,191)	(17,838)
Trade debts	(573,579)	8,420
Loans and advances	(122,280)	(11,360)
Trade deposits and short-term prepayments	(12)	10,824
Other receivables	504,413	(300,473)
	(670,223)	(312,467)

Increase in current liabilities

Trade and other payables	939,171	1,275,982
	268,948	963,515

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

Cash and bank balances - note 14	120,447	858,204
Short-term borrowings and running finance - note 22	(1,833,247)	(437,368)
	(1,712,800)	420,836

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


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended June 30, 2015

Amounts in Rs '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total
As at July 01, 2013	923,591	309,643	8,544,999	9,778,233
Interim dividend for the year ended June 30, 2014 @ Rs. 4.00 per share	-	-	(369,436)	(369,436)
	-	-	(369,436)	(369,436)
Profit for the year	-	-	1,835,117	1,835,117
Other comprehensive income for the year, net of tax	-	-	35,452	35,452
Total comprehensive income	-	-	1,870,569	1,870,569
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the period - net of deferred tax - note 17	-	-	79,562	79,562
	-	-	79,562	79,562
As at June 30, 2014	923,591	309,643	10,125,694	11,358,928
Final dividend for the year ended June 30, 2014 @ Rs. 4.00 per share	-	-	(369,436)	(369,436)
Interim dividend for the year ended June 30, 2015 @ Rs. 5.00 per share	-	-	(461,796)	(461,796)
	-	-	(831,232)	(831,232)
Profit for the year	-	-	2,276,314	2,276,314
Other comprehensive income for the year, net of tax	-	-	117,633	117,633
Total comprehensive income	-	-	2,393,947	2,393,947
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 17	-	-	66,778	66,778
	-	-	66,778	66,778
As at June 30, 2015	923,591	309,643	11,755,187	12,988,421

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


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Notes to the Consolidated Financial Statements

For the year ended June 30, 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 Company is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchanting of general chemicals. It also acts as an indenting agent and toll manufacturer.

The Subsidiary is engaged in generating, selling and supplying electricity to the Company.

The Group's registered office is situated at 5 West Wharf, Karachi.

2 Summary of Significant Accounting Policies

Following are the details of significant accounting policies:

2.1 Statement of compliance

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

2.2 Basis of preparation

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

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

The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the consolidated financial statements in subsequent years are discussed in note 43.

2.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies, here-in-after referred to as "the Group".

A company is a subsidiary, if an entity (the Holding Company) directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in the consolidated financial statements.

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

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

2.4 Property, plant and equipment and depreciation

Property, plant and equipment (except freehold land, buildings on freehold & leasehold land and plant & machinery) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land, buildings on freehold land and leasehold land and plant and machinery are stated at revalued amounts less subsequent accumulated depreciation and subsequent impairment losses, if any. Capital work-in-progress is stated at cost less impairment if any. Cost of certain property, plant and equipment comprises historical cost. Such cost includes the cost of replacing parts of the property, plant and equipment and the cost of borrowings for long-term construction projects, if the recognition criteria are met.

Depreciation charge is based on the straight-line method whereby the cost or revalued amount of an asset is written off to profit and loss account over its estimated useful life after taking into account residual value, if material. The cost of leasehold land is depreciated in equal installments over the lease period. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month of disposal.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed at each balance sheet date, and adjusted, if appropriate.

Maintenance and normal repairs are charged to profit and loss account as and when incurred. Improvements are capitalised when it is probable that respective future economic benefits will flow to the Group and the cost of the item can be measured reliably. Assets replaced, if any, are derecognised.

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

2.5 Intangible assets and amortisation

Intangible assets with a finite useful life, such as certain softwares, licenses (including extraction rights, software licenses, etc.) and property rights, are capitalised initially at cost and subsequently stated at cost less accumulated amortisation and impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit and loss account as incurred.

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

2.6 Investments

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

2.7 Stores, spares and consumables

Stores, spares and consumables are stated at the lower of weighted average cost and net realisable value. Net realizable value is the estimated selling price in the ordinary course of business less net estimated cost to sell, which is generally equivalent to replacement cost. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the balance sheet date.

2.8 Stock-in-trade

Stock-in-trade is valued at the lower of weighted average cost and estimated net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and selling expenses.

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

2.9 Trade debts and other receivables

Trade debts and other receivables are recognised at original invoice amount less provision for doubtful debts and other receivables, if any. A provision for doubtful debts and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables (Refer note 40.6.1). Bad Debts are written off when identified.

2.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in other comprehensive income or below equity, in which case it is recognised in other comprehensive income or below equity, respectively.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

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

Deferred

Deferred tax is recognised using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard the effects on deferred taxation on the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Group recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside profit and loss account is recognised outside profit and loss account. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Further, the Group recognises deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks. Short term finance facilities availed by the Group, which are payable on demand and form an integral part of the Group's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

2.12 Impairment

Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit and loss account and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss account.

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss account.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.13 Surplus on revaluation of fixed assets

The surplus arising on revaluation of fixed assets is credited to the "Surplus on Revaluation of property, plant and equipment" account shown below equity in the balance sheet in accordance with the requirements of section 235 of the Companies Ordinance, 1984. The said section was amended through the Companies (Amendment) Ordinance, 2002 and accordingly the Group has adopted the following accounting treatment of depreciation on revalued assets, keeping in view the Securities and Exchange Commission of Pakistan's (SECP) SRO 45(1)/2003 dated January 13, 2003:

- a) depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and
- b) an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of property plant and equipment" account to unappropriated profit / loss through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

2.14 Staff retirement benefits

The Group's retirement benefit plans comprise of provident funds, pensions, gratuity schemes and a medical scheme for eligible retired employees.

Defined benefit plans

The Group operates a funded pension scheme and a funded gratuity scheme for management staff. The pension and gratuity schemes are salary schemes providing pension and lump sums, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Group also operates gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. The pension and gratuity plans are final salary plans. The pensioner's medical plan reimburses actual medical expenses to pensioners as per entitlement. The Group recognises expense in accordance with IAS 19 "Employee Benefits".

An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income.

All past service costs are recognized at the earlier of when the amendment or curtailment occurs and when the Group has recognized related restructuring or termination benefits.

Defined contribution plans

The Group operates two registered contributory provident funds for its entire staff and a registered defined contribution superannuation fund for its management staff, who have either opted for this fund by July 31, 2004 or have joined the Group after April 30, 2004. In addition to this, the Group also provides group insurance to all its employees.

Compensated absences

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

2.15 Operating leases / Ijarah contracts

Leases, other than those under Ijarah contracts, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Ijarah contracts are classified as operating leases irrespective of whether significant portion of the risks and rewards of ownership are retained by lessor. Payments made under operating leases (net of any incentives received from the lessor) and Ijarah contracts are charged to the profit and loss account on a straight-line basis over the period of the lease.

2.16 Trade and other payables

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

2.17 Borrowings and their cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

2.18 Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

2.19 Financial liabilities

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

2.20 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pak Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pak Rupees at the foreign exchange rates at the balance sheet date. Exchange differences are taken to the profit and loss account.

2.21 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

in which the Group operates. The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

2.22 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer. For those products which are often sold with a right of return, accumulated experience is used to estimate and provide for such returns at the time of sale.

Commission income is recognised on date of shipment from suppliers.

Profit on short-term deposits is accounted for on a time-apportioned basis using the effective interest rate method.

Dividend income is recognised when the right to receive dividend is established.

Toll manufacturing income is recognised when services are rendered.

2.23 Financial expense and financial income

Financial expenses are recognised using the effective interest rate method and comprise foreign currency losses and markup / interest expense on borrowings.

Financial income comprises interest income on funds invested. Markup / interest income is recognised as it accrues in profit and loss account, using the effective interest rate method.

2.24 Dividend

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

2.25 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer (the CEO) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments. Segments reported are Polyester, Soda Ash, Life Sciences, Chemicals and others (PowerGen), which also reflects the management structure of the Group.

2.26 Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes. Derivatives qualifying for hedge accounting are accounted for accordingly whereas, derivatives that do not qualify for hedge accounting are accounted for as held for trading instruments. All changes in the fair value are recognized in the profit and loss account.

2.27 Off-setting

Financial assets and liabilities are offset and the net amount is reported in the consolidated financial statements only when there is, legally enforceable right to set-off the recognised amount and the Group intends either to settle on a net basis, or to realise the assets and to settle the liabilities simultaneously.

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
3. Property, plant and equipment		
3.1 The following is a statement of property, plant and equipment:		
Operating fixed assets - note 3.2	12,713,226	10,908,546
Capital work-in-progress - note 3.7	1,675,698	899,956
	14,388,924	11,808,502

3.2 The following is a statement of operating fixed assets:

	Land		Lime beds	Buildings		Plant and	Railway	Rolling	Furniture	Total
	Freehold	Leasehold	on freehold land	On freehold land	On leasehold land	machinery	sidings	stock and vehicles	and equipment	
	Note 3.3			Note 3.3		Note 3.3 & 3.4				
As at June 30, 2015										
Net carrying value basis										
Opening net book value (NBV)	438,021	-	133,860	276,361	1,080,087	8,806,800	-	26,402	147,015	10,908,546
Addition / transfer - note 3.2.1	30,287	-	923	518,661	168,800	2,638,808	-	9,435	108,792	3,475,706
Disposal (at NBV)	-	-	-	-	(387)	(5,731)	-	-	(345)	(6,463)
Depreciation charge - note 3.5	-	-	(11,667)	(58,330)	(104,277)	(1,419,811)	-	(13,011)	(57,467)	(1,664,563)
Closing net book value	468,308	-	123,116	736,692	1,144,223	10,020,066	-	22,826	197,995	12,713,226
Gross carrying value basis										
Cost / Revaluation	468,308	562,166	251,479	2,980,324	2,167,867	25,391,316	297	126,369	656,433	32,604,559
Accumulated depreciation	-	(562,166)	(128,363)	(2,243,632)	(1,023,644)	(15,371,250)	(297)	(103,543)	(458,438)	(19,891,333)
Closing net book value	468,308	-	123,116	736,692	1,144,223	10,020,066	-	22,826	197,995	12,713,226
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 50	3 to 33.33	3.33 to 50	3.33	10 to 33.33	10 to 50	

As at June 30, 2014

Net carrying value basis										
Opening net book value	341,885	-	134,525	321,322	655,011	6,497,300	-	12,965	184,251	8,147,259
Addition / transfer - note 3.2.1	96,137	-	10,899	92,816	443,596	3,446,311	-	6,090	63,603	4,159,452
Disposal (at NBV)	-	-	-	(30)	(260)	(16,162)	-	(4,700)	(555)	(21,707)
Adjustments (at NBV)	(1)	(29)	(15)	(87,351)	86,751	(25,043)	-	26,777	(43,085)	(41,996)
Depreciation charge - note 3.5	-	29	(11,549)	(50,396)	(105,011)	(1,095,606)	-	(14,730)	(57,199)	(1,334,462)
Closing net book value	438,021	-	133,860	276,361	1,080,087	8,806,800	-	26,402	147,015	10,908,546
Gross carrying value basis										
Cost / Revaluation	438,021	562,166	250,556	2,462,313	1,968,029	23,281,028	297	118,610	491,723	29,572,743
Accumulated depreciation	-	(562,166)	(116,696)	(2,185,952)	(887,942)	(14,474,228)	(297)	(92,208)	(344,708)	(18,664,197)
Closing net book value	438,021	-	133,860	276,361	1,080,087	8,806,800	-	26,402	147,015	10,908,546
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 50	3 to 33.33	3.33 to 50	3.33	10 to 33.33	10 to 50	

3.2.1 Additions to plant and machinery include borrowing cost for various projects amounting to Rs. 109.705 million (June 30, 2014: Rs. 95.406 million) and transfer from capital work-in-progress (Note 3.7.1). The rate used to determine the amount of borrowing cost eligible for capitalization is 9.20% (June 30, 2014: 9.76%).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
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3.2.2 Operating fixed assets include the following major spare parts and stand by equipment:

Cost	387,758	366,575
Net book value	182,247	195,797

3.3 Subsequent to revaluation on October 1, 1959, September 30, 2000 and December 15, 2006 which had resulted in a surplus of Rs. 14.207 million, Rs. 1,569.869 million and Rs. 704.752 million, respectively, the land, buildings on freehold and leasehold land and plant and machinery were revalued again on December 31, 2011 resulting in a net surplus of Rs. 848.191 million, respectively. The valuation was conducted by an independent valuer. Valuations for plant and machinery and building were based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence. Land was valued on the basis of fair market value.

3.4 Plant and machinery including equipment held with Searle Pakistan Limited, Breeze Pharmaceutical Limited and Maple Pharmaceutical (Private) Limited (toll manufacturers), are as follows:

Cost	8,111	8,369
Net book value	4,900	5,638

	For the year ended June 30, 2015	For the year ended June 30, 2014
3.5 The depreciation charge for the year has been allocated as follows:		
Cost of sales	1,606,541	1,272,297
Selling and distribution expenses	15,015	13,821
Administration and general expenses	43,007	48,344
	1,664,563	1,334,462

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

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

	As at June 30, 2015	As at June 30, 2014
Net book value		
Freehold land	169,028	138,741
Buildings	1,744,387	1,219,920
Plant and machinery	9,607,359	8,394,093
	11,520,774	9,752,754

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
3.7 Capital work-in-progress comprises of:		
Civil works and buildings	327,797	270,916
Plant and machinery	857,665	553,481
Miscellaneous equipment	88,840	44,606
Advances to suppliers / contractors	353,678	19,013
Designing, consultancy and engineering fee	47,718	11,940
	1,675,698	899,956

This includes interest charged during the period ended June 30, 2015 in respect of long-term loan obtained for various projects amounting to Rs. 30.873 million (June 30, 2014: Rs. Nil). The rate used to determine the amount of borrowing cost eligible for capitalization is 8.83% (June 30, 2014: Rs. Nil).

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

Balance at the beginning of the year	899,956	2,580,208
Addition during the year	4,216,538	2,431,531
	5,116,494	5,011,739
Transferred to operating fixed assets during the year	3,440,796	4,111,783
Balance at the end of the year	1,675,698	899,956

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

As at June 30, 2015						
	Mode of sale	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyers
Plant and machinery						
Boiler, Deaerator and other assets	Scrap	48,370	44,614	3,756	2,124	Hanif Ghouri Malakwal District Mandi Bahauddin
Building on leasehold land						
Old quarter's doors and windows	Bidding	499	288	211	89	Anjum Wood Craft Khewra
Furniture and Equipments						
Dell Laptops	Insurance Claim	250	107	143	155	PICIC Insurance
As at June 30, 2014						
Plant and machinery						
Refractory, Panelmate and various other assets	Scrap	31,040	14,608	16,434	1,301	Shahbaz and Company, Malakwal District Mandi Bahauddin
Rolling stock and vehicles						
Audi and Fork lift trucks	Auction	6,440	1,739	4,701	5,343	Mr. Azfar Abbas Ashary, Karachi
Building on leasehold land						
Civil Work Lime Stone Storage	Scrap	2,877	2,648	229	20	Shahbaz and Company, Malakwal District Mandi Bahauddin

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

4 Intangible assets

	As at June 30, 2015		
	Software	Licenses	Total
Net carrying value basis			
Opening net book value (NBV)	10,368	53,893	64,261
Addition / transfer	1,124	8,501	9,625
Amortisation charge - note 4.1	(9,512)	(36,056)	(45,568)
Closing net book value	1,980	26,338	28,318
Gross carrying amount			
Cost	173,311	197,046	370,357
Accumulated amortisation	(171,331)	(170,708)	(342,039)
Closing net book value	1,980	26,338	28,318
Amortisation rate % per annum	20	20 to 50	
	As at June 30, 2014		
Net carrying value basis			
Opening net book value (NBV)	11,754	33,369	45,123
Addition / transfer	-	51,303	51,303
Adjustments (at NBV)	10,900	3,692	14,592
Amortisation charge - note 4.1	(12,286)	(34,471)	(46,757)
Closing net book value	10,368	53,893	64,261
Gross carrying amount			
Cost	172,187	188,546	360,733
Accumulated amortisation	(161,819)	(134,653)	(296,472)
Closing net book value	10,368	53,893	64,261
Amortisation rate % per annum	20	20 to 50	
	For the year ended June 30, 2015	For the year ended June 30, 2014	

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

Cost of sales	14,219	13,614
Selling and distribution expenses	4,649	1,948
Administration and general expenses	26,700	31,195
	45,568	46,757
	As at June 30, 2015	As at June 30, 2014

5. Long-term investments

Unquoted at cost

Associate

- NutriCo Pakistan (Private) Limited - note 5.1
125,000 ordinary shares (June 30, 2014: Nil shares) of Rs. 1,000 each and premium of Rs. 4,760 per share

720,000 -

Add: post acquisition share of profit

202,224 -

Less: Dividend Received

(150,000) -

Carrying value of Associate

772,224 -

Others

Equity security available-for-sale

- Arabian Sea Country Club Limited
250,000 ordinary shares (June 30, 2014: 250,000) of Rs. 10 each

2,500 2,500

774,724 2,500

5.1 The Group has a 30% interest in NutriCo Pakistan (Private) Limited (the associate), which is involved in marketing and distribution of infant milk and nutritional products.

**As at
June 30,
2015
(Unaudited)**

5.2 The summary of financial information of associate as at the balance sheet date is as follows:

Total assets	3,796,843
Total liabilities	1,362,569
Total equity and reserves	2,434,274
Total revenue	4,921,867
Profit for the year	1,040,724

**As at
June 30,
2015**

As at
June 30,
2014

6 Long-term loans

Considered good

Due from executives and employees - note 6.1	326,515	256,525
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6.1 Due from executives and employees

	Motor car	House building	Total	Total
Due from executives - note 6.2, 6.3 and 6.4	186,802	58,739	245,541	205,011
Less: Receivable within one year	29,419	23,993	53,412	53,967
	157,383	34,746	192,129	151,044
Due from employees - note 6.3			166,687	128,345
Less: Receivable within one year			32,301	22,864
			134,386	105,481
			326,515	256,525
Outstanding for period:				
- less than three years but over one year			126,193	163,005
- more than three years			200,322	93,520
			326,515	256,525

6.2 Reconciliation of the carrying amount of loans to executives:

Balance at the beginning of the year	205,011	186,930
Disbursements during the year	108,154	123,988
Repayments during the year	(67,624)	(105,907)
Balance at the end of the year	245,541	205,011

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

6.4 The maximum aggregate amount of loans due from the executives at the end of any month during the year was Rs. 245.541 million (June 30, 2014: Rs. 205.011 million).

7 Long-term deposits and prepayments

Deposits	27,323	25,679
Prepayments	3,454	2,164
	30,777	27,843

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
8 Stores, spares and consumables		
Stores - note 8.1	60,745	36,803
Spares - note 8.1	728,722	680,133
Consumables	108,978	106,167
	898,445	823,103
Less: Provision for slow moving and obsolete stores and spares - note 8.2	189,247	205,435
	709,198	617,668

8.1 The above amounts include stores and spares in transit of Rs. 32.440 million (June 30, 2014: Rs. 17.506 million).

8.2 Movement of provision for slow moving and obsolete stores and spares is as follows:

Balance at the beginning of the year	205,435	205,383
Charge for the year - note 28	15,044	154
Write off during the year	(31,232)	(102)
Balance at the end of the year	189,247	205,435

9 Stock-in-trade

Raw and packing material (include in-transit Rs. 433.803 million, June 30, 2014:

Rs. 791.850 million) - note 9.3

Work-in-process

Finished goods (include in-transit Rs. 348.217 million, June 30, 2014: Rs. 137.44 million)

	2,092,026	2,372,699
	96,034	165,341
	2,882,416	2,166,884
	5,070,476	4,704,924
Less: Provision for slow moving and obsolete stock-in-trade - note 9.1		
- Raw materials	13,659	8,771
- Finished goods	113,408	88,937
	127,067	97,708
	4,943,409	4,607,216

9.1 Movement of provision for slow moving and obsolete stock-in-trade is as follows:

Balance at the beginning of the year	97,708	93,142
Charge for the year - note 28	36,000	12,389
Reversal during the year	-	(6,890)
Write-off for the year	(6,641)	(933)
Balance at the end of the year	127,067	97,708

9.2 Stock amounting to Rs. 498.295 million (June 30, 2014: Rs. 28.801 million) is measured at net realisable value and expense amounting to Rs. 9.465 million (June 30, 2014: write back of Rs. 20.529 million) has been charged to cost of sales.

9.3 Raw and packing materials held with various toll manufacturers amounts to Rs. 556.110 million (June 30, 2014: Rs. 423.255 million).

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
10 Trade debts		
Considered good		
- Secured	168,723	161,166
- Unsecured	1,474,018	891,976
	1,642,741	1,053,142
Considered doubtful	40,987	93,664
	1,683,728	1,146,806
Less: Provision for:		
- Doubtful debts - note 40.4 and 40.6	40,987	93,664
- Discounts payable on sales	211,647	169,432
	252,634	263,096
	1,431,094	883,710

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

Unsecured		
Yunus Textile Mills Limited	15,190	26,397
Lucky Textile Mills Limited	4,231	1,162
Lucky Knits (Private) Limited	499	-
NutriCo Pakistan (Private) Limited	11,095	-
Feroze Mills Limited	377	3,340
	31,392	30,899

11 Loans and advances

Considered good		
Loans due from:		
Director and executives - note 11.1	59,729	53,967
Employees	32,301	22,864
	92,030	76,831
Advances to:		
Executives	8,283	14,538
Employees	319	219
Contractors and suppliers	219,979	95,921
Others	4,648	5,491
	233,229	116,169
	325,259	193,000
Considered doubtful	-	7,292
	325,259	200,292
Less: Provision for doubtful loans and advances - note 40.4 and 40.6	-	7,292
	325,259	193,000

11.1 The maximum aggregate amount of loans due from the directors and executives at the end of any month during the year was Rs. 9.315 million and Rs. 12.565 million (June 30, 2014: Rs. 3.221 million and Rs. 14.333 million) respectively.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
12 Trade deposits and short-term prepayments		
Trade deposits	28,399	26,008
Short-term prepayments	384,851	194,010
	413,250	220,018

13 Other receivables

Considered good

Duties, sales tax and octroi refunds due	373,717	287,020
Commission receivable	25,002	22,612
Receivable from principal - note 13.1	483,504	1,068,427
Others	102,049	110,626

984,272 1,488,685

Considered doubtful

	1,622	20,237
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985,894 1,508,922

Less: Provision for doubtful receivables - note 13.2	1,622	20,237
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984,272 1,488,685

13.1 This includes receivable amounting to Rs. 401.706 million (June 30, 2014: Rs. 1,019.800 million) from foreign vendor in relation to margin support guarantee.

13.2 Movement of provision for doubtful receivables is as follows:

Balance at the beginning of the year	20,237	57,312
Write-off during the year	(18,615)	-
Reversal during the year	-	(37,075)
Balance at the end of the year	1,622	20,237

14 Cash and bank balances

Cash at bank:

- Short-term deposits - note 14.1	106,000	103,000
- Current accounts	9,046	747,210

Cash in hand	5,401	7,994
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120,447 858,204

14.1 Represent security deposits from customer that are placed with various banks at pre-agreed rate maturing at various dates. The mark-up on these deposits is 10% (June 30, 2014: 8.00% to 9.00%) and these term deposits are readily encashable without any penalty.

Amounts in Rs '000

As at June 30, 2015 (Numbers)	As at June 30, 2014		As at June 30, 2015	As at June 30, 2014
15. Issued, subscribed and paid-up capital				
83,734,062	83,734,062	Ordinary shares of Rs. 10 each fully paid in cash	837,341	837,341
211,925	211,925	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation (note 15.1)	2,119	2,119
16,786	16,786	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	168	168
8,396,277	8,396,277	Ordinary shares issued pursuant to the previous scheme as fully paid for consideration of investment in associate (note 15.2)	83,963	83,963
92,359,050	92,359,050		923,591	923,591

15.1 The process for amalgamation of three companies namely Paintex Limited, ICI Pakistan Manufacturers Limited and Imperial Chemical Industries Limited resulted in a new company as ICI Pakistan Limited on April 01, 1987.

15.2 With effect from October 1, 2000 the Pure Terephthalic Acid (PTA) Business of the Company was demerged under a scheme of arrangement dated December 12, 2000 approved by the shareholders and sanctioned by the High Court of Sindh.

15.3 On December 28, 2012, Lucky Holdings Limited acquired from ICI Omicron B.V. its entire shareholding of 70,019,459 shares in ICI Pakistan Limited, besides acquiring 111,698 additional shares by way of public offer made by it to all the shareholders of the Company in pursuance of the provisions of the Listed Companies (Substantial Acquisition of Voting Shares and Take-overs), Ordinance, 2002 and the Listed Companies (Substantial Acquisition of Voting Shares & Take-overs) Regulations, 2008. Thus, Lucky Holdings Limited became the parent company, and Lucky Cement Limited became the ultimate holding company of ICI Pakistan Limited with effect from December 28, 2012. Along with Lucky Holdings Limited, two other companies of the Yunus Brothers Group namely, Gadoon Textile Mills Limited and Lucky Textile Mills Limited also participated in the public offer thereby acquiring 5,980,917 shares and 5,077,180 shares respectively. As at the balance sheet date, Lucky Cement Limited together with the group companies held 86.72% (June 30, 2014: 87.33%) shareholding.

16. Capital reserves

Share premium - note 16.1	309,057	309,057
Capital receipts - note 16.2	586	586
	309,643	309,643

16.1 Share premium includes the premium amounting to Rs. 0.902 million received on shares issued for the Company's Polyester Plant installation in 1980 and share premium of Rs. 464.357 million representing the difference between nominal value of Rs. 10 per share of 12,618,391 ordinary shares issued by the Company and the market value of Rs. 590.541 million of these shares corresponding to 25% holding acquired in Lotte Pakistan PTA Limited, an ex-associate, at the date of acquisition i.e. November 2, 2001 and the number of shares that have been issued were determined in accordance with the previous scheme in the ratio between market value of the shares of two companies based on the mean of the middle market quotation of the Karachi Stock Exchange over the ten trading days between October 22, 2001 to November 2, 2001.

16.2 Capital receipts represent the amount received from various ICI plc group companies overseas for the purchase of property, plant and equipment. The remitting companies have no claim to their repayments.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
17. Surplus on revaluation of property, plant and equipment		
Balance at the beginning of the year	784,517	843,037
Adjustment due to change in tax rate - note 20.1	4,630	21,042
Transferred to unappropriated profit in respect of incremental depreciation during the year - net of deferred tax	(66,778)	(79,562)
Balance at the end of the year	722,369	784,517

18. Provisions for non-management staff gratuity	87,422	78,081
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18.1 Staff retirement benefits

	2015				2014			
	Pension	Funded Gratuity	Unfunded Total		Pension	Funded Gratuity	Unfunded Total	
18.1.1 The amounts recognised in the profit and loss account against defined benefit schemes are as follows:								
Current service cost	16,808	37,678	54,486	3,250	17,153	32,702	49,855	3,291
Interest cost	113,592	69,378	182,970	9,455	102,896	54,286	157,182	8,118
Expected return on plan assets	(152,025)	(48,038)	(200,063)	-	(127,167)	(37,245)	(164,412)	-
Past service cost	-	1,030	1,030	(1,030)	-	10,115	10,115	(10,115)
Net (reversal) / charge for the year	(21,625)	60,048	38,423	11,675	(7,118)	59,858	52,740	1,294
Other comprehensive income:								
Loss / (Gain) on obligation	16,941	(33,989)	(17,048)	3,448	7,112	21,574	28,686	5,677
(Gain) on plan assets	(104,216)	(49,628)	(153,844)	-	(75,645)	(11,632)	(87,277)	-
Net (gain) / loss	(87,275)	(83,617)	(170,892)	3,448	(68,533)	9,942	(58,591)	5,677
18.1.2 Movement in the net assets / (liability) recognised in the balance sheet are as follows:								
Opening balance	301,428	(196,734)	104,694	(78,081)	225,777	(190,112)	35,665	(79,917)
Net reversal / (charge) - note 18.1.1	21,625	(60,048)	(38,423)	(11,675)	7,118	(59,858)	(52,740)	(1,294)
Other comprehensive income	87,275	83,617	170,892	(3,448)	68,533	(9,942)	58,591	(5,677)
Contributions / payments during the year	-	60,787	60,787	5,782	-	63,178	63,178	8,807
Closing balance	410,328	(112,378)	297,950	(87,422)	301,428	(196,734)	104,694	(78,081)
18.1.3 The amounts recognised in the balance sheet are as follows:								
Fair value of plan assets - note 18.1.5	1,365,979	471,628	1,837,607	-	1,274,962	379,571	1,654,533	-
Present value of defined benefit obligation - note 18.1.4	(955,651)	(584,006)	(1,539,657)	(87,422)	(973,534)	(576,305)	(1,549,839)	(78,081)
Surplus / (deficit)	410,328	(112,378)	297,950	(87,422)	301,428	(196,734)	104,694	(78,081)

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

18.1.4 Movement in the present value of defined benefit obligation:

Opening balance	973,534	576,305	1,549,839	78,081	1,067,969	552,340	1,620,309	79,917
Current service cost	16,808	37,678	54,486	3,250	17,153	32,702	49,855	3,291
Interest cost	113,592	69,378	182,970	9,455	102,896	54,286	157,182	8,118
Benefits paid	(165,224)	(66,396)	(231,620)	(5,782)	(221,596)	(94,712)	(316,308)	(8,807)
Actuarial loss / (gain)	16,941	(33,989)	(17,048)	3,448	7,112	21,574	28,686	5,677
Past service cost	-	1,030	1,030	(1,030)	-	10,115	10,115	(10,115)
Closing balance	955,651	584,006	1,539,657	87,422	973,534	576,305	1,549,839	78,081

18.1.5 Movement in the fair value of plan assets:

Opening balance	1,274,962	379,571	1,654,533	-	1,293,746	362,228	1,655,974	-
Expected return	152,025	48,038	200,063	-	127,167	37,245	164,412	-
Contributions	-	60,787	60,787	-	-	63,178	63,178	-
Benefits paid	(165,224)	(66,396)	(231,620)	-	(221,596)	(94,712)	(316,308)	-
Actuarial gain	104,216	49,628	153,844	-	75,645	11,632	87,277	-
Closing balance - note 18.1.7	1,365,979	471,628	1,837,607	-	1,274,962	379,571	1,654,533	-

Amounts in Rs '000

18.1.6 Historical information	June 30			December 31	
	2015	2014	2013	2012	2011
Present value of defined benefit obligation	1,627,079	1,627,920	1,700,226	2,264,010	2,337,261
Fair value of plan assets	(1,837,607)	(1,654,533)	(1,655,974)	(1,509,900)	(1,581,574)
(Surplus) / deficit	(210,528)	(26,613)	44,252	754,110	755,687

18.1.7 Major categories / composition of plan assets are as follows:	2015		2014	
Debt instruments	77.01%		68.77%	
Equity at market value	23.36%		28.70%	
Cash	0.34%		2.53%	
Fair value of plan asset	Pension	Gratuity	Pension	Gratuity
	As at June 30, 2015		As at June 30, 2014	
Investment				
National savings deposits	262,604	15,580	181,164	-
Government bonds	820,415	310,846	667,896	283,446
Corporate bonds	-	5,777	-	6,936
Shares	285,632	143,569	406,635	67,586
Cash	4,807	1,454	19,267	21,603
Total	1,365,979	471,628	1,274,962	379,571

Mortality of active employees and pensioners is represented by the LIC (96-98) table. The table has been rated down three years for mortality of female pensioners and widows.

Actual return on plan assets during 2015 was Rs. 206.290 million (June 30, 2014: Rs. 251.689 million).

	2015	2014
18.1.8 The principal actuarial assumptions at the reporting date were as follows:		
Discount rate	9.33%	12.75%
Future salary increases - Management	7.25%	10.50%
Future salary increases - Non-management	4.67%	8.00%
Future pension increases	4.00%	7.50%

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

Assumption	1% Increase	1% Decrease
Discount rate	(87,370)	97,800
Salary increase	64,833	(59,122)
Pension increase	35,247	(31,709)

18.1.10 The Group contributed Rs. 68.582 million (June 30, 2014: Rs. 62.543 million) and Rs. 47.707 million (June 30, 2014: Rs. 45.349 million) to the provident fund and the defined contribution superannuation fund respectively during the year.

	As at June 30, 2015 (Unaudited)	As at June 30, 2014 (Audited)
18.2 Provident fund		
Size of the fund	1,018,560	1,269,506
Cost of investments made	969,253	1,127,747
Percentage of investments made	95%	89%
Fair value of investments	994,698	1,192,093

18.2.1 Break-up of investments of provident fund

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

	As at June 30, 2015 (Unaudited)		As at June 30, 2014 (Audited)	
	Investments	% of investment as size of the fund	Investments	% of investment as size of the fund
On fair value				
Pakistan Investment Bonds	581,239	58%	854,999	72%
Treasury Bill	8,552	1%	49,604	4%
Regular Income Certificates	18,000	2%	-	0%
Mutual Funds	97,346	10%	81,682	7%
Shares	289,561	29%	196,142	16%
Term Finance Certificates	-	0%	9,666	1%
	994,698	100%	1,192,093	100%

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
19 Long-term loans	1,493,943	2,314,805
19.1 From banking companies / financial institutions:		
- Faysal Bank Limited	-	343,591
- Less: Current portion of long-term finance	-	-
	-	343,591
- Habib Bank Limited	-	543,435
- Less: Current portion of long-term finance	-	-
	-	543,435
- United Bank Limited	221,719	-
- Less: Current portion of long-term finance	-	-
	221,719	-

The Group has obtained Long-Term Finance Facility (LTFF) for plant and machinery from United Bank Limited of Rs. 221.719 million (limit: Rs. 1,500 million) for a period of 10 years (including 2 years grace period), with the principal payable on quarterly basis. The mark-up is chargeable at fixed rate of 5% payable on quarterly basis. This facility is secured against first specific charge on the property, plant and equipment of the Group's Soda Ash Business located at Khewra. The loan have been refinanced by the State Bank of Pakistan under LTFF for Export Oriented Projects. The group repaid its previous LTFF's from HBL and FBL in the last quarter of financial year 2015.

19.2 Islamic term finance

From banking companies / financial institutions:

-Standard Chartered Bank (Pakistan) Limited	400,000	800,000
-Less: Current portion of long-term finance	400,000	400,000
	-	400,000

The Group had obtained long-term finance of Rs. 1,000 million in June 2013 from Standard Chartered Bank (Pakistan) Limited under Islamic Diminishing Musharakah for a period of 3 years (including 6 months grace period). Repayments of Rs. 400 million were made during the current year. The rental payment is charged at relevant KIBOR plus 0.25% p.a. payable on semi annual basis. This facility is secured by a ranking charge which is to be replaced by a first pari passu hypothecation charge on the present and future fixed assets of the Group's Polyester Business located at Sheikhpura.

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

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

19.3 Other Long Term Loan

-Allied Bank Limited	750,001	1,000,000
-Less: Current portion of long-term loan	333,333	249,999
	416,668	750,001

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

United Bank Limited	800,000	-
Less: Current portion of long-term loan	-	-
	800,000	-

During the year, the Group has obtained long-term finance of Rs. 800 million from United Bank Limited for a period of 5 years (including 2 years grace period). The interest payment is charged at relevant KIBOR plus 0.25% p.a. payable on quarterly basis. This facility is initially secured by a ranking charge to be subsequently replaced by the first pari passu hypothecation charge on present and future plant, machinery and equipment of the Group's Polyester Business located at Sheikhpura.

Amounts in Rs '000

	As at June 30, 2015			As at June 30, 2014		
	Opening	Charge	Closing	Opening	Charge / (Reversal)	Closing
20 Deferred tax (liability) / asset - net						
Deductible temporary differences						
Provisions for retirement benefits, doubtful debts and others	(259,368)	29,350	(230,018)	(301,666)	42,298	(259,368)
Retirement funds provisions	(65,232)	49,811	(15,421)	(93,508)	28,276	(65,232)
Taxable temporary differences						
Property, plant and equipment - note 20.1	1,418,318	8,288	1,426,606	1,496,285	(77,967)	1,418,318
	1,093,718	87,449	1,181,167	1,101,111	(7,393)	1,093,718

20.1 Charge during the year includes Rs. 4.630 million (June 30, 2014: reversal of Rs. 21.042 million) adjusted in surplus on revaluation of property, plant and equipment on account of change in tax rate.

	As at June 30, 2015	As at June 30, 2014
21 Trade and other payables		
Trade creditors - note 21.1	1,224,198	1,387,666
Bills payable	2,964,927	2,338,350
Excise and custom duties	338	4,486
Accrued expenses - note 21.3	1,464,383	975,458
Technical service fee / royalty - note 21.2	21,401	23,686
Workers' profit participation fund - note 21.4	152,453	114,557
Workers' welfare fund	108,089	51,539
Distributors' security deposits - payable on termination of distributorship - note 21.5	104,761	106,142
Contractors' earnest / retention money	10,946	9,808
Running account with customers - note 21.6	155,339	223,874
Unclaimed dividends	62,802	48,693
Payable for capital expenditure	812,437	329,509
Provision for compensated absences - note 21.7	31,249	31,249
Others	98,952	147,655
	7,212,275	5,792,672

21.1 This amount includes Rs. 3.380 million (June 30, 2014: Rs. Nil) on account of exchange loss on forward exchange contracts.

21.2 This amount includes Rs. 20.701 million (June 30, 2014: Rs. 23.008 million) on account of royalty payable to Lucky Holdings Limited.

21.3 This amount includes Pensioner medical liability of Rs. 9.696 million (June 30, 2014: Rs. 28.334 million).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
21.4 Workers' profit participation fund		
Balance at the beginning of the year	114,557	72,447
Allocation for the year - note 29	147,630	111,435
	262,187	183,882
Interest on funds utilised in the Group's businesses at 30% (June 30, 2014: 41.25%) per annum - note 30	2,804	3,400
Less: Payment to the fund	112,538	72,725
Balance at the end of the year	152,453	114,557
21.5 Interest on security deposits from certain distributors is payable at 10% (June 30, 2014: 8.8 %) per annum as specified in the respective agreements.		
21.6 Included herein are amounts due to the following associated undertakings (related party):		
Gadoon Textile Mills	238	27,910
Yunus Textile Mills Limited	267	197
Fazal Textile Mills	342	764
	847	28,871
21.7 This figure is based on actuarial valuation and estimation.		
22 Short-term borrowings and running finance	1,833,247	437,368
Short-term borrowings and running finance facility from various banks aggregated to Rs. 5,196 million (June 30, 2014: Rs. 4,946 million) and carry mark-up during the year ranging from relevant KIBOR + 0.10% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.28% on utilized limits (June 30, 2014: relevant KIBOR + 0.20% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.20% on utilized limits). These facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Group.		
22.1 Foreign currency loan against import finance	-	267,368
The Group repaid Rs. 518.368 million out of which Rs. 251 million was obtained during the year. The foreign currency loan carried mark-up at relevant LIBOR + bank's spread which is decided at the time of disbursement.		
22.2 Export refinance	241,962	170,000
The Group has export refinance facility of upto Rs. 800 million (June 30, 2014: Rs. 200 million) available from Faysal Bank Limited as at June 30, 2015 out of which Rs. 242 million was utilized (June 30, 2014: Rs. 170 million). The above export refinance facility is secured by first pari passu hypothecation charge. The export refinance facility carries mark-up at State Bank of Pakistan rate (currently 5%) + 0.25% per annum (June 30, 2014: SBP rate 8.4% + 0.25% per annum).		
22.3 Short-term running finance - secured	1,591,285	-

Amounts in Rs '000

	As at June 30, 2015	As at June 30, 2014
23 Contingencies and commitments		
23.1 Claims against the Group not acknowledged as debts are as follows:		
Local bodies - note 23.1.1	8,527	49,972
Others	28,529	36,616
	37,056	86,588

23.1.1 Collectorate of Customs - Classification issue in PCT heading

Collectorate of Customs has raised an additional demand of Rs. 71.938 million against the Group on the ground that Group is classifying two of its imported product 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 an independent laboratory report the Group is confident that there is no merit in the claim and is expecting favorable decision, therefore no provision has been made in this respect.

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

23.3 Commitments in respect of capital expenditure (including various projects of the Soda Ash business and Polyester business) amounted to Rs. 2,629.500 million (June 30, 2014: Rs. 1,172.736 million).

23.4 During the year, the Group 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.

23.5 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles amounting to Rs. 134.316 million (June 30, 2014: Rs. 155.610 million) are as follows:

Year		
2014-15	-	62,223
2015-16	57,839	49,215
2016-17	45,988	34,969
2017-18	23,848	9,203
2018-19	6,641	-
	134,316	155,610
Payable not later than one year	57,839	62,223
Payable later than one year but not later than five years	76,477	93,387
	134,316	155,610

23.6 Outstanding foreign exchange contracts as at June 30, 2015 entered into by the Group amounted to Rs. 383 million (June 30, 2014: Rs. Nil).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

24. Operating segment results

	Polyester		Soda Ash		Life Sciences		Chemicals		Others - PowerGen		Group	
	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014
Sales												
Afghanistan	-	-	3,343	7,750	-	-	4,755	2,358	-	-	8,098	10,108
India	-	-	818,352	497,500	-	-	-	-	-	-	818,352	497,500
United Arab Emirates	-	-	-	-	-	-	-	50,410	-	-	-	50,410
Others	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	821,695	505,250	-	-	4,755	52,768	-	-	826,450	558,018
Inter-segment	-	-	-	-	-	-	14,662	5,857	829,302	1,068,140	843,964	1,073,997
Local	16,673,511	19,667,433	11,385,584	10,427,943	9,106,882	7,504,584	4,549,642	4,479,076	-	-	41,715,619	42,079,036
	16,673,511	19,667,433	12,207,279	10,933,193	9,106,882	7,504,584	4,569,059	4,537,701	829,302	1,068,140	43,386,033	43,711,051
Commission / toll income	-	-	-	-	-	-	51,879	61,605	-	-	51,879	61,605
Turnover	16,673,511	19,667,433	12,207,279	10,933,193	9,106,882	7,504,584	4,620,938	4,599,306	829,302	1,068,140	43,437,912	43,772,656
Sales tax	326,967	385,692	1,658,439	1,518,523	125,378	40,978	491,330	479,680	120,497	155,200	2,722,611	2,580,073
Commission and discounts	472,358	439,358	414,120	425,196	1,247,771	859,787	342,257	315,968	-	-	2,476,506	2,040,309
	799,325	825,050	2,072,559	1,943,719	1,373,149	900,765	833,587	795,648	120,497	155,200	5,199,117	4,620,382
Net turnover	15,874,186	18,842,383	10,134,720	8,989,474	7,733,733	6,603,819	3,787,351	3,803,658	708,805	912,940	38,238,795	39,152,274
Cost of sales - note 26	15,792,527	19,066,559	7,288,848	6,622,359	5,614,000	4,792,331	3,044,863	3,106,244	596,551	768,714	32,335,049	34,354,467
Gross profit	81,659	(224,176)	2,845,872	2,367,115	2,119,733	1,811,488	742,488	697,414	112,254	144,226	5,903,746	4,797,807
Selling and distribution expenses - note 27	238,369	258,230	278,420	236,780	1,017,286	824,909	247,914	210,335	-	-	1,781,989	1,530,254
Administration and general expenses - note 28	298,843	309,150	279,111	264,293	224,288	201,989	161,416	120,221	472	994	963,890	896,407
Operating result	(455,553)	(791,556)	2,288,341	1,866,042	878,159	784,590	333,158	366,858	111,782	143,232	3,157,867	2,371,146
24.1 Segment assets - note 24.5	8,726,169	7,643,268	14,144,573	14,930,493	6,261,565	6,335,403	2,644,678	2,809,583	309,488	356,973	23,701,463	21,025,632
24.2 Unallocated assets											2,829,594	1,768,284
											26,531,057	22,793,916
24.3 Segment liabilities - note 24.5	12,038,656	11,008,737	2,193,698	3,997,977	2,355,636	2,429,086	720,757	940,215	37,342	63,328	8,418,062	6,915,778
24.4 Unallocated liabilities											4,402,205	3,734,693
											12,820,267	10,650,471
24.5	Inter unit current account balances of respective businesses have been eliminated from the total											
24.6 Depreciation and amortisation charge note 3.5 and 4.1	651,348	528,092	944,005	751,803	26,474	23,750	35,451	35,095	52,853	42,479	1,710,131	1,381,219
24.7 Capital expenditure	1,869,978	1,627,533	2,224,678	803,035	87,956	43,008	29,492	35,233	48,969	21,694	4,261,073	2,530,503
24.8 Inter-segment pricing												
	Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.											
24.9	There were no major customer of the Group which formed part of 10% or more of the Group's revenue.											

Amounts in Rs '000

	For the year ended June 30, 2015	For the Year ended June 30, 2014
25. Reconciliations of reportable segment turnover, cost of sales, assets and liabilities		
25.1 Turnover		
Total turnover for reportable segments - note 24	43,437,912	43,772,656
Elimination of inter-segment turnover - note 24	(14,662)	(5,857)
Elimination of inter-segment turnover from the subsidiary	(829,302)	(1,068,140)
Total turnover	42,593,948	42,698,659
25.2 Cost of sales		
Total cost of sales for reportable segments - note 26	32,335,049	34,354,467
Elimination of inter-segment purchases - note 26	(14,662)	(5,857)
Elimination of inter-segment purchases from the subsidiary	(829,302)	(1,068,140)
Total cost of sales	31,491,085	33,280,470
	As at June 30, 2015	As at June 30, 2014
25.3 Assets		
Total assets for reportable segments	23,701,463	21,025,632
Taxation recoverable	2,054,870	1,765,784
Long-term investments - note 5	774,724	2,500
Total assets	26,531,057	22,793,916
25.4 Liabilities		
Total liabilities for reportable segments	8,418,062	6,915,778
Short-term loan	1,833,247	437,368
Long-term loan	2,449,498	3,187,026
Accrued mark-up	56,658	61,606
Unclaimed dividends - note 21	62,802	48,693
Total Liabilities	12,820,267	10,650,471

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

26. Cost of Sales

	Polyester		Soda Ash		Life Sciences		Chemicals		Others - PowerGen		Group	
	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014
Raw and packing materials consumed												
Opening stock	878,010	897,238	552,167	510,102	636,348	453,994	272,821	207,993	24,582	21,602	2,363,928	2,090,929
Purchases												
Inter-segment	14,662	5,857	-	-	-	-	-	-	-	-	14,662	5,857
Others	12,796,443	15,157,139	2,140,074	2,198,446	1,869,484	2,058,518	1,681,793	1,802,668	459,629	638,386	18,947,423	21,855,157
	12,811,105	15,162,996	2,140,074	2,198,446	1,869,484	2,058,518	1,681,793	1,802,668	459,629	638,386	18,962,085	21,861,014
	13,689,115	16,060,234	2,692,241	2,708,548	2,505,832	2,512,512	1,954,614	2,010,661	484,211	659,988	21,326,013	23,951,943
Closing stock - note 9	(665,385)	(878,010)	(405,275)	(552,167)	(690,608)	(636,348)	(295,456)	(272,821)	(21,643)	(24,582)	(2,078,367)	(2,363,928)
Raw and packaging material consumed	13,023,730	15,182,224	2,286,966	2,156,381	1,815,224	1,876,164	1,659,158	1,737,840	462,568	635,406	19,247,646	21,588,015
Salaries, wages and benefits - note 26.1	396,114	355,018	742,219	665,445	5,585	4,752	49,005	45,544	18,654	18,725	1,211,577	1,089,484
Stores and spares consumed	169,137	183,251	113,416	104,415	2	-	14,829	7,697	18,789	17,615	316,173	312,978
Conversion fee paid to contract manufacturers	-	-	-	-	399,695	396,884	10,554	10,056	-	-	410,249	406,940
Oil, gas and electricity	1,328,146	1,890,218	2,882,548	2,713,782	-	-	14,434	12,481	33,259	41,948	4,258,387	4,658,429
Rent, rates and taxes	1,008	936	1,185	1,098	4,000	-	18,369	14,321	420	420	24,982	16,775
Insurance	16,772	24,031	25,957	27,989	14	-	1,894	1,110	1,183	1,395	45,820	54,525
Repairs and maintenance	6,587	4,596	856	891	290	608	5,269	4,678	120	120	13,122	10,893
Depreciation and amortisation charge - note 3.5 and 4.1	627,248	500,637	924,969	728,703	487	262	15,203	13,830	52,853	42,479	1,620,760	1,285,911
Write-offs	-	1,708	-	20,706	-	-	-	751	-	82	-	23,247
Excise duty	-	-	-	-	-	-	-	-	7,171	9,321	7,171	9,321
Technical fees	-	-	-	-	1,386	1,020	2,793	2,807	-	-	4,179	3,827
Royalty	-	-	-	-	2,635	1,629	-	-	-	-	2,635	1,629
General expenses	179,196	161,364	169,304	148,485	1,115	967	17,367	16,152	1,534	1,203	366,776	326,431
Opening stock of work-in-process	143,343	170,516	-	-	16,447	59,475	5,551	2,850	-	-	165,341	232,841
Closing stock of work-in-process - note 9	(72,137)	(143,343)	-	-	(13,391)	(16,447)	(10,506)	(5,551)	-	-	(96,034)	(165,341)
Cost of goods manufactured	15,819,144	18,331,156	7,147,420	6,567,895	2,233,489	2,325,314	1,803,920	1,864,566	596,551	768,714	27,598,784	29,855,905
Opening stock of finished goods	395,205	994,304	24,303	78,767	1,291,836	793,560	366,603	404,476	-	-	2,077,947	2,271,107
Finished goods purchased	62,560	136,304	299,155	-	3,780,829	2,977,682	1,320,782	1,203,805	-	-	5,463,326	4,317,791
	16,276,909	19,461,764	7,470,878	6,646,662	7,306,154	6,096,556	3,491,305	3,472,847	596,551	768,714	35,140,057	36,444,803
Closing stock of finished goods - note 9	(484,382)	(395,205)	(182,030)	(24,303)	(1,668,871)	(1,291,836)	(433,725)	(366,603)	-	-	(2,769,008)	(2,077,947)
Provision for slow moving and obsolete stock-in-trade - note 28	-	-	-	-	(23,283)	(12,389)	(12,717)	-	-	-	(36,000)	(12,389)
	15,792,527	19,066,559	7,288,848	6,622,359	5,614,000	4,792,331	3,044,863	3,106,244	596,551	768,714	32,335,049	34,354,467

26.1 Staff retirement benefits

Salaries, wages and benefits include Rs. 30.172 million (June 30, 2014: Rs. 31.585 million) in respect of staff retirement benefits.

27. Selling and distribution expenses

	Polyester		Soda Ash		Life Sciences		Chemicals		Others - PowerGen		Group	
	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014	For the year ended June 30, 2015	For the year ended June 30, 2014
Salaries and benefits - note 27.1	51,474	48,465	36,762	31,318	490,878	405,101	95,828	82,227	-	-	674,942	567,111
Repairs and maintenance	97	155	2,087	1,810	4,740	2,828	2,545	2,491	-	-	9,469	7,284
Advertising and publicity expenses	2,544	1,103	6,473	15,409	143,544	118,980	7,331	5,347	-	-	159,892	140,839
Rent, rates and taxes	416	400	2,294	3,015	8,546	7,936	1,227	1,225	-	-	12,483	12,576
Insurance	-	-	317	370	9,767	7,238	2,695	2,264	-	-	12,779	9,872
Lighting, heating and cooling	118	107	2,227	1,862	3,709	3,336	7,780	6,292	-	-	13,834	11,597
Depreciation and amortisation charge - note 3.5 and 4.1	-	-	92	97	13,972	10,416	5,600	5,256	-	-	19,664	15,769
Write-offs	-	-	-	-	-	862	-	-	-	-	-	862
Outward freight and handling	7,405	2,751	116,473	81,359	89,805	61,650	74,544	66,133	-	-	288,227	211,893
Travelling expenses	9,621	7,415	3,249	3,138	144,124	116,545	21,200	16,408	-	-	178,194	143,506
Postage, telegram, telephone and telex	1,166	1,155	1,388	1,191	19,917	17,982	3,577	3,425	-	-	26,048	23,753
Royalty	158,742	188,424	101,347	89,895	-	-	-	-	-	-	260,089	278,319
General expenses	6,786	8,255	5,711	7,316	88,284	72,035	25,587	19,267	-	-	126,368	106,873
	238,369	258,230	278,420	236,780	1,017,286	824,909	247,914	210,335	-	-	1,781,989	1,530,254

27.1 Staff retirement benefits

Salaries and benefits include Rs. 11.758 million (June 30, 2014: Rs. 13.776 million) in respect of staff retirement benefits.

28. Administration and general expenses

Salaries and benefits - note 28.1	178,663	186,182	165,383	168,080	118,139	113,873	82,952	79,650	-	-	545,137	547,785
Repairs and maintenance	3,089	4,235	3,601	3,470	5,970	4,732	1,133	1,185	-	-	13,793	13,622
Advertising and publicity expenses	1,781	5,057	1,915	5,778	967	1,915	457	1,249	-	-	5,120	13,999
Rent, rates and taxes	9,041	5,645	7,164	2,986	2,731	965	1,548	645	-	-	20,484	10,241
Insurance	596	1,310	713	1,567	4,824	2,793	227	426	-	-	6,360	6,096
Lighting, heating and cooling	5,625	6,241	3,984	4,905	10,849	9,118	861	1,060	-	-	21,319	21,324
Depreciation and amortisation charge - note 3.5 and 4.1	24,100	27,455	18,944	23,003	12,015	13,072	14,648	16,009	-	-	69,707	79,539
Write-offs	-	993	-	1,188	-	667	-	448	-	-	-	3,296
Provision for doubtful debts - note 40.6	2,956	-	-	-	2,218	1,556	21,021	-	-	-	26,195	1,556
Provision for slow moving and obsolete stock-in-trade - note 9.1	-	-	-	-	23,283	12,389	12,717	-	-	-	36,000	12,389
Provision for slow moving stores and spares - note 8.2	-	-	15,044	52	-	102	-	-	-	-	15,044	154
Travelling expenses	7,784	7,872	5,299	4,753	6,759	7,113	4,739	4,109	-	-	24,581	23,847
Postage, telegram, telephone and telex	3,179	3,276	2,899	3,154	2,648	2,935	1,481	1,707	-	-	10,207	11,072
General expenses	62,029	60,884	54,165	45,357	33,885	30,759	19,632	13,733	472	994	169,943	151,487
	298,843	309,150	279,111	264,293	224,288	201,989	161,416	120,221	472	994	963,890	896,407

28.1 Staff retirement benefits

Salaries and benefits include Rs. 8.650 million (June 30, 2014: Rs. 12.274 million) in respect of staff retirement benefits.

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	For the year ended June 30, 2015	For the Year ended June 30, 2014
29 Other charges		
Auditors' remuneration - note 29.1	4,772	3,937
Donations - note 29.2	20,145	17,452
Workers' profit participation fund - note 21.4	147,630	111,435
Workers' welfare fund	57,187	43,140
Loss on disposal of operating fixed assets	-	15,069
Others	15,104	-
	244,838	191,033
29.1 Auditors' remuneration		
Statutory audit fee	2,758	2,300
Half yearly review and other certifications	1,120	950
Out of pocket expenses	894	687
	4,772	3,937
29.2	Represent provision in respect of donation to ICI Pakistan Foundation (Head office, Karachi). Mr. Asif Jooma, Director of the Group, Mr. Suhail Aslam Khan, Mr. Asif Malik, Ms. Saima Kamila Khan and Ms. Fathema Zuberi, Executives of the Company are amongst the Trustees of the Foundation. No amount has been paid during the current year and corresponding year.	
30 Finance costs		
Mark-up	292,444	327,724
Interest on workers' profit participation fund - note 21.4	2,804	3,400
Discounting charges on receivables	59,230	46,292
Exchange losses	48,190	4,775
Guarantee fee and others	900	5,833
	403,568	388,024
31 Other income		
Income from financial assets		
Profit on short-term and call deposits	649	368
Income from non-financial assets		
Scrap sales	69,252	67,994
Gain on disposal of operating fixed assets	5,532	988
Provisions and accruals no longer required written back	9,936	138,552
Exchange gain	-	104,774
Dividend from investment in equity shares	40,000	-
Sundries	17,046	9,100
	142,415	321,776
32 Taxation		
Current	535,518	311,133
Prior	-	(102,548)
Deferred	42,268	70,163
Net tax charged - note 32.1	577,786	278,748

Amounts in Rs '000

	For the year ended June 30, 2015	For the Year ended June 30, 2014
32.1 Tax reconciliation		
Profit before tax	2,854,100	2,113,865
Tax @ 33% (June 30, 2014: 34%)	941,853	718,714
Tax impact on profit of the Subsidiary	(32,467)	(45,186)
Tax impact on share of profit of associate	(51,734)	-
Effect of prior year charge	-	(102,548)
Effect of credit under section 65B	(245,834)	(316,690)
Effect of change in tax rate on beginning deferred tax balance	(36,922)	(62,510)
Tax impact due to change of FTR ratio	(51,183)	89,034
Super Tax	75,289	-
Tax effect of dividend (taxed at 10% instead of 33%)	(9,200)	-
Tax effect of items not deductible for tax purposes	5,410	7,278
Others	(17,426)	(9,344)
Net tax charged	577,786	278,748
Average effective tax rate	20%	13%

33 Basic and diluted earnings per share (EPS)

Profit after taxation for the year	2,276,314	1,835,117
Number of shares		
Weighted average number of ordinary shares in issue during the year	92,359,050	92,359,050
Rupees		
Basic and diluted earnings per share (EPS)	24.65	19.87

34. Remuneration of chief executive, directors and executives

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

	Chief Executive		Directors		Executives		Total	
	For the year ended June 30, 2015	For the Year ended June 30, 2014	For the year ended June 30, 2015	For the Year ended June 30, 2014	For the year ended June 30, 2015	For the Year ended June 30, 2014	For the year ended June 30, 2015	For the Year ended June 30, 2014
Managerial remuneration	47,375	46,447	30,716	41,251	729,978	608,524	808,069	696,222
Retirement benefits	7,754	7,601	5,463	6,058	156,161	132,789	169,378	146,448
Group insurance	29	34	29	68	4,263	4,401	4,321	4,503
Rent and house maintenance	961	894	-	-	207,980	176,263	208,941	177,157
Utilities	656	783	-	-	52,263	43,780	52,919	44,563
Medical expenses	59	71	45	178	36,098	31,090	36,202	31,339
	56,834	55,830	36,253	47,555	1,186,743	996,847	1,279,830	1,100,232
Number of persons as at the balance sheet date	1	1	1	1	523	448	525	450

34.1 Remuneration paid to Chairman during the year was Rs. Nil (June 30, 2014: Rs. Nil).

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Amounts in Rs '000

- 34.2** The directors and certain executives are provided with free use of cars (obtained on lease by Company) in accordance with their entitlement. The chief executive is provided with free use of the Company car, certain household equipment and maintenance when needed.
- 34.3** During the year fee paid to non executive directors amount to Rs. 4.375 million (June 30, 2014: Rs. 1.863 million) for attending board and other meetings, which is not part of remuneration.
- 34.4** The above amounts include an amount of Rs. 186.860 million (June 30, 2014: Rs. 189.010 million) on account of remuneration of key management personnel out of which Rs. 29.120 million (June 30, 2014: Rs. 29.310 million) relates to post employment benefits.

	As at and for the year ended June 30, 2015	As at and for the year ended June 30, 2014
34.5 Total number of employees as at the balance sheet date	1255	1153
Average number of employees during the year	1218	1100

35. Transactions with related parties

The related parties comprise the holding company (Lucky Holdings Limited), the ultimate parent company (Lucky Cement Limited) and related group companies, local associated company, directors of the Company, companies where directors also hold directorship, key employees (note 34) and staff retirement funds (note 18). Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	For the year ended June 30, 2015	For the Year ended June 30, 2014
Holding Company		
Dividend	625,591	278,396
Royalty	260,089	278,319
Associated companies		
Purchase of goods, materials and services	44,459	17,167
Sale of goods and materials	1,457,755	1,646,191
Dividend	99,523	44,233
Reimbursement of Expenses	43,197	-

36. Plant capacity and annual production

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

	For the year ended June 30, 2015		For the year ended June 30, 2014	
	Annual Name Plate Capacity	Production	Annual Name Plate Capacity	Production
Polyester	122,250	115,711	122,000	109,810
Soda Ash	350,000	308,499	350,000	287,445
Chemicals - note 36.2	-	13,299	-	15,643
Sodium Bicarbonate	26,000	27,840	26,000	27,000
PowerGen - note 36.3	122,640	40,059	122,640	42,873

- 36.1** Production of Soda Ash as compared to last year was greater as coal fired boilers operated during the year at full capacity. Overall production of Soda Ash and Polyester is lower due to market demand as compared to capacity.
- 36.2** The capacity of Chemicals is indeterminable because these are multi-product plants.
- 36.3** Electricity by PowerGen is produced as per demand of the Polyester division of the Holding Company.

37. Fair value of financial assets and liabilities

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

38 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

38.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

39 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk currency risk, interest rate risk and other price risk.

39.1 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances. At the balance sheet date the interest rate profile of Group's interest-bearing financial instruments were:

	Carrying Amount	
	As at June 30, 2015	As at June 30, 2014
Fixed rate instruments		
Financial assets - Note 14	106,000	103,000
Financial liabilities - Note 19 and 21	(326,480)	(993,168)
	(220,480)	(890,168)
Variable rate instruments		
Financial liabilities - note 19 and 22	(4,061,026)	(2,737,368)
	(4,061,026)	(2,737,368)

Sensitivity analysis for fixed rate instruments

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

Sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the year would have been Rs. 40.610 million (June 30, 2014: Rs. 27.370 million).

Notes to the Consolidated Financial Statements

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39.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Group is exposed to foreign currency risk on sales and purchases which are entered in a currency other than Pak Rupees. When the management expects future depreciation of Pak Rupees, the Group enters into forward foreign exchange contracts in accordance with State Bank of Pakistan instructions and the Group's treasury policy. The policy allows the Group to take currency exposure within predefined limits while open exposures are rigorously monitored.

Following is the gross balance sheet exposure classified into separate foreign currencies:

	EURO	USD	GBP	JPY
As at June 30, 2015				
Other receivables	3,103	14,432	-	-
Cash and bank balances	-	7,525	-	-
	3,103	21,957	-	-
Trade and other payables	(123,418)	(1,772,713)	(1,097,018)	(2,092)
Gross balance sheet exposure	(120,315)	(1,750,756)	(1,097,018)	(2,092)
As at June 30, 2014				
Other receivables	4,092	11,280	-	-
Cash and bank balances	-	6,897	-	-
	4,092	18,177	-	-
Trade and other payables	(63,171)	(1,276,899)	(1,050,235)	(104)
Gross balance sheet exposure	(59,079)	(1,258,722)	(1,050,235)	(104)

Significant exchange rates applied during the year were as follows:

	Average rate		Spot rate	
	For the year ended June 30, 2015	For the year ended June 30, 2014	As at June 30, 2015	As at June 30, 2014
Rupees per	Rupees		Rupees	
EURO	121.72	134.97	112.95	134.94
USD	101.46	98.90	101.80	98.80
GBP	159.58	168.43	159.90	168.15
JPY	0.89	0.98	0.83	0.97

Sensitivity analysis

Every 1% increase or decrease in exchange rate with all other variables held constant will decrease or increase profit before tax for the year by Rs. 29.681 million (June 30, 2014: Rs. 23.680 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2015, if Pak Rupee (PKR) had weakened / strengthened by 1% against other currencies, with all other variables held constant, the effect on the Group's profit before tax at June 30, 2015 and June 30, 2014 would be as follows:

	Increase / decrease in exchange rates	Effect on Profit before tax (EURO)	Effect on Profit before tax (USD)	Effect on Profit before tax (GBP)	Effect on Profit before tax (JPY)
2015					
Pak Rupee	+1%	1,203	17,508	10,970	21
Pak Rupee	-1%	(1,203)	(17,508)	(10,970)	(21)
2014					
Pak Rupee	+1%	591	12,587	10,502	1
Pak Rupee	-1%	(591)	(12,587)	(10,502)	(1)

40. Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Group does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on an extensive evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

The Group's gross maximum exposure to credit risk at the balance sheet date is as follows:

	As at June 30, 2015	As at June 30, 2014
40.1 Financial assets		
Long-term investment - note 5	774,724	2,500
Long-term loans - note 6	326,515	256,525
Long-term deposits - note 7	27,323	25,679
Trade debts - note 10	1,431,094	883,710
Loans and advances - note 11	325,259	193,000
Trade deposits - note 12	28,399	26,008
Other receivables - note 13	610,555	1,201,665
Bank balances - note 14	115,046	850,210
	3,638,915	3,439,297

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

40.3 Financial assets

- Secured	570,098	483,507
- Unsecured	3,068,817	2,955,790
	3,638,915	3,439,297

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

Not past due	1,638,221	922,537
Past due but not impaired:		
Not more than three months	120,055	106,392
Past due and Impaired:		
More than three months and not more than six months	3,709	3,726
More than six months and not more than nine months	177	4,448
More than nine months and not more than one year	8,328	2,321
More than one year	26,850	138,242
	159,119	255,129
Less: Provision for:		
- Doubtful debts - note 10	40,987	93,664
- Doubtful loans and advances - note 11	-	7,292
	40,987	100,956
	1,756,353	1,076,710

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

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	As at June 30, 2015	As at June 30, 2014
40.5 The maximum exposure to credit risk for past due and impaired at the reporting date by type of counterparty was:		
Wholesale customers	22,657	98,054
Retail customers	111,127	26,008
End-user customers	25,335	131,067
	159,119	255,129
Less: Provision for:		
- Doubtful debts - note 10	40,987	93,664
- Doubtful loans and advances - note 11	-	7,292
	40,987	100,956
	118,132	154,173

40.6 Movement of provision for doubtful debts, loans and advances

	Trade debts	Loans and advances	Total	Total
Balance at the beginning of the year	93,664	7,292	100,956	102,094
Additional provision - note 28	26,195	-	26,195	1,556
Written off during the year	(78,872)	(7,292)	(86,164)	(194)
Provision no longer required	-	-	-	(2,500)
Balance at the end of the year	40,987	-	40,987	100,956

40.6.1 The recommended approach for provision is to assess the top layer (covering 50%) of trade receivables on an individual basis and apply a dynamic approach to the remainder of receivables. The procedure introduces a Group-standard for dynamic provisioning:

- Provide an impairment loss for 50% of the outstanding receivable when overdue more than 90 days, and
- Provide an impairment loss for 100% when overdue more than 120 days.

40.7 Concentration risk

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

	As at June 30, 2015	As at June 30, 2014
Textile and chemicals	511,797	456,956
Glass	72,237	132,285
Paper and board	92,091	12,057
Pharmaceuticals	323,162	77,862
Paints	18,181	16,893
Banks	120,447	850,210
Loans and advances and others	774,471	481,613
	1,912,386	2,027,876
Less: Provision for:		
- Doubtful debts - note 10	40,987	93,664
- Doubtful loans and advances - note 11	-	7,292
	40,987	100,956
	1,871,399	1,926,920

40.8 Other price risk is the risk that the value of future cash flows of the financial instrument will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the balance sheet date, the Group is not materially exposed to other price risk.

41. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the maturity date.

	Carrying amount	Contractual cash flows	Less than one year
As at June 30, 2015			
Financial liabilities			
Trade creditors - note 21	1,224,198	(1,224,198)	(1,224,198)
Bills payable - note 21	2,964,927	(2,964,927)	(2,964,927)
Accrued mark-up	56,658	(56,658)	(56,658)
Accrued expenses - note 21	1,464,383	(1,464,383)	(1,464,383)
Technical service fee / Royalty - note 21	21,401	(21,401)	(21,401)
Distributors' security deposits - payable on termination of distributorship - note 21 and 21.5	104,761	(115,237)	(115,237)
Contractors' earnest / retention money - note 21	10,946	(10,946)	(10,946)
Unclaimed dividends - note 21	62,802	(62,802)	(62,802)
Payable for capital expenditure - note 21	812,437	(812,437)	(812,437)
Others - note 21	98,952	(98,952)	(98,952)
Long-term loan - note 19	2,449,498	(2,449,498)	(955,555)
Short-term borrowings - note 22	1,833,247	(1,833,247)	(1,833,247)
	11,104,210	(11,114,686)	(9,620,743)

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

As at June 30, 2014

Financial liabilities			
Trade creditors - note 21	1,387,666	(1,387,666)	(1,387,666)
Bills payable - note 21	2,338,350	(2,338,350)	(2,338,350)
Accrued mark-up	61,606	(61,606)	(61,606)
Accrued expenses - note 21	975,458	(975,458)	(975,458)
Technical service fee / royalty - note 21	23,686	(23,686)	(23,686)
Distributors' security deposits - payable on termination of distributorship - note 21 and 21.5	106,142	(115,482)	(115,482)
Contractors' earnest / retention money - note 21	9,809	(9,809)	(9,809)
Unclaimed dividends - note 21	48,692	(48,692)	(48,692)
Payable for capital expenditure - note 21	329,509	(329,509)	(329,509)
Others - note 21	147,655	(147,655)	(147,655)
Long-term loan - note 19	3,187,026	(3,187,026)	(872,221)
Short-term borrowings - note 22	437,368	(437,368)	(437,368)
	9,052,967	(9,062,307)	(6,747,502)

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

Amounts in Rs '000

42. Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, trade and other payables, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt. The gearing ratio as at June 30, 2015 and June 30, 2014 is as follows:

	As at June 30, 2015	As at June 30, 2014
Long-term loans	2,449,498	3,187,026
Short-term borrowings and running finance	1,833,247	437,368
Total debt	4,282,745	3,624,394
Cash and bank balances	(120,447)	(858,204)
Net debt	4,162,298	2,766,190
Share capital	923,591	923,591
Capital reserves	309,643	309,643
Unappropriated profit	11,755,187	10,125,694
Equity	12,988,421	11,358,928
Capital	17,150,719	14,125,118
Gearing ratio	24.27%	19.58%

43. Accounting estimates and judgements

Income and sales taxes

The Group takes into account the current income and sales tax law and decisions taken by appellate authorities. Instances where the Groups's view differs from the view taken by the authorities at the assessment stage and where the Group considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities (unless there is remote possibility of transfer of benefits). The details of the tax matters are as follows:

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

In the case of assessment year 2001-2002, FBR had made an assessment on May 29, 2002 while deciding the issues related to claim and carry forward of depreciation pertaining to PTA's assets in our favor. The depreciation related to PTA's assets was claimed by the Group in assessment year 2001-02 and the unabsorbed part was carried forward and adjusted till tax year 2010. FBR reopened the income tax assessment for the assessment year 2001-02 under section 122(5A) of the Income Tax Ordinance, 2001 on the ground that demerger of PTA business from ICI Pakistan was effective from the completion date i.e. August 6, 2001 which falls in assessment year 2002-03. This was challenged by the Group in the High Court which upheld the Group's contention that FBR did not have the right to reopen this finalized assessment of assessment year 2001-02 under the Income Tax Ordinance, 2001 since assessment year 2001-02 pertained to the period in which Income Tax Ordinance, 1979 was effective. FBR filed an appeal in the Supreme Court against the High Court's order which also maintained the decision of

High Court that the cases finalized under the old law of 1979 cannot be reopened under the new law of 2001. After the Supreme Court's decision, FBR issued an order under section 66A of the old law i.e. Income Tax Ordinance, 1979. In response, the Group filed an appeal before the Tribunal which decided the case in Group's favor on the basis that order issued on May 7, 2012 was barred by time. FBR filed an appeal in the High Court in 2013 against the decision of the Tribunal which is pending for hearing. In the meanwhile, FBR also issued an order through which Tribunal's order has been given effect and Group's position has been accepted.

In the case of assessment year 2002-2003, on receipt of notice under section 62 of the Income Tax Ordinance, 1979, the Group had filed a writ petition in the Supreme Court, after it being dismissed by the Sindh High Court on maintainability, challenging FBR's notice which stated that the effective date of PTA's demerger was August 6, 2001 (falling in assessment year 2002-03) rather than the effective date given in the Scheme of Arrangement as October 1, 2000 (which falls in assessment year 2001-02). The notice had raised certain issues relating to vesting of PTA assets by the Group. On March 18, 2015, the Supreme Court has passed an interim order stating that this case has nexus with the case of assessment year 2001-02 and hearing will take place once the High Court decides the case in assessment year 2001-02.

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

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

Pension and Gratuity

Certain actuarial assumptions have been adopted as disclosed in note 18 to the consolidated financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Group. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Group reviews the value of the assets for possible impairment on an annual basis. The future cash flows used in the impairment testing of assets is based on management's best estimates which may change in future periods. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

44 Standards, amendments and interpretation adopted during the year

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2015

44.1 New, amended and revised standards and interpretations of IFRSs

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

- IAS 19 - Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions
- IAS 32 - Financial Instruments: Presentation - (Amendment) - Offsetting Financial Assets and Financial Liabilities
- IAS 36 - Impairment of Assets - (Amendment) - Recoverable amount Disclosures for Non - Financial Assets
- IAS 39 - Financial Instruments: Recognition and Measurement - (Amendment) - Novation of Derivatives and Continuation of Hedge Accounting
- IFRIC 21 - Levies

Improvements to Accounting Standards issued by the IASB

- IFRS 2 - Share Based Payment - Definitions of vesting conditions
- IFRS 3 - Business Combinations - Accounting for contingent consideration in a business combination
- IFRS 3 - Business Combinations - Scope exceptions for joint ventures
- IFRS 8 - Operating Segments - Aggregation of operating segments
- IFRS 8 - Operating Segments - Reconciliation of the total of the reportable segments assets to the entity's assets
- IFRS 13 - Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
- IAS16 - Property, Plant and Equipment and IAS 38 Intangible Assets – Revaluation method – proportionate restatement of accumulated depreciation / amortisation
- IAS 24 - Related Party Disclosures - Key management personnel
- IAS 40 - Investment Property - Interrelationship between IFRS 3 and IAS 40 (ancillary services)

The adoption of the above revision, amendments and interpretation of the standards did not have any effect on the consolidated financial statements.

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

The following are the standards and interpretations, which have been issued but are not yet effective for the current financial year:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 10 - Consolidated Financial Statements	January 01, 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 27 Separate Financial Statements - Investments Entities (Amendment)	January 01, 2015
IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interest in Other Entities and IAS 27 Separate Financial Statements - Investments Entities: Applying the Consolidation Exception (Amendment)	January 01, 2016
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment).	January 01, 2016
IFRS 11 - Joint Arrangements	January 01, 2015
IFRS 11 - Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment).	January 01, 2016
IFRS 12 - Disclosure of Interests in Other Entities	January 01, 2015
IFRS 13 - Fair Value Measurement	January 01, 2015
IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)	January 01, 2016
IAS 16 - Property, Plant and Equipment and IAS 38 Intangible Assets - Clarification of Acceptable Method of Depreciation and Ammortization (Amendment)	January 01, 2016
IAS 16 - Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)	January 01, 2016
IAS 27 - Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment).	January 01, 2016

Amounts in Rs '000

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

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

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

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

45 Post balance sheet events - dividends

The Directors in their meeting held on August 26, 2015 have recommended a final dividend of Rs. 6.5 per share (June 30, 2014: Rs. 4 per share) in respect of year ended June 30, 2015. This dividend is in addition to interim dividend paid of Rs. 5 per share during the current year. The consolidated financial statements for the year ended June 30, 2015 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

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

Based on the pattern of distribution of dividend by the Group, the distributed dividend already meets the minimum dividend requirement as aforesaid. Accordingly, the Group would not be liable to pay tax on its undistributed reserves as of June 30, 2015.

46 Date of authorization

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on August 26, 2015.

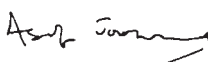
47 General

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

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Glossary

ACCA	Association of Chartered Certified Accountants	IT	Information Technology
ADD	Anti Dumping Duties	JCR-VIS	Japan Credit Rating Vital Information Services
AGM	Annual General Meeting	KIBOR	Karachi Inter Bank Offer Rate
APCMA	All Pakistan Cement Manufacturers Association	KPI	Key Performance Indicators
ATF	Aziz Tabba Foundation	KSE	Karachi Stock Exchange Limited
BBS	Behaviour Based Safety	L&D	Learning and Development
BSL	Business School Lausanne Switzerland	LEDs	Light-emitting diode
CAA	Civil Aviation Authority	LRBT	Layton Rahmatullah Benevolent Trust
CCG	Code of Corporate Governance	LSE	Lahore Stock Exchange Limited
CDC	Central Depository Company	LTFF	Long Term Financing Facility
CE	Chief Executive	LTl	Lost time injury
CEO	Chief Executive Officer	LUMS	Lahore University of Management Sciences
CFB	Coal Fired Boiler	m3/te	Meter Cube per ton
CFO	Chief Financial Officer	MAP	Management Association of Pakistan
CGU	Cash Generating Unit	MEG	Mono-Ethylene Glycol
CIR	Commissioner Inland Revenue	MOU	Memorandum of Understanding
CM	Contribution Margin	MT	Metric Ton
CME	Continued Medical Education	NBFI	Non-bank Financial Institutions
Co.	Company	NBV	Net Book Value
COD	Chemical Oxygen Demand	NEQS	National Environmental Quality Standard
CSR	Corporate Social Responsibility	NIB	National Investment Bank
DA	Dense Ash	NOx	Nitrogen Oxide
DCIR	Deputy Commissioner Inland Revenue	NPR	Non-product related
DFI	Development Financial Institutions	NSI	Net Sales Income
EBIT	Earnings before interest and tax	NTC	National Tariff Commission
EBITDA	Earnings before interest tax depreciation and amortisation	OEE	Operational Eco Efficiency
EIA	Environment Impact Assessment	OHSAS	Occupational Health and Safety Administration Standard
EPA	Environmental Protection Agency	OPD	Out Patient Duty
EPM	Enterprise Performance Management	OPEC	Organization of Petroleum Exporting Countries
EPS	Earnings per share	OPV	Open pollinated variety
ERM	Enterprise Risk Management	P&DD	Performance and Development Discussion
ERP	Enterprise Resource Planning	PACRA	Pakistan Credit Rating Agency
FFFP	Fellowship Fund for Pakistan	PAT	Profit After Tax
FTR	Final Tax Regime	PBC	Pakistan Business Council
FWO	Frontier Works Organization	PCP	The Pakistan Centre for Philanthropy
FY	Financial Year	PCT	Pakistan Customs Tariff
GDP	Gross Domestic Product	PIJBC	Pakistan-India Joint Business Council
GIDC	Gas Infrastructure Development Cess	PKR	Pakistani Rupee
GJ/Te	Giga joule per ton	PSF	Polyester Staple Fibre
GR	Graduate Recruit	PTA	Pure Terephthalic Acid
GRI	Global Reporting Initiative	PwC	PricewaterhouseCoopers
HAPI	Health Assessment Performance Index	Q1	Quarter 1
HFO	Heavy Furnace Oil	R&D	Research and Development
HR	Human Resources	RCMS	Responsible Care Management System
HR&RC	Human Resource and Remuneration Committee	RISE	Reach Inspire Sustain Enable
HS CODE	Harmonized System Codes	ROCE	Return on Capital Employed
HSE	Health Safety and Environment	RSB	Refined Sodium Bicarbonate
HSE&S	Health Safety Environment and Security	SAP	Systems Applications and Products
HTM	Heat Transfer Method	SBP	State Bank of Pakistan
HYPI	Hygiene Performance Index	SECP	Securities and Exchange Commission of Pakistan
IAS	International Accounting Standards	SOx	Sulphur Oxide
IASB	International Accounting Standards Board	SPLY	Same period last year
ICAP	Institute of Chartered Accountants of Pakistan	TCF	The Citizens Foundation
ICC	International Chamber of Commerce	TPD	Tons per day
ICMAP	Institute of Cost and Management Accountants of Pakistan	UNGC	United Nations Global Compact
IDPs	Internally Displaced Persons	URS	United Registrar Systems
IFAC	International Federation of Accountants	USD	United States Dollar
IFAS	Islamic Financial Accounting Standards	VOC	Volatile Organic Compound
IFRSs	International Financial Reporting Standards	WEF	World Economic Forum
ISE	Islamabad Stock Exchange Limited	WWF	World Wildlife Fund
ISO	International Standards Organization	YBG	Yunus Brothers Group
		YGL	Young Global Leader



ICI PAKISTAN LTD.

Admission Slip

The Sixty-Fourth Annual General Meeting of ICI Pakistan Limited will be held on Tuesday, October 27, 2015, at 9:00 a.m. at ICI House, 5 West Wharf, Karachi.

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

Company Secretary

Name _____ Holding _____

Shareholder No. _____ Signature _____

Note:

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

CDC Account Holders / Proxies / Corporate Entities:

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

This Admission Slip is Not Transferable

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

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

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

M/s. FAMCO Associates (Pvt) Limited

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

CONSENT FORM

Name of Member / Shareholders	
Folio No	
E-mail Address	
CNIC No.	

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

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

Date

DIVIDEND MANDATE (Optional)

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

SHAREHOLDER'S SECTION

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

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

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

Shareholder's signature

Date

CNIC / SNIC No. (copy attached)

SUBMISSION OF COPY OF CNIC / SNIC (Mandatory) – if not already provided.

Pursuant to the directives of the Securities and Exchange Commission of Pakistan, CNIC / SNIC number is mandatorily required to be mentioned on dividend warrants, members' register and other statutory returns. You are therefore request to submit a copy of your CNIC / SNIC (if not already provided) to the Shares Department of ICI Pakistan Limited, ICI House , 5 West Wharf , Karachi or FAMCO Associates (Pvt) Limited, 8-F, Next to Hotel Faran, Nursery Block-6, P.E.C.H.S.,Shahra-e-Faisal, Karachi,

Revised Treatment of Withholding Tax

Please further note that under Section 150 of the Income Tax Ordinance 2001, and pursuant to Finance Act 2015, withholding tax on dividend income will be deducted for 'Filer' and 'Non-Filer' shareholders @ 12.5% and 17.5% respectively. According to clarification received from Federal Board of Revenue (FBR) withholding tax will be determined separately on 'Filer / Non-Filer' status of principal shareholders as well as Joint-Holder(s) based on their shareholding proportions, in case of joint accounts.

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

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

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

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

Signature of Member : _____

Signature of Joint-Holder 1: _____

Signature of Joint-Holder 2 : _____

Name : _____
[PLEASE WRITE NAME IN BLOCK LETTER]

Name : _____
[PLEASE WRITE NAME IN BLOCK LETTER]

Signature of Joint-Holder 3: _____

Name : _____
[PLEASE WRITE NAME IN BLOCK LETTER]

A publication of the Corporate Communications
& Public Affairs Department

ICI Pakistan Limited
5 West Wharf
Karachi 74000
Pakistan

T + 92 21 3231 3717-22
F + 92 21 3231 1739
E ccpa.pakistan@ici.com.pk

UAN 111 100 200
www.ici.com.pk

