



ICI PAKISTAN LTD.

Quarterly Report  
July - September 2016

# Sustaining Our Velocity

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# Company Information

## Board of Directors

Muhammad Sohail Tabba	Chairman (Non-Executive)	Asif Jooma	Chief Executive
Muhammad 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
Muhammad Ali Tabba	Member
Jawed Yunus Tabba	Member

## HR & Remuneration Sub Committee

Muhammad Ali Tabba	Chairman
Muhammad 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 & Strategy
Saima Kamila Khan	General Counsel, Company Secretary, and Head of Corporate Communication & Public Affairs
Suhail Aslam Khan	Vice President, Polyester & Soda Ash Business
Matin Amjad	General Manager, Pharmaceuticals

## 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  
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

EY Ford Rhodes  
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, 2016

The Directors are pleased to present their review, together with the unaudited financial statements of the Company, for the quarter ended September 30, 2016.

Net turnover for the quarter under review of PKR 9,255 million is 9% higher than the same period last year (SPLY), primarily due to higher revenue in the Life Sciences Business, which increased by 37%, with double digit growth in the Animal Health and Agri Divisions.

Operating result for the quarter at PKR 871 million is 24% higher as compared to the SPLY, due to improved performance of the Polyester and Life Sciences Businesses. Robust control over fixed costs, coupled with lower energy costs, were the main contributors in reducing the Polyester Business’s operating loss by 72%. Strong performance in the Life Sciences Business, particularly Animal Health and Agri Divisions, resulted in a 40% increase in operating profit compared to the SPLY.

The net profit after taxation for the quarter under review of PKR 617 million is 30% higher than the SPLY due to a higher operating result, higher dividend income from Associate, and lower exchange losses compared to the SPLY.

Earnings per share at PKR 6.68 is 30% higher than the SPLY.

	Quarter Ended Sept 2016	Quarter Ended Sept 2015
Net turnover (PKR million)	9,255	8,502
Profit before taxation (PKR million)	834	607
Profit after taxation (PKR million)	617	475
Earnings per share (PKR)	6.68	5.14

### Net turnover (PKR m)

Sep 2015  8,502  
 Sep 2016  9,255

### Profit before taxation (PKR m)

Sep 2015  607  
 Sep 2016  834

### Profit after taxation (PKR m)

Sep 2015  475  
 Sep 2016  617

### Earnings per share (PKR)

Sep 2015  5.14  
 Sep 2016  6.68

# Review of the Directors

For the Quarter Ended September 30, 2016

## Polyester Staple Fibre Business (PSF)

### Net turnover (PKR m)

Sep 2015	3,123
Sep 2016	3,208

### Operating result (PKR m)

Sep 2015	(284)
Sep 2016	(80)

The outlook across the global economy remained fragile during the period under review with subdued demand from major economies, news of division in the Euro Zone post Brexit, and the continuing oil glut. During the quarter, OPEC members held several unofficial meetings to agree on oil production cutbacks. Despite no concrete outcome, the meetings did however help contain a further slide in crude oil prices. Consequently, prices across the petrochemical chain remained range-bound, as traders indulged in narrow buying in anticipation of further price corrections.

The regional bearish trend thus also impacted domestic PSF prices, which slid by 6% during the current period compared with the SPLY. Domestic margins, however, improved by 10% following the imposition of final anti-dumping duties on Chinese PSF exports to Pakistan in March 2016, as well as due to a 1% increase in PSF import duty in the Federal Budget 2016-17 following the 1% upward adjustment in the duty on PTA. The Polyester Business continued to maintain its customer focus, which led to an 8% growth in sales volume over the SPLY. Overall, despite the drop in prices, net turnover for the period under review increased by 3% compared to the SPLY.

Following the reduction in global oil prices, rising coal prices, and improvement in the supply of gas to the industrial sector, the Polyester plant's energy requirements were primarily met by an energy mix of gas and furnace oil. Despite higher production, this helped achieve an 11% saving in unit energy costs as compared to the SPLY. Furthermore, operating spend was carefully managed along with other strategic initiatives to reduce the operating loss by 72% as compared to the SPLY.

The Business attended a seminar organised by the Ministry of Commerce on the second phase of the China Pakistan Free Trade Agreement, and advocated the importance of maintaining PSF in Category V (the no-concessions list) during the second phase of negotiations. Additionally, the Business made representations at several hearings against petitions filed by APTMA and Chinese PSF exporters to protect the final imposition of anti-dumping duties on Chinese PSF exports.

Looking ahead, the pricing direction of the petrochemical chain depends heavily on the movement of oil prices. Market dynamics in the domestic PSF industry will be largely driven by pricing stimulus from regional markets. Additionally, with the winter season approaching, availability of gas to the domestic industry will be the key factor in shaping downstream PSF demand.

# Review of the Directors

For the Quarter Ended September 30, 2016

## Soda Ash Business

### Net turnover (PKR m)

Sep 2015  2,675

Sep 2016  2,651

### Operating result (PKR m)

Sep 2015  725

Sep 2016  626

Net turnover during the quarter remained lower by 1% due to higher discounts offered to customers in spite of higher sales volumes by 5%. The soda ash market grew by a modest 2% over the SPLY on the back of steady growth in the branded detergent segment.

The first quarter of the fiscal year (historically a slow period) witnessed a heavy monsoon season which negatively impacted generic detergent production. Branded detergents gained a greater share in the overall detergent market. Performance of the silicate segment has improved over last year due to small manufacturers in the northern region resuming production with better gas availability. Demand from the paper segment improved over last year, as producers returned to using soda ash in light of firmer caustic soda prices.

The sodium bicarbonate market continues to grow as per expectations due to increased demand in the bakery and poultry segments.

A decrease in net turnover coupled with a higher depreciation charge led to an operating result of PKR 626 million which is 14% lower than the SPLY.

The Business continues to maintain a strong focus on improving plant reliability and enhancing the production capability of the Soda Ash plant. As a result of these efforts, production volumes at 84,600 tons remained 2% higher than the SPLY.

The new power generation plant operated successfully during the quarter. However, teething issues in the commissioning of the steam turbine are being addressed in order to ensure its smooth operation.

Work is also underway for the commissioning of the mechanical mining project involving the road header. This will further secure the business's growing demand for salt.

The DGAD (Director General Anti-Dumping) India released its report revealing that all anti-dumping duties on imports of soda ash into India have been revoked. This will lead to a reduction in prices in India.

The soda ash market is expected to pick up steam in the second quarter with the monsoon season and Eid holidays having passed. However, competition from imports is also expected to rise as global soda ash prices face a downward trajectory.

# Review of the Directors

For the Quarter Ended September 30, 2016

## Life Sciences Business

### Net turnover (PKR m)

Sep 2015  1,804  
Sep 2016  2,463

### Operating result (PKR m)

Sep 2015  175  
Sep 2016  245

The Life Sciences Business delivered significant growth of 37% in net turnover and 40% in operating result during the quarter as compared to the SPLY. The increase in sales was primarily driven by strong performance in the Animal Health and Agri Divisions (with each Division posting double digit sales growth) whilst growth in Pharmaceuticals Division sales remained in the single digit.

The Pharmaceuticals Division has finalised an agreement with Smith & Nephew (“S&N”) to market a range of S&N’s advanced wound management products in Pakistan. S&N is a global player in advanced wound management products, arthroscopy products, trauma and clinical therapy products, and orthopaedic reconstruction products.

The Animal Health Division managed to double its sales as compared to the SPLY, crossing the PKR 1 billion mark in the first quarter for the very first time. Animal Health product Vanda delivered sales in excess of PKR 100 million for the first time in a single month (August 2016).

In the Agri Division, the Agrochemicals segment showed robust performance despite a challenging period for the agriculture sector. Through the introduction of new products and demand generation-focussed activities, the Division has established itself as a serious player in the market.

The future outlook of the Business remains encouraging, with the launch of new product lines across all Divisions as the Business continues to strengthen its existing portfolio.

## Chemicals Business

### Net turnover (PKR m)

Sep 2015  901  
Sep 2016  935

### Operating result (PKR m)

Sep 2015  88  
Sep 2016  80

Net turnover of PKR 935 million for the quarter is 4% higher than the SPLY due to improved performance in the Polyurethanes and Specialty Chemicals Divisions. However, the quarter’s operating result does not reflect the growth in net turnover as the Business incurred higher operating expenses during this period to further improve its future performance.

Going forward, the Business is geared to deliver strong results by exploring new segments, creating value for existing and new customers through innovation, and continued focus on cost efficiencies.

# Review of the Directors

For the Quarter Ended September 30, 2016

## Future Outlook

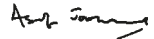
Looking ahead, crude oil markets are expected to continue to search for a new equilibrium due to which prices will likely remain unpredictable. PSF margins are expected to improve post levy of the anti-dumping duty, as well as the 1% increase in PSF import duty. The new power and steam generation project at Soda Ash, coupled with the expanded Dense Ash (DA) and Refined Sodium Bicarbonate (RSB) plants commissioned during last year, are expected to offset the impact of lower selling prices due to a fall in import offers in the Soda Ash Business. The outlook for the Life Sciences and Chemicals Businesses remains positive.

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 25, 2016**  
**Karachi**



**Asif Jooma**  
Chief Executive



## ڈائریکٹرز کا جائزہ

برائے سہ ماہی ختم شدہ 30 ستمبر 2016

اینٹیل ہیلتھ ڈویژن نے گزشتہ سال کے مقابلے میں اپنی سیز کو ڈبل کرتے ہوئے، اپنی تاریخ میں پہلی مرتبہ اس سہ ماہی میں 1 بلین روپے کا حجم پار کیا ہے۔ اینٹیل ہیلتھ کی پروڈکٹ Vanda نے پہلی مرتبہ صرف ایک مہینے (اگست 2016) میں 100 ملین روپے سے زائد کی بیلز فراہم کی۔

زرعی شعبے میں مشکل حالات کے باوجود ہماری ایگری ڈویژن کے ایگریو کیمیکل شعبے نے نمایاں کارکردگی دکھائی ہے۔ نئی پروڈکٹس کے اجراء سے اور طلب پیدا کرنے کی سرگرمیوں سے اس ڈویژن نے اپنے آپ کو مارکیٹ کا سنجیدہ رکن بنا دیا ہے۔

کاروبار کا مستقبل بہت اہم ہے اور تمام ڈویژنوں میں نئی پروڈکٹس کے آغاز سے برنس اپنی موجودہ صلاحیت میں مزید ترقی کا تسلسل جاری رکھے گا۔

## کیمیکلز برنس

Net turnover (ملین روپے)	آپریٹنگ رزلٹ (ملین روپے)
901	88
935	80
ستمبر 2015	ستمبر 2015
ستمبر 2016	ستمبر 2016

سہ ماہی کا نیٹ کاروبار گزشتہ سال کے اسی عرصہ کے مقابلے میں 4 فیصد اضافے سے 935 ملین روپے ہے جس کی اہم وجہ پوری پور تھسن اور اسپیشلی کیمیکلز کے شعبوں کی بہتر کارکردگی ہے جبکہ سہ ماہی کا آپریٹنگ رزلٹ نیٹ کاروبار میں ترقی کی عکاسی نہیں کرتا کیونکہ کاروبار کو مستقبل کی کارکردگی میں بہتری کے لئے اس عرصہ کے دوران زائد اخراجات برداشت کرنے پڑے۔

آگے کے لئے کاروبار اس قابل ہے کہ جدت اور قیمتوں پر ضابطے سے موجودہ اور نئے صارفین کے لئے فائدہ مند پروڈکٹس کی فراہمی اور نئے سیکٹرز کی تلاش سے بہترین نتائج فراہم کر سکے۔

## مستقبل پر نظر

کرود ائل کی مارکیٹیں قیمتوں کے توازن کو برقرار رکھنے میں سرگرداں ہیں جس کی بدولت قیمتوں کی صورتحال میں غیر یقینی پائی جاتی ہے۔ اینٹی ڈیمنگ ڈیپوٹی کے لاگو ہونے اور PSF کی امپورٹ ڈیپوٹی میں 1 فیصد اضافے سے PSF کے منافع میں بہتری کی امید ہے۔ گزشتہ سال کے دوران سوڈا الٹش پلانٹ پر پاور اور اسٹیم جنریشن پروجیکٹ، ڈینس ایش کے توسیعی منصوبے اور ریٹائنڈ سوڈیم ہائی کاربونیٹ (RSB) پلانٹس کی تنصیب سے سوڈا الٹش برنس میں امپورٹ آفرز کی کمی کے باعث قیمتوں کو کم کرنے کے اثرات پر قابو پانے کی توقع ہے۔ لائف سائنسز اور کیمیکلز برنس کا مستقبل مثبت رہے گا۔

کمپنی توانائی کے متبادل ذرائع کے موثر استعمال، اخراجات میں کمی کے اقدامات، موجودہ کسٹمرز اور سپلائرز سے تعلقات میں استحکام کے لئے اور آرگینک اور ان آرگینک ترقی کے لئے نئے مواقع تلاش کرنے کی منصوبہ بندی پر توجہ مرکوز کئے ہوئے ہے۔

محمد آصف جعفر  
چیف ایگزیکٹو

محمد سہیل شاہ  
چیئر مین ڈائریکٹرز

بتاریخ: 25 اکتوبر 2016

کراچی۔

## ڈائریکٹرز کا جائزہ

برائے سہ ماہی ختم شدہ 30 ستمبر 2016

مالی سال کی پہلی سہ ماہی (تاریخی طور پر سست عرصہ) میں بارشوں کے موسم کے باعث بنیادی ڈھانچہ کی پیداوار پر منفی اثرات مرتب ہوئے۔ اس شعبے میں برائڈ ڈھانچہ نے مارکیٹ کا زیادہ تر حصہ لینے میں کامیابی حاصل کی۔ سلیکیٹ شعبے کی کارکردگی شمالی علاقہ جات کوگیس کی فراہمی میں بہتری کے سبب چھوٹے مینیوفیکچر کے کام شروع کرنے سے بہتر ہوئی۔ کانگڈ کے شعبے میں گزشتہ سال کے مقابلے میں طلب میں اضافہ ہوا کیونکہ کانگڈ سڈا کی مستحکم قیمتوں کے باعث پروڈیوسرز ایک بار پھر سوڈا ایش کے استعمال کی طرف لوٹ آئے۔

سوڈیم ہائیڈروکائیڈ کی مارکیٹ نے پلاسٹی اور بیکری کے شعبوں میں طلب بڑھنے کی بدولت توقعات کے عین مطابق ترقی جاری رکھی ہوئی ہے۔

نیٹ کاروبار میں کمی اور زائد فروڈگی چارج سے آپریٹنگ رزلٹ گزشتہ سال کے اسی عرصہ کے مقابلے میں 14 فیصد کمی سے 626 ملین روپے رہا۔

بزنس نے پلانٹ کی پائیداری بڑھانے اور سوڈا ایش پلانٹ کی پیداواری صلاحیت کو مزید بڑھانے پر اپنی توجہ مرکوز کر رکھی ہے۔ ان اقدامات کی بدولت پیداواری مقدار 84,600 ٹن رہی جو گزشتہ سال کے اسی عرصہ کے مقابلے میں 2 فیصد زائد ہے۔

سہ ماہی کے دوران نئے پاور جنریشن پلانٹ نے کامیابی کے ساتھ اپنا کام شروع کیا۔ تاہم آئٹیم ٹرانزیشن کی تعصیب کے ابتدائی مسائل حل کئے جا رہے ہیں تاکہ ایک ہموار آپریشن کو یقینی بنایا جاسکے۔

ملکیٹکل مینجنگ پروجیکٹ کی تعصیب کا کام بھی جاری ہے جس میں روڈ ہیڈ ریکی شامل ہوگا، اس سے بزنس کی نمک کی بڑھتی ہوئی طلب محفوظ ہوگی۔

بھارت کے ڈائریکٹر جنرل ایٹنی ڈیوٹنگ (DGAD) نے اپنی رپورٹ جاری کردی ہے جس میں سوڈا ایش کی انڈیا میں اسپورٹ پرائیٹی ڈیویژن کا کام کر دیا گیا ہے۔ اس کے بعد بھارت میں قیمتوں میں کمی واقع ہوگی۔

سوڈا ایش مارکیٹ میں دوسری سہ ماہی کے دوران بہتری کی امید ہے کیونکہ بارشوں کا موسم اور عید کی چھٹیاں گزر گئی ہیں تاہم درآمدات سے مقابلے میں اضافہ ممکن ہے کیونکہ عالمی طور پر سوڈا ایش کی قیمتوں کو کمی کا سامنا ہے۔

## لائف سائنسز بزنس

آپریٹنگ رزلٹ (ملین روپے)

نیٹ کاروبار (ملین روپے)

Operating result	2015 ستمبر	2016 ستمبر	Net turnover	2015 ستمبر	2016 ستمبر
	175	245		1,804	2,463

لائف سائنسز کے کاروبار نے سہ ماہی کے دوران گزشتہ سال کے اسی عرصہ کے مقابلے میں نیٹ کاروبار میں 37 فیصد کا قابل ذکر اضافہ اپنے نام کرنے کے ساتھ آپریٹنگ رزلٹ بھی گزشتہ سال کے اسی عرصہ کے مقابلے میں 40 فیصد بہتر کیا۔ کاروبار میں اضافہ کی بنیادی وجہ اینٹیل ہیلتھ اور ایگری ڈویژن کی مضبوط کارکردگی ہے (ہر ڈویژن نے دو عددی بیلز کا اضافہ کیا) جبکہ فارماسیوٹیکل ڈویژن کی سبزیوں میں اضافہ ایک عددی رہا۔

ہماری فارماسیوٹیکل ڈویژن نے Smith & Nephew (S&N) کے ساتھ پاکستان میں زخموں کو ٹھیک کرنے والی ان کی جدید پروڈکٹس کو متعارف کرانے کے معاہدے کو حتمی شکل دے دی ہے۔ S&N بین الاقوامی طور پر زخم کو ٹھیک کرنے کی جدید پروڈکٹس، آرتھرو اسکوپنی، ہڑا ما اور کلینیکل تھراپی کی مصنوعات اور آرتھرو پیڈری کنسٹرکشن پروڈکٹس کے حوالے سے ایک عالمی نام ہے۔

## پولیسٹر اسٹیل فابریز (PSF)

آپریٹنگ رزلٹ (ملین روپے)		نیٹ کاروبار (ملین روپے)	
Operating result		Net turnover	
2015 ستمبر	284	2015 ستمبر	3,123
2016 ستمبر	(80)	2016 ستمبر	3,208

زیر جائزہ عرصہ میں بڑی معیشتوں کی جانب سے طلب میں کمی، برطانیہ کے پوروزون سے اخراج کی خبر اور تیل کی مسلسل بھرانے مجموعی عالمی اقتصادی صورتحال کو خراب رکھا۔ اس سرمایہ کے دوران اوپیک ممبران نے کئی غیر سرکاری ملاقاتیں کی اور تیل کی پیداوار میں کمی پر رضامندی کا اظہار کیا لیکن کوئی ٹھوس نتیجہ نہ ہونے کے باوجود ان ملاقاتوں سے خام تیل کی قیمتیں مزید گرنے سے بچی رہیں۔ نتیجتاً تیل کی مصنوعات کی قیمتیں ایک خاص رینج میں رہیں، کیونکہ ٹریڈرز نے تیل کی گرتی قیمتوں کی امید سے خریداری میں احتیاط سے کام لیا۔

علاقائی طور پر غیر مناسب کاروباری روایات کے باعث مقامی پولیسٹر اسٹیل فابری کے ریش زبرا اثر ہے جس سے قیمتیں گزشتہ سال کے اسی عرصہ کے مقابلے میں 6 فیصد کم رہیں۔ مارچ 2016 میں چائینز PSF ایکسپورٹس پرائیویٹ ڈیمپنگ ڈیویژن کے اجراء سے مقامی مارجنز میں 10 فیصد اضافہ ہوا اس کے ساتھ وفاقی بجٹ 17-2016 میں PSF کی ایکسپورٹ پر ڈیوٹی میں ایک فیصد اضافے اور PTA پر ڈیوٹی میں 1 فیصد اپورڈ ایلیمینٹیشن بھی ہوئی۔ پولیسٹر فابریز نے صارفین پر توجہ مرکوز رکھتے ہوئے اپنی سٹیل کے حجم میں گزشتہ سال کے اسی عرصہ کے مقابلے میں 8 فیصد اضافہ اپنے نام کیا۔ مجموعی طور پر، قیمتوں میں کمی کے باوجود زیر جائزہ عرصہ کا نیٹ کاروبار گزشتہ سال کے اسی عرصہ کے مقابلے میں 3 فیصد بڑھا۔

عالمی طور پر تیل کی قیمتوں میں کمی کو نکلنے کی قیمتوں میں اضافے اور صنعتی شعبے کو گیس کی فراہمی میں بہتری کے سبب پولیسٹر پلانٹ کی توانائی کی ضروریات بنیادی طور پر گیس اور فرنس آئل سے پوری کی گئیں۔ پیداواری حجم میں اضافے کے باوجود گزشتہ سال کے اسی عرصہ کے مقابلے میں ہونٹ کے توانائی کے اخراجات میں 11 فیصد بچت ہوئی۔ مزید برآں انتظامی خرچے بھی احتیاط سے کرنے کے ساتھ دیگر ضروری اقدامات سے گزشتہ سال کے اسی عرصہ کے مقابلے میں انتظامی خسارے کو 72 فیصد کم کیا گیا۔

کاروبار نے چین یا پاکستان فری تجارت کے معاہدے کے دوسرے فیڈر میں وزارت تجارت کے اہتمام کردہ سیمینار میں شرکت کی۔ ہماری ٹیم نے سیمینار کے دوران بات چیت کے دوسرے دور میں بلیکمری (کوئی رعایت نہیں کی فہرست) میں PSF کی بحالی کی اہمیت پر وکالت کی۔ اس کے ساتھ نئے APTMA اور چائینز PSF ایکسپورٹرز کی داخل کردہ پیشکش کے خلاف سماعت میں بھی نمائندگی کی تھی تاکہ چائینز PSF ایکسپورٹرز پرائیویٹ ڈیمپنگ ڈیویژن کا نفاذ حتمی طور پر لاگو ہو۔

مستقبل کو پیش نظر رکھتے ہوئے، پیٹرولیم مصنوعات کی قیمتوں کا تعین زیادہ تر تیل کی قیمتوں سے منسلک ہے۔ مقامی PSF صنعت کی مارکیٹ کے اتار چڑھاؤ علاقائی مارکیٹوں کے قیمتوں سے ہی زیادہ تر متاثر ہو کر سامنے آئیں گے۔ مزید برآں، موسم سرما کی آمد سے مقامی صنعت کو گیس کی فراہمی کی صورتحال پر ہی PSF کی طلب کا انحصار ہوگا۔

## سوڈ الیش برنس

آپریٹنگ رزلٹ (ملین روپے)		نیٹ کاروبار (ملین روپے)	
Operating result		Net turnover	
2015 ستمبر	725	2015 ستمبر	2,675
2016 ستمبر	626	2016 ستمبر	2,651

سرمایہ کے دوران سٹیل کے حجم میں 5 فیصد اضافے کے باوجود صارفین کو آمد ڈسکاؤنٹس کی پیش کش کے سبب نیٹ کاروبار میں 1 فیصد کمی واقع ہوئی۔ سوڈ الیش کی مارکیٹ نے براؤن ڈیڈ وٹس کے شعبے میں بتدریج ترقی کی بدولت گزشتہ سال کے اسی عرصہ کے مقابلے میں 2 فیصد اضافہ اپنے نام کیا۔

## ڈائریکٹرز کا جائزہ

برائے سہ ماہی ختم شدہ 30 ستمبر 2016

ڈائریکٹرز کمیٹی کے غیر آڈٹ شدہ مالیاتی گوشوارے اور اپنا جائزہ برائے سہ ماہی ختم شدہ 30 ستمبر 2016 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

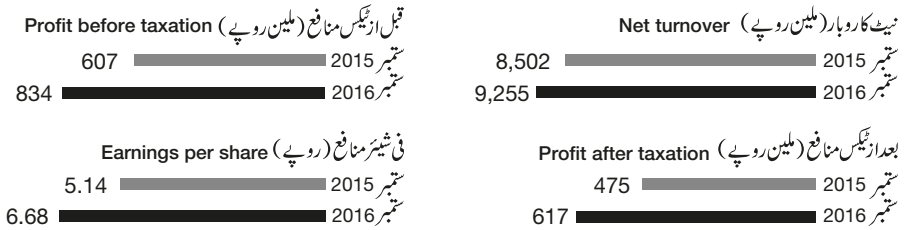
متذکرہ سہ ماہی کا مجموعی کاروبار گزشتہ سال کی بن نسبت 9 فیصد اضافے کے ساتھ 9,255 ملین روپے رہا، جس کی اہم وجہ پالیسٹراور لائف سائنسز برنس کے کاروبار میں 37 فیصد اضافہ ہے جس میں اینٹیل ہیلتھ اور ایگری ڈویژن کی دوسری ترقی شامل ہے۔

سہ ماہی کا آپریٹنگ رزلٹ 871 ملین روپے گزشتہ سال کے اسی عرصہ کے مقابلے میں 24 فیصد زائد ہے جس کی اہم وجہ پالیسٹراور لائف سائنسز برنس میں بہتر کارکردگی ہے۔ اخراجات پر بہترین ضابطے اور توانائی کے کم ہوتے اخراجات پالیسٹراور لائف کے انتظامی خسارے میں 72 فیصد کمی میں اہم شراکت دار ثابت ہوئے۔ لائف سائنسز کے کاروبار کی شاندار کارکردگی، خاص کر اینٹیل ہیلتھ اور ایگری ڈویژن میں بہترین کارکردگی سے گزشتہ سال کے اسی عرصہ کے مقابلے میں آپریٹنگ منافع میں 40 فیصد اضافہ سامنے آیا۔

زیر جائزہ سہ ماہی کا بعد از ٹیکس منافع گزشتہ سال کے اسی عرصہ کے مقابلے میں 30 فیصد اضافہ کے ساتھ 617 ملین روپے رہا جس میں گزشتہ سال کے مقابلے میں بہتر انتظامی نتائج، ایسوسی ایٹ سے زائد ڈیولپمنٹ آمدنی اور زر مبادلہ کے خسارے میں کمی نے اہم کردار ادا کیا۔

فی شیئر منافع 6.68 روپے رہا جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 30 فیصد زائد ہے۔

ستمبر 2015 کو ختم شدہ سہ ماہی	ستمبر 2016 کو ختم شدہ سہ ماہی	
8,502	9,255	Net turnover (PKR million) (ملین روپے)
607	834	Profit before taxation (PKR million) (ملین روپے)
475	617	Profit after taxation (PKR million) (ملین روپے)
5.14	6.68	Earnings per share (PKR) (روپے)



# Condensed Interim Unconsolidated Balance Sheet

As at September 30, 2016

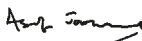
Amounts in PKR '000

	Note	September 30, 2016 (Unaudited)	June 30, 2016 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	16,930,546	17,040,334
Intangible assets	5	15,537	16,460
		<b>16,946,083</b>	17,056,794
Long-term investments	6	1,462,976	1,462,976
Long-term loans	7	365,934	356,330
Long-term deposits and prepayments		36,660	33,594
		<b>1,865,570</b>	1,852,900
		<b>18,811,653</b>	18,909,694
<b>Current assets</b>			
Stores, spares and consumables		835,710	811,963
Stock-in-trade	8	5,455,823	5,296,746
Trade debts		1,932,411	1,640,447
Loans and advances		418,593	391,342
Trade deposits and short-term prepayments		487,376	428,713
Other receivables		761,195	726,683
Taxation - net		1,375,224	2,236,155
Cash and bank balances		250,471	146,287
		<b>11,516,803</b>	11,678,336
<b>Total assets</b>		<b>30,328,456</b>	30,588,030
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
1,500,000,000 (June 30, 2016: 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, 2016: 92,359,050) ordinary shares of PKR 10 each		923,591	923,591
Capital reserves		309,643	309,643
Unappropriated profit		13,823,913	13,183,294
<b>Total equity</b>		<b>15,057,147</b>	14,416,528
<b>Surplus on revaluation of property, plant and equipment</b>		<b>805,682</b>	829,645
<b>Non-current liabilities</b>			
Provisions for non-management staff gratuity		93,381	90,867
Long-term loans	9	3,495,656	3,652,586
Deferred tax liability - net	10	1,362,161	1,430,789
		<b>4,951,198</b>	5,174,242
<b>Current liabilities</b>			
Trade and other payables		7,302,310	7,731,736
Accrued mark-up		69,815	77,663
Short-term borrowings and running finance	11	1,730,480	1,964,433
Current portion of long-term loans		411,824	393,783
		<b>9,514,429</b>	10,167,615
<b>Total equity and liabilities</b>		<b>30,328,456</b>	30,588,030
<b>Contingencies and commitments</b>	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 Quarter Ended September 30, 2016

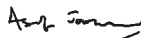
Amounts in PKR '000

	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015
<b>Turnover - note 13</b>	<b>10,572,034</b>	9,826,783
Sales tax	(579,968)	(697,363)
Commission and discounts	(737,291)	(627,528)
	<b>(1,317,259)</b>	(1,324,891)
Net turnover	<b>9,254,775</b>	8,501,892
Cost of sales - note 13 and 14	<b>(7,561,180)</b>	(7,078,731)
<b>Gross profit</b>	<b>1,693,595</b>	1,423,161
Selling and distribution expenses	(580,501)	(499,148)
Administration and general expenses	(242,389)	(220,067)
<b>Operating result - note 13</b>	<b>870,705</b>	703,946
Finance costs	(101,481)	(82,310)
Exchange losses	(1,684)	(48,028)
Workers' profit participation fund	(43,968)	(32,156)
Workers' welfare fund	(17,021)	(12,393)
Other charges	(10,118)	(11,800)
	<b>(174,272)</b>	(186,687)
Dividend from associate	120,000	75,000
Other income	17,609	15,006
<b>Profit before taxation</b>	<b>834,042</b>	607,265
Taxation - note 15	(217,385)	(132,375)
<b>Profit after taxation</b>	<b>616,657</b>	474,890
	<b>(PKR)</b>	
<b>Basic and diluted earnings per share</b>	<b>6.68</b>	5.14

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 Quarter Ended September 30, 2016

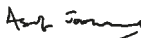
Amounts in PKR '000

	<b>For the 3 months ended September 30, 2016</b>	For the 3 months ended September 30, 2015
<b>Profit after taxation</b>	<b>616,657</b>	474,890
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)
<b>Total comprehensive income for the period</b>	<b>616,657</b>	473,003

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 Quarter Ended September 30, 2016

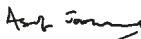
Amounts in PKR '000

	September 30, 2016	September 30, 2015
<b>Cash flows from operating activities</b>		
Cash generated from / (used in) operations - note 16	473,157	(284,312)
Receipts / (payments) for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(4,490)	(5,294)
Staff retirement benefit plan	(16,180)	(10,204)
Taxation	574,918	215,647
Interest	(109,330)	(68,492)
<b>Net cash generated from / (used in) operating activities</b>	<b>918,075</b>	<b>(152,655)</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	(562,138)	(1,386,382)
Proceeds from disposal of operating fixed assets	60	73
Interest received on bank deposits	1,272	-
Dividend from associate	120,000	75,000
<b>Net cash used in investing activities</b>	<b>(440,806)</b>	<b>(1,311,309)</b>
<b>Cash flows from financing activities</b>		
Long-term loans obtained	-	451,014
Long-term loans repaid	(138,889)	(238,890)
Dividends paid	(243)	(425)
<b>Net cash (used in) / generated from financing activities</b>	<b>(139,132)</b>	<b>211,699</b>
Net increase / (decrease) in cash and cash equivalents	338,137	(1,252,265)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(1,818,146)</b>	<b>(1,763,980)</b>
<b>Cash and cash equivalents at the end of period (Ref. 1)</b>	<b>(1,480,009)</b>	<b>(3,016,245)</b>
<b>Ref. 1: Cash and cash equivalents at the end of period comprise of:</b>		
Cash and bank balances	250,471	121,888
Short-term borrowings and running finance	(1,730,480)	(3,138,133)
	<b>(1,480,009)</b>	<b>(3,016,245)</b>

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 Quarter Ended September 30, 2016

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Hedging reserve	Total
<b>As at July 1, 2015</b>	<b>923,591</b>	<b>309,643</b>	<b>11,483,846</b>	-	<b>12,717,080</b>
Profit for the period	-	-	474,890	-	474,890
Loss on hedge	-	-	-	(2,273)	(2,273)
Transferred to capital work -in-progress	-	-	-	386	386
<b>Total comprehensive income</b>	-	-	<b>474,890</b>	<b>(1,887)</b>	<b>473,003</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	18,264	-	18,264
<b>As at September 30, 2015</b>	<b>923,591</b>	<b>309,643</b>	<b>11,977,000</b>	<b>(1,887)</b>	<b>13,208,347</b>
Final dividend of PKR 6.50 per share for the year ended June 30, 2015	-	-	(600,337)	-	(600,337)
Interim dividend of PKR 6.50 per share for the year ended June 30, 2016	-	-	(600,337)	-	(600,337)
<b>Total dividends</b>	-	-	<b>(1,200,674)</b>	-	<b>(1,200,674)</b>
Profit for the period	-	-	2,368,296	-	2,368,296
Other comprehensive income for the period - net of tax	-	-	(13,960)	-	(13,960)
Gain on hedge	-	-	-	719	719
Transferred to capital work -in-progress	-	-	-	1,168	1,168
<b>Total comprehensive income</b>	-	-	<b>2,354,336</b>	<b>1,887</b>	<b>2,356,223</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	52,632	-	52,632
<b>As at June 30, 2016</b>	<b>923,591</b>	<b>309,643</b>	<b>13,183,294</b>	-	<b>14,416,528</b>
Profit for the period	-	-	616,657	-	616,657
<b>Total comprehensive income</b>	-	-	<b>616,657</b>	-	<b>616,657</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	23,962	-	23,962
<b>As at September 30, 2016</b>	<b>923,591</b>	<b>309,643</b>	<b>13,823,913</b>	-	<b>15,057,147</b>

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 Quarter Ended September 30, 2016

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. 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, 2016.

## 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, 2016.

## 4. Property, plant and equipment

	<b>September 30, 2016 (Unaudited)</b>	June 30, 2016 (Audited)
Operating fixed assets - at net book value	<b>15,411,747</b>	15,878,014
Capital work-in-progress - at cost		
Civil works and buildings	<b>524,969</b>	443,249
Plant and machinery	<b>706,775</b>	648,500
Advances to suppliers / contractors	<b>287,055</b>	70,571
	Note 4.2	
	<b>1,518,799</b>	1,162,320
<b>Total property, plant and equipment</b>	<b>16,930,546</b>	17,040,334

4.1 Following is the cost of operating fixed assets that have been added / disposed off during the quarter ended September 30, 2016:

	<b>Additions / Transfers</b>		<b>Disposals - NBV</b>	
	<b>September 30, 2016 (Unaudited)</b>	June 30, 2016 (Audited)	<b>September 30, 2016 (Unaudited)</b>	June 30, 2016 (Audited)
Freehold land	-	22,713	-	-
Lime beds on freehold land	-	92,052	-	39
Buildings on freehold land	-	42,856	-	-
Buildings on leasehold land	<b>1,817</b>	832,025	-	6,966
Plant and machinery	<b>50,099</b>	3,685,378	-	5,665
Rolling stock and vehicles	-	4,347	-	622
Furniture and equipment	<b>12,586</b>	65,516	-	420
	<b>64,502</b>	4,744,887	-	13,712

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended September 30, 2016

Amounts in PKR '000

September 30, 2016 (Unaudited)	June 30, 2016 (Audited)
--------------------------------------	-------------------------------

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

Opening balance	1,162,320	1,662,776
Addition during the period / year	424,146	4,183,925
	<b>1,586,466</b>	5,846,701
Transferred to operating fixed assets	(67,667)	(4,684,381)
<b>Closing balance</b>	<b>1,518,799</b>	1,162,320

## 5 Intangible assets

Intangible assets - at net book value - note 5.1	15,537	16,460
5.1 This includes additions of intangible assets of:	1,068	9,724

## 6 Long-term investments

### Unquoted

#### Subsidiary

- ICI Pakistan PowerGen Limited (wholly owned) - note 6.1  
7,100,000 ordinary shares (June 30, 2016: 7,100,000)  
of PKR 100 each

Provision of impairment loss

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

#### Associate

- NutriCo Pakistan (Private) Limited (40% ownership)  
200,000 ordinary shares (June 30, 2016: 200,000 shares)  
of PKR 1,000 each and premium of PKR 3,800 per share

960,000      960,000

### Others

Equity security available for sale  
- Arabian Sea Country Club Limited

2,500      2,500

**1,462,976**      1,462,976

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:

846,225      831,156

## 7 Long-term loans

### Considered Good

Due from executives and employees  
Current portion shown under loans and advances

471,328      459,221

(105,394)      (102,891)

**365,934**      356,330

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended September 30, 2016

Amounts in PKR '000

September 30, 2016 (Unaudited)	June 30, 2016 (Audited)
--------------------------------------	-------------------------------

## 8 Stock-in-trade

It includes items carried at net realisable value of PKR 638.600 million (June 30, 2016: PKR 338.822 million) on which reversal of PKR 6.160 million (June 30, 2016: PKR 10.999 million expense) was recognized during the period.

## 9 Long-term loans

Long-term loans - note 9.1	3,907,480	4,046,369
Current portion shown under current liabilities	(411,824)	(393,783)
	<b>3,495,656</b>	<b>3,652,586</b>
<b>9.1 Opening balance</b>	<b>4,046,369</b>	<b>2,449,498</b>
Obtained during the period / year	-	2,552,427
Repaid during the period / year	(138,889)	(955,556)
<b>Closing balance</b>	<b>3,907,480</b>	<b>4,046,369</b>

There is no material change in the amounts and disclosure made in the annual financial statements with regard to long-term loans.

## 10 Deferred tax liability - net

<b>Deductible temporary differences</b>		
Provisions for retirement benefits, doubtful debts and others	(268,602)	(239,276)
Retirement funds provision	(19,491)	(19,491)
<b>Taxable temporary differences</b>		
Property, plant and equipment	1,650,254	1,689,556
	<b>1,362,161</b>	<b>1,430,789</b>

## 11 Short-term borrowings and running finance

Export refinance - (mark-up: SBP rate + 0.25% per annum)	332,943	388,741
Money market	-	300,000
Short-term running finance - secured	1,397,537	1,275,692
	<b>1,730,480</b>	<b>1,964,433</b>

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended September 30, 2016

Amounts in PKR '000

<b>September 30, 2016 (Unaudited)</b>	<b>June 30, 2016 (Audited)</b>
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## 12 Contingencies and commitments

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

Local bodies	<b>1,100</b>	1,100
Others	<b>26,386</b>	28,529
	<b>27,486</b>	29,629

### 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 light ash and coal & steam generation project of Soda Ash business)	<b>2,636,356</b>	2,193,478
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### 12.4 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:

<b>Year</b>		
2016-17	<b>49,562</b>	64,050
2017-18	<b>47,763</b>	44,247
2018-19	<b>32,266</b>	28,227
2019-20	<b>10,912</b>	6,550
2020-21	<b>575</b>	-
	<b>141,078</b>	143,074
Payable not later than one year	<b>49,562</b>	64,050
Payable later than one year but not later than five years	<b>91,516</b>	79,024
	<b>141,078</b>	143,074

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2016

## 13 Operating Segment results

Amounts in PKR '000

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	
	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015
<b>Turnover - note 13.1, 13.2 &amp; 13.3</b>	<b>3,286,104</b>	3,334,401	<b>3,298,102</b>	3,257,586	<b>2,909,465</b>	2,137,160	<b>1,080,961</b>	1,099,129	<b>10,572,034</b>	9,826,783
Sales tax	-	(97,133)	(450,565)	(455,139)	(17,307)	(27,519)	(112,096)	(117,572)	(579,968)	(697,363)
Commission and discounts	(78,173)	(113,815)	(196,126)	(127,655)	(428,957)	(305,372)	(34,035)	(60,686)	(737,291)	(627,528)
	(78,173)	(210,948)	(646,691)	(582,794)	(446,264)	(332,891)	(146,131)	(198,258)	(1,317,259)	(1,324,891)
Net turnover	<b>3,207,931</b>	3,123,453	<b>2,651,411</b>	2,674,792	<b>2,463,201</b>	1,804,269	<b>934,830</b>	900,871	<b>9,254,775</b>	8,501,892
Cost of sales	(3,173,169)	(3,263,547)	(1,902,293)	(1,819,723)	(1,754,028)	(1,288,178)	(734,268)	(708,776)	(7,561,180)	(7,078,731)
<b>Gross profit</b>	<b>34,742</b>	(140,094)	<b>749,118</b>	855,069	<b>709,173</b>	516,091	<b>200,562</b>	192,095	<b>1,693,595</b>	1,423,161
Selling and distribution expenses	(47,657)	(73,822)	(64,549)	(72,543)	(384,543)	(281,943)	(63,752)	(70,840)	(680,501)	(499,148)
Administration and general expenses	(66,957)	(69,614)	(58,414)	(57,908)	(80,053)	(58,840)	(36,965)	(33,705)	(242,389)	(220,067)
<b>Operating result</b>	<b>(79,872)</b>	(283,530)	<b>626,155</b>	724,618	<b>244,577</b>	175,308	<b>79,845</b>	87,550	<b>870,705</b>	703,946

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2016

Amounts in PKR '000

For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015
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## 13.1 Turnover

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

**2,598**

1,493

**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:

**214,603**

147,237

## 14 Cost of sales

Opening stock of raw and packing materials  
Purchases

**2,258,116**  
**3,959,134**

2,056,724  
4,062,921

Closing stock of raw and packing materials

**6,217,250**  
**(2,189,951)**

6,119,645  
(2,089,132)

Raw and packing materials consumption  
Manufacturing costs

**4,027,299**  
**2,133,770**

4,030,513  
1,995,395

Opening stock of work-in-process

**6,161,069**  
**140,179**

6,025,908  
96,034

Closing stock of work-in-process

**6,301,248**  
**(121,656)**

6,121,942  
(103,250)

Cost of goods manufactured  
Opening stock of finished goods  
Finished goods purchased

**6,179,592**  
**2,898,451**  
**1,627,353**

6,018,692  
2,769,008  
1,110,993

Closing stock of finished goods

**10,705,396**  
**(3,144,216)**

9,898,693  
(2,819,962)

**7,561,180**

7,078,731

## 15 Taxation

Current  
Deferred

**286,013**  
**(68,628)**

158,901  
(26,526)

**217,385**

132,375

# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2016

Amounts in PKR '000

For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015
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## 16 Cash flows from operations

Profit before taxation	834,042	607,265
Adjustments for:		
Depreciation and amortisation	532,758	463,473
(Gain) / loss on disposal of operating fixed assets	(60)	5,230
Provision for non-management staff gratuity and eligible retired employees' medical scheme	7,965	3,590
Provision for staff retirement benefit plan	7,227	11,721
Dividend from associate	(120,000)	(75,000)
Interest expense	101,481	82,310
Provision for doubtful debts	20,367	10,198
Provision for slow moving and obsolete stock-in-trade	13,939	1,367
Provision for slow moving and obsolete stores and spares	-	2,278
	<b>1,397,719</b>	<b>1,112,432</b>
Movement in:		
Working capital - note 16.1	(911,892)	(1,376,800)
Long-term loans	(9,604)	(20,190)
Long-term deposits and prepayments	(3,066)	246
Cash generated from / (used in) operations	<b>473,157</b>	<b>(284,312)</b>

### 16.1 Movement in working capital

#### *Increase in current assets*

Stores, spares and consumables	(23,747)	(38,564)
Stock-in-trade	(173,016)	(91,945)
Trade debts	(312,331)	(366,438)
Loans and advances	(27,251)	(16,471)
Trade deposits and short-term prepayments	(49,710)	(53,812)
Other receivables	(35,784)	(197,462)
	<b>(621,839)</b>	<b>(764,692)</b>

#### *Decrease in current liability*

Trade and other payables	(290,053)	(612,108)
	<b>(911,892)</b>	<b>(1,376,800)</b>



# Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2016

Amounts in PKR '000

<b>For the 3 months ended September 30, 2016</b>	<b>For the 3 months ended September 30, 2015</b>
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## 17 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	<b>58,593</b>	57,982
Subsidiary Company	Purchase of electricity	<b>118,253</b>	81,559
	Provision of services and other receipts	<b>495</b>	495
	Sale of goods and material	<b>221</b>	896
Associated Companies	Purchase of goods, materials and services	<b>11,162</b>	11,817
	Sale of goods and materials	<b>365,108</b>	381,959
	Reimbursement of expenses	<b>16,976</b>	14,377
	Dividend income from associate	<b>120,000</b>	75,000
Others	Staff retirement benefits	<b>46,458</b>	34,301
Key management personnel	Remuneration paid	<b>103,031</b>	80,482
	Post employment benefits	<b>7,205</b>	7,337

## 18 Estimates

Judgments and estimates made by the management in the preparation of the condensed interim unconsolidated financial statements were the same as those that were applied to the represented financial statements as at and for the year ended June 30, 2016.

## 19 Standards, amendments and interpretations adopted during the period

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

## 20 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, 2016.

## 21 Date of authorisation

The condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on October 25, 2016.

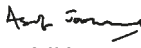
## 22 General

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.**

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# **ICI Pakistan Limited and its Subsidiary Company Consolidated Financial Statements**



# Review of the Directors

For the Quarter Ended September 30, 2016

The Directors are pleased to present their report together with the un-audited Group results of ICI Pakistan Limited for the quarter ended September 30, 2016. The ICI Pakistan Group comprises of ICI Pakistan Limited and ICI Pakistan PowerGen Limited (PowerGen), a wholly owned subsidiary.

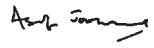
The Directors' report, providing a commentary on the performance of ICI Pakistan Limited for the quarter ended September 30, 2016 has been presented separately.

Net turnover of PowerGen for the quarter stands at PKR 101 million which is 45% higher than the same period last year (SPLY). This turnaround was driven by 120% higher electricity sales on the back of increased demand from the Polyester plant of ICI Pakistan Limited, as it met its electricity requirements through the utilisation of furnace oil instead of coal, due to cost economics. As a result, operating profit was enhanced by 111% compared to the corresponding period last year (PKR 17 million versus PKR 8 million in the SPLY).



**Muhammad Sohail Tabba**  
Chairman / Director

**October 25, 2016**  
**Karachi**



**Asif Jooma**  
Chief Executive

ڈائریکٹرز آئی سی آئی پاکستان لمیٹڈ کے غیر آڈٹ شدہ گروپ نتائج اور اپنا جائزہ برائے سہ ماہی ختم شدہ 30 ستمبر 2016 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔ آئی سی آئی پاکستان گروپ، آئی سی آئی پاکستان لمیٹڈ اور آئی سی آئی پاکستان PowerGen لمیٹڈ (PowerGen) ایک مکمل زیر ملکیت ادارہ پر مشتمل ہے۔

سہ ماہی ختم شدہ 30 ستمبر 2016 کے عرصہ کے دوران آئی سی آئی پاکستان لمیٹڈ کی کارکردگی کی وضاحت پر مشتمل ڈائریکٹرز رپورٹ علیحدہ سے پیش کی جا چکی ہے۔

PowerGen کا نیٹ کاروبار برائے سہ ماہی ختم شدہ 30 ستمبر 2016، 101 ملین روپے رہا جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 45 فیصد زائد ہے۔ اضافے کی وجہ بجلی کی فروخت میں 120 فیصد اضافہ ہے کیونکہ آئی سی آئی پاکستان لمیٹڈ کے پولیٹیسٹر پلانٹ پر بجلی کی طلب میں اضافہ واقع ہوا اور اس طلب کو پورا کرنے کے لئے کولے کی جگہ فرنس آئل کے استعمال سے اخراجات بھی کم آئے۔ نتیجتاً گزشتہ سال کے اسی عرصہ کے مقابلے میں آپریٹنگ منافع میں 111 فیصد اضافہ ہوا (17 ملین روپے بمقابلہ 8 ملین روپے گزشتہ سال کے اسی عرصہ میں)۔

محمد آصف جمہ  
چیف ایگزیکٹو

محمد سہیل شاہ  
چیئر مین / ڈائریکٹر

بتاریخ: 25 اکتوبر 2016

کراچی۔

# Condensed Interim Consolidated Balance Sheet

As at September 30, 2016

Amounts in PKR '000

	Note	September 30, 2016 (Unaudited)	June 30, 2016 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	17,041,946	17,164,769
Intangible assets	5	15,537	16,460
		<b>17,057,483</b>	<b>17,181,229</b>
Long-term investment	6	972,681	963,667
Long-term loans	7	367,730	357,637
Long-term deposits and prepayments		36,660	33,594
		<b>1,377,071</b>	<b>1,354,898</b>
		<b>18,434,554</b>	<b>18,536,127</b>
<b>Current assets</b>			
Stores, spares and consumables		884,091	861,544
Stock-in-trade	8	5,474,906	5,317,357
Trade debts		1,932,086	1,640,067
Loans and advances		419,605	392,362
Trade deposits and short-term prepayments		489,893	430,649
Other receivables		840,964	804,400
Taxation - net		1,373,048	2,234,248
Cash and bank balances		358,900	258,962
		<b>11,773,493</b>	<b>11,939,589</b>
<b>Total assets</b>		<b>30,208,047</b>	<b>30,475,716</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
1,500,000,000 (June 30, 2016: 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, 2016: 92,359,050) ordinary shares of PKR 10 each		923,591	923,591
Capital reserves		309,643	309,643
Unappropriated profit		14,009,552	13,341,517
<b>Total equity</b>		<b>15,242,786</b>	<b>14,574,751</b>
<b>Surplus on revaluation of property, plant and equipment</b>		<b>969,944</b>	<b>995,330</b>
<b>Non-current liabilities</b>			
Provisions for non-management staff gratuity		93,381	90,867
Long-term loans	9	3,495,656	3,652,586
Deferred tax liability - net	10	1,362,161	1,430,789
		<b>4,951,198</b>	<b>5,174,242</b>
<b>Current liabilities</b>			
Trade and other payables		6,938,200	7,322,763
Accrued mark-up		69,814	77,663
Short-term borrowings and running finance	11	1,624,281	1,937,184
Current portion of long-term loans		411,824	393,783
		<b>9,044,119</b>	<b>9,731,393</b>
<b>Total equity and liabilities</b>		<b>30,208,047</b>	<b>30,475,716</b>

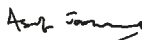
## Contingencies and commitments

12

The annexed notes 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 Quarter Ended September 30, 2016

Amounts in PKR '000

	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015
<b>Turnover - note 13</b>	<b>10,589,217</b>	9,838,634
Sales tax	(597,150)	(709,214)
Commission and discounts	(737,291)	(627,528)
	<b>(1,334,441)</b>	(1,336,742)
Net turnover	<b>9,254,776</b>	8,501,892
Cost of sales - note 13 and 14	<b>(7,543,692)</b>	(7,070,191)
<b>Gross profit</b>	<b>1,711,084</b>	1,431,701
Selling and distribution expenses	<b>(580,501)</b>	(499,148)
Administration and general expenses	<b>(242,418)</b>	(220,072)
<b>Operating result - note 13</b>	<b>888,165</b>	712,481
Finance costs	<b>(101,499)</b>	(82,321)
Exchange losses	<b>(1,686)</b>	(48,050)
Workers' profit participation fund	<b>(44,877)</b>	(32,579)
Workers' welfare fund	<b>(17,373)</b>	(12,557)
Other charges	<b>(10,118)</b>	(11,800)
	<b>(175,553)</b>	(187,307)
Other income	<b>18,674</b>	15,122
Share of profit from associate	<b>129,014</b>	76,039
<b>Profit before taxation</b>	<b>860,300</b>	616,335
Taxation - note 15	<b>(217,652)</b>	(132,375)
<b>Profit after taxation</b>	<b>642,648</b>	483,960
		<b>(PKR)</b>
<b>Basic and diluted earnings per share</b>	<b>6.96</b>	5.24

The annexed notes 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 Quarter Ended September 30, 2016

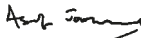
Amounts in PKR '000

	<b>For the 3 months ended September 30, 2016</b>	<b>For the 3 months ended September 30, 2015</b>
<b>Profit after taxation</b>	<b>642,648</b>	483,960
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)
<b>Total comprehensive income for the period</b>	<b>642,648</b>	482,073

The annexed notes 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 Quarter Ended September 30, 2016

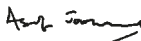
Amounts in PKR '000

	September 30, 2016	September 30, 2015
<b>Cash Flows from operating activities</b>		
Cash generated from / (used in) operations - note 16	545,801	(111,051)
Receipts / (payments) for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(4,490)	(5,294)
Staff retirement benefit plan	(16,217)	(10,204)
Taxation	574,918	215,647
Interest	(109,348)	(68,503)
<b>Net cash generated from operating activities</b>	<b>990,664</b>	<b>20,595</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	(561,442)	(1,386,260)
Proceeds from disposal of operating fixed assets	60	73
Dividend from associate	120,000	75,000
Interest received on bank deposits	2,692	370
<b>Net cash used in investing activities</b>	<b>(438,690)</b>	<b>(1,310,817)</b>
<b>Cash flows from financing activities</b>		
Long-term loans obtained	-	451,014
Long-term loans repaid	(138,889)	(238,890)
Dividends paid	(244)	(425)
<b>Net cash (used in) / generated from financing activities</b>	<b>(139,133)</b>	<b>211,699</b>
Net increase / (decrease) in cash and cash equivalents	412,841	(1,078,523)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(1,678,222)</b>	<b>(1,712,800)</b>
<b>Cash and cash equivalents at the end of the period (Ref. 1)</b>	<b>(1,265,381)</b>	<b>(2,791,323)</b>
<b>Ref 1: Cash and cash equivalents at the end of period comprise of:</b>		
Cash and bank balances	358,900	192,837
Short-term borrowings and running finance	(1,624,281)	(2,984,160)
	<b>(1,265,381)</b>	<b>(2,791,323)</b>

The annexed notes 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 Quarter Ended September 30, 2016

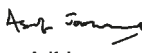
Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Hedging reserve	Total
<b>As at July 1, 2015</b>	<b>923,591</b>	<b>309,643</b>	<b>11,755,187</b>	<b>-</b>	<b>12,988,421</b>
Profit for the period	-	-	483,960	-	483,960
Loss on hedge	-	-	-	(2,273)	(2,273)
Transferred to capital work-in-progress	-	-	-	386	386
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>483,960</b>	<b>(1,887)</b>	<b>482,073</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	18,098	-	18,098
<b>As at September 30, 2015</b>	<b>923,591</b>	<b>309,643</b>	<b>12,257,245</b>	<b>(1,887)</b>	<b>13,488,592</b>
Final dividend of PKR 6.50 per share for the year ended June 30, 2015	-	-	(600,337)	-	(600,337)
Interim dividend of PKR 6.50 per share for the year ended June 30, 2016	-	-	(600,337)	-	(600,337)
<b>Total dividends</b>	<b>-</b>	<b>-</b>	<b>(1,200,674)</b>	<b>-</b>	<b>(1,200,674)</b>
Profit for the period	-	-	2,245,861	-	2,245,861
Other comprehensive income for the period - net of tax	-	-	(13,960)	-	(13,960)
Gain on hedge	-	-	-	719	719
Transferred to capital work-in-progress	-	-	-	1,168	1,168
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>2,231,901</b>	<b>1,887</b>	<b>2,233,788</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	53,045	-	53,045
<b>As at June 30, 2016</b>	<b>923,591</b>	<b>309,643</b>	<b>13,341,517</b>	<b>-</b>	<b>14,574,751</b>
Profit for the period	-	-	642,648	-	642,648
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>642,648</b>	<b>-</b>	<b>642,648</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	25,387	-	25,387
<b>As at September 30, 2016</b>	<b>923,591</b>	<b>309,643</b>	<b>14,009,552</b>	<b>-</b>	<b>15,242,786</b>

The annexed notes 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 Quarter Ended September 30, 2016

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. 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, 2016 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, 2016.

## 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, 2016.

## 4. Property, plant and equipment

	<b>September 30, 2016 (Unaudited)</b>	<b>June 30, 2016 (Audited)</b>
Operating assets - at net book value	<b>15,522,516</b>	16,001,818
Capital work-in-progress - at cost		
Civil works and buildings	<b>524,969</b>	443,249
Plant and machinery	<b>707,406</b>	649,131
Advances to suppliers / contractors	<b>287,055</b>	70,571
	Note 4.2	
	<b>1,519,430</b>	1,162,951
<b>Total property, plant and equipment</b>	<b>17,041,946</b>	17,164,769

# Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended September 30, 2016

Amounts in PKR '000

4.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the quarter ended September 30, 2016:

	Additions / Transfers		Disposals - NBV	
	September 30, 2016 (Unaudited)	June 30, 2016 (Audited)	September 30, 2016 (Unaudited)	June 30, 2016 (Audited)
Freehold land	-	22,713	-	-
Lime beds on freehold land	-	92,052	-	39
Buildings on freehold land	-	42,856	-	-
Buildings on leasehold land	1,817	832,025	-	6,966
Plant and machinery	50,099	3,704,592	-	5,665
Rolling stock and vehicles	-	4,347	-	622
Furniture and equipment	12,586	65,516	-	420
	<b>64,502</b>	<b>4,764,101</b>	-	<b>13,712</b>

September 30, 2016 (Unaudited)	June 30, 2016 (Audited)
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4.2 The following is the movement in capital work-in-progress during the period

Opening balance	1,162,951	1,675,698
Addition during the period / year	424,146	4,183,927
	<b>1,587,097</b>	<b>5,859,625</b>
Transferred to operating fixed assets	(67,667)	(4,696,674)
<b>Closing balance</b>	<b>1,519,430</b>	<b>1,162,951</b>

## 5 Intangible assets

Intangible assets - at net book value - note 5.1	15,537	16,460
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5.1 This includes additions of intangible assets of: 1,068 9,724

## 6 Long-term investments

### Unquoted - at equity method

#### Associate

- NutriCo Pakistan (Private) Limited - note 6.1  
 Cost of investment - 200,000 ordinary shares  
 (June 30, 2016: 200,000 shares) of PKR 1,000 each  
 and premium of PKR 3,800 per share

960,000	960,000
1,167	52,224
129,014	407,318
(120,000)	(458,375)
<b>970,181</b>	<b>961,167</b>

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
<b>972,681</b>	<b>963,667</b>

6.1 The Group has a 40% 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, 2016

Amounts in PKR '000

September 30, 2016 (Unaudited)	June 30, 2016 (Audited)
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## 7 Long-term loans

### Considered good

Due from executives and employees	473,416	460,752
Current portion shown under loans and advances	(105,686)	(103,115)
	<b>367,730</b>	<b>357,637</b>

## 8 Stock-in-trade

It includes items carried at net realisable value of PKR 638.600 million (June 30, 2016: PKR 338.822 million) on which reversal of PKR 6.160 million (June 30, 2016: PKR 10.999 million expense) was recognized during the period

## 9 Long-term loans

Long-term loans - note 9.1	3,907,480	4,046,369
Current portion of long-term loans	(411,824)	(393,783)
	<b>3,495,656</b>	<b>3,652,586</b>

9.1 Opening Balance	4,046,369	2,449,498
Obtained during the period / year	-	2,552,427
Repaid during the period / year	(138,889)	(955,556)
<b>Closing balance</b>	<b>3,907,480</b>	<b>4,046,369</b>

There is no material change in the amounts and disclosure made in the annual financial statements with regard to long-term loans.

## 10 Deferred tax liability - net

### Deductible temporary differences

Provisions for retirement benefits, doubtful debts and others	(268,602)	(239,276)
Retirement funds provision	(19,491)	(19,491)

### Taxable temporary differences

Property, plant and equipment	1,650,254	1,689,556
	<b>1,362,161</b>	<b>1,430,789</b>

## 11 Short-term borrowings and running finance

Export refinance - (mark-up: SBP rate + 0.25% per annum)	332,943	388,741
Money market	-	300,000
Short-term running finance - secured	1,291,338	1,248,443
	<b>1,624,281</b>	<b>1,937,184</b>

# Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended September 30, 2016

Amounts in PKR '000

<b>September 30, 2016 (Unaudited)</b>	June 30, 2016 (Audited)
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## 12 Contingencies and commitments

### 12.1 Claims against the Group not acknowledged as debts are as follows:

Local bodies	<b>1,100</b>	1,100
Others	<b>26,386</b>	28,529
	<b>27,486</b>	29,629

### 12.2 There are no changes in the status of custom 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 light ash and coal & steam generation project of Soda Ash business)	<b>2,636,356</b>	2,193,478
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### 12.4 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:

Year		
2016-17	<b>49,562</b>	64,050
2017-18	<b>47,763</b>	44,247
2018-19	<b>32,266</b>	28,227
2019-20	<b>10,912</b>	6,550
2020-21	<b>575</b>	-
	<b>141,078</b>	143,074
Payable not later than one year	<b>49,562</b>	64,050
Payable later than one year but not later than five years	<b>91,516</b>	79,024
	<b>141,078</b>	143,074

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2016

## 13 Operating Segment results

Amounts in PKR '000

	Polyester		Soda Ash		Life Sciences		Chemicals		Others - PowerGen		Group	
	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015
<b>Turnover - note 13.1, 13.2 &amp; 13.3</b>	<b>3,286,104</b>	<b>3,334,401</b>	<b>3,298,102</b>	<b>3,257,566</b>	<b>2,909,465</b>	<b>2,137,160</b>	<b>1,080,961</b>	<b>1,099,129</b>	<b>118,254</b>	<b>81,560</b>	<b>10,589,217</b>	<b>9,838,634</b>
Sales tax	-	(97,133)	(450,565)	(455,139)	(17,307)	(27,519)	(112,096)	(117,572)	(17,182)	(11,851)	(597,150)	(709,214)
Commission and discounts	(78,173)	(113,815)	(196,126)	(127,655)	(428,957)	(305,372)	(34,035)	(80,686)	-	-	(737,291)	(627,528)
	(78,173)	(210,948)	(646,691)	(582,794)	(446,264)	(632,891)	(146,131)	(198,258)	(17,182)	(11,851)	(1,334,441)	(1,336,742)
Net turnover	3,207,931	3,123,453	2,651,411	2,674,792	2,463,201	1,804,269	934,830	900,871	101,072	69,709	9,254,776	8,501,892
Cost of sales - note 13.1 and 14	(3,173,189)	(3,263,547)	(1,902,293)	(1,819,723)	(1,754,028)	(1,288,178)	(734,268)	(708,776)	(84,018)	(61,604)	(7,543,692)	(7,070,191)
<b>Gross profit</b>	<b>34,742</b>	<b>(140,094)</b>	<b>749,118</b>	<b>855,069</b>	<b>709,173</b>	<b>516,091</b>	<b>200,562</b>	<b>192,095</b>	<b>17,054</b>	<b>8,105</b>	<b>1,711,084</b>	<b>1,431,701</b>
Selling and distribution expenses	(47,657)	(73,822)	(64,549)	(72,543)	(384,543)	(281,943)	(83,752)	(70,840)	-	-	(580,501)	(499,148)
Administration and general expenses	(66,957)	(69,614)	(58,414)	(57,908)	(80,053)	(58,840)	(36,965)	(33,705)	(89)	(65)	(242,418)	(220,072)
<b>Operating result</b>	<b>(79,872)</b>	<b>(283,530)</b>	<b>626,155</b>	<b>724,618</b>	<b>244,577</b>	<b>175,308</b>	<b>79,845</b>	<b>87,550</b>	<b>16,965</b>	<b>8,040</b>	<b>888,165</b>	<b>712,481</b>

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2016

Amounts in PKR '000

For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015
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## 13.1 Turnover

Inter-segment sales and purchases have been eliminated from the total	<b>103,669</b>	71,202
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**13.2** Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

**13.3** Turnover includes export sales made to various countries amounting to: **214,603** 147,237

## 14 Cost of sales

Opening stock of raw and packing materials	<b>2,278,726</b>	2,078,367
Purchases	<b>3,957,607</b>	4,061,384
	<b>6,236,333</b>	6,139,751
Closing stock of raw and packing materials	<b>(2,209,034)</b>	(2,109,238)
Raw and packing materials consumption	<b>4,027,299</b>	4,030,513
Manufacturing costs	<b>2,116,282</b>	1,986,855
	<b>6,143,581</b>	6,017,368
Opening stock of work-in-process	<b>140,179</b>	96,034
	<b>6,283,760</b>	6,113,402
Closing stock of work-in-process	<b>(121,656)</b>	(103,250)
Cost of goods manufactured	<b>6,162,104</b>	6,010,152
Opening stock of finished goods	<b>2,898,452</b>	2,769,008
Finished goods purchased	<b>1,627,353</b>	1,110,993
	<b>10,687,909</b>	9,890,153
Closing stock of finished goods	<b>(3,144,216)</b>	(2,819,962)
	<b>7,543,693</b>	7,070,191

## 15 Taxation

Current	<b>286,282</b>	158,901
Deferred	<b>(68,630)</b>	(26,526)
	<b>217,652</b>	132,375

# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2016

Amounts in PKR '000

	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2015
<b>16 Cash flows from operations</b>		
Profit before taxation	<b>860,300</b>	616,335
Adjustments for:		
Depreciation and amortisation	<b>545,794</b>	476,952
(Gain) / loss on disposal of operating fixed assets	<b>(60)</b>	5,230
Provision for non-management staff gratuity and eligible retired employees' medical scheme	<b>7,965</b>	3,590
Provision for staff retirement benefit plan	<b>7,227</b>	11,721
Share of profit from associate	<b>(129,014)</b>	(76,039)
Interest on bank deposits	<b>(1,324)</b>	(514)
Interest expense	<b>101,500</b>	82,321
Provision for doubtful debts	<b>20,367</b>	10,198
Provision for slow moving and obsolete stock-in-trade	<b>13,939</b>	1,367
Provision for slow moving stores and spares	<b>-</b>	2,278
	<b>1,426,694</b>	1,133,439
Movement in:		
Working capital - note 16.1	<b>(867,734)</b>	(1,224,564)
Long-term loans	<b>(10,093)</b>	(20,172)
Long-term deposits and prepayments	<b>(3,066)</b>	246
<b>Cash generated from / (used in) operating activities</b>	<b>545,801</b>	(111,051)
<b>16.1 Movement in working capital</b>		
<b><i>Increase in current assets</i></b>		
Stores, spares and consumables	<b>(22,547)</b>	(37,594)
Stock-in-trade	<b>(171,488)</b>	(90,408)
Trade debts	<b>(312,386)</b>	(366,403)
Loans and advances	<b>(27,243)</b>	(17,130)
Trade deposits and short-term prepayments	<b>(50,254)</b>	(55,583)
Other receivables	<b>(37,930)</b>	(198,554)
	<b>(621,848)</b>	(765,672)
<b><i>Decrease in current liabilities</i></b>		
Trade and other payables	<b>(245,886)</b>	(458,892)
	<b>(867,734)</b>	(1,224,564)



# Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2016

Amounts in PKR '000

<b>For the 3 months ended September 30, 2016</b>	<b>For the 3 months ended September 30, 2015</b>
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## 17 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	<b>58,593</b>	57,982
Associated Companies	Purchase of goods, materials and services	<b>11,162</b>	11,817
	Sale of goods and materials	<b>365,108</b>	381,959
	Reimbursement of expenses	<b>16,976</b>	14,377
	Dividend received from associate	<b>120,000</b>	75,000
Others	Staff retirement benefits	<b>46,458</b>	34,301
Key management personnel	Remuneration paid	<b>103,031</b>	80,482
	Post employment benefits	<b>7,205</b>	7,337

## 18 Estimates

Judgments and estimates made by the management in the preparation of the condensed interim consolidated financial statements were the same as those that were applied to the financial statements as at and for the year ended June 30, 2016.

## 19 Standards, amendments and interpretations adopted during the period

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

## 20 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, 2016.

## 21 Date of authorisation

The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on October 25, 2016.

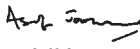
## 22 General

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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& Public Affairs Department

ICI Pakistan Limited  
5 West Wharf  
Karachi 74000  
Pakistan

T + 92 21 3231 3717-22  
F + 92 21 3231 1739  
E [ccpa.pakistan@ici.com.pk](mailto:ccpa.pakistan@ici.com.pk)

UAN 111 100 200  
[www.ici.com.pk](http://www.ici.com.pk)

