



Cultivating Growth

ICI PAKISTAN LTD.

Report for the Quarter & Six Months Ended
December 31, 2015

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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 & Six Months Ended December 31, 2015

The Directors are pleased to present their review, together with the un-audited financial statements of the Company, for the quarter and six months ended December 31, 2015.

Net turnover for the quarter at PKR 9,562 million is 3% lower than the same period last year (SPLY), primarily due to lower revenues in the Polyester Business, which declined by 22% in line with the downward correction of prices across the petrochemical chain. Operating result for the quarter at PKR 944 million is 3% lower than the SPLY, due to a higher operating loss in the Polyester Business. However, strong growth in the Soda Ash and Chemicals Businesses partially offset the adverse impact of the Polyester Business.

Net turnover for the six months at PKR 18,064 million is 6% below the SPLY, primarily attributable to lower sales value in the Polyester Business, which fell by 25% as a consequence of declining prices across the petrochemical chain. An improved performance in the Soda Ash, Life Sciences and Chemicals Businesses largely compensated for lower sales in the Polyester Business. Operating result for the six months at PKR 1,648 million is almost at par with the SPLY. Improved performance in the Soda Ash and Chemicals Businesses neutralised the impact of the higher operating loss in the Polyester Business. Growth in the Soda Ash Business was mainly driven by higher sales volumes and lower energy costs. In the Chemicals Business, better performance in both the Specialty Chemicals and Polyurethanes segments translated into a higher operating result.

The profit after tax (PAT) for the six months at PKR 1,305 million is 27% higher than the SPLY, mainly due to Dividend Income from ICI Pakistan PowerGen Limited, higher Dividend Income from NutriCo Pakistan (Private) Limited and reduced finance charges.

Earnings per share (EPS) for the six months ended December 31, 2015 at PKR 14.13 is 27% higher compared to the SPLY.

	Six months ended Dec 2015	Six months ended Dec 2014
Net turnover (PKR million)	18,064	19,246
Profit before taxation (PKR million)	1,656	1,358
Profit after taxation (PKR million)	1,305	1,025
Earnings per share (PKR)	14.13	11.10

Net turnover (PKR m)

Dec 2014  19,246
 Dec 2015  18,064

Profit before tax (PKR m)

Dec 2014  1,358
 Dec 2015  1,656

Profit after tax (PKR m)

Dec 2014  1,025
 Dec 2015  1,305

Earnings per share (PKR m)

Dec 2014  11.10
 Dec 2015  14.13

Review of the Directors

For the Quarter & Six Months Ended December 31, 2015

Polyester Staple Fibre Business (PSF)

Net turnover (PKR m)

Dec 2014  8,724

Dec 2015  6,544

Operating result (PKR m)

Dec 2014  (166)

Dec 2015 (531) 

The international economic situation worsened during the period under review due to a drop in demand from major economies and falling crude oil prices on the back of the lingering oil glut. Prices in the petrochemical chain remained soft with sluggish market performance, as traders indulged in narrow buying in anticipation of further price corrections.

In line with regional markets, the domestic PSF demand remained bearish due to continuous oversupply coupled with the dumping of PSF from China. The imposition of provisional anti-dumping duties (ADD) for a period of four months by the National Tariff Commission (NTC) in October 2015 provided a stimulus to the domestic industry. However, aggressive pricing at uneconomic levels by exporters from China heavily diluted the already squeezed domestic PSF margins. Overall, weak market sentiment along with declining prices led to a 25% fall in net turnover compared to the SPLY.

The commissioning of the coal fired/biomass steam turbine project reduced energy costs by replacing the expensive alternate fuel with coal for electricity and steam generation. This change in the fuel mix, along with a decrease in fuel prices, curtailed energy costs by 30%. However, weak unit margins, partially offset by some savings in energy costs, increased the Business's operating loss over the SPLY.

The Company, along with other members of the Polyester Staple Fibre Manufacturing Group, continued to present its case at every forum for the imposition of final ADD against dumped PSF imports from China. In this regard, the Business made representations at the Lahore and Sindh High Courts and the NTC's Anti-Dumping Appellate Tribunal, and was successful in obtaining favourable decisions against various petitions. As a consequence the NTC issued the Final Determination ruling in favour of the domestic industry with the reduction in the final rates Vis a Vis the provisional notification.

Looking ahead, prices in the petrochemical chain are expected to remain depressed in the absence of any fundamental change in supply-demand dynamics. The addition of Iranian oil to an already over-supplied market will further exacerbate price pressures.

Soda Ash Business

Net turnover (PKR m)

Dec 2014  5,020

Dec 2015  5,473

Operating result (PKR m)

Dec 2014  1,197

Dec 2015  1,504

Net turnover during the first half of the year grew by 9% on account of higher sales volume in the domestic market. The total sales volume, including exports, was 11% higher than the SPLY. Sales to the glass, paper and detergent segments continued to remain strong and are providing the impetus for growth.

Review of the Directors

For the Quarter & Six Months Ended December 31, 2015

The Business recorded its highest half yearly operating result, which grew by 26% compared to the SPLY. Higher production and sale volumes along with savings in energy costs following the introduction of coal fired boilers, better gas availability and lower imported raw material prices were the major contributors towards higher 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, the Business achieved a production volume of 173,049 tons, which was the highest half yearly production to date and was 9% better than the SPLY.

Phase 1 of the new dense ash plant has been completed successfully and the new plant was commissioned in the second quarter of the current FY. Work is progressing as per plan on the refined sodium bicarbonate (RSB) expansion and the coal/biomass power and steam generation projects.

Going forward, the second half of the FY will witness the commissioning of the RSB 14KTPA expansion project. The Business faces stiff competition in light of the continued downward trend in international prices. This trend is expected to continue in the second half of the FY. The Business is also expecting a decision from the Director General Anti-Dumping in India in light of the submitted applications for the mid-term review.

Life Sciences Business

Net turnover (PKR m)

Dec 2014  3,897
Dec 2015  4,323

Operating result (PKR m)

Dec 2014  503
Dec 2015  510

The Life Sciences Business, for the six months ended December 31, 2015, achieved a growth of 11% in net turnover while the operating result was in line with the SPLY. All three Divisions within the Business posted double digit growth at net turnover level.

Sales of the Agri Division were higher compared to the SPLY due to higher sales of vegetable seeds and agrochemicals. Total sales of the Pharmaceutical Division were better with higher sales across all portfolios. Sales of the Animal Health Division were also higher across both the Livestock and Poultry portfolios; with higher sales of livestock feed and poultry feed additives.

The Pharmaceuticals Division completed an agreement with Ferrer, a leading Spanish Pharmaceuticals company, to market an innovative and exciting consumer range of supplements and cosmeceuticals. This new partnership is the first after many years and the Business is confident that this range will bolster our position and improve ICI Pakistan Ltd.'s image in the market.

The Nutraceuticals facility was commissioned for production in November 2015 and has started commercial production of three of its products. Stability testing of two more products is expected to be completed in Q3, 2015-16.

Review of the Directors

For the Quarter & Six Months Ended December 31, 2015

The Animal Health facility in Lahore commenced commercial production in November 2015 after fulfilling all the regulatory requirements prescribed by DRAP. The Business will now seek to expand on this by driving local market share and developing viable export markets.

The future outlook of the Business remains positive, 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)

Dec 2014  1,610
Dec 2015  1,728

Operating result (PKR m)

Dec 2014  118
Dec 2015  165

Net sales income for the six months at PKR 1,728m is 7% higher than the SPLY. Both the Polyurethanes (PU) and Specialty Chemicals (SC) segments posted strong growth on the back of higher demand in the textile, crop and automotive industry sectors. General Chemicals, however, witnessed a shortfall mainly due to lower seasonal consumer demand in the paints & coatings and beverages sectors. Consequently, operating income at PKR 165m is 40% higher than the SPLY due to robust performance in the PU and SC segments, coupled with cost efficiencies.

Future Outlook

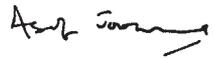
Going forward, declining margins in the Polyester Business continue to pose a challenge. Despite the imposition of provisional anti-dumping duty and the operation of the coal/biomass steam turbine project, the Polyester business is likely to remain under pressure. In Soda Ash, capacity expansion projects shall further improve the Business' performance in the future. The outlook for the Life Sciences and Chemicals Businesses also remains positive.

The Company intends to remain committed to fulfilling customer needs, launching new products, discovering innovative energy conversion methods, reducing costs, and strengthening relationships with existing customers and suppliers, whilst exploring opportunities for both organic and inorganic growth.



Muhammad Sohail Tabba
Chairman / Director

February 18, 2016
Karachi



Asif Jooma
Chief Executive

Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **ICI Pakistan Limited** (the Company) as at **31 December 2015**, the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity, and notes to the condensed interim unconsolidated financial statements for the six-months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

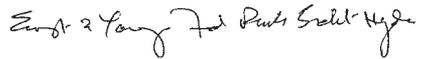
The figures of the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the quarters ended 31 December 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2015.

Scope of Review

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

Conclusion

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



Date: February 18, 2016
Karachi

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

Condensed Interim Unconsolidated Balance Sheet

As at December 31, 2015

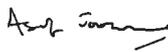
Amounts in PKR '000

	Note	December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	15,935,288	14,236,363
Intangible assets	5	11,785	28,318
		15,947,073	14,264,681
Long-term investments	6	1,222,976	1,222,976
Long-term loans	7	340,865	324,610
Long-term deposits and prepayments		31,102	30,777
		1,594,943	1,578,363
		17,542,016	15,843,044
Current assets			
Stores, spares and consumables		751,701	653,582
Stock-in-trade	8	4,344,719	4,921,766
Trade debts		1,945,487	1,431,370
Loans and advances		354,400	323,696
Trade deposits and short-term prepayments		444,159	412,133
Other receivables		1,041,572	909,710
Taxation - net		1,631,892	2,054,870
Cash and bank balances		141,653	119,612
		10,655,583	10,826,739
Total assets		28,197,599	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		12,225,341	11,483,846
Total equity		13,458,575	12,717,080
Surplus on revaluation of property, plant and equipment		539,738	576,458
Non-current liabilities			
Provisions for non-management staff gratuity		93,809	87,422
Long-term loans	9	2,997,450	1,493,943
Deferred tax liability - net	10	1,089,631	1,181,167
		4,180,890	2,762,532
Current liabilities			
Trade and other payables		7,128,156	7,717,908
Accrued mark-up		76,261	56,658
Short-term borrowings and running finance	11	2,113,979	1,883,592
Current portion of long-term loans		700,000	955,555
		10,018,396	10,613,713
Total equity and liabilities		28,197,599	26,669,783
Contingencies and commitments	12		

The annexed notes from 1 to 22 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 Six Months Ended December 31, 2015

Amounts in PKR '000

	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014
Turnover - note 13	11,038,791	20,865,574	11,184,618	21,721,606
Sales tax	(738,890)	(1,436,253)	(660,248)	(1,276,483)
Commission and discounts	(738,244)	(1,365,772)	(641,505)	(1,198,905)
	(1,477,134)	(2,802,025)	(1,301,753)	(2,475,388)
Net turnover	9,561,657	18,063,549	9,882,865	19,246,218
Cost of sales - note 13 and 14	(7,885,092)	(14,963,823)	(8,261,808)	(16,300,371)
Gross profit	1,676,565	3,099,726	1,621,057	2,945,847
Selling and distribution expenses	(511,867)	(1,011,015)	(426,402)	(849,487)
Administration and general expenses	(220,633)	(440,700)	(220,391)	(443,470)
Operating result - note 13	944,065	1,648,011	974,264	1,652,890
Finance costs	(87,514)	(169,824)	(98,364)	(215,676)
Exchange (losses) / gain	(2,868)	(50,896)	38,544	(43,553)
Workers' profit participation fund	(55,200)	(87,356)	(46,856)	(71,537)
Workers' welfare fund	(21,404)	(33,797)	(18,169)	(27,721)
Other charges	(6,940)	(18,740)	(14,560)	(20,560)
	(173,926)	(360,613)	(139,405)	(379,047)
Dividend income	255,000	330,000	40,000	40,000
Other income	23,659	38,665	15,432	44,510
Profit before taxation	1,048,798	1,656,063	890,291	1,358,353
Taxation - note 15	(218,576)	(350,951)	(216,980)	(332,923)
Profit after taxation	830,222	1,305,112	673,311	1,025,430

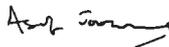
(PKR)

Basic and diluted earnings per share	8.99	14.13	7.29	11.10
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The annexed notes from 1 to 22 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 Six Months Ended December 31, 2015

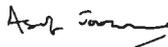
Amounts in PKR '000

	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014
Profit after taxation	830,222	1,305,112	673,311	1,025,430
Items to be reclassified to profit or loss in subsequent periods:				
Gain / (loss) on hedge during the period	1,057	(2,285)	-	-
Income tax relating to hedging reserve	(338)	731	-	-
	719	(1,554)	-	-
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress	1,168	1,554	-	-
	1,887	-	-	-
Total comprehensive income for the period	832,109	1,305,112	673,311	1,025,430

The annexed notes from 1 to 22 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)

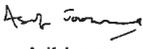
For the Six Months Ended December 31, 2015

Amounts in PKR '000

	December 31, 2015	December 31, 2014
Cash flows from operating activities		
Profit before taxation	1,656,063	1,358,353
Adjustments for:		
Depreciation and amortisation	929,933	809,039
Loss / (gain) on disposal of operating fixed assets	5,649	(501)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	7,180	8,478
Provision for staff retirement benefit plan	23,442	25,430
Interest on bank deposits	-	(463)
Dividend from Subsidiary	(150,000)	-
Dividend from associate	(180,000)	(40,000)
Interest expense	169,575	214,831
Provision for doubtful debts	16,312	9,096
(Reversal) / provision for slow moving and obsolete stock-in-trade	(1,925)	12,623
Provision for slow moving and obsolete stores, spares and consumables	7,193	-
	2,483,422	2,396,886
Movement in:		
Working capital (Ref. 1)	(723,399)	(106,475)
Long-term loans	(16,255)	(25,284)
Long-term deposits and prepayments	(325)	(1,349)
Cash generated from operations	1,743,443	2,263,778
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(10,139)	(7,567)
Staff retirement benefit plan	(26,470)	(24,001)
Taxation	(19,846)	(320,586)
Interest	(150,220)	(163,126)
Net cash generated from operating activities	1,536,768	1,748,498
Cash flows from investing activities		
Capital expenditure	(2,578,688)	(1,753,469)
Proceeds from disposal of operating fixed assets	991	2,123
Interest received on bank deposits	248	463
Investment in associate	-	(720,000)
Dividend income	180,000	40,000
Net cash used in investing activities	(2,397,449)	(2,430,883)
Cash flows from financing activities		
Long-term loans obtained / (repaid)	1,247,952	(294,444)
Dividends paid	(595,617)	(366,846)
Net cash generated from / (used in) financing activities	652,335	(661,290)
Net decrease in cash and cash equivalents	(208,346)	(1,343,675)
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)	(1,972,326)	(928,948)
Ref. 1: Movement in working capital		
(Increase) / decrease in current assets		
Stores, spares and consumables	(105,312)	(44,179)
Stock-in-trade	578,972	(152,341)
Trade debts	(530,429)	(637,601)
Loans and advances	(30,704)	(154,418)
Trade deposits and short-term prepayments	(28,998)	23,542
Other receivables	18,138	380,480
	(98,333)	(584,517)
(Decrease) / increase in current liability		
Trade and other payables	(625,066)	478,042
	(723,399)	(106,475)
Ref. 2: Cash and cash equivalents at the end of period comprise of:		
Cash and bank balances	141,653	125,381
Short-term borrowings and running finance	(2,113,979)	(1,054,329)
	(1,972,326)	(928,948)

The annexed notes from 1 to 22 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 Six Months Ended December 31, 2015

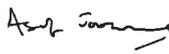
Amounts in PKR '000

	Issued, subscribed and paid-up share capital	Capital reserves	Unappropriated profit	Total
As at July 1, 2014	923,591	309,643	10,004,193	11,237,427
Final dividend of PKR 4.00 per share for the year ended June 30, 2014	-	-	(369,436)	(369,436)
Profit for the period	-	-	1,025,430	1,025,430
Total comprehensive income	-	-	1,025,430	1,025,430
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	30,052	30,052
As at December 31, 2014	923,591	309,643	10,690,239	11,923,473
Interim dividend of PKR 5.00 per share for the year ended June 30, 2015	-	-	(461,796)	(461,796)
Profit for the period	-	-	1,100,278	1,100,278
Other comprehensive income for the period - net of tax	-	-	117,633	117,633
Total comprehensive income	-	-	1,217,911	1,217,911
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	37,492	37,492
As at June 30, 2015	923,591	309,643	11,483,846	12,717,080
Final dividend of PKR 6.50 per share for the year ended June 30, 2015	-	-	(600,337)	(600,337)
Profit for the period	-	-	1,305,112	1,305,112
Total comprehensive income	-	-	1,305,112	1,305,112
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	36,720	36,720
As at December 31, 2015	923,591	309,643	12,225,341	13,458,575

The annexed notes from 1 to 22 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 Six Months Ended December 31, 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 Pakistan Stock Exchange Limited. 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 unconsolidated 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

These condensed interim unconsolidated financial statements have been prepared in accordance with International Accounting Standard - 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirement differ, the provision of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim unconsolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Company's annual financial statements 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, except for the adoption of new accounting standards and interpretations as disclosed in note 18 to these financial statements.

4. Property, plant and equipment

	December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
Operating fixed assets - at net book value	12,337,204	12,573,587
Capital work-in-progress - at cost		
Civil works and buildings	721,013	327,797
Plant and machinery	2,713,544	981,301
Advances to suppliers / contractors	163,527	353,678
	Note 4.2	
	3,598,084	1,662,776
Total property, plant and equipment	15,935,288	14,236,363

4.1 Following is the cost of operating fixed assets that have been added / disposed off during the six months ended December 31, 2015:

	Additions / Transfers		Disposals - NBV	
	December 31, 2015 (Unaudited)	June 30, 2015 (Audited)	December 31, 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	147,483	168,800	6,537	387
Plant and machinery	518,796	2,599,384	-	5,731
Rolling stock and vehicles	109	9,435	-	-
Furniture and equipment	16,251	108,792	104	345
	682,639	3,435,754	6,641	6,463

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2015

Amounts in PKR '000

	December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
4.2 The following is the movement in capital work-in-progress during the period / year:		
Opening balance	1,662,776	896,051
Addition during the period / year	2,471,344	4,167,569
	4,134,120	5,063,620
Transferred to operating fixed assets	(536,036)	(3,400,844)
Closing balance	3,598,084	1,662,776
5 Intangible assets		
Intangible assets - at net book value - note 5.1	11,785	28,318
5.1 Addition to intangible assets:	1,017	9,625
6 Long-term investments		
Unquoted		
Subsidiary		
- ICI Pakistan PowerGen Limited (wholly owned) - note 6.1 7,100,000 ordinary shares (June 30, 2015: 7,100,000) of PKR 100 each	710,000	710,000
Provision for 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
Others		
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:	734,975	871,533
7 Long-term loans		
Considered Good		
Due from executives and employees	432,203	409,932
Current portion shown under loans and advances	(91,338)	(85,322)
	340,865	324,610

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2015

Amounts in PKR '000

December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
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8 Stock-in-trade

It includes items carried at net realisable value of PKR 370.989 million (December 31, 2014: PKR 498,295 million) on which expense of PKR 11.012 million (December 31, 2014: PKR 9.465 million) was recognised during the period.

9 Long-term loans

Long term loans - note 9.1	3,697,450	2,449,498
Current portion shown under current liabilities	(700,000)	(955,555)
	2,997,450	1,493,943
9.1 Opening balance	2,449,498	3,187,026
Obtained during the period / year	1,725,730	1,021,719
Repaid during the period / year	(477,778)	(1,759,247)
Closing balance	3,697,450	2,449,498

There is no material change in the amounts and disclosures made in the annual financial statements with regard to long-term loans except that the Company availed further long-term finance facilities amounting to PKR 75 million at SBP's refinancing rate + 0.45% and PKR 451 million at SBP's refinancing rate + 0.50% out of the total limit of PKR 250 million and PKR 1,500 million respectively. The company also availed PKR 1,200 million long-term loan at relevant KIBOR + 0.25%. The mark-up is payable on quarterly basis.

10 Deferred tax liability - net

Deductible temporary differences		
Provisions for retirement benefits, doubtful debts and others	(241,314)	(230,018)
Retirement funds provision	(15,321)	(15,421)
Taxable temporary differences		
Property, plant and equipment	1,346,266	1,426,606
	1,089,631	1,181,167

11 Short-term borrowings and running finance

Export refinancing - mark-up: SBP rate + 0.25% per annum	388,741	241,962
Short-term running finance - secured	1,725,238	1,641,630
	2,113,979	1,883,592

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2015

Amounts in PKR '000

December 31, 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 material 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 various projects of Soda Ash business & Polyester business)	2,355,309	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	30,354	57,839
2016-17	51,589	45,988
2017-18	30,769	23,848
2018-19	14,442	6,641
2019-20	487	-
	127,641	134,316
Payable not later than one year	30,354	57,839
Payable later than one year but not later than five years	97,287	76,477
	127,641	134,316

12.6 Outstanding foreign exchange contracts entered into by the Company amounted to:	484,410	383,000
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Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Six Months Ended December 31, 2015

13 Operating Segment results

Amounts in PKR '000

	Polyester			Soda Ash			Life Sciences			Chemicals			Company							
	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2014	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2014	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2014	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2014					
Turnover - note 13.1, 13.2 & 13.3	3,620,281	6,954,682	4,587,605	91,341,184	3,453,026	6,710,612	3,013,708	6,034,314	2,944,429	5,081,689	2,607,564	4,855,611	1,023,143	2,122,272	998,424	1,951,358	11,038,791	20,885,574	11,184,618	21,721,606
Sales tax	(105,468)	(202,293)	(89,575)	(179,121)	(476,548)	(891,687)	(418,540)	(826,691)	(46,700)	(74,219)	(52,117)	(75,463)	(110,182)	(227,754)	(100,016)	(195,208)	(738,890)	(1,458,253)	(690,248)	(1,276,483)
Commission and discounts	(94,378)	(208,193)	(115,596)	(231,400)	(178,648)	(306,303)	(85,753)	(187,438)	(979,421)	(864,789)	(956,096)	(633,626)	(85,197)	(166,483)	(75,050)	(146,441)	(793,244)	(1,365,772)	(641,505)	(1,198,905)
	(189,838)	(410,398)	(205,171)	(410,521)	(655,196)	(1,297,990)	(504,293)	(1,014,129)	(426,121)	(759,012)	(417,213)	(769,088)	(195,379)	(384,237)	(175,076)	(341,649)	(1,477,134)	(2,682,028)	(1,301,753)	(2,475,388)
Net turnover	3,420,443	6,543,866	4,392,434	8723,663	2,797,830	5,472,822	2,509,415	5,020,185	2,518,008	4,322,677	2,190,351	3,886,522	827,164	1,728,035	821,348	1,609,709	9,561,657	18,068,549	9,882,865	19,246,216
Cost of sales - note 13.1 and 14	(9,544,028)	(6,807,579)	(4,195,487)	(8,617,488)	(1,880,975)	(3,700,098)	(1,831,956)	(3,561,359)	(1,813,252)	(3,101,430)	(1,568,708)	(2,814,190)	(949,625)	(1,338,401)	(866,340)	(1,310,985)	(7,885,082)	(14,968,822)	(8,261,808)	(16,300,371)
Gross profit	(12,858)	(263,679)	193,947	186,195	917,455	1,772,524	677,459	1,458,596	705,156	1,221,247	621,643	1,062,332	177,539	389,634	155,008	298,724	1,676,565	3,099,726	1,621,057	2,945,847
Selling and distribution expenses	(55,475)	(123,287)	(61,664)	(126,029)	(79,945)	(152,488)	(67,839)	(136,644)	(111,864)	(569,027)	(236,208)	(468,713)	(65,363)	(136,203)	(57,691)	(118,101)	(511,867)	(1,011,015)	(426,402)	(849,487)
Administration and general expenses	(89,688)	(188,302)	(70,981)	(145,740)	(89,374)	(116,282)	(59,859)	(124,852)	(59,199)	(118,039)	(58,314)	(110,292)	(94,378)	(86,077)	(31,227)	(62,756)	(220,683)	(440,700)	(250,351)	(443,470)
Operating result	(247,748)	(591,278)	31,292	(165,574)	779,106	1,503,754	549,761	1,197,270	334,873	510,181	327,121	503,327	77,804	165,354	66,090	117,867	944,065	1,688,011	974,264	1,652,880

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Six Months Ended December 31, 2015

Amounts in PKR '000

	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014
13.1 Turnover				
Inter-segment sales and purchases have been eliminated from the total.	2,188	3,681	683	3,861
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:	193,027	340,264	139,488	354,610
14 Cost of sales				
Opening stock of raw and packing materials	2,089,132	2,056,724	2,287,471	2,339,345
Purchases	3,938,141	8,001,062	4,348,358	9,395,996
	6,027,273	10,057,786	6,635,829	11,735,341
Closing stock of raw and packing materials	(1,859,684)	(1,859,684)	(1,773,922)	(1,773,922)
Raw and packing materials consumption	4,167,589	8,198,102	4,861,907	9,961,419
Manufacturing costs	2,076,314	4,071,709	2,141,468	4,091,338
	6,243,903	12,269,811	7,003,375	14,052,757
Opening stock of work-in-process	103,250	96,034	110,105	165,341
	6,347,153	12,365,845	7,113,480	14,218,098
Closing stock of work-in-process	(117,108)	(117,108)	(103,982)	(103,982)
Cost of goods manufactured	6,230,045	12,248,737	7,009,498	14,114,116
Opening stock of finished goods	2,819,962	2,769,008	2,383,457	2,077,947
Finished goods purchased	1,203,012	2,314,005	1,713,301	2,952,756
	10,253,019	17,331,750	11,106,256	19,144,819
Closing stock of finished goods	(2,367,927)	(2,367,927)	(2,844,448)	(2,844,448)
	7,885,092	14,963,823	8,261,808	16,300,371
15 Taxation				
Current	283,584	442,485	251,855	441,446
Deferred	(65,008)	(91,534)	(34,875)	(108,523)
	218,576	350,951	216,980	332,923

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Six Months Ended December 31, 2015

Amounts in PKR '000

For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014
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16 Transactions with related parties

The related parties comprise the holding company (Lucky Holding Limited), the ultimate parent company (Lucky Cement Limited) and related group companies, 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	62,183	120,165	137,438	206,158
Subsidiary Company	Purchase of electricity	49,866	131,425	205,229	434,799
	Provision of services and other receipts	495	990	495	990
	Sale of goods and material	-	896	1,417	3,869
	Dividend income	150,000	150,000	-	-
Associated Companies	Purchase of goods, materials and services	58,873	70,690	9,347	28,062
	Sale of goods and materials	344,079	726,038	413,621	897,580
	Reimbursement of expenses	17,613	31,990	5,700	15,000
	Dividend income from associate	105,000	180,000	40,000	40,000
Others	Staff retirement benefits	55,074	89,375	46,436	78,735
Key management personnel	Remuneration paid	44,126	124,608	42,344	101,083
	Post employment benefits	7,791	15,128	7,337	14,602

17 Estimates

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

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Six Months Ended December 31, 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 except as follows:

The Company has adopted the following amendment to IFRSs which became effective for the current period:

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement

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

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

19 Financial risk management

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

20 Post balance sheet - dividend

The Directors in their meeting held on February 18, 2016 have recommended an interim cash dividend of PKR 6.50 per share in respect of six months ended December 31, 2015. The condensed interim unconsolidated financial statements for the six months ended December 31, 2015 do not include the effect of the above interim dividend which will be accounted for in the period in which it is approved.

21 Date of authorisation

The condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on February 18, 2016.

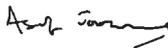
22 General

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

22.2 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 & Six Months Ended December 31, 2015

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

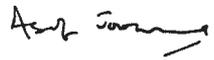
The Directors' report, providing a commentary on the performance of ICI Pakistan Limited for the half-year ended December 31, 2015, has been presented separately.

PowerGen posted a net turnover of PKR 111 million for the first half of the year, 70% lower than the SPLY on account of falling fuel prices (leading to lower variable price component) and lower electricity sales volume. This was due to lower demand from the Polyester plant of ICI Pakistan Limited after the commissioning of its own coal/biomass steam turbine project in June 2015. As a result, the operating profit declined by 76% compared to the corresponding period last year (PKR 11m versus PKR 46m in the SPLY).



Muhammad Sohail Tabba
Chairman / Director

February 18, 2016
Karachi



Asif Joona
Chief Executive

Condensed Interim Consolidated Balance Sheet

As at December 31, 2015

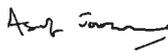
Amounts in PKR '000

	Note	December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	16,060,144	14,388,924
Intangible assets	5	11,785	28,318
		16,071,929	14,417,242
Long-term investment	6	771,150	774,724
Long-term loans	7	342,668	326,515
Long-term deposits and prepayments		31,102	30,777
		1,144,920	1,132,016
		17,216,849	15,549,258
Current assets			
Stores, spares and consumables		808,163	709,198
Stock-in-trade	8	4,365,435	4,943,409
Trade debts		1,945,103	1,431,094
Loans and advances		355,726	325,259
Trade deposits and short-term prepayments		447,398	413,250
Other receivables		968,971	984,272
Taxation - net		1,631,892	2,054,870
Cash and bank balances		489,568	120,447
		11,012,256	10,981,799
Total assets		28,229,105	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		12,356,217	11,755,187
Total equity		13,589,451	12,988,421
Surplus on revaluation of property, plant and equipment		685,983	722,369
Non-current liabilities			
Provisions for non-management staff gratuity		93,809	87,422
Long-term loans	9	2,997,450	1,493,943
Deferred tax liability - net	10	1,089,631	1,181,167
		4,180,890	2,762,532
Current liabilities			
Trade and other payables		6,887,654	7,212,275
Accrued mark-up		76,261	56,658
Short-term borrowings and running finance	11	2,108,866	1,833,247
Current portion of long-term loans		700,000	955,555
		9,772,781	10,057,735
Total equity and liabilities		28,229,105	26,531,057
Contingencies and commitments			
	12		

The annexed notes from 1 to 22 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 Six Months Ended December 31, 2015

Amounts in PKR '000

	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014
Turnover - note 13	11,045,813	20,884,447	11,184,619	21,721,607
Sales tax	(745,911)	(1,455,125)	(690,068)	(1,339,659)
Commission and discounts	(738,244)	(1,365,772)	(641,505)	(1,198,905)
	(1,484,155)	(2,820,897)	(1,331,573)	(2,538,564)
Net turnover	9,561,658	18,063,550	9,853,046	19,183,043
Cost of sales - note 13 and 14	(7,881,502)	(14,951,693)	(8,210,972)	(16,190,221)
Gross profit	1,680,156	3,111,857	1,642,074	2,992,822
Selling and distribution expenses	(511,867)	(1,011,015)	(426,402)	(849,487)
Administration and general expenses	(220,819)	(440,891)	(220,530)	(443,639)
Operating result - note 13	947,470	1,659,951	995,142	1,699,696
Finance costs	(87,514)	(169,835)	(98,364)	(215,735)
Exchange losses	(2,835)	(50,885)	38,296	(44,277)
Workers' profit participation fund	(55,485)	(88,064)	(47,850)	(73,766)
Workers' welfare fund	(21,515)	(34,072)	(18,554)	(28,584)
Other charges	(6,939)	(18,739)	(14,614)	(20,613)
	(174,288)	(361,595)	(141,086)	(382,975)
Other income	26,027	41,149	55,106	83,908
Share of profit from associate	100,387	176,426	34,027	34,027
Profit before taxation	899,596	1,515,931	943,189	1,434,656
Taxation - note 15	(218,576)	(350,951)	(216,980)	(332,923)
Profit after taxation	681,020	1,164,980	726,209	1,101,733

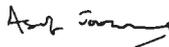
(PKR)

Basic and diluted earnings per share	7.37	12.61	7.86	11.93
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The annexed notes from 1 to 22 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 Six Months Ended December 31, 2015

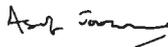
Amounts in PKR '000

	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014
Profit after taxation	681,020	1,164,980	726,209	1,101,733
Items to be reclassified to profit or loss in subsequent periods:				
Gain / (loss) on hedge during the period	1,057	(2,285)	-	-
Income tax relating to hedging reserve	(338)	731	-	-
	719	(1,554)	-	-
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress	1,168	1,554	-	-
	1,887	-	-	-
Total comprehensive income for the period	682,907	1,164,980	726,209	1,101,733

The annexed notes from 1 to 22 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)

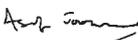
For the Six Months Ended December 31, 2015

Amounts in PKR '000

	December 31, 2015	December 31, 2014
Cash flows from operating activities		
Profit before taxation	1,515,931	1,434,656
Adjustments for:		
Depreciation and amortisation	957,076	834,628
Loss / (gain) on disposal of operating fixed assets	5,649	(501)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	7,180	8,478
Provision for staff retirement benefit plan	23,442	25,631
Dividend from associate	-	(40,000)
Share of profit from associate	(176,426)	(34,027)
Interest on bank deposits and loan to the Subsidiary	(3,555)	(601)
Interest expense	169,834	214,889
Provision for doubtful debts	16,312	9,096
(Reversal) / provision for slow moving and obsolete stock-in-trade	(1,925)	12,623
Provision for slow moving stores, spares and consumables	7,193	-
	2,520,711	2,464,872
Movement in:		
Working capital (Ref. 1)	(462,013)	(142,350)
Long-term loans	(16,153)	(24,561)
Long-term deposits and prepayments	(325)	(1,349)
Cash generated from operations	2,042,220	2,296,612
Payments for:		
Non-management staff gratuity and eligible retired employees' medical scheme	(10,139)	(24,203)
Staff retirement benefit plan	(26,470)	(7,567)
Taxation	(19,846)	(320,586)
Interest	(150,231)	(163,185)
Net cash generated from operating activities	1,835,534	1,781,071
Cash flows from investing activities		
Capital expenditure	(2,578,451)	(1,790,863)
Proceeds from disposal of operating fixed assets	991	2,123
Dividend from associate	180,000	40,000
Interest received on bank deposits	3,093	601
Long-term investments	-	(720,000)
Net cash used in investing activities	(2,394,367)	(2,468,139)
Cash flows from financing activities		
Long-term loans obtained / (repaid)	1,247,952	(294,444)
Dividends paid	(595,617)	(366,846)
Net cash generated from / (used in) financing activities	652,335	(661,290)
Net decrease in cash and cash equivalents	93,502	(1,348,358)
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)	(1,619,298)	(927,522)
Ref. 1: Movement in working capital		
(Increase) / decrease in current assets		
Stores, spares and consumables	(106,158)	(41,656)
Stock-in-trade	579,899	(142,404)
Trade debts	(530,321)	(637,690)
Loans and advances	(30,467)	(154,380)
Trade deposits and short-term prepayments	(31,119)	27,189
Other receivables	15,763	374,654
	(102,403)	(574,287)
(Decrease) / increase in current liabilities		
Trade and other payables	(359,610)	431,937
	(462,013)	(142,350)
Ref 2: Cash and cash equivalents at the end of period comprise of:		
Cash and bank balances	489,568	125,511
Short-term borrowings and running finance	(2,108,866)	(1,053,033)
	(1,619,298)	(927,522)

The annexed notes from 1 to 22 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 Changes in Equity (Unaudited)

For the Six Months Ended December 31, 2015

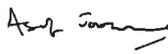
Amounts in PKR '000

	Issued, subscribed and paid-up share capital	Capital reserves	Unappropriated profit	Total
As at July 1, 2014	923,591	309,643	10,125,694	11,358,928
Final dividend of PKR 4.00 per share for the year ended June 30, 2014	-	-	(369,436)	(369,436)
Profit for the period	-	-	1,101,733	1,101,733
Total comprehensive income	-	-	1,101,733	1,101,733
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	29,471	29,471
As at December 31, 2014	923,591	309,643	10,887,462	12,120,696
Interim dividend of PKR 5.00 per share for the year ended June 30, 2015	-	-	(461,796)	(461,796)
Profit for the period	-	-	1,174,581	1,174,581
Other comprehensive income for the period - net of tax	-	-	117,633	117,633
Total comprehensive income	-	-	1,292,214	1,292,214
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	37,307	37,307
As at June 30, 2015	923,591	309,643	11,755,187	12,988,421
Final dividend of PKR 6.50 per share for the year ended June 30, 2015	-	-	(600,337)	(600,337)
Profit for the period	-	-	1,164,980	1,164,980
Total comprehensive income	-	-	1,164,980	1,164,980
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	36,387	36,387
As at December 31, 2015	923,591	309,643	12,356,217	13,589,451

The annexed notes from 1 to 22 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 Six Months Ended December 31, 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 Pakistan Stock Exchange Limited. 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 December 31, 2015 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof.

2 Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard - 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirement differ, the provision of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Company's annual financial statements 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, except for the adoption of new accounting standards and interpretations as disclosed in note 18 to these financial statements.

4. Property, plant and equipment

	December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
Operating assets - at net book value	12,461,991	12,713,226
Capital work-in-progress - at cost		
Civil works and buildings	721,013	327,797
Plant and machinery	2,713,613	994,223
Advances to suppliers / contractors	163,527	353,678
	Note 4.2	
	3,598,153	1,675,698
Total property, plant and equipment	16,060,144	14,388,924

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2015

Amounts in PKR '000

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

	Additions / Transfers		Disposals - NBV	
	December 31, 2015 (Unaudited)	June 30, 2015 (Audited)	December 31, 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	147,483	168,800	6,537	387
Plant and machinery	531,245	2,638,808	-	5,731
Rolling stock and vehicles	109	9,435	-	-
Furniture and equipment	16,094	108,792	104	345
	694,931	3,475,706	6,641	6,463

December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
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4.2 The following is the movement in capital work-in-progress during the period / year:

Opening balance	1,675,698	899,956
Addition during the period / year	2,470,781	4,216,538
	4,146,479	5,116,494
Transferred to operating fixed assets	(548,326)	(3,440,796)
Closing balance	3,598,153	1,675,698

5 Intangible assets

Intangible assets - at net book value - note 5.1	11,785	28,318
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5.1 Addition to intangible assets: 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

Post acquisition profits at the beginning

Share of profit for the period / year

Dividend received during the period / year

Carrying value of associate

720,000	720,000
52,224	-
176,426	202,224
(180,000)	(150,000)
768,650	772,224

Others

Equity security available for sale

- Arabian Sea Country Club Limited

2,500	2,500
771,150	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 Six Months Ended December 31, 2015

Amounts in PKR '000

	December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
7 Long-term loans		
<i>Considered good</i>		
Due from executives and employees	434,378	412,228
Current portion shown under loans and advances	(91,710)	(85,713)
	342,668	326,515
8. Stock-in-trade		
It includes items carried at net realisable value of PKR 370.989 million (December 31, 2014: PKR 498.295 million) on which expense of PKR 11.012 million (December 31, 2014: PKR 9.465 million) was recognised during the period.		
9 Long-term loans		
Long-term loans - note 9.1	3,697,450	2,449,498
Current portion shown under current liabilities	(700,000)	(955,555)
	2,997,450	1,493,943
9.1 Opening Balance	2,449,498	3,187,026
Obtained during the period / year	1,725,730	1,021,719
Repaid during the period / year	(477,778)	(1,759,247)
Closing Balance	3,697,450	2,449,498
There is no material change in the amounts and disclosures made in the annual financial statements with regard to long-term loans except that the Company availed further long-term finance facilities amounting to PKR 75 million at SBP's refinance rate + 0.45% and PKR 451 million at SBP's refinance rate + 0.50% out of the total limit of PKR 250 million and PKR 1500 million respectively. The company also availed PKR 1,200 million long-term loan at relevant KIBOR + 0.25%. The mark-up is payable on quarterly basis.		
10 Deferred tax liability - net		
Deductible temporary differences		
Provisions for retirement benefits, doubtful debts and others	(241,314)	(230,018)
Retirement funds provision	(15,321)	(15,421)
Taxable temporary differences		
Property, plant and equipment	1,346,266	1,426,606
	1,089,631	1,181,167
11 Short-term borrowings and running finance		
Export refinance - mark-up: SBP rate + 0.25% per annum	388,741	241,962
Short-term running finance - secured	1,720,125	1,591,285
	2,108,866	1,833,247

Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2015

Amounts in PKR '000

December 31, 2015 (Unaudited)	June 30, 2015 (Audited)
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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 material 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 various projects of Soda Ash business & Polyester business)	2,355,309	2,629,500
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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	30,354	57,839
2016-17	51,589	45,988
2017-18	30,769	23,848
2018-19	14,442	6,641
2019-20	487	-
	127,641	134,316
Payable not later than one year	30,354	57,839
Payable later than one year but not later than five years	97,287	76,477
	127,641	134,316

12.6 Outstanding foreign exchange contracts entered into by the Group amounted to:	484,410	383,000
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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Six Months Ended December 31, 2015

13 Operating Segment results

Amounts in PKR '000

	Polyester			Soda Ash			Life Sciences			Chemicals			Others - PowerGen			Group								
	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2014	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 6 months ended December 31, 2014	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2014	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2014	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014							
Turnover - note 13.1, 13.2 & 13.3	3,820,281	6,954,882	4,567,805	9,134,184	3,453,026	6,710,612	3,073,708	6,034,314	2,944,529	5,081,689	2,607,364	4,605,611	1,023,143	2,122,772	998,424	1,367,353	48,328	129,886	205,229	434,769	11,046,813	20,884,447	11,184,619	21,721,607
Sales tax	(165,460)	(262,593)	(89,575)	(179,121)	(476,548)	(807,687)	(418,540)	(826,897)	(46,700)	(74,419)	(65,177)	(75,463)	(110,162)	(227,754)	(100,016)	(185,208)	(7,021)	(18,872)	(23,820)	(83,176)	(745,911)	(1,455,126)	(80,068)	(1,339,659)
Commission and discounts	(84,378)	(203,193)	(115,995)	(231,400)	(178,848)	(306,303)	(85,753)	(187,439)	(379,421)	(694,783)	(382,096)	(633,626)	(85,197)	(166,483)	(76,060)	(146,441)	-	-	-	-	(738,244)	(1,386,772)	(61,656)	(1,198,905)
	(149,838)	(465,786)	(205,571)	(410,521)	(655,396)	(1,113,990)	(504,293)	(1,014,129)	(485,121)	(759,012)	(417,213)	(709,096)	(195,379)	(394,237)	(176,076)	(341,649)	(7,021)	(18,872)	(23,820)	(83,176)	(1,484,159)	(2,820,897)	(1,331,573)	(2,538,564)
Net turnover	3,420,443	6,540,866	4,382,654	8,723,663	2,797,800	5,472,622	2,539,415	5,020,185	2,518,408	4,322,677	2,190,351	3,896,522	827,764	1,728,035	821,348	1,039,709	41,305	111,014	175,409	371,623	9,561,658	18,063,550	9,853,046	19,183,043
Cost of sales - note 13.1 and 14	(3,544,028)	(6,807,571)	(4,195,487)	(8,617,868)	(1,880,375)	(3,700,098)	(1,331,856)	(3,561,359)	(1,810,252)	(3,911,403)	(1,568,708)	(2,814,130)	(699,823)	(1,358,401)	(688,340)	(1,310,985)	(881,149)	(88,753)	(154,827)	(325,516)	(7,281,509)	(14,489,689)	(8,210,973)	(16,190,221)
Gross profit	(123,585)	(266,705)	187,167	106,795	917,425	1,772,524	677,459	1,458,826	705,156	1,221,274	621,643	1,082,392	177,939	369,634	153,008	288,724	3,156	11,261	20,582	46,105	1,680,156	3,111,867	1,620,074	2,992,822
Selling and distribution expenses	(65,473)	(123,297)	(64,884)	(126,829)	(79,946)	(182,488)	(67,899)	(136,644)	(311,084)	(800,027)	(282,208)	(468,713)	85,363	(188,203)	(57,691)	(118,101)	-	-	-	-	(511,867)	(1,011,015)	(426,402)	(849,457)
Administration and general expenses	(86,888)	(138,302)	(70,981)	(145,740)	(68,374)	(116,282)	(93,899)	(124,882)	(91,199)	(118,638)	(63,314)	(110,282)	(84,472)	(84,077)	(31,277)	(62,758)	(246)	(311)	(199)	(289)	(220,619)	(440,881)	(220,530)	(448,638)
Operating result	(647,148)	(530,278)	(31,292)	(165,574)	778,136	1,569,754	549,761	1,197,270	334,893	510,181	327,121	503,327	77,894	185,354	65,090	117,867	2,990	10,990	20,383	45,916	949,470	1,659,961	995,142	1,689,595

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Six Months Ended December 31, 2015

Amounts in PKR '000

	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014
13.1 Turnover				
Inter-segment sales and purchases have been eliminated from the total	43,492	114,694	205,911	438,659
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:	193,027	340,264	139,488	354,610
14 Cost of sales				
Opening stock of raw and packing materials	2,109,238	2,078,367	2,305,143	2,363,927
Purchases	3,938,752	8,000,136	4,345,331	9,386,059
	6,047,990	10,078,503	6,650,474	11,749,986
Closing stock of raw and packing materials	(1,880,400)	(1,880,400)	(1,788,566)	(1,788,566)
Raw and packing materials consumption	4,167,590	8,198,103	4,861,908	9,961,420
Manufacturing costs	2,072,724	4,059,579	2,090,631	3,981,187
	6,240,314	12,257,682	6,952,539	13,942,607
Opening stock of work-in-process	103,250	96,034	110,105	165,341
	6,343,564	12,353,716	7,062,644	14,107,948
Closing stock of work-in-process	(117,108)	(117,108)	(103,982)	(103,982)
Cost of goods manufactured	6,226,456	12,236,608	6,958,662	14,003,966
Opening stock of finished goods	2,819,962	2,769,008	2,383,457	2,077,947
Finished goods purchased	1,203,011	2,314,004	1,713,301	2,952,756
	10,249,429	17,319,620	11,055,420	19,034,669
Closing stock of finished goods	(2,367,927)	(2,367,927)	(2,844,448)	(2,844,448)
	7,881,502	14,951,693	8,210,972	16,190,221
15 Taxation				
Current	283,584	442,485	251,855	441,446
Deferred	(65,008)	(91,534)	(34,875)	(108,523)
	218,576	350,951	216,980	332,923

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Six Months Ended December 31, 2015

Amounts in PKR '000

For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2014	For the 6 months ended December 31, 2014
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16 Transactions with related parties

The related parties comprise the holding company (Lucky Holding Limited), the ultimate parent company (Lucky Cement Limited) and related group companies, 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	62,183	120,165	137,438	206,158
Associated Companies	Purchase of goods, materials and services	58,873	70,690	9,347	28,062
	Sale of goods and materials	344,079	726,038	413,621	897,580
	Reimbursement of expenses	17,613	31,990	5,700	15,000
	Dividend received from associate	105,000	180,000	40,000	40,000
Others	Staff retirement benefits	55,074	89,375	46,436	78,735
Key management personnel	Remuneration paid	44,126	124,608	42,344	101,083
	Post employment benefits	7,791	15,128	7,337	14,602

17 Estimates

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

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Six Months Ended December 31, 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 except as follows:

The Company has adopted the following amendment to IFRSs which became effective for the current period:

- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement

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

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

19 Financial risk management

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

20 Post balance sheet - dividends

The Directors in their meeting held on February 18, 2016 have recommended an interim cash dividend of PKR 6.50 per share in respect of six months ended December 31, 2015. The condensed interim consolidated financial statements for the six months ended December 31, 2015 do not include the effect of the above interim dividend which will be accounted for in the period in which it is approved.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Six Months Ended December 31, 2015

21 Date of authorisation

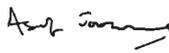
The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on February 18, 2016.

22 General

- 22.1 Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.
- 22.2 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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