



Cultivating Growth

ICI PAKISTAN LTD.

Quarterly Report July - September 2015

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ICI Pakistan Limited

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Company Information

Board of Directors

M Sohail Tabba	Chairman (Non-Executive)	Asif Jooma	Chief Executive
M Ali Tabba	Vice Chairman (Non-Executive)	Khawaja Iqbal Hassan	Independent
Jawed Yunus Tabba	Non-Executive	M Abid Ganatra	Executive
Amina A Aziz Bawany	Non-Executive	Kamal A Chinoy	Independent

Audit Sub Committee

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

HR & Remuneration Sub Committee

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

Chief Financial Officer

Muhammad Abid Ganatra

Company Secretary

Saima Kamila Khan

Head of Internal Audit

Muhammad Ali Mirza

Executive Management Team

Asif Jooma	Chief Executive
Arshaduddin Ahmed	General Manager, Chemicals Business
Fathema Zuberi	General Manager, Human Resources
M Abid Ganatra	Chief Financial Officer

M A Samie Cashmiri	Vice President, Life Sciences Business
Saima Kamila Khan	General Counsel, Company Secretary, Head of Corporate Communication & Public Affairs
Suhail Aslam Khan	Vice President, Polyester & Soda Ash Business

Bankers

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

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

Auditors

Internal Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

External Auditors

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

Registered Office

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

Shares Registrar

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

Review of the Directors

For the Quarter Ended September 30, 2015

The Directors are pleased to present their review, together with the unaudited financial statements of the Company, for the quarter ended September 30, 2015.

Net turnover for the quarter under review of PKR 8,502 million is 9% lower than the same period last year (SPLY), primarily due to lower revenues in the Polyester Business, which declined by 28% in line with the downward correction of prices across the petrochemical chain.

Despite a higher operating loss in the Polyester Business, the operating result for the quarter at PKR 704 million is 2% above the SPLY, due to strong growth in the Soda Ash and Chemicals Businesses.

Improvement in the Soda Ash Business was mainly driven by the optimal usage of coal fired boilers and lower imported raw material prices. In the Chemicals Business, the Specialty Chemicals and Polyurethanes segments reported strong growth through a combination of higher turnover and cost efficiencies, which translated into a higher operating result.

The net profit after tax for the quarter under review of PKR 475 million is 35% higher than the SPLY.

Earnings per share at PKR 5.14 is 35% higher than the SPLY.

	Quarter Ended Sept 30, 2015	Quarter Ended Sept 30, 2014
Net turnover (PKR million)	8,502	9,363
Profit before taxation (PKR million)	607	468
Profit after taxation (PKR million)	475	352
Earnings per share (PKR)	5.14	3.81

Net turnover (PKR m)

Sep 2014  9,363
Sep 2015  8,502

Profit before tax (PKR m)

Sep 2014  468
Sep 2015  607

Profit after tax (PKR m)

Sep 2014  352
Sep 2015  475

Earnings per share (PKR m)

Sep 2014  3.81
Sep 2015  5.14


Polyester Staple Fibre Business (PSF)

Net turnover (PKR m)

Sep 2014  4,361

Sep 2015  3,123

Operating result (PKR m)

Sep 2014  (194)

Sep 2015  (284)

The global economy remained weak in the period under review due to the lingering oversupply of oil and lower commodity prices. Consequently, market sentiment remained fragile, leading to high uncertainty and speculation in global commodity prices.

The domestic PSF market continued to remain under pressure due to a continuous oversupply in both the domestic and regional markets, coupled with the dumping of PSF from China, which stifled domestic prices and consequently margin over feedstock.

The National Tariff Commission (NTC), on October 3, 2015, levied a provisional anti-dumping duty ranging from 7% to 15% for a period of four months on PSF imports from China, in response to the Polyester Staple Fibre Manufacturers Group anti-dumping application. This move will provide a strong growth stimulus for the ailing domestic industry. The NTC is required to make a final determination within 180 days of the preliminary determination.

In line with regional markets, feedstock prices (PTA & MEG) were lower than the corresponding period last year, which consequently led to a decline in PSF prices. Suppressed market sentiment along with the declining prices resulted in a 28% lower net turnover compared to the SPLY.

The commissioning of the coal/biomass steam turbine project in June 2015 considerably eased the energy cost burden, replacing expensive alternate fuel with coal for electricity and steam generation. This change in the fuel mix, along with a decrease in fuel prices, curtailed the energy cost by 28%. However, these savings were offset by weak unit margins thereby increasing the Business's operating loss by 46% over the SPLY.

The Business submitted its comprehensive response to the Ministry of Commerce regarding the 2nd Phase of the China Pakistan Free Trade Agreement (CPFTA), and also attended a consultative meeting to discuss tariff-related issues. The industry's position of retaining PSF in the 5th Schedule was accepted in the interest of its longer term sustainability.

The direction of the petrochemical chain is expected to be impacted due to concerns related to growing tensions in the Middle East, the pace of recovery of global economies from the recent downslide, and decreasing demand from China. On the domestic front, a 23% increase in the gas tariff from September 2015 will adversely affect domestic industry and potentially lead to further sluggishness in downstream demand.

Soda Ash Business

Net turnover (PKR m)

Sep 2014	2,511
Sep 2015	2,675

Operating result (PKR m)

Sep 2014	651
Sep 2015	725

Net turnover during the quarter grew by 7% due to higher sales volumes in the domestic market. The soda ash market for the quarter grew by 10% over the SPLY, on the back of strong growth in the bazaar and glass segments, which continued to remain the growth engines of the domestic market.

In the bazaar segment, sales to the generic detergent manufacturers accounted for 70% of bazaar sales, on the back of strong demand. Growth in the glass segment was mainly on the back of a boost in construction activity in the country, coupled with higher exports to India.

The Business recorded its highest quarterly operating result, which grew by 11% compared to the SPLY. The optimum use of the coal fired boilers and lower imported raw material prices were major contributors to the improved performance.

The Business continues to maintain a strong focus on improving the reliability and production capability of the Soda Ash plant. As a result, production volumes of 83,260 tons were achieved, which is the highest achieved in a quarter to date. Compared to the SPLY, the production volume was higher by 5%.

The commissioning of the new refined sodium bicarbonate warehouse was successfully completed during the quarter. The commissioning activities of the new dense ash plant commenced in the last week of September 2015. Work is also underway on the new coal/biomass power and steam generation projects.

Going forward, a steady growth for Soda Ash demand is anticipated. The new dense ash 84 KTPA plant is expected to operate at optimum capacity by early Q2, 2015-16, which will enable the Business to cater to the growing dense ash requirements of glass manufacturers.

Life Sciences Business

Net turnover (PKR m)

Sep 2014	1,706
Sep 2015	1,804

Operating result (PKR m)

Sep 2014	177
Sep 2015	175

The Life Sciences Business achieved a growth of 6% in net sales income, while the operating result declined by 1% compared to the SPLY. The Pharma and Agri Divisions within the Business posted double digit growth, with the Agri Division being the major contributor in the overall performance of the Business.

Review of the Directors

For the Quarter Ended September 30, 2015

Sales in the Agri Division were higher compared to the SPLY, with all three segments (Seeds, Vegetable Seeds and Agrochemicals) performing better. The total sales of the Pharma Division were above the SPLY, with higher sales across all portfolios. Due to injunctive order of the Lahore High Court restricting the sale of Recombinant Bovine Somatotropin (rBST) products, revenues of Animal Health Division were lower.

Trial production at the Nutraceutical manufacturing facility was completed during the quarter with trial batches placed on three month stability at the completion of which commercial production is expected to commence by November this year.

Subsequent to the receipt of the Drug Manufacturing Licence for the Animal Health Division's leased manufacturing facility in April 2015, applications for the transfer of registration of products to ICI Pakistan Ltd.'s own manufacturing facility were submitted. The transfers were approved and the new product registration letters were received in September 2015.

The future outlook of the Business remains strong, despite the current challenges, 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 Business

Net turnover (PKR m)



Operating result (PKR m)



The Business achieved a net turnover of PKR 901m for the quarter, which is 14% higher than the SPLY, owing to the Specialty Chemicals (SC) and Polyurethanes (PU) segments. Both SC and PU outperformed compared to the SPLY, posting strong growth on the back of higher demand in the textiles and crop sectors, and the automotive industry, respectively.

The General Chemicals (GC) segment, however, was impacted by a continuous increase in imports from China for paints and coatings, with low prices and FTA benefits applying pressure on raw material prices. The underutilisation of plants in the food and beverages sector, as it entered the off-peak season, also affected the segment's performance.

Operating result at PKR 88m is 66% higher than the SPLY, primarily due to higher margins and cost efficiencies in the SC and PU segments.

Review of the Directors

For the Quarter Ended September 30, 2015

Future Outlook

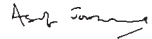
Going forward, pressure on margins in PSF continue to pose a challenge for the Company. However, with the levy of the provisional anti-dumping duty, PSF margins are expected to improve. Moreover, steam and power generation projects recently implemented at the Polyester Business, and the new project which is underway at Soda Ash, will further improve the energy mix going forward. This will reduce the Company's operational reliance on expensive fuels, considerably easing the energy cost pressure.

The Company plans to remain focused on efficient energy alternatives, cost reduction initiatives, strengthening relationships with existing customers and suppliers, and continuously exploring opportunities for both organic and inorganic growth.



Muhammad Sohail Tabba
Chairman / Director

October 27, 2015
Karachi



Asif Jooma
Chief Executive

Condensed Interim Unconsolidated Balance Sheet

As at September 30, 2015

Amounts in PKR '000

	Note	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	15,037,312	14,236,363
Intangible assets	5	19,780	28,318
		15,057,092	14,264,681
Long-term investments	6	1,222,976	1,222,976
Long-term loans	7	344,800	324,610
Long-term deposits and prepayments		30,531	30,777
		1,598,307	1,578,363
		16,655,399	15,843,044
Current assets			
Stores, spares and consumables		689,868	653,582
Stock-in-trade	8	5,012,344	4,921,766
Trade debts		1,787,610	1,431,370
Loans and advances		340,167	323,696
Trade deposits and short-term prepayments		464,427	412,133
Other receivables		1,107,172	909,710
Taxation - net		1,681,391	2,054,870
Cash and bank balances		121,888	119,612
		11,204,867	10,826,739
Total assets		27,860,266	26,669,783
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
1,500,000,000 (June 30, 2015: 1,500,000,000)			
ordinary shares of PKR 10 each		15,000,000	15,000,000
Issued, subscribed and paid-up capital			
92,359,050 (June 30, 2015: 92,359,050)			
ordinary shares of PKR 10 each		923,591	923,591
Capital reserves		309,643	309,643
Unappropriated profit		11,977,000	11,483,846
Hedging reserve		(1,887)	-
Total equity		13,208,347	12,717,080
Surplus on revaluation of property, plant and equipment		558,193	576,458
Non-current liabilities			
Provisions for non-management staff gratuity		90,219	87,422
Long-term loans	9	1,806,067	1,493,943
Deferred tax liability - net	10	1,154,641	1,181,167
		3,050,927	2,762,532
Current liabilities			
Trade and other payables		6,978,635	7,717,908
Accrued mark-up		70,476	56,658
Short-term borrowings and running finance	11	3,138,133	1,883,592
Current portion of long-term loans		855,555	955,555
		11,042,799	10,613,713
Total equity and liabilities		27,860,266	26,669,783

Contingencies and commitments

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


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the Quarter Ended September 30, 2015

Amounts in PKR '000

	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014
Turnover - note 13	9,826,783	10,536,988
Sales tax	(697,363)	(616,235)
Commission and discounts	(627,528)	(557,400)
	(1,324,891)	(1,173,635)
Net turnover	8,501,892	9,363,353
Cost of sales - note 13 and 14	(7,078,731)	(8,038,563)
Gross profit	1,423,161	1,324,790
Selling and distribution expenses	(499,148)	(423,085)
Administration and general expenses	(220,067)	(213,779)
Operating result	703,946	687,926
Finance costs	(82,310)	(117,312)
Exchange losses	(48,028)	(82,097)
Workers' profit participation fund	(32,156)	(24,681)
Workers' welfare fund	(12,393)	(9,552)
Other charges	(11,800)	(6,046)
	(186,687)	(239,688)
Dividend from associate	75,000	-
Other income	15,006	19,824
Profit before taxation	607,265	468,062
Taxation - note 15	(132,375)	(115,943)
Profit after taxation	474,890	352,119

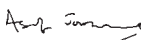
(Rupees)

Basic and diluted earnings per share	5.14	3.81
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The annexed notes from 1 to 21 form an integral part of the condensed interim unconsolidated financial statements.



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the Quarter Ended September 30, 2015

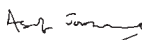
Amounts in PKR '000

	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014
Profit after taxation	474,890	352,119
Items to be reclassified to profit or loss in subsequent periods:		
Loss on hedge during the period	(3,342)	-
Income tax relating to hedging reserve	1,069	-
	(2,273)	-
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress	386	-
	(1,887)	-
Total comprehensive income for the period	473,003	352,119

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)

For the Quarter Ended September 30, 2015

Amounts in PKR '000

	September 30, 2015	September 30, 2014
Cash flows from operating activities		
Profit before taxation	607,265	468,062
Adjustments for:		
Depreciation and amortisation	463,473	408,860
Loss on disposal of operating fixed assets	5,230	46
Provision for non-management staff gratuity and eligible retired employees' medical scheme	3,590	4,115
Provision for staff retirement benefit plan	11,721	12,759
Interest on bank deposits	-	(310)
Dividend from associate	(75,000)	-
Interest expense	82,310	116,467
Provision for doubtful debts	10,198	3,704
Provision for slow moving and obsolete stock-in-trade	1,367	4,177
Provision for slow moving and obsolete stores and spares	2,278	-
	1,112,432	1,017,880
Movement in:		
Working capital (Ref. 1)	(1,376,800)	(172,083)
Long-term loans	(20,190)	(14,548)
Long-term deposits and prepayments	246	233
Cash (used in) / generated from operations	(284,312)	831,482
Receipts / (Payments) for:		
Non-management staff gratuity and eligible retired employees' medical scheme	(5,294)	(4,050)
Staff retirement benefit plan	(10,204)	(9,919)
Taxation	215,647	(117,807)
Interest	(68,492)	(92,187)
Net cash (used in) / generated from operating activities	(152,655)	607,519
Cash flows from investing activities		
Capital expenditure	(1,386,382)	(740,332)
Proceeds from disposal of operating fixed assets	73	737
Interest received on bank deposits	-	310
Investment in associate	-	(360,000)
Dividend from associate	75,000	-
Net cash used in investing activities	(1,311,309)	(1,099,285)
Cash flows from financing activities		
Long-term loans obtained / (repaid)	212,124	(155,556)
Dividends paid	(425)	(1,325)
Net cash generated from / (used in) financing activities	211,699	(156,881)
Net decrease in cash and cash equivalents	(1,252,265)	(648,647)
Cash and cash equivalents at the beginning of the period	(1,763,980)	414,727
Cash and cash equivalents at the end of period (Ref. 2)	(3,016,245)	(233,920)
Ref. 1: Movement in working capital		
(Increase) / decrease in current assets		
Stores, spares and consumables	(38,564)	(58,208)
Stock-in-trade	(91,945)	(202,577)
Trade debts	(366,438)	(406,190)
Loans and advances	(16,471)	(88,503)
Trade deposits and short-term prepayments	(53,812)	11,019
Other receivables	(197,462)	558,032
	(764,692)	(186,427)
(Decrease) / increase in current liability		
Trade and other payables	(612,108)	14,344
	(1,376,800)	(172,083)
Ref. 2: Cash and cash equivalents at the end of period comprise of:		
Cash and bank balances	121,888	133,925
Short-term borrowings and running finance	(3,138,133)	(367,845)
	(3,016,245)	(233,920)

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


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the Quarter Ended September 30, 2015

Amounts in PKR '000

	Issued, subscribed and paid-up share capital	Capital reserve	Unappropriated profit	Hedging reserve	Total
As at July 1, 2014	923,591	309,643	10,004,193	-	11,237,427
Profit for the period	-	-	352,119	-	352,119
Total comprehensive income	-	-	352,119	-	352,119
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	20,231	-	20,231
As at September 30, 2014	923,591	309,643	10,376,543	-	11,609,777
Final dividend of PKR 4.00 per share for the year ended June 30, 2014	-	-	(369,436)	-	(369,436)
Interim dividend of PKR 5.00 per share for the year ended June 30, 2015	-	-	(461,796)	-	(461,796)
	-	-	(831,232)	-	(831,232)
Profit for the period	-	-	1,773,589	-	1,773,589
Other comprehensive income for the period - net of tax	-	-	117,633	-	117,633
Total comprehensive income	-	-	1,891,222	-	1,891,222
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	47,313	-	47,313
As at June 30, 2015	923,591	309,643	11,483,846	-	12,717,080
Profit for the period	-	-	474,890	-	474,890
Other comprehensive income for the period - net of tax:					
Loss on hedges	-	-	-	(2,273)	(2,273)
Transferred to capital work-in-progress	-	-	-	386	386
Total comprehensive income	-	-	474,890	(1,887)	473,003
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	18,264	-	18,264
As at September 30, 2015	923,591	309,643	11,977,000	(1,887)	13,208,347

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


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended September 30, 2015

Amounts in PKR '000

1 Status and nature of business

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

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

2 Statement of compliance

The condensed interim unconsolidated financial statements have been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984. These condensed interim unconsolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2015.

3 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2015.

4. Property, plant and equipment

	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
Operating fixed assets - at net book value	12,333,377	12,573,587
Capital work-in-progress - at cost		
Civil works and buildings	494,584	327,797
Plant and machinery	1,919,212	981,301
Advances to suppliers / contractors	290,139	353,678
	Note 4.2	
	2,703,935	1,662,776
	15,037,312	14,236,363

4.1 Following is the cost of operating fixed assets that have been added / disposed off during the quarter ended September 30, 2015:

	Additions / Transfers		Disposals - NBV	
	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
Freehold land	-	30,287	-	-
Lime beds on freehold land	-	923	-	-
Buildings on freehold land	-	518,133	-	-
Buildings on leasehold land	96,850	168,800	5,221	387
Plant and machinery	117,555	2,599,384	-	5,731
Rolling stock and vehicles	109	9,435	-	-
Furniture and equipment	4,497	108,792	82	345
	219,011	3,435,754	5,303	6,463

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended September 30, 2015

Amounts in PKR '000

	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
4.2 The following is the movement in capital work-in-progress during the period:		
Opening balance	1,662,776	896,051
Addition during the period	1,255,500	4,167,569
	2,918,276	5,063,620
Transferred to operating fixed assets	(214,341)	(3,400,844)
Closing balance	2,703,935	1,662,776
5 Intangible assets		
Intangible assets - at net book value - note 5.1	19,780	28,318
5.1 This includes additions of intangible assets of:	1,017	9,625
6 Long-term investments		
<i>Unquoted</i>		
Subsidiary		
- ICI Pakistan PowerGen Limited (wholly owned) - note 6.1		
125,000 ordinary shares (June 30, 2015: 125,000 shares)		
of PKR 100 each	710,000	710,000
Provision of impairment loss	(209,524)	(209,524)
	500,476	500,476
Associate		
- NutriCo Pakistan (Private) Limited (30% ownership)		
125,000 ordinary shares (June 30, 2015: 125,000 shares)		
of PKR 1,000 each and premium of PKR 4,760 per share	720,000	720,000
<i>Others</i>		
Equity security available for sale	2,500	2,500
- Arabian Sea Country Club Limited		
	1,222,976	1,222,976
6.1 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 unaudited condensed interim financial statements amounted to:	879,563	871,533
7 Long-term loans		
Considered Good		
Due from Executives and Employees	439,136	409,932
Current portion shown under current assets	(94,336)	(85,322)
	344,800	324,610

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended September 30, 2015

Amounts in PKR '000

		September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
8 Stock-in-trade			
Stock measured at net realisable value amounted to:		553,868	498,295
Expense charged to cost of sales amounted to:		10,400	9,465
9 Long-term loans	Note - 9.1	1,806,067	1,493,943
9.1 Long-term loans - note 9.2		2,661,622	2,449,498
Current portion of long-term loans		(855,555)	(955,555)
		1,806,067	1,493,943
9.2 Opening Balance		2,449,498	3,187,026
Obtained during the period / year		451,014	1,021,719
Repaid during the period / year		(238,890)	(1,759,247)
Closing balance		2,661,622	2,449,498
During the period, Company availed a further PKR 451.014 million long-term finance facility (LTFF) out of PKR 1,500 million total limit as was disclosed in annual financial statements. The mark-up is chargeable at SBP's refinancing rate + 0.5% payable on quarterly basis.			
10 Deferred tax liability - net			
Deductible temporary differences			
Provisions for retirement benefits, doubtful debts and others		(246,090)	(230,018)
Retirement funds provision		(15,831)	(15,421)
Taxable temporary differences			
Property, plant and equipment		1,416,562	1,426,606
		1,154,641	1,181,167
11 Short-term borrowings and running finance			
Export Refinance - Faysal Bank Limited (mark-up: SBP rate + 0.25% per annum)		388,741	241,962
Short-term running finance - secured		2,749,392	1,641,630
		3,138,133	1,883,592

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended September 30, 2015

Amounts in PKR '000

September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
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12 Contingencies and commitments

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

Local bodies	8,527	8,527
Others	28,529	28,529
	37,056	37,056

12.2 There are no changes in the status of custom duty, income tax and sales tax contingencies as reported in the annual audited financial statements of the Company.

12.3 Commitments in respect of capital expenditure (including Sodium Bicarbonate, Dense Ash and coal fired project of Soda Ash & Polyester Businesses)	1,618,977	2,627,142
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12.4 As at balance sheet date, PKR 240 million remains as a commitment for investment in NutriCo Pakistan (Private) Limited out of a total commitment of PKR 960 million.

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

Year		
2015-16	45,346	57,839
2016-17	49,990	45,988
2017-18	28,716	23,848
2018-19	11,232	6,641
2019-20	153	-
	135,437	134,316
Payable not later than one year	45,346	57,839
Payable later than one year but not later than five years	90,091	76,477
	135,437	134,316

12.6 Outstanding foreign exchange contracts as at September 30, 2015 entered into by the Company to hedge the anticipated future transactions amounted to:	1,535,955	383,000
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Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2015

13 Operating Segment results

Amounts in PKR '000

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	
	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014
Turnover - note 13.1, 13.2 & 13.3	3,334,401	4,566,579	3,257,586	3,020,606	2,137,160	1,998,047	1,099,129	954,934	9,826,783	10,536,988
Sales tax	(97,133)	(89,546)	(455,139)	(408,151)	(27,519)	(23,346)	(117,572)	(95,192)	(697,363)	(616,235)
Commission and discounts	(113,815)	(115,804)	(127,655)	(101,685)	(305,372)	(268,530)	(80,686)	(71,381)	(627,528)	(557,400)
	(210,948)	(205,350)	(582,794)	(509,836)	(332,891)	(291,876)	(198,258)	(166,573)	(1,324,891)	(1,173,635)
Net turnover	3,123,453	4,361,229	2,674,792	2,510,770	1,804,269	1,706,171	900,871	788,361	8,501,892	9,363,353
Cost of sales - note 13.1 and 14	(3,263,547)	(4,421,981)	(1,819,723)	(1,729,633)	(1,288,178)	(1,245,482)	(708,776)	(644,645)	(7,078,731)	(8,038,563)
Gross profit	(140,094)	(60,752)	855,069	781,137	516,091	460,689	192,095	143,716	1,423,161	1,324,790
Selling and distribution expenses	(73,822)	(61,365)	(72,543)	(68,805)	(281,943)	(232,505)	(70,840)	(60,410)	(499,148)	(423,085)
Administration and general expenses	(69,614)	(71,475)	(57,908)	(60,908)	(58,840)	(50,713)	(33,705)	(30,683)	(220,067)	(213,779)
Operating result	(283,530)	(193,592)	724,618	651,424	175,308	177,471	87,550	52,623	703,946	687,926

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2015

Amounts in PKR '000

	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014
13.1 Turnover		
Inter-segment sales and purchases have been eliminated from the total.	1,493	3,178
13.2 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.		
13.3 Turnover includes export sales made to various countries amounting to:	147,237	215,122
14 Cost of sales		
Opening stock of raw and packing materials	2,056,724	2,339,345
Purchases	4,062,921	5,047,638
	6,119,645	7,386,983
Closing stock of raw and packing materials	(2,089,132)	(2,287,471)
Raw and packing materials consumption	4,030,513	5,099,512
Manufacturing costs	1,995,395	1,949,870
	6,025,908	7,049,382
Opening stock of work-in-process	96,034	165,341
	6,121,942	7,214,723
Closing stock of work-in-process	(103,250)	(110,105)
Cost of goods manufactured	6,018,692	7,104,618
Opening stock of finished goods	2,769,008	2,077,947
Finished goods purchased	1,110,993	1,239,455
	9,898,693	10,422,020
Closing stock of finished goods	(2,819,962)	(2,383,457)
	7,078,731	8,038,563
15 Taxation		
Current	158,901	189,591
Deferred	(26,526)	(73,648)
	132,375	115,943

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2015

Amounts in PKR '000

For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014
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16 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 and staff retirement funds. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

Relationship with the company	Nature of Transaction		
Holding Company	Royalty	57,982	68,720
Subsidiary Company	Purchase of electricity	81,559	229,570
	Provision of services and other receipts	495	495
	Sale of goods and material	896	2,452
Associated Companies	Purchase of goods, materials and services	11,817	18,715
	Sale of goods and materials	381,959	483,959
	Reimbursement of expenses	14,377	-
	Dividend income from associate	75,000	-
Others	Staff retirement benefits	34,301	32,299
Key management personnel	Remuneration paid	80,482	58,739
	Post employment benefits	7,337	7,265

17 Estimates

Judgements and estimates made by the management in the preparation of the condensed interim unconsolidated financial statements were the same as those that were applied to the represented financial statements as at and for the year ended June 30, 2015.

18 New, amended and revised standards and interpretations of IFRSs

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year.

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2015

19 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the represented financial statements as at and for the year ended June 30, 2015.

20 Date of authorisation

The condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on October 27, 2015.

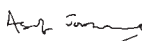
21 General

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

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer



ICI PAKISTAN LTD.

ICI Pakistan Limited and its Subsidiary Company Consolidated Financial Statements



Review of the Directors

For the Quarter Ended September 30, 2015

The Directors are pleased to present their report together with the unaudited Group results of ICI Pakistan Limited for the quarter ended September 30, 2015. The ICI Pakistan Group comprises ICI Pakistan Limited and ICI Pakistan PowerGen Limited (PowerGen), a wholly owned subsidiary.

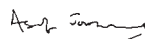
The Directors' report, providing a commentary on the performance of ICI Pakistan Limited for the quarter ended September 30, 2015, has been presented separately.

Net turnover of PowerGen for the period stands at PKR 70 million, which is 64% lower than the SPLY, attributable to lower electricity sales volume. This was due to lower demand from the Polyester plant of ICI Pakistan Limited after the commissioning of its coal fired/biomass steam turbine project. As a result, the operating profit of PowerGen declined by 68% compared to the corresponding period last year (PKR 8m versus PKR 25m last year).



Muhammad Sohail Tabba
Chairman / Director

October 27, 2015
Karachi



Asif Jooma
Chief Executive

Condensed Interim Consolidated Balance Sheet

As at September 30, 2015

Amounts in PKR '000

	Note	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	15,175,833	14,388,924
Intangible assets	5	19,780	28,318
		15,195,613	14,417,242
Long-term investment	6	775,763	774,724
Long-term loans	7	346,687	326,515
Long-term deposits and prepayments		30,531	30,777
		1,152,981	1,132,016
		16,348,594	15,549,258
Current assets			
Stores, spares and consumables		744,514	709,198
Stock-in-trade	8	5,032,450	4,943,409
Trade debts		1,787,299	1,431,094
Loans and advances		342,389	325,259
Trade deposits and short-term prepayments		467,316	413,250
Other receivables		1,182,970	984,272
Taxation - net		1,681,391	2,054,870
Cash and bank balances		192,837	120,447
		11,431,166	10,981,799
Total assets		27,779,760	26,531,057
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 1,500,000,000 (June 30, 2015: 1,500,000,000) ordinary shares of PKR 10 each		15,000,000	15,000,000
Issued, subscribed and paid-up capital 92,359,050 (June 30, 2015: 92,359,050) ordinary shares of PKR 10 each		923,591	923,591
Capital reserves		309,643	309,643
Unappropriated profit		12,257,245	11,755,187
Hedging reserve		(1,887)	-
Total equity		13,488,592	12,988,421
Surplus on revaluation of property, plant and equipment		704,272	722,369
Non-current liabilities			
Provisions for non-management staff gratuity		90,219	87,422
Long-term loans	9	1,806,067	1,493,943
Deferred tax liability - net	10	1,154,641	1,181,167
		3,050,927	2,762,532
Current liabilities			
Trade and other payables		6,625,778	7,212,275
Accrued mark-up		70,476	56,658
Short-term borrowings and running finance	11	2,984,160	1,833,247
Current portion of long-term loans		855,555	955,555
		10,535,969	10,057,735
Total equity and liabilities		27,779,760	26,531,057

Contingencies and commitments

12

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


Muhammad Sohail Tabba
 Chairman / Director


Asif Jooma
 Chief Executive


Muhammad Abid Ganatra
 Chief Financial Officer

Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the Quarter Ended September 30, 2015

Amounts in PKR '000

	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014
Turnover - note 13	9,838,634	10,536,988
Sales tax	(709,214)	(649,591)
Commission and discounts	(627,528)	(557,400)
	(1,336,742)	(1,206,991)
Net turnover	8,501,892	9,329,997
Cost of sales - note 13 and 14	(7,070,191)	(7,979,249)
Gross profit	1,431,701	1,350,748
Selling and distribution expenses	(499,148)	(423,085)
Administration and general expenses	(220,072)	(213,809)
Operating result	712,481	713,854
Finance costs	(82,321)	(117,371)
Exchange losses	(48,050)	(82,573)
Workers' profit participation fund	(32,579)	(25,916)
Workers' welfare fund	(12,557)	(10,030)
Other charges	(11,800)	(6,046)
	(187,307)	(241,936)
Other income	15,122	19,549
Share of profit from associate	76,039	-
Profit before taxation	616,335	491,467
Taxation - note 15	(132,375)	(115,943)
Profit after taxation	483,960	375,524

	(Rupees)	
Basic and diluted earnings per share	5.24	4.07

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


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the Quarter Ended September 30, 2015

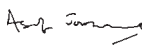
Amounts in PKR '000

	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014
Profit after taxation	483,960	375,524
Items to be reclassified to profit or loss in subsequent periods:		
Loss on hedge during the period	(3,342)	-
Income tax relating to hedging reserve	1,069	-
	(2,273)	-
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress	386	-
	(1,887)	-
Total comprehensive income for the period	482,073	375,524

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the Quarter Ended September 30, 2015

Amounts in PKR '000

	September 30, 2015	September 30, 2014
Cash Flows from operating activities		
Profit before taxation	616,335	491,467
Adjustments for:		
Depreciation and amortisation	476,952	421,143
Loss on disposal of operating fixed assets	5,230	46
Provision for non-management staff gratuity and eligible retired employees' medical scheme	3,590	4,115
Provision for staff retirement benefit plan	11,721	12,861
Share of profit from associate	(76,039)	-
Interest on bank deposits	(514)	(310)
Interest expense	82,321	116,525
Provision for doubtful debts	10,198	3,704
Provision for slow moving and obsolete stock-in-trade	1,367	4,177
Provision for slow moving stores and spares	2,278	-
	1,133,439	1,053,728
Movement in:		
Working capital (Ref. 1)	(1,224,564)	(124,221)
Long-term loans	(20,172)	(14,094)
Long-term deposits and prepayments	246	233
Cash (used in) / generated from operations	(111,051)	915,646
Receipts / (Payments) for:		
Non-management staff gratuity and eligible retired employees' medical scheme	(5,294)	(4,050)
Staff retirement benefit plan	(10,204)	(9,981)
Taxation	215,647	(117,807)
Interest	(68,503)	(92,246)
Net cash generated from operating activities	20,595	691,562
Cash flows from investing activities		
Capital expenditure	(1,386,260)	(776,012)
Proceeds from disposal of operating fixed assets	73	737
Dividend from associate	75,000	-
Interest received on bank deposits	370	310
Long-term investments	-	(360,000)
Net cash used in investing activities	(1,310,817)	(1,134,965)
Cash flows from financing activities		
Long-term loans obtained / (repaid)	212,124	(155,556)
Dividends paid	(425)	(1,325)
Net cash generated from / (used in) financing activities	211,699	(156,881)
Net decrease in cash and cash equivalents	(1,078,523)	(600,284)
Cash and cash equivalents at the beginning of the period	(1,712,800)	420,836
Cash and cash equivalents at the end of the period (Ref. 2)	(2,791,323)	(179,448)
Ref. 1: Movement in working capital		
(Increase) / decrease in current assets		
Stores, spares and consumables	(37,594)	(56,334)
Stock-in-trade	(90,408)	(195,667)
Trade debts	(366,403)	(406,281)
Loans and advances	(17,130)	(88,495)
Trade deposits and short-term prepayments	(55,583)	12,075
Other receivables	(198,554)	553,106
	(765,672)	(181,596)
(Decrease) / increase in current liabilities		
Trade and other payables	(458,892)	57,375
	(1,224,564)	(124,221)
Ref 2: Cash and cash equivalents at the end of period comprise of:		
Cash and bank balances	192,837	135,854
Short-term borrowings and running finance	(2,984,160)	(315,302)
	(2,791,323)	(179,448)

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


Muhammad Sohail Tabba
Chairman / Director


Asif Joona
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the Quarter Ended September 30, 2015

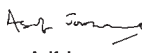
Amounts in PKR '000

	Issued, subscribed and paid-up share capital	Capital reserve	Unappropriated profit	Hedging reserve	Total
As at July 1, 2014	923,591	309,643	10,125,694	-	11,358,928
Profit for the period	-	-	375,524	-	375,524
Total comprehensive income	-	-	375,524	-	375,524
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	19,965	-	19,965
As at September 30, 2014	923,591	309,643	10,521,183	-	11,754,417
Final dividend of PKR 4.00 per share for the year ended June 30, 2014	-	-	(369,436)	-	(369,436)
Interim dividend of PKR 5.00 per share for the year ended June 30, 2015	-	-	(461,796)	-	(461,796)
	-	-	(831,232)	-	(831,232)
Profit for the period	-	-	1,900,790	-	1,900,790
Other comprehensive income for the period - net of tax	-	-	117,633	-	117,633
Total comprehensive income	-	-	2,018,423	-	2,018,423
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	46,813	-	46,813
As at June 30, 2015	923,591	309,643	11,755,187	-	12,988,421
Profit for the period	-	-	483,960	-	483,960
Other comprehensive income for the period - net of tax:					
Loss on hedges	-	-	-	(2,273)	(2,273)
Transferred to capital work-in-progress	-	-	-	386	386
Total comprehensive income	-	-	483,960	(1,887)	482,073
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	18,098	-	18,098
As at September 30, 2015	923,591	309,643	12,257,245	(1,887)	13,488,592

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended September 30, 2015

Amounts in PKR '000

1 Status and nature of business

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

The condensed interim consolidated financial statements comprise the consolidated balance sheet of ICI Pakistan Limited and its subsidiary company, ICI Pakistan PowerGen Limited, as at September 30, 2015 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof.

2 Statement of compliance

The condensed interim consolidated financial statements have been prepared in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of Companies Ordinance, 1984. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements as at and for the year ended June 30, 2015.

3 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2015.

4. Property, plant and equipment

	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
Operating assets - at net book value	12,471,830	12,713,226
Capital work-in-progress - at cost		
Civil works and buildings	494,584	327,797
Plant and machinery	1,919,280	994,223
Advances to suppliers / contractors	290,139	353,678
	Note 4.2	
	2,704,003	1,675,698
	15,175,833	14,388,924

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended September 30, 2015

Amounts in PKR '000

- 4.1 Following is the cost of operating property, plant and equipment that have been added / disposed of during the quarter ended September 30, 2015:

	Additions / Transfers		Disposals - NBV	
	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
Freehold land	-	30,287	-	-
Lime beds on freehold land	-	923	-	-
Buildings on freehold land	-	518,661	-	-
Buildings on leasehold land	96,850	168,800	5,221	387
Plant and machinery	129,847	2,638,808	-	5,731
Rolling stock and vehicles	109	9,435	-	-
Furniture and equipment	4,497	108,792	82	345
	231,303	3,475,706	5,303	6,463

- 4.2 The following is the movement in capital work-in-progress during the period:

	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
Opening balance	1,675,698	899,956
Addition during the period	1,254,937	4,216,538
	2,930,635	5,116,494
Transferred to operating fixed assets	(226,632)	(3,440,796)
Closing balance	2,704,003	1,675,698

5 Intangible assets

Intangible assets - at net book value - note 5.1	19,780	28,318
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- 5.1 This includes additions of intangible assets of: 1,017 9,625

6 Long-term investments

Unquoted

Associate

- NutriCo Pakistan (Private) Limited - note 6.1
Cost of investment - 125,000 ordinary shares (June 30, 2015: 125,000 shares) of PKR 1,000 each and premium of PKR 4,760 per share

720,000	720,000
52,224	-
76,039	202,224
(75,000)	(150,000)
773,263	772,224

Post acquisition profits at the beginning
Share of profit for the period / year
Dividend received during the period / year

Carrying value of Associate

Others

Equity security available for sale
- Arabian Sea Country Club Limited

2,500	2,500
775,763	774,724

- 6.1 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.

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended September 30, 2015

Amounts in PKR '000

	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
7 Long-term loans		
Considered good		
Due from Executives and Employees	441,411	412,228
Current portion shown under current assets	(94,724)	(85,713)
	346,687	326,515
8. STOCK-IN-TRADE		
Stock measured at net realisable value amounted to:	553,868	498,295
Expense charged to cost of sales amounted to:	10,400	9,465
9 Long-term loans	Note - 9.1 1,806,067	1,493,943
9.1 Long-term loans - note 9.2	2,661,622	2,449,498
Current portion of long-term loans	(855,555)	(955,555)
	1,806,067	1,493,943
9.2 Opening Balance	2,449,498	3,187,026
Obtained during the period / year	451,014	1,021,719
Repaid during the period / year	(238,890)	(1,759,247)
Closing balance	2,661,622	2,449,498
During the period, Company availed a further PKR 451,014 million long-term finance facility (LTFF) out of PKR 1,500 million total limit as was disclosed in annual financial statements. The markup is chargeable at SBP's refinancing rate + 0.5% payable on quarterly basis.		
10 Deferred tax liability - net		
Deductible temporary differences		
Provisions for retirement benefits, doubtful debts and others	(246,090)	(230,018)
Retirement funds provision	(15,831)	(15,421)
Taxable temporary differences		
Property, plant and equipment	1,416,562	1,426,606
	1,154,641	1,181,167
11 Short-term borrowings and running finance		
Export Refinance - Faysal Bank Limited (mark-up: SBP rate + 0.25% per annum)	388,741	241,962
Short-term running finance - secured	2,595,419	1,591,285
	2,984,160	1,833,247

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended September 30, 2015

Amounts in PKR '000

	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
12 Contingencies and commitments		
12.1 Claims against the Group not acknowledged as debts are as follows:		
Local bodies	8,527	8,527
Others	28,529	28,529
	37,056	37,056
12.2 There are no changes in the status of cutom duty, sales tax and income tax contingencies as reported in the annual audited financial statements of the Group.		
12.3 Commitments in respect of capital expenditure (including Sodium Bicarbonate, Dense Ash and coal fired project of Soda Ash & Polyester Businesses)	1,621,709	2,629,500
12.4 As at balance sheet date, PKR 240 million remains as a commitment for investment in NutriCo Pakistan (Private) Limited out of a total commitment of PKR 960 million.		
12.5 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:		
Year		
2015-16	45,346	57,839
2016-17	49,990	45,988
2017-18	28,716	23,848
2018-19	11,232	6,641
2019-20	153	-
	135,437	134,316
Payable not later than one year	45,346	57,839
Payable later than one year but not later than five years	90,091	76,477
	135,437	134,316
12.6 Outstanding foreign exchange contracts as at September 30, 2015 entered into by the Group to hedge the anticipated future transactions amounted to:	1,535,955	383,000

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited) For the Quarter Ended September 30, 2015

13 Operating Segment results

Amounts in PKR '000

	Polyester		Soda Ash		Life Sciences		Chemicals		Others - PowerGen		Group	
	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014
Turnover - note 13.1, 13.2 & 13.3	3,334,401	4,566,579	3,257,566	3,020,606	2,137,160	1,998,047	1,099,129	954,934	81,560	229,570	9,838,634	10,536,988
Sales tax	(97,133)	(89,546)	(455,139)	(408,151)	(27,519)	(23,346)	(117,572)	(95,192)	(11,851)	(33,356)	(709,214)	(649,591)
Commission and discounts	(113,815)	(115,804)	(127,655)	(101,685)	(305,372)	(268,530)	(80,686)	(71,381)	-	-	(627,528)	(557,400)
	(210,948)	(205,350)	(582,794)	(509,836)	(332,891)	(291,876)	(198,258)	(166,573)	(11,851)	(33,356)	(1,336,742)	(1,206,991)
Net turnover	3,123,453	4,361,229	2,674,792	2,510,770	1,804,269	1,706,171	900,871	788,361	69,709	196,214	8,501,892	9,329,997
Cost of sales - note 13.1 and 14	(3,263,547)	(4,421,981)	(1,819,723)	(1,729,633)	(1,288,178)	(1,245,482)	(708,776)	(644,645)	(61,604)	(170,691)	(7,070,191)	(7,979,249)
Gross profit	(140,094)	(60,752)	855,069	781,137	516,091	460,689	192,095	143,716	8,105	25,523	1,431,701	1,350,748
Selling and distribution expenses	(73,822)	(61,365)	(72,543)	(68,805)	(281,943)	(232,505)	(70,840)	(60,410)	-	-	(499,148)	(423,085)
Administration and general expenses	(69,614)	(71,475)	(57,908)	(60,908)	(58,840)	(50,713)	(33,705)	(30,683)	(65)	(90)	(220,072)	(213,809)
Operating result	(283,530)	(193,592)	724,618	651,424	175,308	177,471	87,550	52,623	8,040	25,433	712,481	713,854

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2015

Amounts in PKR '000

For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014
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13.1 Turnover

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

71,202 232,748

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

13.3 Turnover includes export sales made to various countries amounting to: **147,237** 215,122

14 Cost of sales

Opening stock of raw and packing materials	2,078,367	2,363,927
Purchases	4,061,384	5,040,728
	6,139,751	7,404,655
Closing stock of raw and packing materials	(2,109,238)	(2,305,143)
Raw and packing materials consumption	4,030,513	5,099,512
Manufacturing costs	1,986,855	1,890,556
	6,017,368	6,990,068
Opening stock of work-in-process	96,034	165,341
	6,113,402	7,155,409
Closing stock of work-in-process	(103,250)	(110,105)
Cost of goods manufactured	6,010,152	7,045,304
Opening stock of finished goods	2,769,008	2,077,947
Finished goods purchased	1,110,993	1,239,455
	9,890,153	10,362,706
Closing stock of finished goods	(2,819,962)	(2,383,457)
	7,070,191	7,979,249

15 Taxation

Current	158,901	189,591
Deferred	(26,526)	(73,648)
	132,375	115,943

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2015

Amounts in PKR '000

For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2014
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16 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 and staff retirement funds. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Relationship with the company	Nature of Transaction		
Holding Company	Royalty	57,982	68,720
Associated Companies	Purchase of goods, materials and services	11,817	18,715
	Sale of goods and materials	381,959	483,959
	Reimbursement of expenses	14,377	-
	Dividend received from associate	75,000	-
Others	Staff retirement benefits	34,301	32,299
Key management personnel	Remuneration paid	80,482	58,739
	Post employment benefits	7,337	7,265

17 Estimates

Judgements and estimates made by the management in the preparation of the condensed interim consolidated financial statements were the same as those that were applied to the financial statements as at and for the year ended June 30, 2015.

18 New, amended and revised standards and interpretations of IFRS's

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2015

19 Financial risk management

The Group's financial risk management objective and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2015.

20 Date of authorisation

The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on October 27, 2015.

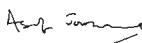
21 General

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

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

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