



ICI PAKISTAN LTD.

# Growth

is Fundamental to Life

Quarterly Report  
July - September 2018

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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)	Kamal A Chinoy	Independent
Jawed Yunus Tabba	Non-Executive	Khawaja Iqbal Hassan	Independent
Amina A Aziz Bawany	Non-Executive	Muhammad Abid Ganatra	Executive

## Audit Committee

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

## HR & Remuneration Committee

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

## Chief Financial Officer

Muhammad Abid Ganatra

## Executive Management Team

Asif Jooma	Chief Executive
Arshaduddin Ahmed	Vice President, Chemicals & Agri Sciences Business
Eqan Ali Khan	General Manager, Strategy & Business Development
M Abid Ganatra	Chief Financial Officer
M A Samie Cashmiri*	Vice President, Life Sciences Business
Nausheen Ahmad	General Counsel, Company Secretary and Head of Corporate Communications & Public Affairs
Suhail Aslam Khan	Vice President, Polyester & Soda Ash Businesses

## Company Secretary

Nausheen Ahmad

## Head of Internal Audit

Muhammad Ali Mirza

## Bankers

Allied Bank Limited  
Askari Bank Limited  
Bank Al Habib Limited  
Bank Alfalah Limited  
Bank of Khyber  
Bank of Punjab  
Citibank N.A.  
Deutsche Bank AG  
Faysal Bank Limited  
Habib Bank Limited

Habib Metropolitan Bank Limited  
Industrial and Commercial Bank of China Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
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

\*Resigned with effect from August 27, 2018

# Review of the Directors

For the Quarter Ended September 30, 2018

The Directors are pleased to present their review, together with the unaudited financial statements of the Company, for the quarter ended September 30, 2018.

Net turnover for the quarter at PKR 13,135 million is 17% higher compared to the same period last year (SPLY) due to higher revenues in the Polyester and Soda Ash Businesses, which increased by 27% and 43%, respectively. This was partially offset by lower revenues in the Life Sciences and Chemicals & Agri Sciences Businesses.

The operating result for the quarter at PKR 1,059 million is 5% higher in comparison to the SPLY, due to improved performances in the Polyester and Soda Ash Businesses by 993%, and 25%, respectively. The strong performance achieved by the Polyester Business was attributable to improved unit margins, while performance of the Soda Ash Business was positively impacted by incremental volumes following the coming on line of the 75,000 tons per annum expansion plant which started commercial operations during third quarter of last year. The performance of these Businesses compensated for the decline in the Life Sciences and Chemicals & Agri Sciences Businesses. The performance of the Life Sciences Business lagged behind as sales decreased due to delays in the awarding of government tenders, stock shortages, and a delay in the launch of new products and registrations. The decline in the Chemicals & Agri Sciences Business was a result of lower sales of textile processing chemicals, adjustment in the polyurethane segment as a consequence of downward price pressure, which led to destocking at the customers' end and, margin volatility in the Chemicals Division.

Profit after Tax (PAT) for the quarter at PKR 658 million is 11% lower than the SPLY, mainly due to higher finance costs on account of higher debt and interest rates and higher taxation expenses as compared to SPLY where a tax credit was available on the Soda Ash 75,000 tons per annum expansion plant.

Earnings per share (EPS) for the quarter at PKR 7.12 is 11% lower than the SPLY.

	Quarter Ended Sept 2018	Quarter Ended Sept 2017
<b>Net turnover</b> (PKR million)	<b>13,135</b>	11,235
<b>Profit before taxation</b> (PKR million)	<b>892</b>	915
<b>Profit after taxation</b> (PKR million)	<b>658</b>	741
<b>Earnings per share</b> (PKR)	<b>7.12</b>	8.02

## Net turnover (PKR m)

Sep 2017  11,235  
Sep 2018  13,135

## Profit before taxation (PKR m)

Sep 2017  915  
Sep 2018  892

## Profit after taxation (PKR m)

Sep 2017  741  
Sep 2018  658

## Earnings per share (PKR)

Sep 2017  8.02  
Sep 2018  7.12

# Review of the Directors



For the Quarter Ended September 30, 2018

## Polyester Staple Fibre Business (PSF)

### Net turnover (PKR m)

Sep 2017  4,218  
Sep 2018  5,355

### Operating result (PKR m)

Sep 2017  (14)  
Sep 2018  129

During the period under review, the price of crude oil was higher by 44% compared to the SPLY. This price hike impacted the entire petrochemical chain as PTA and MEG prices rose by 50% and 4%, respectively. Furthermore, with the Chinese Government's ban on imports of recycled flakes and bottles in place and on the back of cost-push, regional virgin PSF prices increased by 21% compared to the SPLY. In addition, the volatility observed in the value of the rupee versus other major currencies impacted the domestic PSF prices, which rose by 45% over the SPLY.

Overall, economic uncertainty dampened the downstream market and increased PSF prices leading to decreased sales volume by 13% against the SPLY. However, net turnover still rose by 27% against the SPLY owing to increased PSF prices. Business maintained a steady production rate and delivered 1% higher volumes over the SPLY. The Business is building a market base in new markets with the export of specialised variants to Turkey and the USA. Additionally, the development of new product variants to cater to specialised markets reaffirms the commitment of the Business to the Company's core values of innovation and customer centricity.

Energy costs during the year rose by 30% over the SPLY due to an increase in fuel prices as gas, furnace oil, and coal prices rose by 33%, 58% and 21%, respectively. However, the Business absorbed this impact fully through improved unit margins, delivering a positive swing of 993% in operating results over the SPLY.

During the period under review, the Islamabad High Court dismissed two petitions filed by importers against the imposition of anti-dumping duty (ADD) on imported PSF from China.

Going forward, the margins of domestic PSF industry would depend on changes in regional market dynamics, and the response of local textile industry to initiatives launched by the new Government to improve competitiveness of export-oriented sectors.

## Soda Ash Business

### Net turnover (PKR m)

Sep 2017  2,690  
Sep 2018  3,849

### Operating result (PKR m)

Sep 2017  588  
Sep 2018  738

The Soda Ash market grew by 7% over the SPLY. The growth was fuelled by glass segment, which witnessed an expansion in the installed capacities. The silicate segment has continued to grow due to its increased usage in branded detergents. Demand for branded detergents remains bullish as the conversion of consumers from laundry soap to branded detergent

# Review of the Directors

For the Quarter Ended September 30, 2018

powder has been extended to rural areas as well. Similarly, the paper segment has also shown strong growth owing to the addition of new capacities as the share of recycled paper continues to retreat. The performance of Refined Sodium Bicarbonate (RSB) market remained at par with the previous year, however, going forward strong demand from the poultry segment is expected to stimulate growth.

The operating result at PKR 738 million is 25% higher than the SPLY driven by a higher sales volume due to the capitalisation of the 75,000 tons per annum capacity expansion of the plant during the third quarter of last year.

In view of rising feedstock prices and steep devaluation of the rupee, the Business was able to adjust prices with its customers to maintain and improve its market share.

The Company has been informed by its Indian Counsel that the anti-dumping duty (ADD) levied on soda ash imports in India has lapsed. In this regard, the High Court of Delhi has restrained the Customs department from levying ADD.

According to media reports, China has started a new round of environmental checks, which is likely to impact Global soda ash prices. The environmental checks are expected to lead to supply tightness in China, which in turn will favourably affect the prevalent export prices.

Going forward, maintaining market share will be a key challenge for the Business in view of rising feedstock prices and devaluation of the rupee.

## Life Sciences Business

### Net turnover (PKR m)

Sep 2017  2,575  
Sep 2018  2,230

### Operating result (PKR m)

Sep 2017  344  
Sep 2018  107

During the period under review, the Life Sciences Business delivered a net turnover of PKR 2,230 million, which is 13% lower than the SPLY, and an operating result of PKR 107 million which is 69% lower than the SPLY. The decline in Business performance can be directly attributed to the ban on the import and marketing of rbST injections and slowdown in the market due to the elections.

The Pharmaceuticals Division posted a lower operating result by 67% as compared to SPLY, mainly due to a delay in the awarding of government tenders, stock shortages and a delay in the launch of new products and registrations.

The operating result in the Animal Health Division remained 70% lower than the SPLY owing to the ban on import and marketing of rbST injections. The product accounted for a significant portion of the Division's portfolio. Furthermore, challenging market trends in both the livestock and poultry segments adversely affected the Division's performance. Plans are in place to recover sales through both portfolio expansion and accelerated organic growth.

# Review of the Directors

For the Quarter Ended September 30, 2018

The dairy sector exhibited weak performance as milk prices became unstable due to low demand and excess availability of fresh milk from rural areas of the province.

The poultry market experienced a steep decline in the price for day old chicks, marketable chicken and table eggs, causing a liquidity crunch in the segment. Resultantly, this limited the ability of broiler farmers to pay for high-end antibiotics and vaccines.

After the successful nationwide launch of the CAVAC vaccine range, the Life Sciences Business's Animal Health Division has also engaged Trowe Nutrition for a long-term partnership to market their portfolio of innovative products, which are suitable for both the livestock and poultry segments.

Going forward, the Life Sciences Business is accelerating its drive to leverage the acquired manufacturing capabilities and brands, to further strengthen the current portfolio and capitalise on business development activities.

## Chemicals & Agri Sciences Business

### Net turnover (PKR m)

Sep 2017	1,754
Sep 2018	1,702

### Operating result (PKR m)

Sep 2017	91
Sep 2018	85

The Chemicals & Agri Sciences Business achieved a net turnover of PKR 1,702 million for the quarter ended September 30, 2018, which is 3% lower than the SPLY.

The operating result of the Business was recorded at PKR 85 million, which is 7% lower than the SPLY.

The financial results reflect the slowdown in overall economic activity of the country, which negatively impacted liquidity of the customers. This is mainly attributable to the uncertainty related to devaluation of the rupee and increasing interest rates. Additionally, the liquidity situation in the market also remained constrained resulting in slow credit recovery. Exercising due caution, the Business curtailed credit sales to protect against credit related risks.

The Agri Sciences Division delivered better operating results as compared to the SPLY, on account of improved performance in the Agro Chemicals segment. Early spraying of cotton provided an opportunity for the Business's proprietary products.

The Masterbatch manufacturing project is progressing as per plan. This project is another strategic step towards the fulfilment of the Company's growth aspirations and will enhance the product portfolio of the Chemicals & Agri Sciences Business.

The Business has during the quarter under review concluded a strategic partnership agreement with Huntsman Corporation to offer leading edge products for the textile processing industry in Pakistan. This partnership will strengthen ICI Pakistan Limited's position as a supplier of choice for the textile processing sector.

# Review of the Directors

For the Quarter Ended September 30, 2018

Going forward, the Business will continue to explore new segments and products, create enduring value for existing and new customers, by embracing innovation, whilst remaining focused on robust Business results.

## Future Outlook

Going forward, the economic challenges faced by the Country with anticipated increase in inflation, rupee devaluation and increase in interest rates which are expected to adversely impact the business climate. However, The Businesses are gearing up to deliver positive results as we leverage our solution based products and services to our customers

The Company remains focussed on delivering enduring value for all its stakeholders by strengthening and building relationships, expanding and diversifying its product offering, and proactively exploring opportunities for both organic and inorganic growth in line with its brand promise of Cultivating Growth.

## Composition of the Board

In line with the requirements of the Code of Corporate Governance 2017, the Company encourages representation of independent and non-executive directors, as well as gender diversity, on its Board. The current composition of the Board is as follows:

Total number of Directors:

(a) Male: 7

(b) Female: 1

### Composition:

(i) Independent Directors :2

(ii) Non-executive Directors:4

(iii) Executive Directors :2



**Muhammad Sohail Tabba**  
Chairman / Director

**October 25, 2018**  
**Karachi**



**Asif Jooma**  
Chief Executive



## ڈائریکٹرز کا جائزہ

برائے سہ ماہی ختم شدہ 30 ستمبر 2018

برنس کا آپریٹنگ رزلٹ گزشتہ سال کے مقابلے میں 7 فیصد کیساتھ 85 ملین روپے ہے۔

مذکورہ اہلیاتی نتائج ملک کی مجموعی اقتصادی صورتحال میں آنے والی سستی کا رد عمل ہیں جس سے کسٹمرز کی لیکویڈٹی پر منفی اثرات مرتب ہوئے ہیں۔ اس میں روپے کی قدر میں کمی کے سبب غیر یقینی صورتحال اور شرح سود میں اضافہ ہیں۔ اس کے ساتھ مارکیٹ کی لیکویڈٹی کی صورتحال محدود رہنے کے سبب قرض ادائیگی کی شرح سستی روی کا شکار رہی۔ برنس نے احتیاطی طور پر کریڈٹ سٹیز پر کم انحصار کیا تاکہ کریڈٹ سے متعلق خطرات سے محفوظ رہا جائے۔

ایگری سائنسز ڈویژن نے گزشتہ سال کے اسی عرصہ کے مقابلے میں بہتر کاروباری نتائج فراہم کئے کیونکہ ایگریوٹو کیمیکلز کے شعبے میں اچھی کارکردگی سامنے آئی۔ روٹی پر جلد اسپرے کرنے کے رجحان نے برنس کی اہم پروڈکٹس کے لیے ایک موقع فراہم کیا۔

ہمارا ماسٹر پیج پروڈیکٹ اسپرے منسوبہ کے تحت آگے بڑھ رہا ہے۔ یہ منسوبہ کپنی کی ترقی پزیر حکمت عملی کی طرف ایک قدم اور ایگری سائنسز برنس کے پروڈکٹ پورٹ فولیو کے توسیعی کام کو مکمل کرنے کی طرف گامزن ہے۔

زیر جائزہ عرصہ کے دوران برنس نے Huntsman کارپوریشن کے ساتھ کاروباری شراکت داری کے معاہدے کو مکمل کر لیا ہے جس کے تحت پاکستان میں ٹیکسٹائل پروسیسنگ انڈسٹری کے لیے جدید ترین پروڈکٹس دستیاب ہوں گی۔ اس شراکت داری سے آئی سی آئی پاکستان کو ٹیکسٹائل پروسیسنگ شعبے کے پسندیدہ سپلائرز کی حیثیت حاصل ہونے میں مدد ملے گی۔

مزید یہ کہ برنس نئے سیکمنٹ کی تلاش، موجودہ اور نئے صارفین کے لئے قابل قدر پروڈکٹس اور جدت پر توجہ مرکوز کرنے اور بہترین نتائج فراہم کرنے کے لئے مستعد ہے۔

### مستقبل پر نظر

ملک کو درپیش اقتصادی چیلنجز کے ساتھ بڑھتی ہوئی مہنگائی، روپے کی قدر میں کمی اور شرح سود میں اضافہ کے امکانات کاروباری ماحول پر منفی اثرات ڈالیں گے۔ البتہ برنسز اپنے سلوٹن بیسڈ پروڈکٹس اور صارفین کو سروسز کی فراہمی سے بہتر نتائج دینے کے لئے مستعد ہیں۔

کپنی اپنے تمام اسٹیک ہولڈرز کے ساتھ تعلقات کے قیام اور استحکام کو فروغ دیتے ہوئے اپنی پروڈکٹس کی پیش کش میں توسیع اور تنوع کے لئے اور آرکیٹیک اور ان آرکیٹیک ترقی کے نئے مواقع تلاش کرنے کی منسوبہ بندی پر توجہ مرکوز کئے ہوئے ہے اور اپنے برانڈ پر اس یعنی ترقی کیلئے کوئٹا (Cultivating Growth) کے مطابق جدوجہد کرتی ہے گی۔

### بورڈ کی تشکیل

کوڈ آف کارپوریشن گورننس 2017 کے لوازمات کی تعمیل میں، کپنی اپنے بورڈ میں آزاد اور ان ایگریوٹو ڈائریکٹرز بشمول خواتین کی نمائندگی پر یقین رکھتی ہے۔ بورڈ کی موجودہ تشکیل درج ذیل ہے:

ڈائریکٹرز کی کل تعداد تشکیل:

مرد:	7	1. آزاد ڈائریکٹرز:	2
خاتون:	1	2. ایگریوٹو ڈائریکٹرز:	4
		3. ایگریوٹو ڈائریکٹرز:	2

آصف احمد  
چیف ایگزیکٹو

محمد سہیل شاہ  
چیئر مین / ڈائریکٹر

بتاریخ: 25 اکتوبر، 2018

کراچی۔

## ڈائریکٹرز کا جائزہ

برائے سہ ماہی ختم شدہ 30 ستمبر 2018

میڈیا کی رپورٹس کے مطابق چین نے ماحولیاتی نگرانی کا ایک نیا مرحلہ شروع کر دیا ہے، جس سے سوڈا الیش کی عالمی قیمتوں پر لازمی طور پر اثرات مرتب ہوں گے۔ ماحولیاتی نگرانی سے چین میں سپلائی پر باداؤ ہونے کا امکان ہے جس کے نتیجے میں موجودہ ایکسپورٹ قیمتوں پر مثبت اثرات مرتب ہوں گے۔

فیڈ اسٹاک کی بڑھتی ہوئی قیمتوں اور روپے کی قدر میں کمی کے پیش نظر، برنس کے لیے اپنا مارکیٹ شیئر برقرار رکھنا ایک چیلنج ہو گا۔

## لائف سائنسز برنس

Net turnover (ملین روپے)	آپریٹنگ رزلٹ (ملین روپے)
2,575	344
2,230	107

زیر جائزہ عرصہ کے دوران، لائف سائنسز کے کاروبار نے گزشتہ سال کے اسی عرصہ کے مقابلے میں نیٹ کاروبار میں 13 فیصد کمی کے ساتھ 2,230 ملین روپے کا کاروبار کیا اور کاروباری نتیجہ 107 ملین روپے پر باہر گزشتہ سال کے مقابلے میں 69 فیصد کم ہے۔ کاروباری کارکردگی میں کمی کے اسباب میں rbst ٹیکنالوجی کی اپورٹ اور مارکیٹنگ پر لگنے والی پابندی اور ایکشن کے سبب مارکیٹ میں مندی کا رجحان شامل ہیں۔

فارماسیویٹیکلز ڈویژن کے کاروباری نتائج میں سرکاری سطح پر ٹینڈر کے اجراء میں تاخیر، اسٹاک کی کمی اور نئی پروڈکٹس کے اجراء اور رجسٹریشن میں تاخیر کے سبب گزشتہ سال کے مقابلے میں 67 فیصد کمی واقع ہوئی۔

ایٹیل ہیلتھ ڈویژن کے کاروباری نتائج میں rbst ٹیکنالوجی کی اپورٹ اور مارکیٹنگ پر لگنے والی پابندی کے سبب گزشتہ سال کے مقابلے میں 70 فیصد کمی واقع ہوئی کیونکہ یہ پروڈکٹ ڈویژن کے پورٹ فولیو میں ایک خاص اہمیت رکھتی ہے۔ مزید برآں، لائیف سائنسز اور پلٹری کے شعبوں پر مارکیٹ کے مشکل حالات کی بدولت ڈویژن کی کارکردگی کو بہت زیادہ متاثر کیا۔ دونوں ڈویژنوں میں توسیع کے ذریعے ہلکی بحالی اور آرگینک ترقی کو تیز کرنے کی منصوبہ بندی کی جارہی ہے۔

صوبے کے دیہی علاقوں سے تازہ دودھ کی دستیابی کے سبب طلب میں کمی اور قیمتوں میں عدم استحکام نے ڈیری شعبے کی کارکردگی پر منفی اثرات ڈالے ہیں۔

پلٹری مارکیٹ میں چوزوں، قابل فروخت مرغی اور انڈوں کی قیمتوں میں شدید کمی دیکھی گئی جس سے اس شعبے کو بحران کا سامنا ہے۔ نتیجتاً برائیلر فارمرز کی ہنگامی اپنی بائیوٹیکس اور ویکسین خریدنے کی استطاعت محدود ہو کر رہ گئی۔

ملک بھر میں CAVAC ویکسین کے کامیاب آغاز کے بعد، لائف سائنسز برنس کا ایٹیل ہیلتھ ڈویژن Trowe نیوٹریشن کے ساتھ طویل مدتی شراکت داری کے لیے مصروف ہے جس کے تحت اس کے پورٹ فولیو کی جدید پروڈکٹس کو مارکیٹ کیا جائے گا، یہ پیش رفت لائیف سائنسز اور پلٹری کے شعبوں کے لیے فائدہ مند ثابت ہوگی۔

لائف سائنسز برنس نے حاصل ہونے والی میڈیسیکلنگ صلاحیتوں اور برانڈڈ کو استعمال میں لاتے ہوئے مواقع سے فائدہ اٹھانے پر توجہ مرکوز کی ہوئی ہے اور اپنے پروڈکٹ پورٹ فولیو کو مضبوط کرنے پر دھیان دیتے ہوئے کاروباری ترقی کی سرگرمیاں جاری رکھی ہوئی ہیں۔

## کیمیکلز اور ایگری سائنسز برنس

Net turnover (ملین روپے)	آپریٹنگ رزلٹ (ملین روپے)
1,754	91
1,702	85

کیمیکلز ایگری سائنسز برنس نے 30 ستمبر 2018 کو ختم شدہ سہ ماہی کے لئے نیٹ کاروبار گزشتہ سال کے اسی عرصہ کے مقابلے میں 3 فیصد کمی کے ساتھ 1,702 ملین روپے حاصل کیا۔

## ڈائریکٹرز کا جائزہ

برائے سہ ماہی ختم شدہ 30 ستمبر 2018

زیر جائزہ عرصہ میں گزشتہ سال کی بہ نسبت کمزور آئل کی قیمتوں میں 44 فیصد تک اضافہ ہوا۔ نتیجتاً پوری تیل کی مصنوعات کی قیمتوں میں تیزی دیکھی گئی، PTA اور MEG کی قیمتوں میں بالترتیب 50 فیصد اور 4 فیصد اضافہ دیکھنے میں آیا۔ مزید برآں چین کی جانب سے ری سائیکل شدہ PET فلکس کی امپورٹ پر بندش کی وجہ سے علاقائی پولیسٹر اسٹیفیل کا بھر کی قیمتوں میں گزشتہ سال کی بہ نسبت 21 فیصد اضافہ ہو گیا۔ اس کے ساتھ روپے کی گھٹتی ہوئی قدر بھی مقامی PSF کی قیمتوں پر اثر انداز ہوئی، نتیجتاً میں گزشتہ سال کی بہ نسبت قیمتیں 45 فیصد تک بڑھ گئیں۔

مجموعی طور پر غیر یقینی معاشی صورتحال سے ڈاؤن اسٹریک مارکیٹ محدود ہوتی رہی اور PSF کی قیمتیں بڑھنے کے ساتھ گزشتہ سال کے اسی عرصہ کے مقابلے میں سلاز کے حجم میں 13 فیصد کی واقع ہوئی۔ البتہ PSF کی بڑھتی ہوئی قیمتوں کے سبب گزشتہ سال کی بہ نسبت مجموعی منافع میں 27 فیصد اضافہ ریکارڈ کیا گیا۔ برنس نے مستحکم پیداواری شرح برقرار رکھی اور گزشتہ سال کی بہ نسبت مقدار میں ایک فیصد اضافہ کیا۔ برنس نئی مارکیٹوں میں اپنے لیے جگہ بناتے ہوئے ترکی اور امریکہ کو اسپیشلائزڈ ویرینٹس درآمد کرنے میں کامیاب رہا۔ اس کے ساتھ اسپیشلائزڈ مارکیٹس کی ضرورت کو پورا کرنے کے لیے نئے پروڈکٹ ویرینٹس کی تیاری، برنس کی جانب سے کھپنی کی جدت اور کسٹمر کو مرکز نگاہ بنانے کی اہم اقدامات پر عمل درآمد کا واضح ثبوت ہے۔

گیس، کوئلے اور فٹس آئل کی قیمتوں میں بالترتیب 33، 58 اور 21 فیصد اضافے نے توانائی کے اخراجات میں گزشتہ سال کے مقابلے میں 30 فیصد اضافہ کیا۔ تاہم بہتر یونٹ مارجن، گزشتہ سال کی بہ نسبت کاروباری نتائج میں 993 فیصد کی شاندار ترقی نے اس منفی اثر کو ختم کیا۔

زیر جائزہ عرصہ کے دوران اسلام آباد ہائی کورٹ نے چین سے درآمد ہونے والی PSF پر اینٹی ڈیمپنگ ڈیوٹی کے نفاذ کے خلاف ایپورٹرز کی داخل کردہ پٹیشنز کو رد کر دیا۔

اس کے ساتھ ساتھ، مقامی PSF انڈسٹری کے منافع علاقائی مارکیٹ کے محرکات میں تبدیلیوں پر منحصر ہیں اور نئی حکومت کی جانب سے برآمدات میں اضافہ کرنے کے لیے اٹھائے گئے اقدامات کے نتیجے میں مقامی ٹیکسٹائل انڈسٹری کے ردعمل پر دارومدار ہوگا۔

## سوڈالائش برنس

Operating result (ملین روپے)	آپرٹنگ رزلٹ (ملین روپے)	Net turnover (ملین روپے)	نیٹ کاروبار (ملین روپے)
588	ستمبر 2017	2,690	ستمبر 2017
738	ستمبر 2018	3,849	ستمبر 2018

زیر جائزہ سہ ماہی کے دوران، سوڈالائش مارکیٹ گزشتہ سال کے مقابلے میں 7 فیصد بڑھی۔ یہ تیزی گلاس کے شعبے میں ترقی کی بدولت سامنے آئی، اس شعبے میں گھاس والی گجیوں میں اضافہ سامنے آیا ہے۔ برائڈ ڈڈ فرجنٹ کے استعمال میں اضافے کے سبب سلیکیٹ کے شعبے میں ترقی کا تسلسل جاری رکھا۔ اسی طرح برائڈ ڈڈ فرجنٹس کی طلب میں تیزی دیکھنے میں آئی کیونکہ دیہی علاقوں میں بھی لائٹری سوپ کے مقابلے میں برائڈ ڈڈ فرجنٹ کا استعمال بڑھ رہا ہے۔ اسی طرح کانفک کے شعبے نے طلب میں اضافے کی بدولت بہترین کارکردگی دکھائی کیونکہ ری سائیکل شدہ پیپر کے استعمال میں کمی واقع ہو رہی ہے۔ ریٹائنڈ سوڈیم ہائی کاربونیٹ (RSB) مارکیٹ کی کارکردگی بھی گزشتہ سال کی بہ نسبت امتیازی رہی، جبکہ پولٹری کے شعبے کی بھرپور طلب کے امکان سے اس میں تیزی آئے گی۔

کاروبار کا انتظامی نتیجہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 25 فیصد اضافے کے ساتھ 738 ملین روپے رہا، جس کی اہم وجہ گزشتہ سال کی تیسری سہ ماہی میں 75000 ٹن سالانہ صلاحیت والے لوئسٹی پلانٹ کے چلنے سے یلزی کی زیادہ مقدار حاصل کرنا ہے۔

فیڈ اسٹاک کی بڑھتی ہوئی قیمتوں اور روپے کی قدر میں کمی کے پیش نظر، برنس اپنا مارکیٹ شیئر بڑھانے اور قیمتوں کی درستی کے ساتھ اپنے کسٹمر کو برقرار رکھنے میں کامیاب رہا۔

کمپنی کو انڈین کاؤنسل کی جانب سے مطلع کیا گیا ہے کہ بھارت میں سوڈالائش کی برآمدات پر عائد اینٹی ڈیمپنگ ڈیوٹی بنیادی گئی ہے۔ اس حوالے سے دہلی ہائی کورٹ نے کسٹمر ڈیپارٹمنٹ کو ADD قائم کرنے سے روک دیا ہے۔

## ڈائریکٹرز کا جائزہ

برائے سہ ماہی ختم شدہ 30 ستمبر 2018

ڈائریکٹرز کمیٹی کے غیر آڈٹ شدہ مالیاتی گوشوارے اور اپنا جائزہ برائے سہ ماہی ختم شدہ 30 ستمبر 2018 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

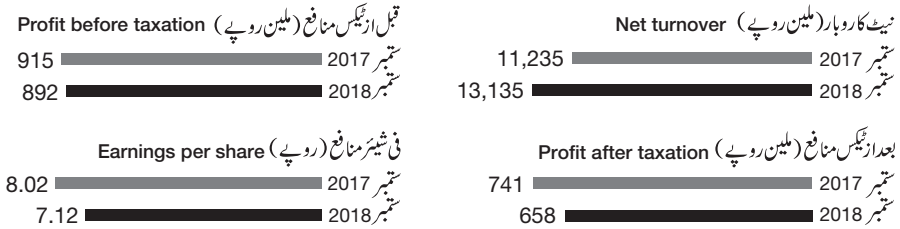
متذکرہ سہ ماہی کا مجموعی کاروبار گزشتہ سال کی نسبت 17 فیصد اضافے کے ساتھ 13,135 ملین روپے رہا، جس کی اہم وجہ پوليٹیکسٹر، سوڈائش کے کاروبار میں بالترتیب 27 فیصد اور 43 فیصد اضافہ ہے۔ اس اضافے کو لائف سائنسز اور کیمیکلز ایجنڈا ایگری سائنس برنس کی کم آمدنی نے جزوی طور پر متاثر کیا۔

سہ ماہی کا آپریٹنگ رزلٹ، 1,059 ملین روپے گزشتہ سال کے اسی عرصہ کے مقابلے میں 5 فیصد زائد ہے جس کی اہم وجہ پوليٹیکسٹر اور سوڈائش برنسز میں بالترتیب 993 فیصد اور 25 فیصد اضافہ ہے۔ پوليٹیکسٹر برنس کی شاندار کارکردگی بڑھتے ہوئے پونٹ منافع کی مرہون منت ہے، جبکہ سوڈائش برنس کی کارکردگی گزشتہ سال کی تیسری سہ ماہی کے دوران شروع ہونے والے 75000 ٹن سالانہ کے توسیعی پلانٹ سے زائد مقدار میں مینوٹیکسٹرنگ کے سبب ہے۔ ان برنسز میں بہتر مارجن اور حجم میں اضافہ نے لائف سائنسز اور کیمیکلز ایجنڈا ایگری سائنس برنسز کے خسارے کو سنبھالا۔ لائف سائنسز برنس کی کارکردگی سرکاری سطح پر مینڈرز کے اجراء میں تاخیر، اسٹاک کی کمی اور نئی پروڈکٹس کے اجراء اور رجسٹریشن میں تاخیر کے سبب متاثر ہوئی۔ کیمیکلز اور ایگری سائنسز برنس میں خسارے کا سبب نیکسٹل پروسیسنگ کیمیکلز کی فروخت میں کمی، پولی پورٹھن شے میں قیمتوں میں کمی سے آنے والا دباؤ، گسٹمز کے پاس اسٹاک کی عدم دستیابی اور کیمیکلز ڈویژن میں منافع کا غیر مستحکم ہونا ہے۔

زیر جائزہ سہ ماہی کے لئے بعد از ٹیکس منافع گزشتہ سال کے اسی عرصہ کے مقابلے میں 11 فیصد کمی کے ساتھ 658 ملین روپے رہا، جس کی وجہ خاص طور پر زائد قرضے میں اضافے کے اور سود کی شرح کے ساتھ گزشتہ سال کے مقابلے میں زائد میگزسٹے کیونکہ سوڈائش کے 75000 ٹن سالانہ کے توسیعی پلانٹ پر گزشتہ سال کی اسی مدت کے دوران ٹیکس کریڈٹ دستیاب تھا۔

سہ ماہی کے لئے فی شیئر منافع 7.12 روپے رہا جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 11 فیصد کم ہے۔

ستمبر 2017 کو ختم شدہ سہ ماہی	ستمبر 2018 کو ختم شدہ سہ ماہی	
11,235	13,135	Net turnover (PKR million) (نیٹ کاروبار (ملین روپے))
915	892	Profit before taxation (PKR million) (قبل از ٹیکس منافع (ملین روپے))
741	658	Profit after taxation (PKR million) (بعد از ٹیکس منافع (ملین روپے))
8.02	7.12	Earnings per share (PKR) (فی شیئر منافع (روپے))



## پولیسٹرا سٹیلپل فابریک برنس (PSF)

آپریٹنگ رزلٹ (ملین روپے)	Net turnover (ملین روپے)
129 (ستمبر 2017)	4,218 (ستمبر 2017)
(14) (ستمبر 2018)	5,355 (ستمبر 2018)

# Condensed Interim Unconsolidated Statement of Financial Position

As at September 30, 2018

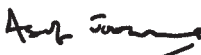
Amounts in PKR '000

	Note	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	20,181,628	20,576,333
Intangible assets	5	923,124	924,294
		<b>21,104,752</b>	<b>21,500,627</b>
Long-term investments	6	3,913,076	3,913,076
Long-term loans	7	451,133	431,096
Long-term deposits and prepayments		35,362	37,138
		<b>4,399,571</b>	<b>4,381,310</b>
		<b>25,504,323</b>	<b>25,881,937</b>
<b>Current assets</b>			
Stores, spares and consumables		894,120	881,034
Stock-in-trade	8	10,016,900	8,737,564
Trade debts		2,446,950	2,605,818
Loans and advances		609,662	520,173
Trade deposits and short-term prepayments		405,676	306,154
Other receivables		1,466,824	1,401,131
Taxation - net		2,349,866	2,595,475
Cash and bank balances		300,483	218,843
		<b>18,490,481</b>	<b>17,266,192</b>
<b>Total assets</b>		<b>43,994,804</b>	<b>43,148,129</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
1,500,000,000 (June 30, 2018: 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, 2018: 92,359,050) ordinary shares of PKR 10 each		923,591	923,591
Capital reserves		309,643	309,643
Surplus on revaluation of property, plant and equipment - net of tax		664,782	669,495
Revenue reserve - unappropriated profit		16,055,888	16,178,705
<b>Total equity</b>		<b>17,953,904</b>	<b>18,081,434</b>
<b>Non-current liabilities</b>			
Provisions for non-management staff gratuity		102,040	99,007
Long-term loans	9	8,207,406	8,237,107
Deferred tax liability - net	10	1,764,241	1,911,896
		<b>10,073,687</b>	<b>10,248,010</b>
<b>Current liabilities</b>			
Trade and other payables		7,744,168	6,159,767
Accrued mark-up		268,795	249,638
Short-term borrowings and running finance	11	6,805,182	7,356,467
Current portion of long-term loans		1,063,231	963,434
Unclaimed dividend		85,837	89,379
		<b>15,967,213</b>	<b>14,818,685</b>
<b>Total equity and liabilities</b>		<b>43,994,804</b>	<b>43,148,129</b>
<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 Statement of Profit or Loss (Unaudited)

For the Quarter Ended September 30, 2018

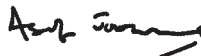
Amounts in PKR '000

	For the 3 months ended September 30, 2018	For the 3 months ended September 30, 2017
<b>Net turnover - note 13</b>	<b>13,134,536</b>	11,234,965
Cost of sales - note 13 and 14	<b>(10,977,194)</b>	(9,269,616)
<b>Gross profit</b>	<b>2,157,342</b>	1,965,349
Selling and distribution expenses	<b>(775,808)</b>	(675,131)
Administration and general expenses	<b>(322,992)</b>	(281,008)
<b>Operating result - note 13</b>	<b>1,058,542</b>	1,009,210
Finance costs	<b>(315,728)</b>	(107,971)
Exchange loss	<b>(11,671)</b>	(31,352)
Workers' profit participation fund	<b>(46,976)</b>	(48,207)
Workers' welfare fund	<b>(17,768)</b>	(11,657)
Other charges	<b>(20,687)</b>	(10,886)
	<b>(412,830)</b>	(210,073)
Dividend income	<b>230,000</b>	100,000
Other income	<b>16,617</b>	15,722
<b>Profit before taxation</b>	<b>892,329</b>	914,859
Taxation - note 15	<b>(234,807)</b>	(173,856)
<b>Profit after taxation</b>	<b>657,522</b>	741,003
	<b>(PKR)</b>	
<b>Basic and diluted earnings per share</b>	<b>7.12</b>	8.02

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 Other Comprehensive Income (Unaudited)

For the Quarter Ended September 30, 2018

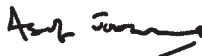
Amounts in PKR '000

	For the 3 months ended September 30, 2018	For the 3 months ended September 30, 2017
<b>Profit after taxation</b>	<b>657,522</b>	741,003
<b>Total comprehensive income for the period</b>	<b>657,522</b>	741,003

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 Statement of Cash Flows (Unaudited)

For the Quarter Ended September 30, 2018

Amounts in PKR '000

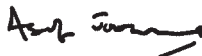
	September 30, 2018	September 30, 2017
<b>Cash flows from operating activities</b>		
Cash generated from operations - note 16	1,113,667	276,102
Payments for:		
Non-management staff gratuity and eligible retired employees' medical scheme	(3,478)	(3,331)
Staff retirement benefit plan	(10,713)	(10,681)
Taxation	(136,853)	(168,378)
Interest	(296,571)	(68,001)
<b>Net cash generated from operating activities</b>	<b>666,052</b>	<b>25,711</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	(280,839)	(1,182,399)
Business acquisition	-	(1,563,700)
Proceeds from disposal of operating fixed assets	624	157
Dividend received from associate	180,000	100,000
Interest received on bank deposits	534	-
<b>Net cash used in investing activities</b>	<b>(99,681)</b>	<b>(2,645,942)</b>
<b>Cash flows from financing activities</b>		
Long-term loans obtained *	300,000	2,170,020
Long-term loans repaid *	(229,904)	(152,035)
Dividends paid	(3,542)	(2,134)
<b>Net cash generated from financing activities</b>	<b>66,554</b>	<b>2,015,851</b>
Net increase / (decrease) in cash and cash equivalents	632,925	(604,380)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(7,137,624)</b>	<b>(1,976,698)</b>
<b>Cash and cash equivalents at the end of period (Ref. 1)</b>	<b>(6,504,699)</b>	<b>(2,581,078)</b>
<b>Ref. 1: Cash and cash equivalents at the end of period comprise of:</b>		
Cash and bank balances	300,483	146,431
Short-term borrowings and running finance	(6,805,182)	(2,727,509)
	<b>(6,504,699)</b>	<b>(2,581,078)</b>

\*No non-cash items are included in these activities

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, 2018

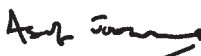
Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Surplus on revaluation of property, plant and equipment	Revenue reserve - Unappropriated Profit	Total
<b>As at July 1, 2017</b>	<b>923,591</b>	<b>309,643</b>	<b>743,948</b>	<b>14,950,666</b>	<b>16,927,848</b>
Final dividend of PKR 10.00 per share for the year ended June 30, 2017	-	-	-	(923,590)	(923,590)
Profit for the period	-	-	-	741,003	741,003
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>741,003</b>	<b>741,003</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(5,202)	5,202	-
<b>As at September 30, 2017</b>	<b>923,591</b>	<b>309,643</b>	<b>738,746</b>	<b>14,773,281</b>	<b>16,745,261</b>
Interim dividend of PKR 8.00 per share for the year ended June 30, 2018	-	-	-	(738,872)	(738,872)
Profit for the period	-	-	-	2,318,701	2,318,701
Other comprehensive loss for the period - net of tax	-	-	(6,161)	(237,495)	(243,656)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>(6,161)</b>	<b>2,081,206</b>	<b>2,075,045</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(63,090)	63,090	-
<b>As at June 30, 2018</b>	<b>923,591</b>	<b>309,643</b>	<b>669,495</b>	<b>16,178,705</b>	<b>18,081,434</b>
Final dividend of PKR 8.50 per share for the year ended June 30, 2018	-	-	-	(785,052)	(785,052)
Profit for the period	-	-	-	657,522	657,522
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>657,522</b>	<b>657,522</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(4,713)	4,713	-
<b>As at September 30, 2018</b>	<b>923,591</b>	<b>309,643</b>	<b>664,782</b>	<b>16,055,888</b>	<b>17,953,904</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, 2018

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 manufacturing of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate, polyurethanes and pharmaceutical products; 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 subsidiaries 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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## 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 unconsolidated financial statements for the year ended June 30, 2018.

## 4 Property, plant and equipment

	<b>September 30, 2018 (Unaudited)</b>	June 30, 2018 (Audited)
Operating fixed assets - at net book value	<b>19,142,094</b>	19,710,551
Capital work-in-progress - at cost - Note 4.2		
Civil works and buildings	<b>108,258</b>	110,078
Plant and machinery	<b>683,718</b>	531,432
Advances to suppliers / contractors	<b>247,558</b>	224,272
	<b>1,039,534</b>	865,782
<b>Total property, plant and equipment</b>	<b>20,181,628</b>	20,576,333

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended September 30, 2018

Amounts in PKR '000

4.1 Following is the cost of operating fixed assets that have been added / disposed off during the quarter ended September 30, 2018:

	Additions / Transfers		Disposals - NBV	
	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
Freehold land	-	207,573	-	8,326
Lime beds on freehold land	7,370	76,819	-	-
Buildings on freehold land	-	206,275	-	-
Buildings on leasehold land	14,922	849,987	29	88
Plant and machinery	71,920	5,472,647	9,620	750
Rolling stock and vehicles	4,893	4,496	-	-
Furniture and equipment	6,951	122,169	7	462
	<b>106,056</b>	<b>6,939,966</b>	<b>9,656</b>	<b>9,626</b>

4.2 Following is the movement in capital work-in-progress during the period

	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
Opening balance	865,782	4,372,739
Addition during the period	241,779	2,395,925
	<b>1,107,561</b>	<b>6,768,664</b>
Transferred to operating fixed assets	(68,027)	(5,902,882)
<b>Closing balance</b>	<b>1,039,534</b>	<b>865,782</b>

## 5 Intangible assets

Intangible assets - at net book value - note 5.1	<b>923,124</b>	924,294
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5.1 Following is the detail of intangible assets:

Brands	<b>753,460</b>	753,460
Goodwill	<b>126,510</b>	126,510
Others	<b>43,154</b>	44,324
	<b>923,124</b>	924,294

The management has decided that no change is required in the value of Goodwill and Brands as disclosed in the annual audited financial statements as at and for the year ended June 30, 2018 of the Company in respect of acquisition of certain assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited which constitute a business combination as per IFRS 3: business combination.

5.2 Addition to intangible assets: **1,887** 913,855

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended September 30, 2018

Amounts in PKR '000

	<b>September 30, 2018 (Unaudited)</b>	June 30, 2018 (Audited)
<b>6 Long-term investments</b>		
<b>Unquoted</b>		
Subsidiary		
- ICI Pakistan PowerGen Limited (wholly owned) 7,100,000 ordinary shares of PKR 100 each Provision of impairment loss	<b>710,000</b> <b>(209,524)</b>	710,000 (209,524)
	<b>500,476</b>	500,476
- Cirin Pharmaceuticals (Private) Limited (wholly owned) 112,000 ordinary shares of PKR 100 each and premium of PKR 8,661.61 per share	<b>981,300</b>	981,300
- NutriCo Morinaga (Private) Limited (51% ownership) 14,688,000 ordinary shares of PKR 100 each	<b>1,468,800</b>	1,468,800
Associate		
- NutriCo Pakistan (Private) Limited (40% ownership) 200,000 ordinary shares of PKR 1,000 each and premium of PKR 3,800 per share	<b>960,000</b>	960,000
<b>Others</b>		
Equity security available for sale		
- Arabian Sea Country Club Limited 250,000 ordinary shares of PKR 10 each	<b>2,500</b>	2,500
	<b>3,913,076</b>	3,913,076
<b>7 Long-term loans</b>		
<b>Considered good - secured</b>		
Due from executives and employees	<b>580,712</b>	559,089
Current portion shown under loans and advances (Current assets)	<b>(129,579)</b>	(127,993)
	<b>451,133</b>	431,096
<b>8 Stock-in-trade</b>		
It includes items carried at net realisable value of PKR 4,298.817 million (June 30, 2018: PKR 2,399.087 million) on which expense of PKR 34.131 million (June 30, 2018: PKR 160.810 million) was recognized during the period.		
<b>9 Long-term loans</b>		
Long-term loans - note 9.1	<b>9,270,637</b>	9,200,541
Current portion shown under current liabilities	<b>(1,063,231)</b>	(963,434)
	<b>8,207,406</b>	8,237,107
<b>9.1 Opening balance</b>	<b>9,200,541</b>	5,553,664
Obtained during the period	<b>300,000</b>	4,290,595
Repaid during the period	<b>(229,904)</b>	(643,718)
<b>Closing balance</b>	<b>9,270,637</b>	9,200,541

During the period, Company availed a further long term loan amounting to PKR 300 million. The mark up rates on LTFF ranges from SBP rate + 0.3% to 0.5% spread, with other long term loans ranging from 3 month KIBOR to 6 month KIBOR bearing spreads ranging from 0.05% to 0.25%. The profit rate on Islamic term finance is 6 months KIBOR + 0.05%. The mark up is payable on quarterly and semi-annual basis.

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended September 30, 2018

Amounts in PKR '000

September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
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## 10 Deferred tax liability - net

<b>Deductible temporary differences</b>		
Provisions for retirement benefits, doubtful debts and others	(263,681)	(252,072)
Retirement funds provision	(106,577)	(110,491)
Minimum Tax	(57,147)	(57,147)
<b>Taxable temporary differences</b>		
Property, plant and equipment	2,191,646	2,331,606
	<b>1,764,241</b>	<b>1,911,896</b>

## 11 Short-term borrowings and running finance

Export refinance	-	200,000
Money market	1,500,000	-
Short-term running finance - secured	5,305,182	7,156,467
	<b>6,805,182</b>	<b>7,356,467</b>

There is no material change in the terms and conditions of the short-term borrowings and running finance as disclosed in the annual audited financial statements of the Company as at and for the year ended June 30, 2018 except that the Company availed further facility of PKR 500 million. The mark up on short term finance ranges from plain KIBOR to KIBOR+0.50%.

## 12 Contingencies and commitments

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

Local bodies	96,536	166,501
Others	11,318	11,318
	<b>107,854</b>	<b>177,819</b>

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 as at and for the year ended June 30, 2018 of the Company.

12.3 Commitments in respect of capital expenditure (including masterbatch project of Chemical and Agri Sciences Division) 643,767 190,543

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

Year		
2018-19	62,488	76,099
2019-20	88,317	80,893
2020-21	93,616	85,989
2021-22	99,232	91,407
2022-23	26,297	-
	<b>369,950</b>	<b>334,388</b>
Payable not later than one year	62,488	76,099
Payable later than one year but not later than five years	307,462	258,289
	<b>369,950</b>	<b>334,388</b>



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

For the Quarter Ended September 30, 2018

Amounts in PKR '000

For the 3 months ended September 30, 2018	For the 3 months ended September 30, 2017
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## 13.1 Turnover

Inter-segment sales and purchases have been eliminated from the total. **929** 2,328

**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: **407,298** 77,110

## 14 Cost of sales

Opening stock of raw and packing materials	<b>4,497,008</b>	2,464,250
Purchases	<b>7,429,819</b>	5,165,467
	<b>11,926,827</b>	7,629,717
Closing stock of raw and packing materials	<b>(4,813,267)</b>	(2,934,424)
Raw and packing materials consumption	<b>7,113,560</b>	4,695,293
Manufacturing costs	<b>2,939,169</b>	2,276,518
	<b>10,052,729</b>	6,971,811
Opening stock of work-in-process	<b>63,754</b>	75,244
	<b>10,116,483</b>	7,047,055
Closing stock of work-in-process	<b>(148,895)</b>	(79,200)
Cost of goods manufactured	<b>9,967,588</b>	6,967,855
Opening stock of finished goods	<b>4,176,802</b>	3,207,153
Finished goods purchased	<b>1,887,542</b>	1,922,320
	<b>16,031,932</b>	12,097,328
Closing stock of finished goods	<b>(5,054,738)</b>	(2,827,712)
	<b>10,977,194</b>	9,269,616

## 15 Taxation

Current	<b>382,462</b>	214,973
Deferred	<b>(147,655)</b>	(41,117)
	<b>234,807</b>	173,856

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

For the Quarter Ended September 30, 2018

Amounts in PKR '000

	September 30, 2018	September 30, 2017
<b>16 Cash flows from operations</b>		
Profit before taxation	<b>892,329</b>	914,859
Adjustments for:		
Depreciation and amortisation	<b>667,915</b>	575,842
Loss on disposal of operating fixed assets	<b>9,032</b>	130
Provision for non-management staff gratuity and eligible retired employees' medical scheme	<b>8,595</b>	11,313
Provision for staff retirement benefit plan	<b>5,944</b>	6,683
Dividend from subsidiary	<b>(50,000)</b>	-
Dividend from associate	<b>(180,000)</b>	(100,000)
Interest expense	<b>315,728</b>	107,971
Provision for doubtful trade debts	<b>3,765</b>	43,243
Provision for slow moving and obsolete stock-in-trade	<b>39,965</b>	535
Provision for slow moving and obsolete stores, spares and consumables	<b>8</b>	555
Interest on bank deposits	<b>(534)</b>	-
	<b>1,712,747</b>	1,561,131
Movement in:		
Working capital - note 16.1	<b>(580,819)</b>	(1,276,476)
Long-term loans	<b>(20,037)</b>	(7,900)
Long-term deposits and prepayments	<b>1,776</b>	(653)
<b>Cash generated from operations</b>	<b>1,113,667</b>	276,102
<b>16.1 Movement in working capital</b>		
<b><i>(Increase) / decrease in current assets</i></b>		
Stores, spares and consumables	<b>(13,094)</b>	40
Stock-in-trade	<b>(1,319,301)</b>	(76,224)
Trade debts	<b>155,103</b>	(400,847)
Loans and advances	<b>(89,489)</b>	(61,388)
Trade deposits and short-term prepayments	<b>(94,753)</b>	(93,022)
Other receivables	<b>(15,693)</b>	241,345
	<b>(1,377,227)</b>	(390,096)
<b><i>Increase / (decrease) in current liabilities</i></b>		
Trade and other payables	<b>796,408</b>	(886,380)
	<b>(580,819)</b>	(1,276,476)



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

For the Quarter Ended September 30, 2018

Amounts in PKR '000

<b>For the 3 months ended September 30, 2018</b>	<b>For the 3 months ended September 30, 2017</b>
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## 17 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 companies, 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>92,034</b>	69,086
Subsidiary Company	Purchase of electricity	<b>202,533</b>	146,724
	Provision of services and other receipts	<b>495</b>	495
	Sale of goods and material	<b>369</b>	-
Associated Companies	Purchase of goods, materials and services	<b>19,021</b>	62,055
	Sale of goods and materials	<b>486,043</b>	417,631
	Reimbursement of expenses	<b>17,097</b>	18,988
	Donations paid	<b>-</b>	5,000
	Dividend income from associate	<b>180,000</b>	100,000
Others	Staff retirement benefits	<b>46,505</b>	42,921
Key management personnel	Remuneration paid	<b>63,627</b>	136,123
	Post employment benefits	<b>8,209</b>	9,242

## 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, 2018.

## 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 unconsolidated financial statements as at and for the year ended June 30, 2018.

## 21 Date of authorisation

The condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on 25th October, 2018.

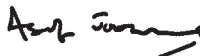
## 22 General

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 Companies Consolidated Financial Statements**



# Review of the Directors

For the Quarter Ended September 30, 2018

The Directors are pleased to present their review together with the unaudited Group results of ICI Pakistan Limited for the quarter ended September 30, 2018. The ICI Pakistan Group comprises of ICI Pakistan Limited, ICI Pakistan PowerGen Limited (PowerGen), Cirin Pharmaceuticals (Private) Limited (Cirin), and NutriCo Morinaga (Private) Limited (NutriCo Morinaga) as its subsidiaries.

The Director's report, which provides a commentary on the performance of ICI Pakistan Limited for the quarter ended September 30, 2018, has been presented separately.

Net turnover of PowerGen for the quarter ended September 30, 2018 stood at PKR 173 million, 38% higher as compared to SPLY due to rising furnace oil price and increase in electricity units sold to Polyester Business by 58% and 2%, respectively. The operating profit, however, remained stable at PKR 25 million due to lower repair and maintenance costs in the SPLY.

Cirin achieved a net turnover of PKR 165 million, 6% higher as compared to SPLY while the operating loss for the period was PKR 51 million as compared to operating profit of PKR 13 million in the SPLY. Lower results were due to the general elections and a change in government, the Primary & Secondary Health Department, Punjab withdrew/stopped all tenders until further notice. This includes previously advertised tenders as well. After the change in government, clarity is awaited on whether the current process for tenders will still be followed in future or not.

NutriCo Morinaga is constructing a state-of-the-art manufacturing facility to manufacture Morinaga Infant Formula, which will be manufactured, distributed and sold by the Company. Civil works are currently underway whereas commercial operations are expected to commence from mid of calendar year of 2019. During the period, the Company generated income of PKR 21 million on its bank deposits.

On a consolidated basis (including the results of the Company's subsidiaries: PowerGen, Cirin and NutriCo Morinaga), PAT for the quarter under review, at PKR 546 million is 34% lower as compared to SPLY whereas EPS at PKR 5.83 is 34% lower as compared to the SPLY. The Company recognised PKR 125 million as share of profit from NutriCo Pakistan (Private) Limited.



**Muhammad Sohail Tabba**  
Chairman / Director

**October 25, 2018**  
**Karachi**



**Asif Jooma**  
Chief Executive

## ڈائریکٹرز کا جائزہ

برائے سہ ماہی ختم شدہ 30 ستمبر 2018

ڈائریکٹرز آئی سی آئی پاکستان لمیٹڈ کے غیر آڈٹ شدہ مجموعی گروپ (Consolidated) نتائج اور اپنا جائزہ برائے سہ ماہی ختم شدہ 30 ستمبر 2018 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔ آئی سی آئی پاکستان گروپ، آئی سی آئی پاکستان لمیٹڈ، اس کے ذیلی اداروں آئی سی آئی پاکستان پاور جن لمیٹڈ (پاور جن)، سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ (سرن)، اور نیوٹری کو موورینا گا (پرائیویٹ) لمیٹڈ (نیوٹری کو موورینا گا) پر مشتمل ہے۔

آئی سی آئی پاکستان لمیٹڈ کی کارکردگی کی وضاحت پر مشتمل ڈائریکٹرز رپورٹ برائے سہ ماہی ختم شدہ 30 ستمبر 2018 علیحدہ سے پیش کی جا رہی ہے۔

30 ستمبر 2018 کو ختم شدہ سہ ماہی کیلئے پاور جن کا نیٹ کاروبار 173 ملین روپے رہا جو گزشتہ سال کے اسی عرصہ کے مقابلے میں 38 فیصد زیادہ ہے۔ یہ اضافہ اصل میں فرنیس اے کی قیمتوں جس میں 58 فیصد اضافے اور پولیٹر برنس کو بھلی کی فروخت میں 2 فیصد اضافے کے سبب ممکن ہوا۔ البتہ آپریٹنگ رزلٹ 25 ملین روپے پر مختصم رہا کیونکہ گزشتہ سال میں مرمتی اور مینٹنس کے اخراجات کم رہے۔

سرن نے گزشتہ سال کے اسی عرصہ کے مقابلے میں 6 فیصد اضافے کے ساتھ 165 ملین روپے کا مجموعی کاروبار حاصل کیا جبکہ متعلقہ عرصے کے دوران گزشتہ سال کے اسی عرصہ میں 13 ملین کے کاروباری منافع کے مقابلے میں زیر جائزہ عرصہ کے دوران کاروباری نقصان 51 ملین روپے رہا۔ کم ہوتے منافع کی وجہ عام ایکشن کا انعقاد اور حکومتی تبدیلی، پرائمری اور سیکنڈری ہیلتھ ڈپارٹمنٹ، پنجاب کی جانب سے اگلی اطلاع تک ٹینڈرز کی منسوخی یا بندش ہے۔ اس میں ماضی میں جاری کردہ ٹینڈرز بھی شامل ہیں۔ حکومتی تبدیلی کے بعد، اس وضاحت کا انتظار ہے کہ آیا ٹینڈرز کی موجودہ پوسیس مستقبل میں رہے گی یا نہیں۔

نیوٹری کو موورینا گانے مورینا گانہ فارمنٹ فارمولا کی تیاری کے لئے جدید مینوفیکچرنگ سہولت تعمیر کرنے پر بھرپور توجہ مرکوز کر رہی ہے، جس کے تحت کمپنی کی جانب سے ڈسٹری بیوٹ، مارکیٹ اور فروخت کی جائے گی۔ اس وقت سول ورکس جاری ہے جبکہ سال 2019 کے وسط میں اس کے کمرشل آپریٹیشن شروع ہونے کی توقع کی جا رہی ہے۔ متعلقہ عرصہ کے دوران کمپنی نے اپنے بینک ڈپازٹس پر 21 ملین روپے کی آمدنی حاصل کی۔

سہ ماہی کے لئے کنسلٹیڈ ہیڈ بنیادوں پر (کمپنی کے ذیلی اداروں آئی سی آئی پاکستان پاور جن، سرن اور نیوٹری کو موورینا گا) بعد از ٹیکس منافع 546 ملین روپے یا 5.83 روپے فی شیئر گزشتہ سال کے اسی عرصہ کے مقابلے میں 34 فیصد کم ہے۔ زیر جائزہ عرصہ کے دوران، کمپنی نے نیوٹری کو پاکستان (پرائیویٹ) لمیٹڈ کی جانب سے 125 ملین روپے منافع کا حصہ اپنے نام کیا۔

محمد سہیل بنا

آصف جہ  
چیف ایگزیکٹو

محمد سہیل بنا

چیرمین / ڈائریکٹر

تاریخ: 25 اکتوبر، 2018

کراچی۔

# Condensed Interim Consolidated Statement of Financial Position

As at September 30, 2018

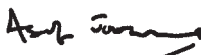
Amounts in PKR '000

	Note	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	23,149,981	22,375,943
Intangible assets	5	1,687,206	1,688,377
		<b>24,837,187</b>	24,064,320
Long-term investments	6	1,077,030	1,132,504
Long-term loans	7	474,556	443,791
Long-term deposits and prepayments		38,868	43,602
		<b>1,590,454</b>	1,619,897
		<b>26,427,641</b>	25,684,217
<b>Current assets</b>			
Stores, spares and consumables		962,190	946,642
Stock-in-trade	8	10,324,059	9,010,634
Trade debts		2,526,940	2,718,120
Loans and advances		641,143	552,752
Trade deposits and short-term prepayments		434,956	322,494
Other receivables		1,613,248	1,498,166
Taxation - net		2,337,818	2,592,156
Cash and bank balances		655,446	1,687,351
		<b>19,495,800</b>	19,328,315
<b>Total assets</b>		<b>45,923,441</b>	45,012,532
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
1,500,000,000 (June 30, 2018: 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, 2018: 92,359,050) ordinary shares of PKR 10 each		923,591	923,591
Capital reserves		309,643	309,643
Surplus on revaluation of property, plant and equipment - net of tax		815,684	821,982
Revenue reserve - unappropriated profit		16,311,079	16,551,410
Attributable to the equity holders of the holding company		18,359,997	18,606,626
Non-controlling interests		1,433,319	1,426,208
<b>Total equity</b>		<b>19,793,316</b>	20,032,834
<b>Non-current liabilities</b>			
Provisions for non-management staff gratuity		128,380	125,586
Long-term loans	9	8,212,374	8,243,012
Deferred tax liability - net	10	1,751,743	1,903,094
		<b>10,092,497</b>	10,271,692
<b>Current liabilities</b>			
Trade and other payables		7,758,326	6,066,938
Accrued mark-up		271,239	251,496
Short-term borrowings and running finance	12	6,854,898	7,332,327
Current portion of long-term loans		1,066,840	967,044
Current portion of liabilities subject to finance lease	11	488	822
Unclaimed dividend		85,837	89,379
		<b>16,037,628</b>	14,708,006
<b>Total equity and liabilities</b>		<b>45,923,441</b>	45,012,532
<b>Contingencies and commitments</b>			
	13		

The annexed notes 1 to 23 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 Profit or Loss (Unaudited)

For the Quarter Ended September 30, 2018

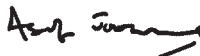
Amounts in PKR '000

	For the 3 months ended September 30, 2018	For the 3 months ended September 30, 2017
<b>Net turnover - note 14</b>	<b>13,299,247</b>	11,389,993
Cost of sales - note 14 and 15	<b>(11,090,356)</b>	(9,336,794)
<b>Gross profit</b>	<b>2,208,891</b>	2,053,199
Selling and distribution expenses	<b>(815,029)</b>	(710,761)
Administration and general expenses	<b>(361,401)</b>	(294,942)
<b>Operating result - note 14</b>	<b>1,032,461</b>	1,047,496
Finance costs	<b>(318,956)</b>	(109,956)
Exchange loss	<b>(11,900)</b>	(31,352)
Workers' profit participation fund	<b>(48,501)</b>	(50,208)
Workers' welfare fund	<b>(17,773)</b>	(11,893)
Other charges	<b>(18,143)</b>	(11,011)
	<b>(415,273)</b>	(214,420)
Other income	<b>43,049</b>	29,399
Share of profit from associate	<b>124,526</b>	143,759
<b>Profit before taxation</b>	<b>784,763</b>	1,006,234
Taxation - note 16	<b>(239,229)</b>	(181,140)
<b>Profit after taxation</b>	<b>545,534</b>	825,094
<b>Attributable to:</b>		
Owners of the Holding Company	<b>538,423</b>	821,214
Non-controlling interests	<b>7,111</b>	3,880
	<b>545,534</b>	825,094
	<b>(PKR)</b>	
<b>Basic and diluted earnings per share</b>	<b>5.83</b>	8.89

The annexed notes 1 to 23 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, 2018

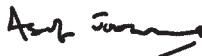
Amounts in PKR '000

	For the 3 months ended September 30, 2018	For the 3 months ended September 30, 2017
<b>Profit after taxation</b>	<b>545,534</b>	825,094
<b>Total comprehensive income for the period</b>	<b>545,534</b>	825,094
<b>Attributable to:</b>		
Owners of the Holding Company	<b>538,423</b>	821,214
Non-controlling interests	<b>7,111</b>	3,880
	<b>545,534</b>	825,094

The annexed notes 1 to 23 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 Cash Flows (Unaudited)

For the Quarter Ended September 30, 2018

Amounts in PKR '000

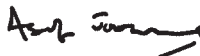
	September 30, 2018	September 30, 2017
<b>Cash flows from operating activities</b>		
Cash generated from operations - note 17	1,088,653	283,667
Payments for:		
Non-management staff gratuity and eligible retired employees' medical scheme	(4,426)	(3,828)
Staff retirement benefit plans	(10,713)	(10,707)
Taxation	(136,242)	(178,466)
Interest	(299,213)	(69,763)
<b>Net cash generated from operating activities</b>	<b>638,059</b>	<b>20,903</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	(1,463,251)	(1,295,360)
Business acquisition		(1,563,700)
Proceeds from disposal of operating fixed assets	4,060	157
Dividend received from associate	180,000	100,000
Interest received on bank deposits	21,630	13,194
<b>Net cash used in investing activities</b>	<b>(1,257,561)</b>	<b>(2,745,709)</b>
<b>Cash flows from financing activities</b>		
Long-term loans obtained *	300,000	2,170,020
Long-term loans repaid *	(230,842)	(153,445)
Finance lease liability repaid	(590)	(876)
Dividends paid	(3,542)	(2,134)
<b>Net cash generated from financing activities</b>	<b>65,026</b>	<b>2,013,565</b>
Net decrease in cash and cash equivalents	(554,476)	(711,241)
<b>Cash and cash equivalents at the start of the period</b>	<b>(5,644,976)</b>	<b>(862,441)</b>
<b>Cash and cash equivalents at the end of the period (Ref. 1)</b>	<b>(6,199,452)</b>	<b>(1,573,682)</b>
<b>Ref 1: Cash and cash equivalents at the end of period comprise of:</b>		
Cash and bank balances	655,446	1,187,579
Short-term borrowings and running finance	(6,854,898)	(2,761,261)
	<b>(6,199,452)</b>	<b>(1,573,682)</b>

\* No non-cash items are included in these activities

The annexed notes 1 to 23 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, 2018

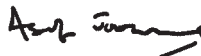
Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Surplus on revaluation of property, plant and equipment	Revenue reserve - Unappropriated Profit	Total reserves	Non controlling interest	Total
<b>As at July 1, 2017</b>	923,591	309,643	902,788	15,102,391	16,314,822	487,360	17,725,773
Final dividend of PKR 10.00 per share for the year ended June 30, 2017	-	-	-	(923,591)	(923,591)	-	(923,591)
Profit for the period	-	-	-	821,214	821,214	3,881	825,095
<b>Total comprehensive income</b>	-	-	-	<b>821,214</b>	<b>821,214</b>	<b>3,881</b>	<b>825,095</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(7,056)	7,056	-	-	-
<b>As at September 30, 2017</b>	923,591	309,643	895,732	15,007,070	16,212,445	491,241	17,627,277
Interim dividend of PKR 8.00 per share for the year ended June 30, 2018	-	-	-	(738,872)	(738,872)	-	(738,872)
Shares issued to non-controlling interests	-	-	-	-	-	921,200	921,200
Profit attributable to non-controlling interest for the period	-	-	-	-	-	13,767	13,767
	-	-	-	-	-	934,967	934,967
Profit for the period	-	-	-	2,458,792	2,458,792	-	2,458,792
Other comprehensive loss for the period - net of tax	-	-	(6,161)	(243,169)	(249,330)	-	(249,330)
<b>Total comprehensive income</b>	-	-	<b>(6,161)</b>	<b>2,215,623</b>	<b>2,209,462</b>	-	<b>2,209,462</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(67,589)	67,589	-	-	-
<b>As at June 30, 2018</b>	923,591	309,643	821,982	16,551,410	17,683,035	1,426,208	20,032,834
Final dividend of PKR 8.50 per share for the year ended June 30, 2018	-	-	-	(785,052)	(785,052)	-	(785,052)
Profit for the period	-	-	-	538,423	538,423	7,111	545,534
<b>Total comprehensive income</b>	-	-	-	<b>538,423</b>	<b>538,423</b>	<b>7,111</b>	<b>545,534</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(6,298)	6,298	-	-	-
<b>As at September 30, 2018</b>	923,591	309,643	815,684	16,311,079	17,436,406	1,433,319	19,793,316

The annexed notes 1 to 23 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, 2018

## 1 Status and nature of business

The Group consists of:

- ICI Pakistan Limited (the "Holding Company");
- ICI Pakistan PowerGen Limited ("PowerGen");
- Cirin Pharmaceuticals (Private) Limited ("Cirin"); and
- NutriCo Morinaga (Private) Limited ("NutriCo Morinaga").

The Holding Company is incorporated in Pakistan and is listed on The Pakistan Stock Exchange Limited.

PowerGen is incorporated in Pakistan as an unlisted public company and is a wholly owned subsidiary company of ICI Pakistan Limited.

Cirin is incorporated in Pakistan as a private limited company and is a wholly owned subsidiary company of ICI Pakistan Limited.

NutriCo Morinaga is incorporated in Pakistan as a private limited company. ICI Pakistan Limited has 51% ownership in NutriCo Morinaga.

The Holding Company is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchanting of general chemicals. It also acts as an indenting agent and toll manufacturer.

PowerGen is engaged in generating, selling and supplying electricity to the Holding Company.

Cirin is engaged in manufacturing and sale of pharmaceutical products.

NutriCo Morinaga is engaged in manufacturing of infant milk powder.

The Holding Company's registered office is situated at 5 West Wharf, Karachi.

The condensed interim consolidated financial statements comprise the consolidated Statement of Financial Position of ICI Pakistan Limited and its subsidiary companies, ICI Pakistan PowerGen Limited, Cirin Pharmaceuticals (Private) Limited and NutriCo Morinaga (Private) Limited as at September 30, 2018 and the related consolidated Profit or Loss, consolidated statement of other comprehensive income, consolidated statement of cash flow 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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

## 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 consolidated financial statements for the year ended June 30, 2018.

# Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended September 30, 2018

Amounts in PKR '000

	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
<b>4 Property, plant and equipment</b>		
Operating fixed assets - at net book value	19,768,944	20,350,838
Capital work-in-progress - at cost - Note 4.2		
Civil works and buildings	893,620	670,344
Plant and machinery	1,365,387	783,651
Advances to suppliers / contractors	1,122,030	571,110
	3,381,037	2,025,105
<b>Total property, plant and equipment</b>	<b>23,149,981</b>	<b>22,375,943</b>

4.1 Following is the cost of operating fixed assets that have been added / disposed off during the quarter ended September 30, 2018:

	Additions / Transfers		Disposals - NBV	
	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
Freehold land	-	561,062	-	8,326
Lime beds on freehold land	7,370	76,820	-	-
Buildings on freehold land	-	212,714	-	-
Buildings on leasehold land	14,922	849,986	29	88
Plant and machinery	72,440	5,497,054	9,620	753
Rolling stock and vehicles	4,893	4,498	753	-
Furniture and equipment	7,384	138,359	7	462
	107,009	7,340,493	10,409	9,629

	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
<b>4.2</b> Following is the movement in capital work-in-progress during the period		
Opening balance	2,025,105	4,424,453
Addition during the period	1,424,479	3,911,542
	3,449,584	8,335,995
Transferred to operating fixed assets	(68,547)	(6,310,890)
<b>Closing balance</b>	<b>3,381,037</b>	<b>2,025,105</b>

## 5 Intangible assets

Intangible assets - at net book value - note 5.1	1,687,206	1,688,377
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5.1 Following is the detail of intangible assets:

Brands	1,437,679	1,437,679
Goodwill	206,374	206,374
Others	43,153	44,324
	1,687,206	1,688,377

The management has decided that no change is required in the value of Goodwill and Brands as disclosed in the annual audited financial statements of the Group as at and for the year ended June 30, 2018 in respect of acquisition of certain assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited which constitute a business combination as per IFRS 3: business combination.

<b>5.2</b> Additions to intangible assets:	1,887	913,855
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# Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended September 30, 2018

Amounts in PKR '000

	September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
<b>6 Long-term investments</b>		
<b><i>Unquoted - at equity method</i></b>		
Associate - NutriCo Pakistan (Private) Limited (40% ownership)		
Cost of investment - 200,000 ordinary shares of PKR 1,000 each and premium of PKR 3,800 per share	960,000	960,000
Post acquisition profits at the beginning	170,004	4,036
Share of profit for the period	124,526	585,968
Dividend received during the period	(180,000)	(420,000)
Carrying value of associate	1,074,530	1,130,004
<b><i>Others</i></b>		
Equity security available for sale		
- Arabian Sea Country Club Limited 250,000 ordinary shares of PKR 10 each	2,500	2,500
	1,077,030	1,132,504
<b>7 Long-term loans</b>		
<b><i>Considered good</i></b>		
Due from executives and employees	604,341	574,326
Current portion shown under loans and advances (Current assets)	(129,785)	(130,535)
	474,556	443,791
<b>8 Stock-in-trade</b>		
It includes items carried at net realisable value of PKR 4,298.817 million (June 30, 2018: PKR 2,399.087 million) on which expense of PKR 34.131 million (June 30, 2018: PKR 160.810 million) was recognized during the period.		
<b>9 Long-term loans</b>		
Long-term loans - note 9.1	9,279,214	9,210,056
Current portion shown under current liabilities	(1,066,840)	(967,044)
	8,212,374	8,243,012
<b>9.1 Opening Balance</b>	9,210,056	5,567,145
Obtained during the period	300,000	4,290,595
Repaid during the period	(230,842)	(647,684)
<b>Closing balance</b>	9,279,214	9,210,056

During the period, Group availed a further long term loan amounting to PKR 300 million. The mark up rates on LTFF ranges from SBP rate + 0.3% to 0.5% spread, with other long term loans ranging from 3 month KIBOR to 6 month KIBOR bearing spreads ranging from 0.05% to 0.25%. The profit rate on Islamic term finance is 6 months KIBOR + 0.05%. The mark up is payable on quarterly and semi-annual basis.

# Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended September 30, 2018

Amounts in PKR '000

September 30, 2018 (Unaudited)	June 30, 2018 (Audited)
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## 10 Deferred tax liability - net

<b>Deductible temporary differences</b>		
Provisions for retirement benefits, doubtful debts and others	(277,423)	(255,942)
Retirement funds provision	(106,577)	(112,382)
Minimum Tax	(57,147)	(57,147)
<b>Taxable temporary differences</b>		
Property, plant and equipment	2,192,890	2,328,565
	<b>1,751,743</b>	<b>1,903,094</b>

## 11 Liabilities subject to finance lease

Present value of lease payments under finance lease are as follows:		
Not later than one year	488	822
Later than one year and not later than five years	-	-
	<b>488</b>	<b>822</b>

## 12 Short-term borrowings and running finance

Export refinance	-	200,000
Money market	1,500,000	-
Short-term running finance - secured	5,354,898	7,132,327
	<b>6,854,898</b>	<b>7,332,327</b>

There is no material change in the terms and conditions of the short-term borrowings and running finance as disclosed in the annual audited financial statements of the Group as at and for the year ended June 30, 2018 except that the Group availed further facility of PKR 500 million. The mark up on short term finance ranges from plain KIBOR to KIBOR+0.50%.

## 13 Contingencies and commitments

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

Local bodies	96,536	166,501
Others	11,318	11,318
	<b>107,854</b>	<b>177,819</b>

### 13.2 There are no material changes in the status of custom duty, sales tax and income tax contingencies as reported in the annual audited financial statements as at and for the year ended June 30, 2018 of the Group.

### 13.3 Commitments in respect of capital expenditure includes various projects

	<b>3,002,742</b>	<b>3,032,970</b>
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### 13.4 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:

Year		
2018-19	63,992	76,101
2019-20	90,442	80,895
2020-21	95,869	85,991
2021-22	101,621	91,409
2022-23	26,930	-
	<b>378,854</b>	<b>334,396</b>
Payable not later than one year	63,992	76,101
Payable later than one year but not later than five years	314,862	258,295
	<b>378,854</b>	<b>334,396</b>



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

For the Quarter Ended September 30, 2018

Amounts in PKR '000

For the 3 months ended September 30, 2018	For the 3 months ended September 30, 2017
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## 14.1 Turnover

Inter-segment sales and purchases have been eliminated from the total	<b>174,034</b>	127,733
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14.2 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

14.3 Turnover includes export sales made to various countries amounting to:	<b>407,298</b>	77,110
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## 15 Cost of sales

Opening stock of raw and packing materials	<b>4,682,248</b>	2,570,287
Purchases	<b>7,529,830</b>	5,219,995
	<b>12,212,078</b>	7,790,282
Closing stock of raw and packing materials	<b>(5,030,924)</b>	(3,038,428)
Raw and packing materials consumption	<b>7,181,154</b>	4,751,854
Manufacturing costs	<b>2,962,798</b>	2,290,190
	<b>10,143,952</b>	7,042,044
Opening stock of work-in-process	<b>101,132</b>	110,090
	<b>10,245,084</b>	7,152,134
Closing stock of work-in-process	<b>(183,803)</b>	(114,682)
Cost of goods manufactured	<b>10,061,281</b>	7,037,452
Opening stock of finished goods	<b>4,227,254</b>	3,233,523
Finished goods purchased	<b>1,911,153</b>	1,922,320
	<b>16,199,688</b>	12,193,295
Closing stock of finished goods	<b>(5,109,332)</b>	(2,856,501)
	<b>11,090,356</b>	9,336,794

## 16 Taxation

Current	<b>390,580</b>	219,538
Deferred	<b>(151,351)</b>	(38,398)
	<b>239,229</b>	181,140

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

For the Quarter Ended September 30, 2018

Amounts in PKR '000

	September 30, 2018	September 30, 2017
<b>17 Cash flows from operations</b>		
Profit before taxation	<b>784,763</b>	1,006,234
Adjustments for:		
Depreciation and amortisation	<b>681,415</b>	589,517
Loss on disposal of operating fixed assets	<b>6,349</b>	130
Provision for non-management staff gratuity and eligible retired employees' medical scheme	<b>9,304</b>	11,984
Provision for staff retirement benefit plan	<b>5,944</b>	6,710
Share of profit from associate	<b>(124,526)</b>	(143,759)
Interest on bank deposits	<b>(21,630)</b>	(13,730)
Interest expense	<b>318,956</b>	109,956
Provision for doubtful trade debts	<b>10,692</b>	43,243
Provision for slow moving and obsolete stock-in-trade	<b>60,719</b>	535
Provision for slow moving stores, spares and consumables	<b>8</b>	555
	<b>1,731,994</b>	1,611,375
Movement in:		
Working capital - note 17.1	<b>(617,310)</b>	(1,290,592)
Long-term loans	<b>(30,765)</b>	(10,020)
Long-term deposits and prepayments	<b>4,734</b>	(27,096)
<b>Cash generated from operating activities</b>	<b>1,088,653</b>	283,667
<b>17.1 Movement in working capital</b>		
<b><i>(Increase) / decrease in current assets</i></b>		
Stores, spares and consumables	<b>(15,556)</b>	1,383
Stock-in-trade	<b>(1,374,144)</b>	(77,246)
Trade debts	<b>180,488</b>	(403,743)
Loans and advances	<b>(88,391)</b>	(69,801)
Trade deposits and short-term prepayments	<b>(107,693)</b>	(83,680)
Other receivables	<b>(115,081)</b>	264,206
	<b>(1,520,377)</b>	(368,881)
<b><i>Increase / (decrease) in current liabilities</i></b>		
Trade and other payables	<b>903,067</b>	(921,711)
	<b>(617,310)</b>	(1,290,592)



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

For the Quarter Ended September 30, 2018

Amounts in PKR '000

<b>For the 3 months ended September 30, 2018</b>	<b>For the 3 months ended September 30, 2017</b>
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## 18 Transactions with related parties

The related parties comprise the holding company (Lucky Holdings Limited), the ultimate parent company (Lucky Cement Limited) and related group companies, local associated company, directors of the Group, 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 consolidated financial statements are as follows:

Relationship with the company	Nature of Transaction		
Holding Company	Royalty	<b>92,034</b>	69,086
Associated Companies	Purchase of goods, materials and services	<b>63,430</b>	62,055
	Sale of goods and materials	<b>486,043</b>	417,631
	Reimbursement of expenses	<b>17,097</b>	18,988
	Donations paid	-	5,000
	Dividend received from associate	<b>180,000</b>	100,000
Others	Staff retirement benefits	<b>46,505</b>	42,921
Key management personnel	Remuneration paid	<b>63,627</b>	136,123
	Post employment benefits	<b>8,209</b>	9,242

## 19 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, 2018.

## 20 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.

## 21 Financial risk management

The Group's financial risk management objective and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended June 30, 2018.

## 22 Date of authorisation

The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on 25th October, 2018.

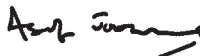
## 23 General

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

23.2 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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