ICI PAKISTAN LTD.

Annual Report 2016-17

Driven to Innovate

Driven to **Innovate**

At ICI Pakistan Limited, what keeps us moving in today's rapidly changing world is our unrelenting drive to innovate.

An innovative mindset for us means changing how we do business and how we operate on a fundamental level. It's what compels us, urging us onward. Pushing us to break boundaries. To shatter held assumptions. To enter new markets, and develop new ways of operating in existing ones.

We're not afraid of a challenge, because we believe that new ways of doing things can bring unprecedented rewards. We know that Cultivating Growth means being fearless in the pursuit of bigger, better ideas. And that ultimately, bigger and better ideas give us the power to transform for a brighter future of endless possibilities.

ICI Pakistan Limited **at a Glance**

What we do

ICI Pakistan Limited is a dynamic, growing Pakistan-based manufacturing and trading company that provides essential products for a diverse range of applications in almost every industry in Pakistan.

Currently our primary Businesses are Soda Ash, Polyester, Life Sciences and Chemicals. In addition, ICI Pakistan Limited has a growing footprint in the infant milk formula business in partnership with Morinaga Milk Industry Company Limited (Morinaga) of Japan, and Unibrands (Private) Limited (Unibrands).

Our products include: soda ash, polyester staple fibre (PSF), general and specialty chemicals, toll-manufactured pharmaceuticals, nutraceuticals, animal health products and agricultural products (including chemicals, field crop seeds, vegetable seeds and more). In the infant milk formula category, our Company has a management stake in NutriCo Pakistan (Private) Limited, which manages the import, marketing and distribution of select Morinaga products in Pakistan.

Growth and Expansion

To expand our presence in the infant milk formula segment in 2016-17 we entered into a joint venture with Morinaga and Unibrands through our majority-owned subsidiary, NutriCo Morinaga (Private) Limited, to locally manufacture Morinaga infant formula at a state-of-the-art Morinaga manufacturing facility. The first Morinaga manufacturing facility to be established in Pakistan, this is expected to come online in 2018.

Our Company's growth ambitions are further demonstrated by expansion, through both, organic and inorganic means. In 2016-17, two acquisitions were undertaken to augment the Life Sciences Business's Pharmaceuticals Division portfolio. A local pharmaceutical manufacturing company, Cirin Pharmaceuticals (Private) Limited was acquired successfully, while certain assets and registrations of Wyeth Pakistan Limited are also in the process of being acquired. (The latter is subject to the completion of regulatory formalities.)

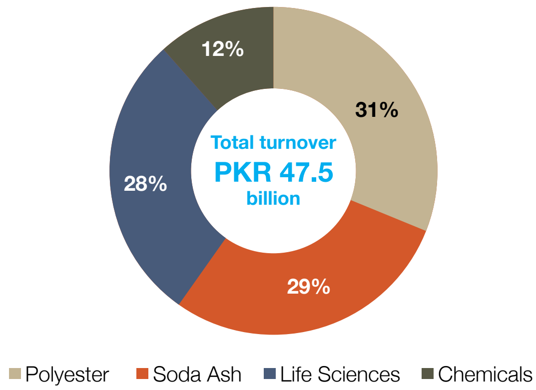
A public limited company employing over 1,300 people, ICI Pakistan Limited operates across Pakistan, with several key manufacturing facilities in Sindh, Punjab and KPK province, as well as extensive sales and distribution networks spread across the country. We remain focussed on our overarching promise, Cultivating Growth, in everything that we do, to continually create greater value for our customers, shareholders, partners and communities.

Ownership / About YBG

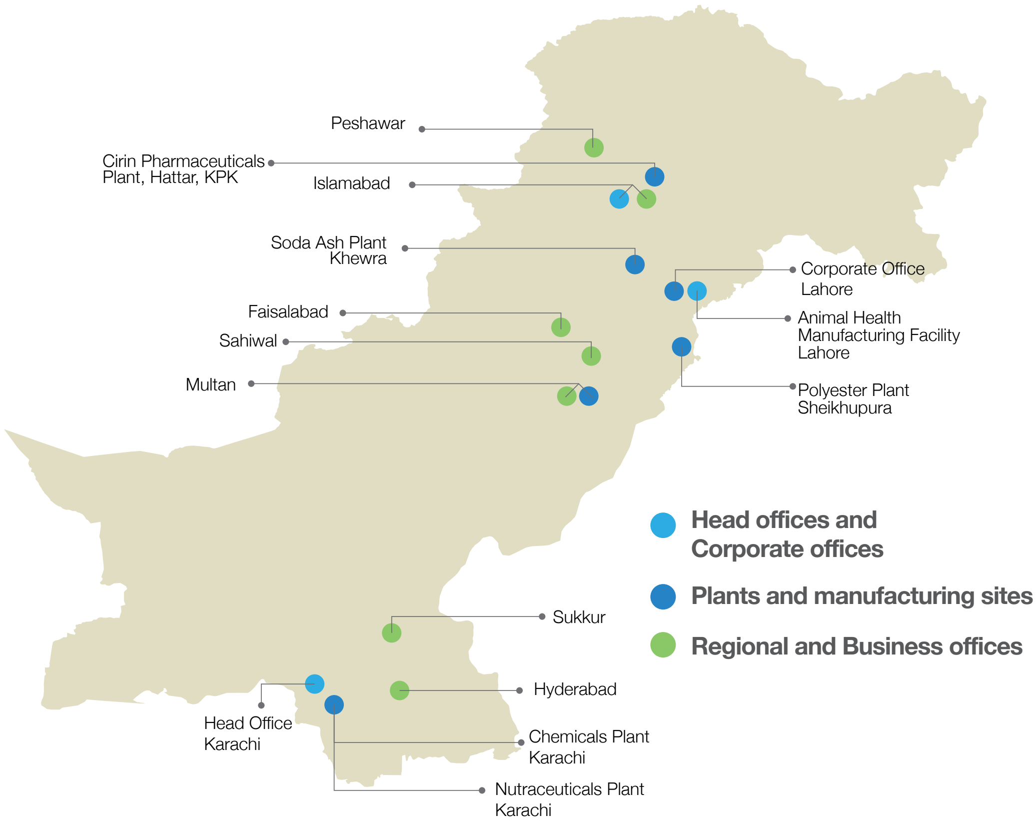
A Company with a rich history, the existence of ICI Pakistan Limited pre-dates the formation of Pakistan itself. In December 2012, when Lucky Holdings Limited acquired the shareholding of ICI Omicron B.V., ICI Pakistan Limited became part of the Yunus Brothers Group (YBG), and a proudly national company.

Established in 1962, YBG is one of the fastest-growing and most progressive Pakistani conglomerates with a wide portfolio of businesses including, but not limited to: cement, textiles, power generation and commodity trading.

Total Turnover by Business



Geographical Locations



Industries Served

Polyester

Textiles

Soda Ash

Textiles
Footwear
Oil/Petroleum
Food and Beverage
Personal Care
Pharmaceuticals
Chemical Processing/Resins
Plastics/Rubber/Tanneries
Detergents/Laundry Soaps
Paper/Ceramics/Glass
Livestock and Poultry

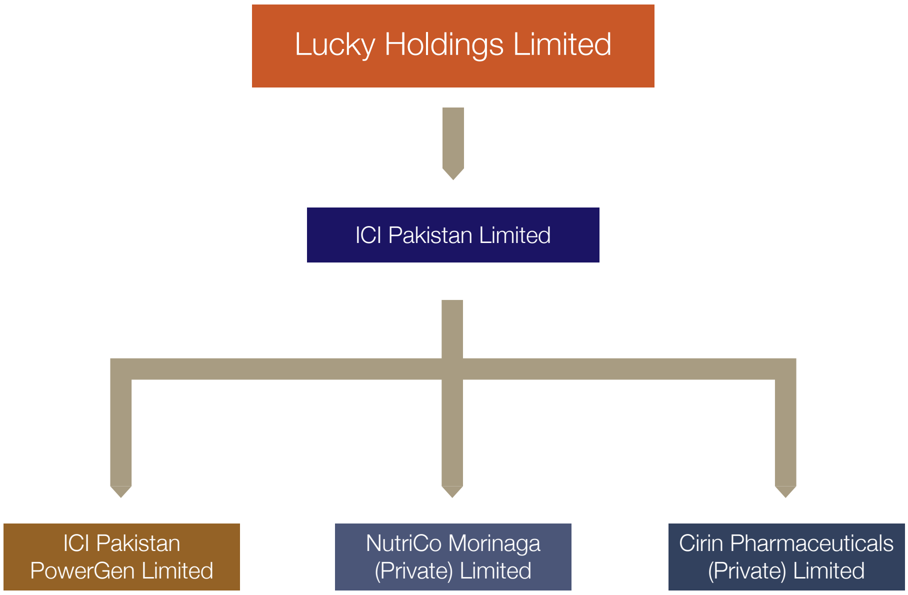
Life Sciences

Pharmaceuticals
Nutraceuticals
Animal Health
Agriculture

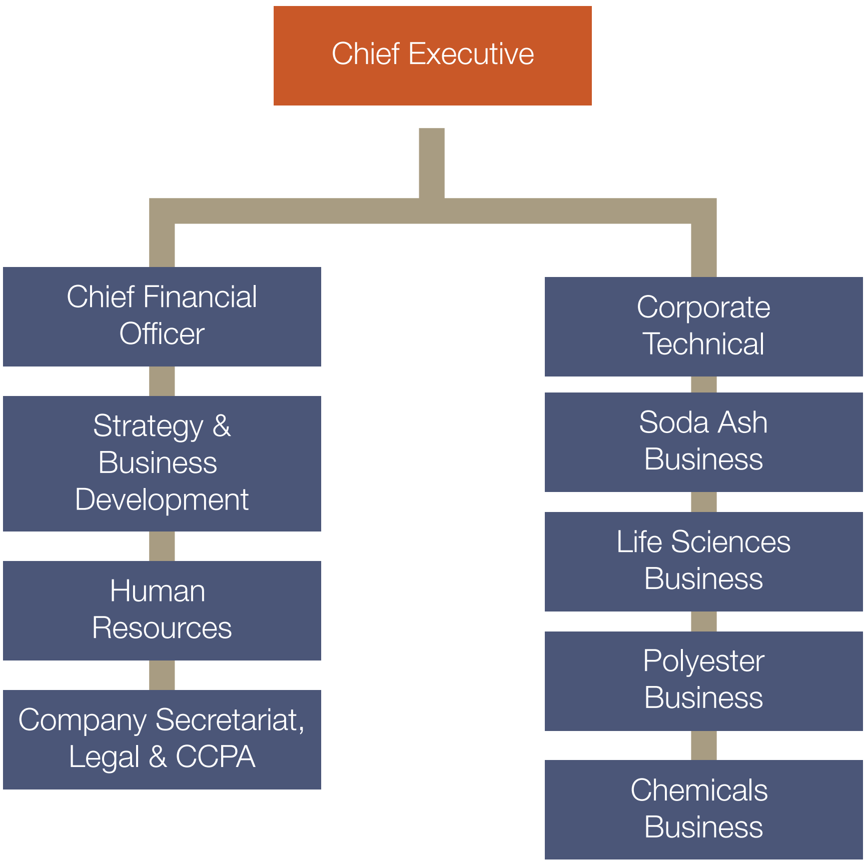
Chemicals

Textiles
Paints
Appliances
Construction
Automobile
Footwear
Edible Oil
Oil/Petroleum
Food and Beverage
Personal Care
Metal Cleaning/Engineering
Agro Chemicals
Pharmaceuticals
Cement
Chemical Processing/Resins
Plastics/Rubber/Tanneries
Crops
Coatings/Inks
Detergents/Laundry Soaps
Surgical
Fertilisers
Furniture and Mattresses
Sporting Goods
Dairy
Hotels, Restaurants and Cafes
Sugar
Glass and Ceramics

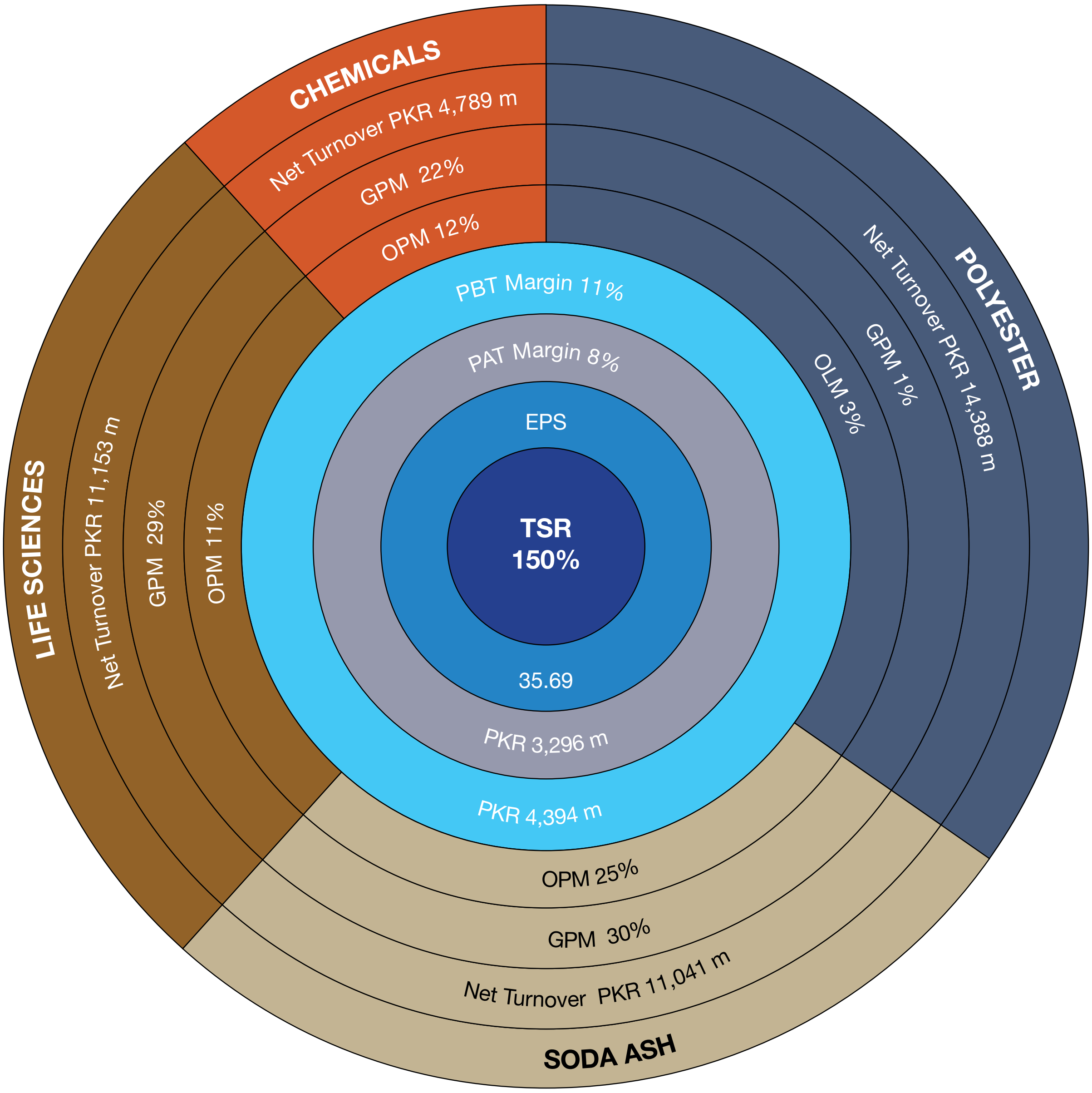
Group Structure



Organisational Structure



Aerial Perspective of ICI Pakistan Limited for the Year ended June 30, 2017



TSR: Total Shareholder Return

EPS: Earnings per share

PAT: Profit after Taxation

PBT: Profit before Taxation

OPM: Operating Profit Margin

OLM: Operating Loss Margin

GPM: Gross Profit Margin

Key Performance Indicators

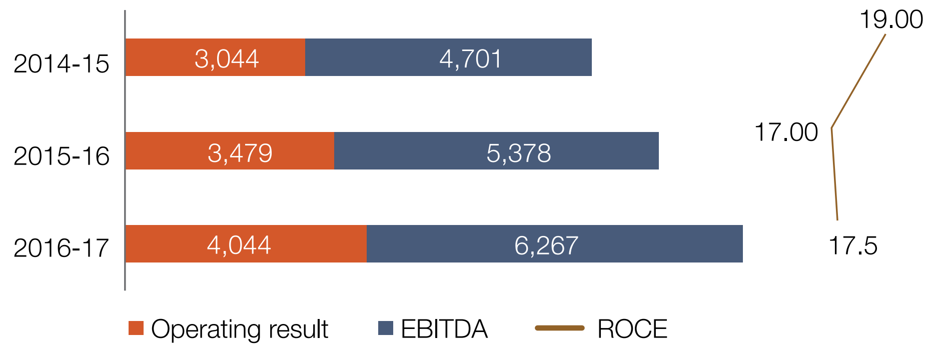
Statement of income

Indicator	Change	Unit	2015-16	2016-17
Net turnover	12%	In PKR million	36,954	**41,364**
Operating result	16%	In PKR million	3,479	**4,044**
Profit before tax	26%	In PKR million	3,498	**4,394**
Profit after tax	16%	In PKR million	2,843	**3,296**
EBITDA	17%	In PKR million	5,378	**6,267**
EBITDA margin	4%	% of Net Turnover	14.55	**15.15**
Earnings per share	16%	In PKR	30.78	**35.69**

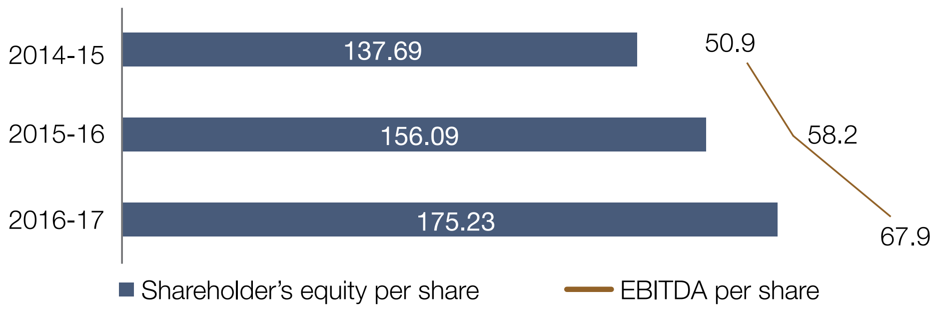
Ratios

Indicator	Change	Unit	2015-16	2016-17
Equity	12%	In PKR million	14,417	**16,184**
Price earning	112%	In times	14.46	**30.67**
Return on capital employed	2%	In %	17.04	**17.45**
Return on fixed assets	1%	% of revenue	20.39	**20.60**
Operating result per employee	11%	In PKR million	2.63	**2.92**
Capital expenditures	13%	In PKR million	4,254	**4,800**

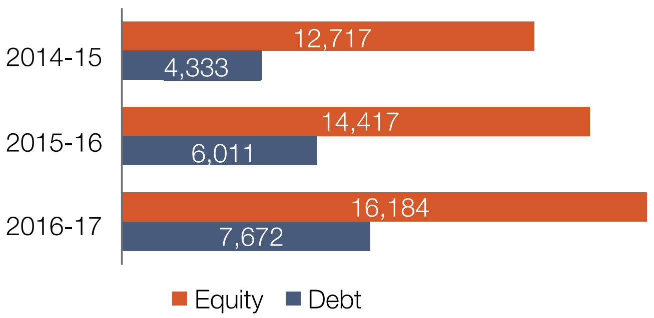
Operating result and EBITDA
PKR million



Shareholder's equity and EBITDA per share
In PKR



Net debt and equity
PKR million



Contents

Overview & Strategy

Governance & Compliance

Business Performance

Sustainability Performance

Financial Performance

Our Vision

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

Our Values

We live by our values. In the changing, expanding world of ICI Pakistan Limited, our values remain an enduring constant. They are what define us.

Customer Centricity

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

Integrity & Responsibility

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

Innovation

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

Passion for People

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

Delivering Enduring Value

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

Overview & Strategy

Channeling **Innovation**

Innovative thinking opens the door to a universe of possibilities. Motivated by a constant need to evolve, we are eager to explore this universe – resolved to innovate. And to harness our energies and channel our efforts effectively, we need direction, which is provided by our leadership, our strategic priorities and our purpose.

This section highlights our strategic priorities, provides an overview of our key performance areas, and features the Chief Executive's message.

Our Code of **Conduct**

At ICI Pakistan Limited, we have always believed in adhering to the highest ethical standards while doing business. The ICI Pakistan Limited Code of Conduct encompasses our business principles and the ethical standards we hold ourselves to. It is our guide at every step of the way.

A brief overview of the Code

Business Principles

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

Business Integrity

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

Company Responsibilities

The Code encourages us to:

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

Employee Responsibilities

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

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

Sustainability
Guiding Principle

We are committed to reducing the environmental impact on our planet by delivering more sustainable products and solutions to our customers. We can achieve this only if sustainability is at the heart of everything we do, integrated in all areas of our operations – for the benefit of our customers, shareholders, employees and, in fact, the world around us.

Message from the **Chief Executive**

Dear Stakeholders,

The year 2016-17 has been a particularly eventful one for us at ICI Pakistan Limited. It has been marked by milestone expansions, acquisitions and partnerships, all of which have contributed to the Company's growth and success.

It has also been a year for increasingly innovative approaches to doing business. So much so, that this year, the theme for our annual report underscores our unrelenting drive to innovate. This drive urges us to create value in more dynamic ways. It means we pursue new avenues for growth, and assess potential at every step of the way. We are confident that this approach will keep us on track for exponential progress and development as we continue Cultivating Growth in all that we do.

The robust performance we have achieved to date, the innovative initiatives we have spearheaded and the bold steps we've taken in new ventures, all demonstrate our determination to achieve enduring success. The drive and commitment of our people is second to none, and continues to be our greatest asset. As always, our core focus remains on our customers and stakeholders, compelling us to create enduring value while achieving superior outcomes.

During the year under review, unconsolidated profit after tax at PKR 3,296 million is 16% higher than the same period last year, with operating results for the year at PKR 4,044 million also 16% above the same period last year.

Performances during the year were positive, with top line growth in the Polyester, Life Sciences and Chemicals Businesses. The Polyester Business achieved an optimum level of production during the year with revenue growth achieved due to higher prices across the petrochemical chain, which translated into higher average Polyester Staple Fibre selling prices, coupled with higher sales of our premium Black Fibre.

In the Soda Ash Business, we maintained our footprint in the South Asian market and continue to strengthen our position as the leading supplier in Pakistan. The successful commissioning of the steam turbine led to the achievement of a milestone for the Business with the Soda Ash plant successfully operating on a single power source for the first time in its history.

The Life Sciences Business posted strong results during the year under review. All Divisions achieved their highest annual net turnover, with double-digit growth across all categories. The Business continued to make major inroads by enhancing its manufacturing capabilities and expanding its product portfolio with two key acquisitions; Cirin Pharmaceuticals (Private) Limited and certain Wyeth Pakistan Limited-owned assets (the latter will follow completion of regulatory formalities). The future of the Business remains encouraging, exhibiting solid growth potential that excites us all.

Our Chemicals Business delivered its highest ever operating profit, attributable to an increase in net turnover driven by several factors including: higher sales volumes, an expanded customer base, and the realised benefits of cost efficiencies. In addition to solid performance, the Business is gearing up for a significant new development in the upcoming year, having received the Board of Directors' approval to set up a Masterbatch manufacturing facility in Karachi worth PKR 590 million.

During the year 2016-17, in our pursuit of bigger and better opportunities, we undertook another major development, executing a shareholders agreement for the establishment of a state-of-the-art facility to manufacture Morinaga infant formula products along with the distribution, marketing and sales of these products. The project is in its execution phase through a newly incorporated subsidiary, NutriCo Morinaga (Private) Limited, in which the Company has majority shareholding of 51%.

Today, we recognise that leadership in a dynamic world is the result of many factors, one of the most critical of which is people. During the year, we continued to invest in our people through cross-Business and cross-functional talent movement to ensure our teams benefit from diverse experience, enabling them to bring greater value to the table. Our revamped Graduate Recruitment Drive further strengthened ICI Pakistan Limited's position as an employer of choice, targeting the millennial generation via digital platforms. Additionally, the impressive year-on-year increase in our employee engagement levels indicates that we are heading in the right direction, and speaks volumes of the Company's commitment to its people.

Health, safety, environment and security (HSE&S) remains a top priority as we continue refining our processes for safer, more sustainable operations for today and tomorrow. It is my intent to ensure that ICI Pakistan Limited is one of the safest companies to work for, and I am pleased to share with you that a number of initiatives have been successfully rolled out in this regard during the year. Our CSR programme continues to support people in our communities, with successful projects such as the Hamqadam Community Clinic in Khewra proving to be valuable additions to local infrastructure.

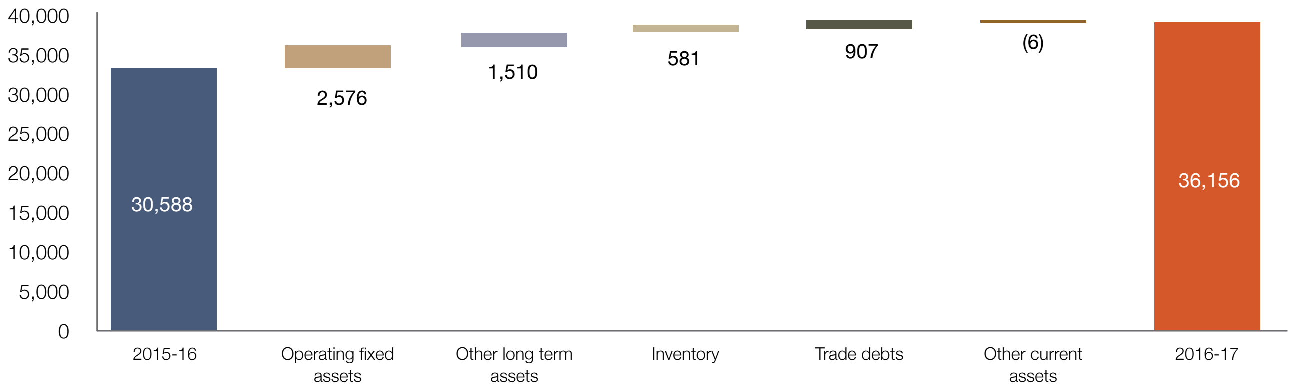
Looking ahead, I believe that ICI Pakistan Limited is well poised to maintain its growth momentum. My colleagues and I look forward to the coming year, and we are determined to deliver greater value for you.

Warm Regards,

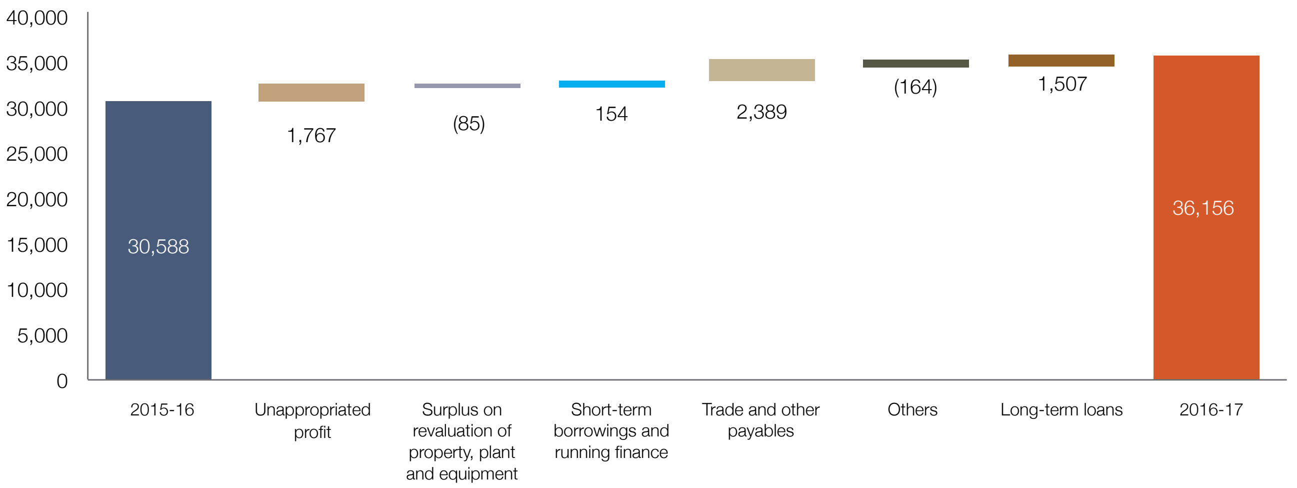
Asif Jooma,
Chief Executive
ICI Pakistan Limited

Financial Statements **at a Glance**

Assets
PKR million

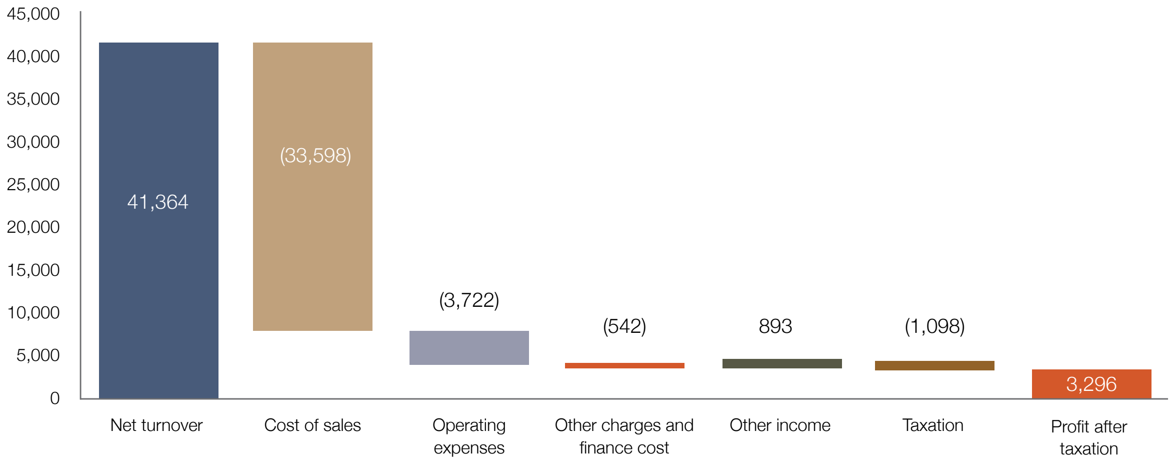


Equity and Liabilities
PKR million



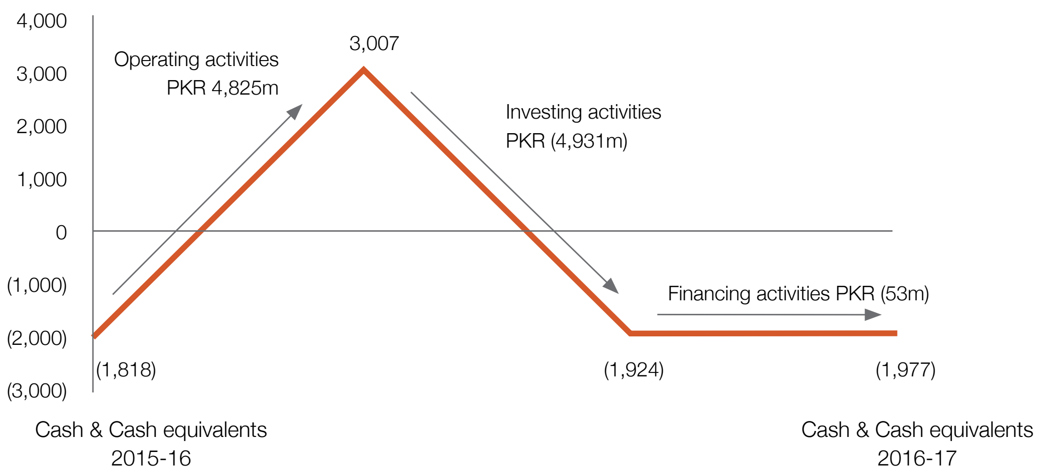
Profit and Loss Account

PKR million



Cash flow

PKR million



Financial **Highlights**

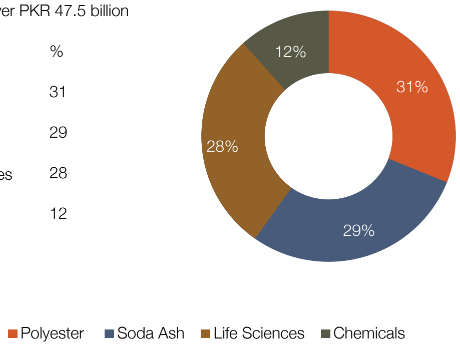
Our results compared to the same period last year at a glance

- 2016-17 turnover up by 11%
- 2016-17 gross profit up by 20%
- 2016-17 profit after taxation up by 16%
- 2016-17 earnings per share: PKR 35.69 (June 30, 2016: PKR 30.78)

Total turnover by Business

Total turnover PKR 47.5 billion

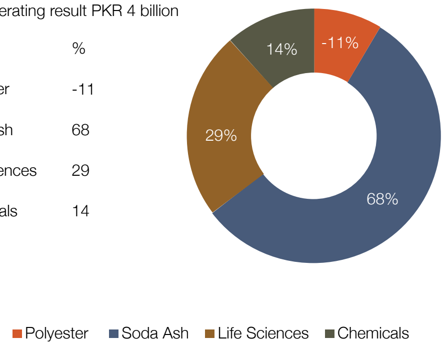
	%
Polyester	31
Soda Ash	29
Life Sciences	28
Chemicals	12



Operating result by Business

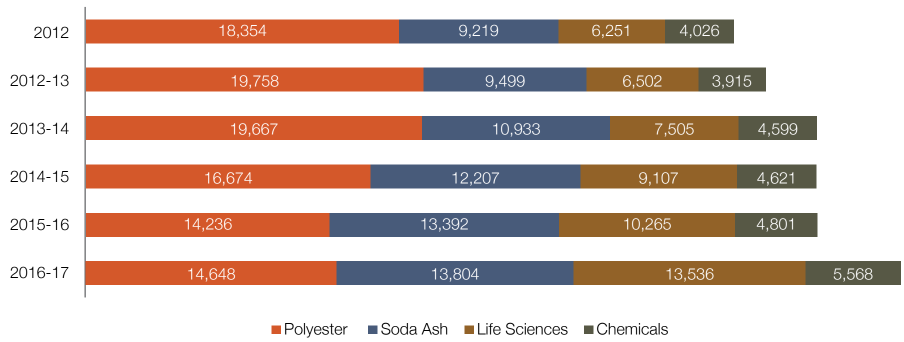
Total operating result PKR 4 billion

	%
Polyester	-11
Soda Ash	68
Life Sciences	29
Chemicals	14



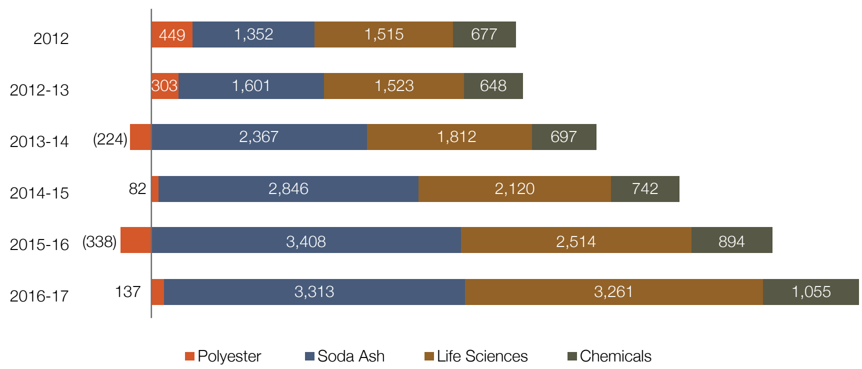
Turnover

PKR million



Gross profit

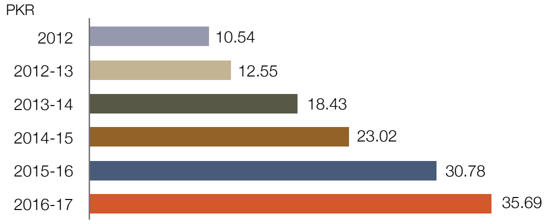
PKR million



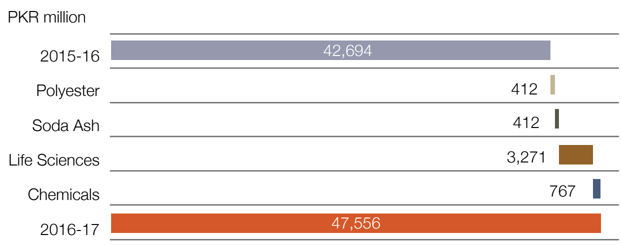
2012 and 2012-13 numbers have been restated due to IAS 19 revision

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

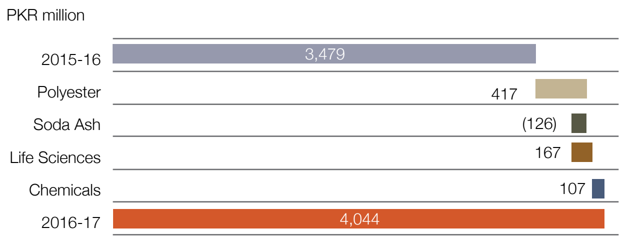
Earnings per share



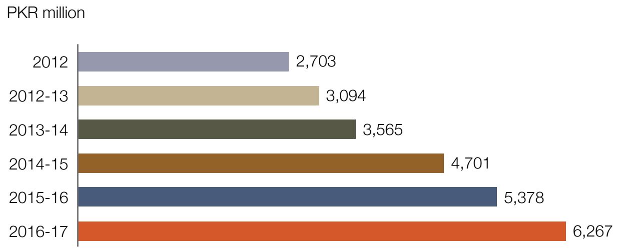
Revenue development (Business-wise)



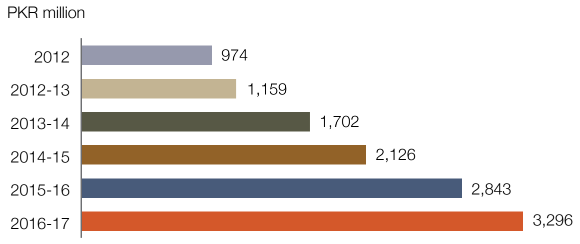
Operating result development (Business-wise)



EBITDA



Profit after taxation



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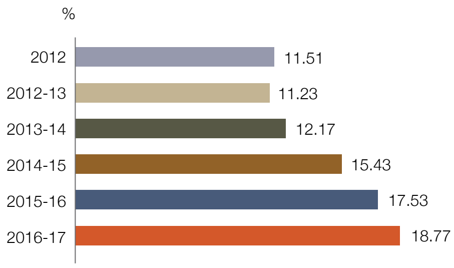
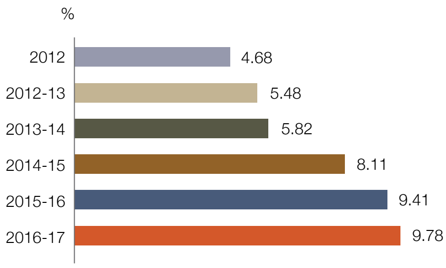
Year 2012-13 is based on twelve months performance for a meaningful comparison

Profitability ratios

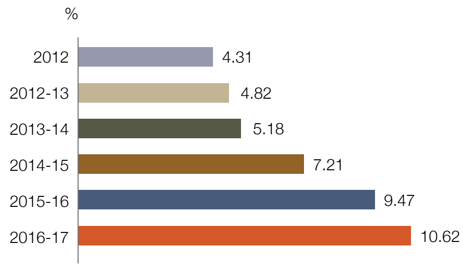
Gross margin



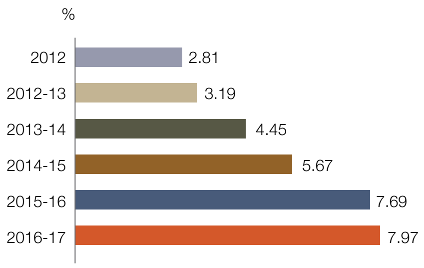
Operating result margin



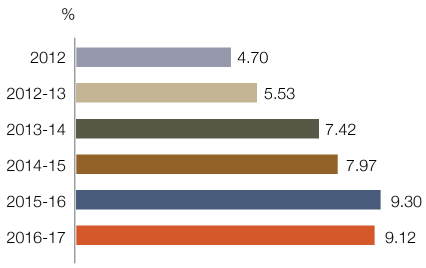
Profit before taxation margin



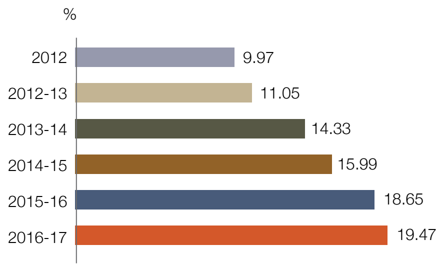
Profit after taxation margin



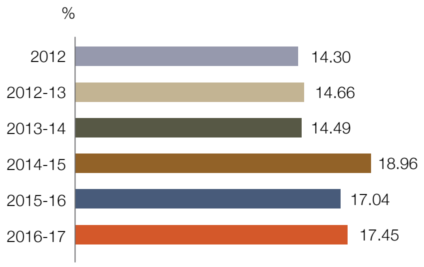
Return on assets



Return on equity

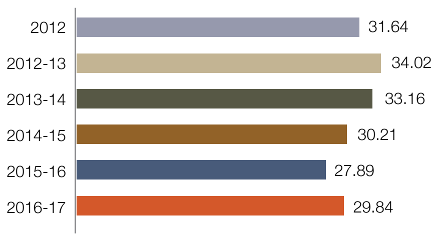


Return on capital employed



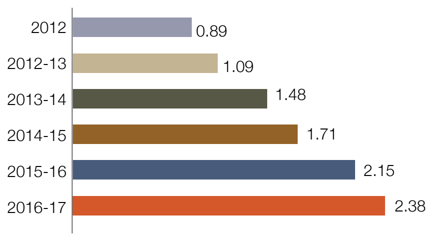
Revenue per employee

(PKR million)



Net income per employee

(PKR million)



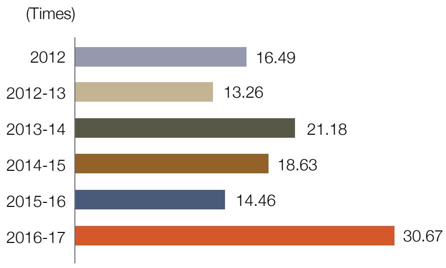
2012 and 2012-13 numbers have been restated due to IAS 19 revision

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

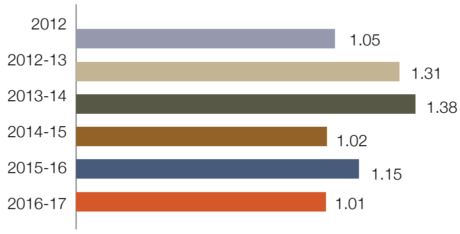
Liquidity and other ratios

Efficiency ratios

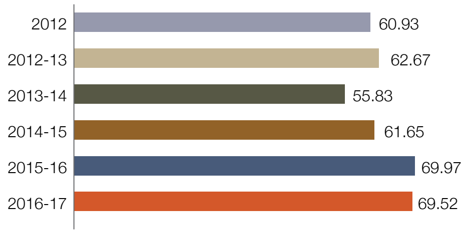
Price earning ratio



Current ratio

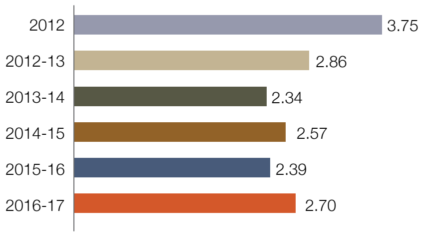


Inventory days

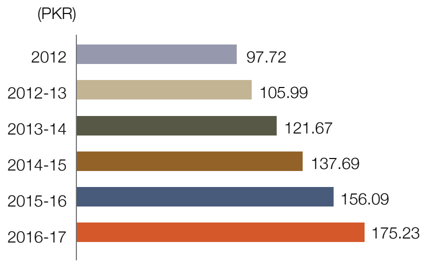


Cost ratios

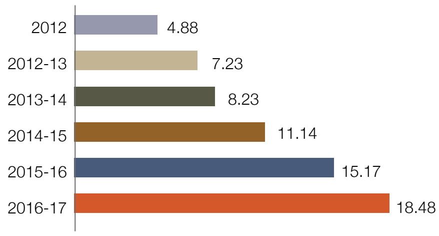
Administration cost as % of net turnover



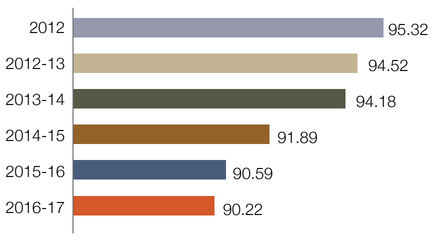
Stockholder's equity per common share



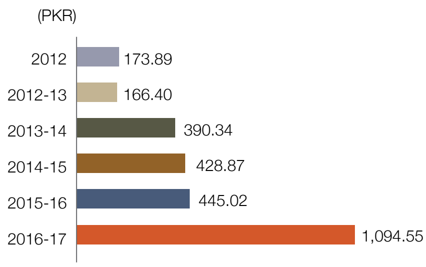
Debtor days



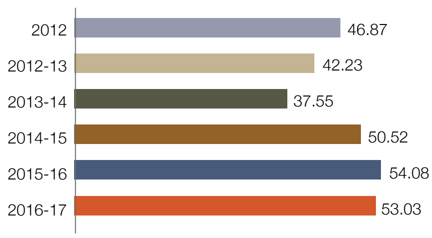
Operating cost as % of net turnover*



Market value per share



Creditor days



2012 and 2012-13 numbers have been restated due to IAS 19 revision
Year 2012-13 is based on twelve months performance for a meaningful comparison
* Operating cost includes cost of sales, selling, distribution, administration and general expenses

Operating & Financial Highlights

Ratios		2008	2009	2010	2011	2012	2012-13	2013-14	2014-15	2015-16	2016-17
		January to December					July to June				
					Restated	Restated	Restated				
Profitability Ratios											
Gross margin	%	19.77	19.96	19.03	12.97	11.51	11.23	12.17	15.43	17.53	18.77
Gross profit turnover	%	17.22	17.52	16.91	12.01	10.56	10.28	10.89	13.59	15.18	16.33
Operating result margin	%	10.98	10.65	10.57	6.70	4.68	5.48	5.82	8.11	9.41	9.78
Profit after taxation margin	%	6.70	7.19	6.91	4.31	2.81	3.19	4.45	5.67	7.69	7.97
Profit markup	%	24.64	24.94	23.51	14.90	13.01	12.66	13.85	18.25	21.26	23.11
Profit before taxation margin	%	10.12	10.81	10.62	6.46	4.31	4.82	5.18	7.21	9.47	10.62
Return on equity	%	13.89	14.19	15.72	15.48	9.97	11.05	14.33	15.99	18.65	19.47
Return on capital employed	%	21.77	19.38	22.43	21.18	14.30	14.66	14.49	18.96	17.04	17.45
Return on assets	%	10.08	9.54	11.02	7.47	4.70	5.53	7.42	7.97	9.30	9.12
Return on fixed assets	%	32.61	32.82	40.91	28.55	15.99	18.75	19.00	21.34	20.39	20.60
Growth Ratios											
Net turnover	%	20.74	2.27	23.57	1.10	(2.35)	5.83	5.42	(1.88)	(1.50)	11.93
Operating results	%	2.29	(0.81)	22.62	(35.94)	(31.69)	(5.07)	12.04	36.76	14.28	16.24
EBITDA	%	-	1.04	19.45	(28.89)	(18.38)	1.82	15.20	31.89	14.39	16.54
Profit after taxation	%	4.37	9.77	18.78	(36.95)	(36.42)	(9.35)	46.91	24.88	33.75	15.93
Efficiency Ratios											
Asset turnover	Times	1.51	1.33	1.59	1.73	1.67	1.73	1.67	1.41	1.21	1.14
Fixed asset turnover	Times	2.97	3.08	3.87	4.26	3.41	3.42	3.26	2.63	2.17	2.11
Inventory turnover	Times	6.39	6.08	6.71	7.15	5.18	6.27	6.53	5.69	4.99	5.02
Current asset turnover	Times	3.46	2.56	2.96	3.13	3.53	3.77	3.66	3.47	3.16	3.14
Capital employed turnover	Times	2.28	2.07	2.39	3.41	3.33	2.92	2.78	2.65	2.09	2.05
Operating working capital turnover	Times	21.09	121.06	35.56	(10.90)	26.59	12.24	19.88	20.74	16.99	14.65
Debtor turnover ratio	Days	11.81	11.08	8.90	5.91	4.88	7.23	8.23	11.14	15.17	18.48
Creditor turnover ratio	Days	50.52	41.00	40.06	37.17	46.87	42.23	37.55	50.52	54.08	53.03
Debtor turnover ratio	Times	-	-	-	61.74	74.75	50.51	44.35	32.77	24.06	19.75
Creditor turnover ratio	Times	-	-	-	7.88	6.25	6.84	7.39	5.46	5.01	5.20
Inventory turnover ratio	Days	52.43	58.00	51.19	50.53	60.93	62.67	55.83	61.65	69.97	69.52
Operating cycle	Days	13.72	28.08	20.03	19.28	18.94	27.66	26.51	22.27	31.05	34.96
Revenue per employee	PKR'000	21,044	21,852	26,878	32,025	31,644	34,022	33,160	30,206	27,890	29,844
Net income per employee	PKR'000	1,410	1,572	1,858	1,381	888	1,086	1,476	1,712	2,146	2,378

Dividend includes both approved and recommended during the year
2011, 2012 and 2012-13 numbers have been restated due to IAS 19 revision
Years 2011 onwards exclude the effect of Paints business due to demerger
Year 2012-13 is based on twelve months performance for a meaningful comparison
*Interest cover and finance costs (% of net turnover) is zero in 2009, 2010 and 2011 due to net interest income

		January to December					July to June				
Ratios		**2008**	**2009**	**2010**	**2011**	**2012**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**
					Restated	**Restated**	**Restated**				
Cost Ratios											
Operating costs (% of net turnover)	%	89.02	89.35	89.43	93.30	95.32	94.52	94.18	91.89	90.59	90.22
Administration costs (% of net turnover)	%	4.05	4.14	3.70	3.42	3.75	2.86	2.34	2.57	2.39	2.70
Selling costs (% of net turnover)	%	4.74	5.17	4.77	2.85	3.08	2.90	4.00	4.75	5.73	6.30
Finance costs (% of net turnover)*	%	0.32	-	-	-	0.36	0.76	1.01	1.07	1.03	0.96
Equity Ratios											
Price earnings ratio	Times	5.12	11.44	8.24	9.08	16.49	13.26	21.18	18.63	14.46	30.67
Earnings per share	PKR	13.42	14.73	17.50	13.25	10.54	12.55	18.43	23.02	30.78	35.69
Dividend per share	PKR	6.50	8.00	17.50	9.00	5.50	2.00	8.00	11.50	15.50	18.00
Dividend cover	Times	2.06	1.84	1.00	1.47	1.92	6.27	2.30	2.00	1.99	1.98
Dividend yield	%	3.86	6.07	12.53	6.13	3.63	1.24	3.05	2.45	3.31	2.00
Dividend payout	%	48.43	54.31	100.00	81.57	52.17	15.94	43.41	49.97	50.35	50.44
Market value per share at the end of year	PKR	68.71	168.49	144.24	120.27	173.89	166.40	390.34	428.87	445.02	1,094.55
Market value per share at the start of year	PKR	196.65	68.71	168.49	144.24	120.27	129.85	166.40	390.34	428.87	445.02
Highest market value per share	PKR	212.50	197.54	186.37	170.34	180.01	185.67	395.71	597.56	566.94	1,219.70
Lowest market value per share	PKR	68.71	51.07	110.25	112.00	119.81	135.37	160.99	366.39	410.00	447.92
Break-up value per share with surplus on revaluation	PKR	96.62	103.85	111.35	85.58	105.73	113.55	128.59	143.93	165.07	183.28
Break-up value per share excluding surplus on revaluation	PKR	89.68	97.14	104.81	98.17	97.72	105.99	121.67	137.69	156.09	175.23
Cost of debt at year end	%	-	-	-	-	10.45	10.17	9.49	7.16	5.67	5.56
Liquidity Ratios											
Current ratio	Ratio	1.81:1	1.92:1	2.17:1	1.22:1	1.05:1	1.31:1	1.38:1	1.02:1	1.15:1	1.01:1
Quick ratio / Acid test ratio	Ratio	1.02:1	1.27:1	1.39:1	0.76:1	0.42:1	0.61:1	0.70:1	0.49:1	0.55:1	0.50:1
Cash ratio	Ratio	0.44:1	0.77:1	0.85:1	0.50:1	0.09:1	0.10:1	0.11:1	0.01:1	0.01:1	0.01:1
Leverage Ratios											
Debt to equity	%	-	-	-	-	3.22	19.28	28.36	19.26	28.07	34.32
Total debt to capital ratio	Ratio	0:100	0:100	0:100	0:100	3:97	15:85	21:79	16:84	21:79	25:75
Operating leverage ratio	%	2.69	2.70	2.17	2.81	4.26	3.50	3.64	3.18	3.12	3.13
Interest cover*	Times	32.29	-	-	-	12.83	7.34	6.12	7.72	10.18	12.03
Summary of Cash Flows											
Cash generated from / (used in) operations	PKR million	1,188	4,938	3,716	4,127	(1,964)	(164)	4,819	5,015	4,788	5,569
Net cash generated from / (used in) operating activities	PKR million	970	4,476	2,334	2,875	(3,177)	(971)	3,807	3,748	3,680	4,825
Net cash used in investing activities	PKR million	(1,781)	(938)	(753)	(510)	(2,126)	(941)	(2,401)	(4,372)	(4,138)	(4,931)
Net cash generated from / (used in) financing activities	PKR million	(833)	(1,041)	(1,388)	(2,151)	(796)	1,453	933	(1,555)	404	(53)
Cash and cash equivalents at December 31 / June 30	PKR million	1,971	4,468	4,662	4,633	(1,466)	(1,924)	415	(1,764)	(1,818)	(1,977)

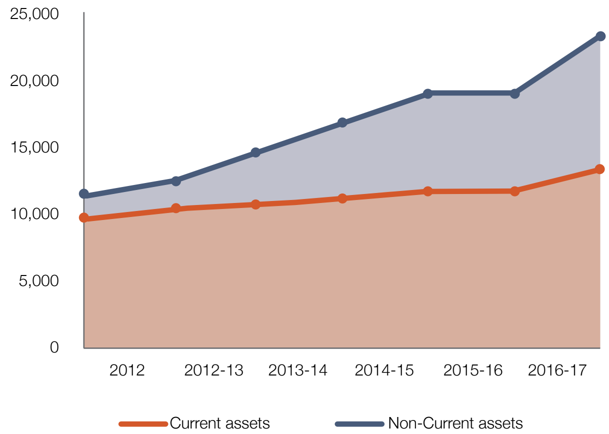
Dividend includes both approved and recommended during the year
2011, 2012 and 2012-13 numbers have been restated due to IAS 19 revision
Years 2011 onwards exclude the effect of Paints business due to demerger
Year 2012-13 is based on twelve months performance for a meaningful comparison
*Interest cover and finance costs (% of net turnover) is zero in 2009, 2010 and 2011 due to net interest income

Six Year Analysis

Balance Sheet Analysis

Assets

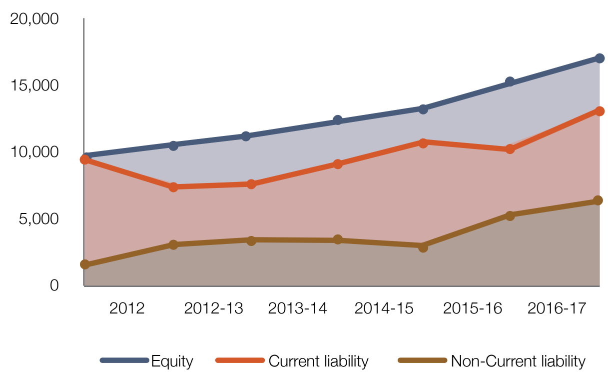
Over six years the asset base of the Company has increased at a CAGR of 12% mainly due to property, plant and equipment and investment in Associates. During the year ended June 30, 2014-15 the Company invested PKR 720 million in NutriCo Pakistan (Pvt) Limited (NutriCo Pakistan), followed by further investment of PKR 240 million during 2015-16 resulting in 40% ownership. NutriCo Pakistan is involved in the marketing and distribution of infant milk and nutritional products. During the current year, the Company acquired 100% voting rights in Cirin Pharmaceuticals (Private) Limited (Cirin) against a net consideration of PKR 981.3 million Cirin is involved in manufacturing and sale of pharmaceutical products. Further, during the year the Company entered into a joint venture with Morinaga Milk Industry Company Limited and Unibrands (Private) Limited to set up a manufacturing facility for infant/growing up formula. For this purpose, a new company has been incorporated under the name of NutriCo Morinaga (Private) Limited, in which the Company holds 51% ownership against a consideration of PKR 510 million. Substantial growth in property, plant and equipment is due to investment in multiple expansion projects such as in-house steam, power and heating systems, Refined Sodium Bicarbonate (RSB), Dense Ash (DA) and Light Ash (LA) capacity expansion projects.



Equity and liabilities

The shareholder's equity comprises share capital and reserves. The equity has increased at a CAGR of 12% over the past six years primarily due to an increase in retained profits of the Company and revaluation surplus. Subsequent to revaluations in October 1959, September 2000, December 2006 and 2011, a further revaluation was conducted by an independent valuer as at June 30, 2016.

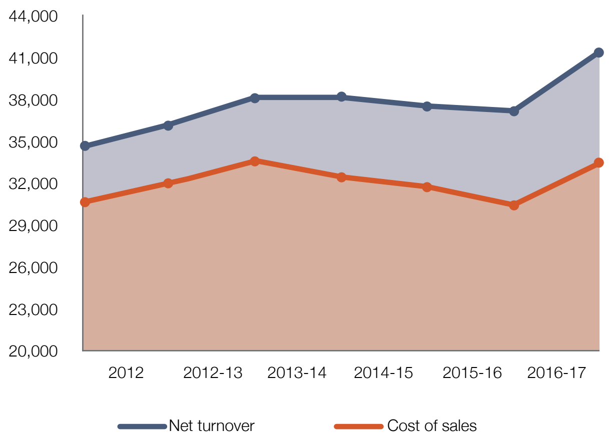
Liabilities of the Company have increased at a CAGR of 12% in the past six years. This is primarily due to long-term loans obtained for multiple expansion projects in the Soda Ash and Polyester Businesses, and acquistions and incorporation of new companies. Current liabilities have increased due to current portion of long-term loans due for repayment each year, increased payables against capital expenditures and increased mark-up on both long-term loans and short-term borrowings and running finance.



Profit and Loss Account Analysis

Net turnover

Decline in net turnover in the year 2012 was observed due to lower volumes and prices in the Polyester Business with downstream demand impacted by the deteriorating energy crisis. An increasing trend was achieved in two consecutive years, 2012-13 and 2013-14. In 2012-13 the increase was due to higher revenues in the Polyester and Soda Ash Businesses driven by volumetric growth and pricing impact, as a consequence of continued raw material cost push and rupee devaluation. Sales in the Chemicals Business remained flat following the transfer of the AkzoNobel chemicals portfolio to Akzo Nobel Pakistan Limited. During 2015-16, the net turnover declined due to lower revenues in the Polyester Business, which declined 15% in line with a downward correction of prices across the petrochemical chain. During the current financial year, the net turnover increased by 12% mainly due to 28% sales growth in the Life Sciences Business on the back of new product launches and business expansion, and 20% growth in net turnover of the Chemicals Business owing to higher sales volumes and a larger customer base.

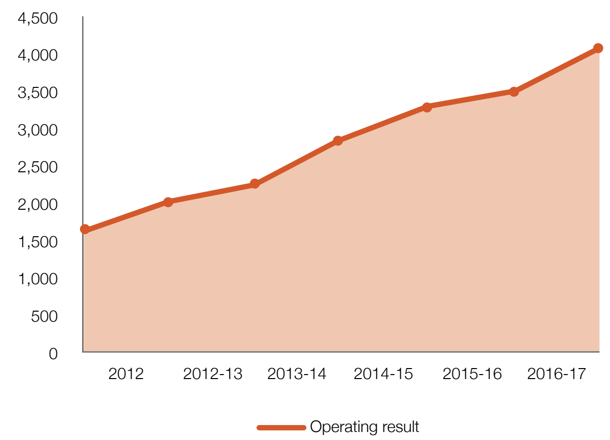


Cost of sales

Cost of sales reflected an increasing trend till 2013-14 primarily due to reliance on expensive fuel alternatives due to gas outages. However, the Company has successfully achieved a dip in cost of sales from FY 2013-14 onwards due to commissioning of in-house steam, power and heating systems, easing the energy cost burden coupled with a reduction in fuel prices.

Operating result

A dip of 7% was observed in 2012 due to lower PSF volumes and significant reduction in margin over feedstock, coupled with escalation in gas outages, forcing the Polyester and Soda Ash Businesses to rely on significantly expensive alternate fuel, coupled with one-off demerger and divestment expenses. Subsequent to year 2012, a consistent increase was achieved mainly driven by higher sales volumes and lower raw material and energy costs as a consequence of lower furnace oil and coal prices; the commissioning of the new Dense Ash (DA) and Refined Sodium Bicarbonate (RSB) plants; and in-house steam, power and heating systems.



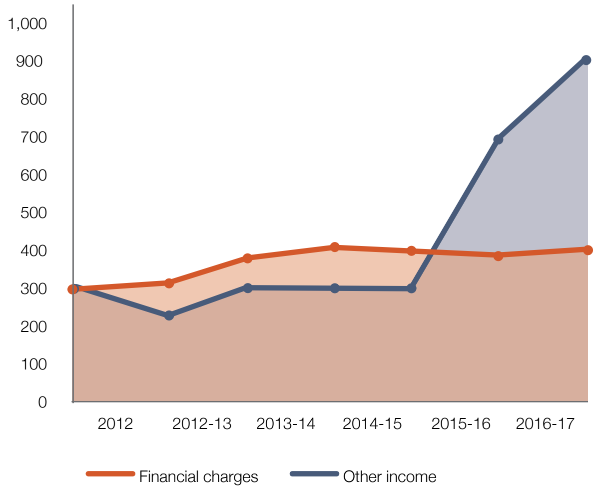
Record high operating results were achieved in the current financial year primarily due to improved performances in the Polyester, Life Sciences and Chemicals Businesses driven through the expansion of product range, customer engagement programmes as well as cost efficiencies achieved in the Chemicals Business.

Financial charges

Finance cost increased over the years as a result of an increase in long-term borrowings and short term running finance to cater to the financing needs of multiple expansion projects, as well as meeting the increased working capital requirements due to business growth.

Other income

Other income showed a record increase in the current year at a CAGR of 25% over the past six years primarily due to dividend income. Dividend of PKR 40 million and PKR 150 million was received from investment in equity shares and Associate in the year 2014-15 respectively, and PKR 458 million and PKR 150 million was received from Associate and PowerGen in 2015-16 respectively. During the current financial year, dividend of PKR 668 million and PKR 125 million was received from Associate and PowerGen respectively.



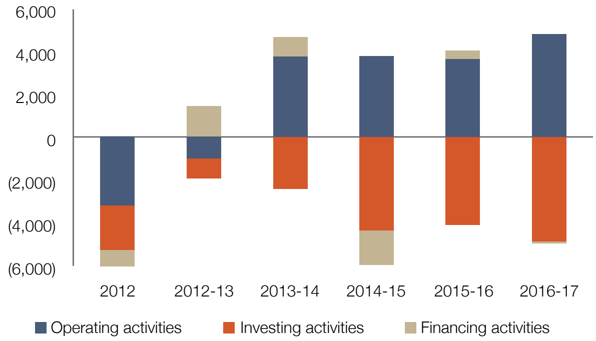
Cash flow analysis

Operating activities

The Company's operating cash flow has increased significantly over the past six years due to improved performances especially in the Soda Ash and Life Sciences Businesses.

Investing activities

The cash used in investing activities has increased at a CAGR of 18% over the past six years and comprises mainly of investment in capital expenditure and investment in Associate and subsidiaries. The Company invested PKR 960 million in NutriCo Pakistan (Pvt) Limited during 2014-15 and 2015-16 while during the current financial year, the Company invested PKR 981.3 million in Cirin Pharmaceuticals (Private) Limited and PKR 510 million in NutriCo Morinaga (Private) Limited, which was partially offset by cumulative dividend of PKR 1,591 million received from Associate, subsidiary and investment in equity shares over the past six years.



Financing activities

Financing activities comprise mainly of long-term loans obtained and dividends paid to shareholders. The Company has financed its expansion needs by obtaining long-term loans, which were partially offset by dividend payments.

SWOT Analysis

S

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

W

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

O

- Expansion to meet growing soda ash demand in the country.
- In-house manufacturing facility for pharmaceutical and animal health products
- Further ventures such as NutriCo Pakistan (Pvt.) Ltd., Cirin Pharmaceuticals (Private) Ltd., and NutriCo Morinaga (Pvt.) Ltd.
- First mover advantage through introducing Black Fibre
- Opportunity to export various products

T

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

Vertical and Horizontal **Analysis**

Profit and Loss Account

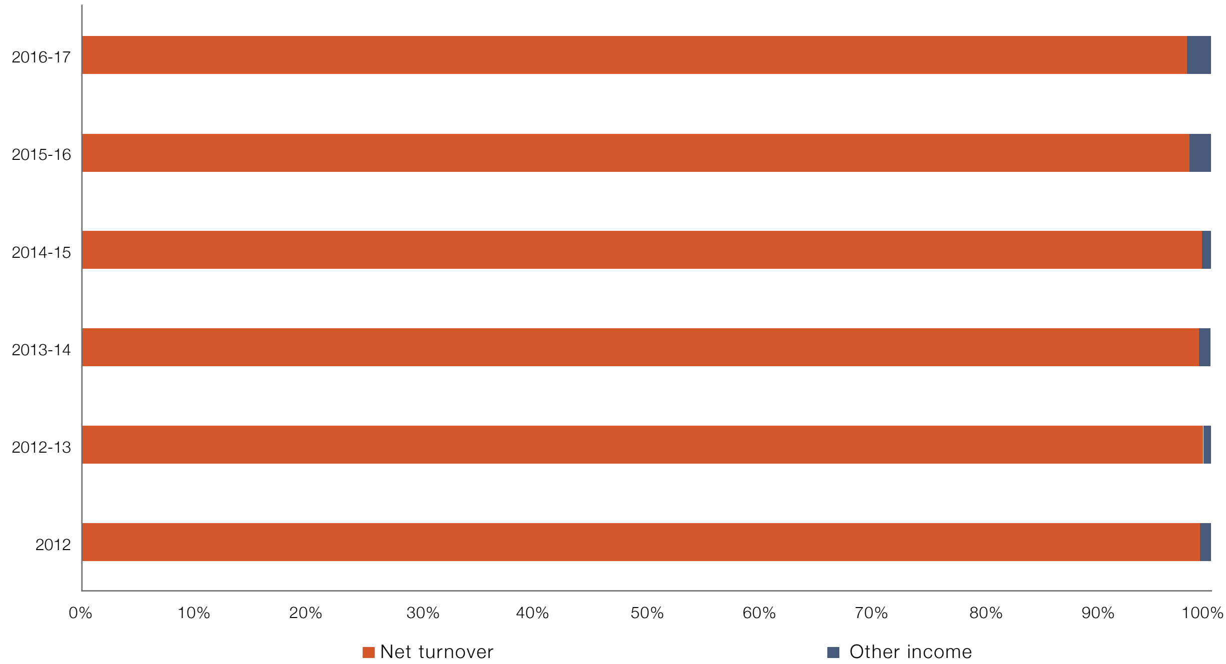
Vertical Analysis

	Jan to Dec		July to June									
	2012	2012	2012-13	2012-13	2013-14	2013-14	2014-15	2014-15	2015-16	2015-16	2016-17	2016-17
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
	Restated		Restated									
Net turnover	34,682	100.00	36,268	100.00	38,234	100.00	37,515	100.00	36,954	100.00	41,364	100.00
Cost of sales	30,688	88.49	32,193	88.77	33,582	87.83	31,726	84.57	30,476	82.47	33,598	81.23
Gross profit	3,994	11.51	4,075	11.23	4,652	12.17	5,790	15.43	6,479	17.53	7,765	18.77
Selling & distribution expenses	1,069	3.08	1,052	2.90	1,530	4.00	1,782	4.75	2,118	5.73	2,607	6.30
Administration & general expenses	1,300	3.75	1,036	2.86	896	2.34	964	2.57	882	2.39	1,115	2.70
Operating result	1,625	4.68	1,987	5.48	2,226	5.82	3,044	8.11	3,479	9.41	4,044	9.78
Finance Cost	294	0.85	311	0.86	387	1.01	403	1.07	383	1.04	398	0.96
Other charges	133	0.38	151	0.42	181	0.47	231	0.62	285	0.77	144	0.35
Other income	298	0.86	225	0.62	323	0.85	294	0.78	688	1.86	893	2.16
Profit before taxation	1,496	4.31	1,749	4.82	1,981	5.18	2,703	7.21	3,498	9.47	4,394	10.62
Taxation	523	1.51	591	1.63	279	0.73	578	1.54	655	1.77	1,098	2.66
Profit after taxation	974	2.81	1,159	3.19	1,702	4.45	2,126	5.67	2,843	7.69	3,296	7.97

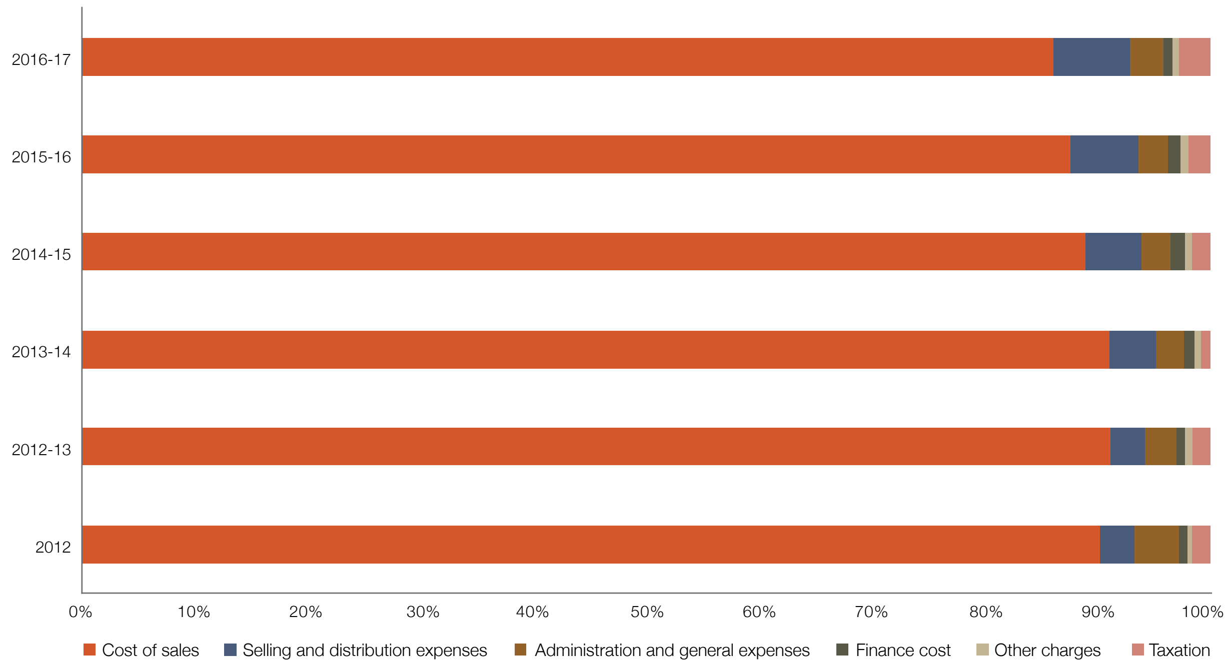
Horizontal Analysis

	Jan to Dec		July to June									
	2012	2012	2012-13	2012-13	2013-14	2013-14	2014-15	2014-15	2015-16	2015-16	2016-17	2016-17
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
	Restated		Restated									
Net turnover	34,682	-2.35	36,268	4.57	38,234	5.42	37,515	-1.88	36,954	-1.50	41,364	11.93
Cost of sales	30,688	-0.72	32,193	4.90	33,582	4.31	31,726	-5.53	30,476	-3.94	33,598	10.25
Gross profit	3,994	-13.30	4,075	2.03	4,652	14.17	5,790	24.46	6,479	11.90	7,765	19.86
Selling & distribution expenses	1,069	5.50	1,052	-1.57	1,530	45.50	1,782	16.45	2,118	18.86	2,607	23.08
Administration & general expenses	1,300	7.04	1,036	-20.32	896	-13.56	964	7.59	882	-8.51	1,115	26.44
Operating result	1,625	-31.69	1,987	22.29	2,226	12.04	3,044	36.76	3,479	14.28	4,044	16.24
Finance Cost	294	12.74	311	5.81	387	24.35	403	4.07	383	-4.84	398	3.86
Other charges	133	-35.82	151	14.12	181	19.62	231	27.79	285	23.11	144	-49.51
Other income	298	-22.25	225	-24.57	323	43.57	294	-9.16	688	134.27	893	29.81
Profit before taxation	1,496	-34.80	1,749	16.91	1,981	13.25	2,703	36.47	3,498	29.40	4,394	25.62
Taxation	523	-31.53	591	13.00	279	-52.79	578	107.28	655	13.38	1,098	67.66
Profit after taxation	974	-36.42	1,159	19.00	1,702	46.91	2,126	24.88	2,843	33.75	3,296	15.93

Profit and Loss Analysis (Income) (%)



Profit and Loss Analysis (Expenses) (%)



2012 and 2012-13 numbers have been restated due to IAS 19 revision
Year 2012-13 is based on twelve months performance for a meaningful comparison

Balance Sheet

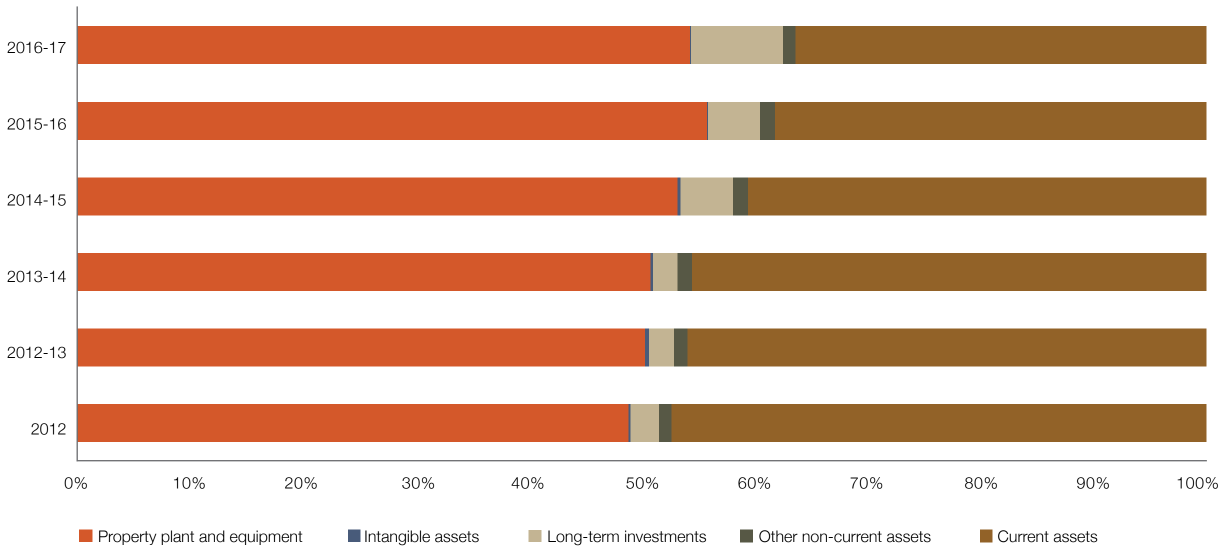
Vertical Analysis

	Jan to Dec		July to June									
	2012	2012	2012-13	2012-13	2013-14	2013-14	2014-15	2014-15	2015-16	2015-16	2016-17	2016-17
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
	Restated		Restated									
Total equity and revaluation reserve	9,766	47	10,488	50	11,877	52	13,294	50	15,246	50	16,928	47
Non current liability	1,593	8	3,068	15	3,486	15	2,763	10	5,174	17	6,243	17
Current liability	9,355	45	7,389	35	7,574	33	10,614	40	10,168	33	12,985	36
Total equity and liabilities	**20,714**	**100**	**20,945**	**100**	**22,937**	**100**	**26,670**	**100**	**30,588**	**100**	**36,156**	**100**
Non current assets	10,898	53	11,331	54	12,501	54	15,843	59	18,910	62	22,996	64
Current assets	9,816	47	9,614	46	10,437	46	10,827	41	11,678	38	13,160	36
Total assets	**20,714**	**100**	**20,945**	**100**	**22,937**	**100**	**26,670**	**100**	**30,588**	**100**	**36,156**	**100**

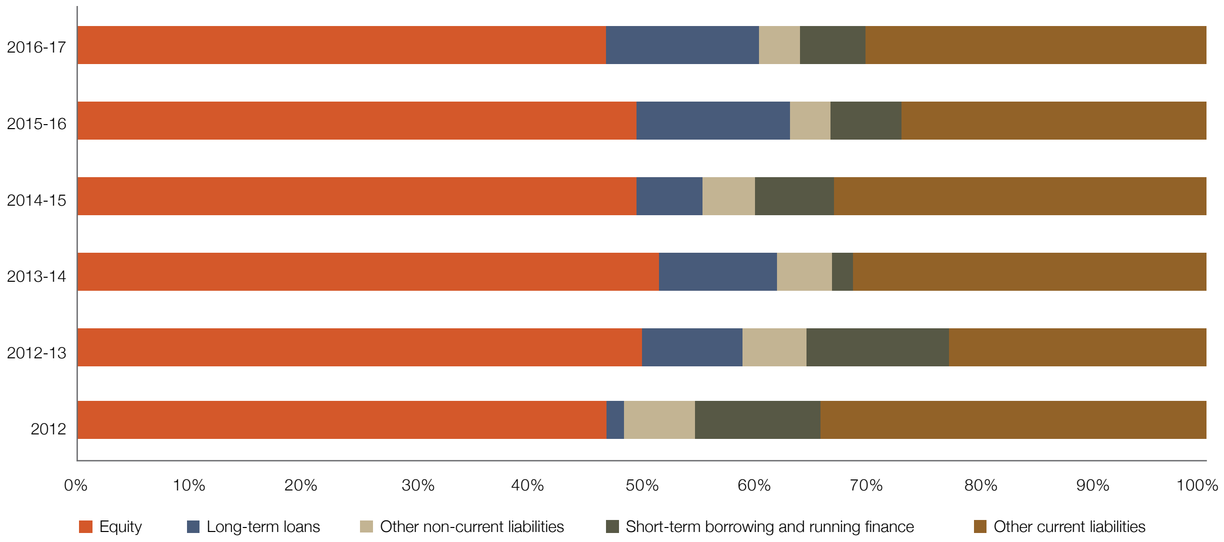
Horizontal Analysis

	Jan to Dec		July to June									
	2012	2012	2012-13	2012-13	2013-14	2013-14	2014-15	2014-15	2015-16	2015-16	2016-17	2016-17
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
	Restated		Restated									
Total equity and revaluation reserve	9,766	-1	10,488	7	11,877	13	13,294	12	15,246	15	16,928	11
Non current liability	1,593	19	3,068	93	3,486	14	2,763	-21	5,174	87	6,243	21
Current liability	9,355	1	7,389	-21	7,574	3	10,614	40	10,168	-4	12,985	28
Total equity and liabilities	**20,714**	**1**	**20,945**	**1**	**22,937**	**10**	**26,670**	**16**	**30,588**	**15**	**36,156**	**18**
Non current assets	10,898	19	11,331	4	12,501	10	15,843	27	18,910	19	22,996	22
Current assets	9,816	-14	9,614	-2	10,437	9	10,827	4	11,678	8	13,160	13
Total assets	**20,714**	**1**	**20,945**	**1**	**22,937**	**10**	**26,670**	**16**	**30,588**	**15**	**36,156**	**18**

Balance Sheet Analysis (Assets) (%)



Balance Sheet Analysis (Equity and Liabilities) (%)



2012 and 2012-13 numbers have been restated due to IAS 19 revision
Year 2012-13 is based on twelve months performance for a meaningful comparison

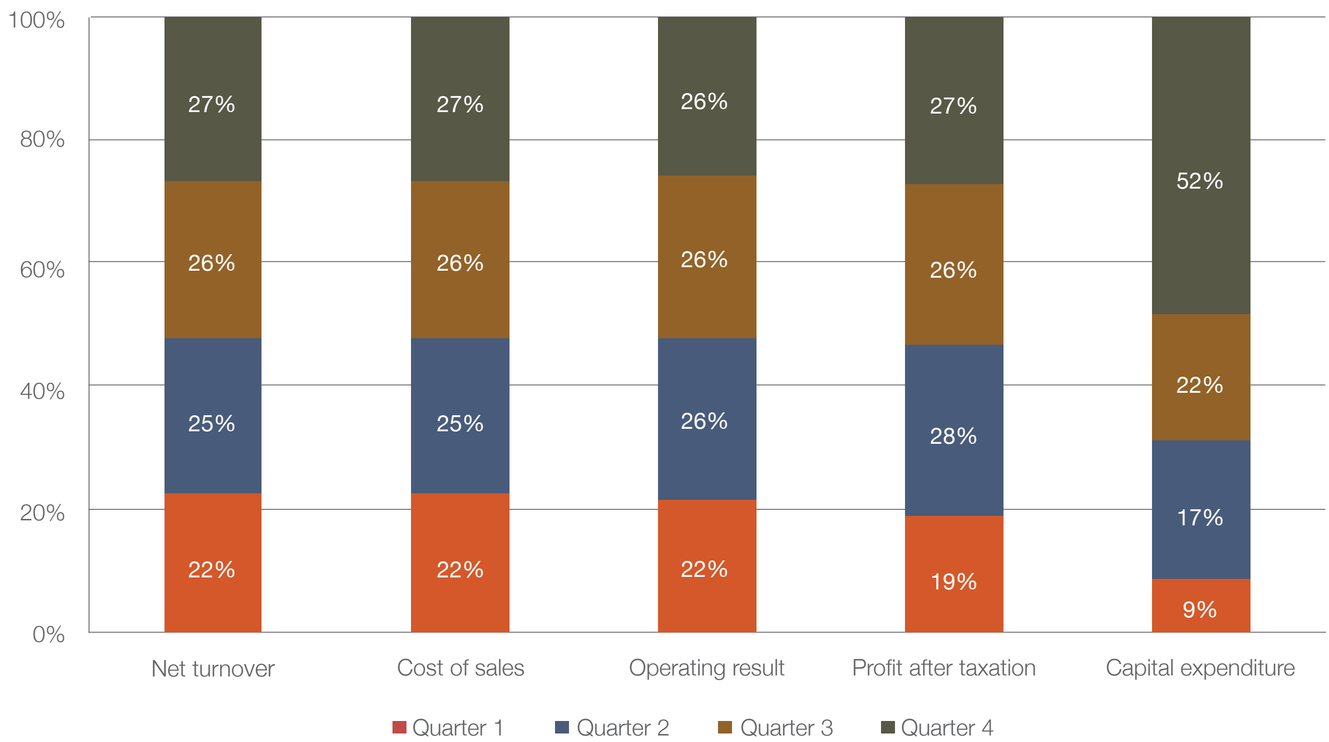
Quarterly Analysis

In PKR '000

	Net Turnover	Cost of Sales	Operating Result	Profit After Taxation	Capital Expenditure
Quarter 1	9,254,775	7,561,180	870,705	616,657	422,050
Quarter 2	10,382,744	8,438,821	1,062,948	919,177	838,965
Quarter 3	10,606,539	8,601,238	1,063,515	860,177	1,033,375
Quarter 4	11,119,637	8,996,981	1,046,408	900,080	2,505,762
	41,363,695	**33,598,220**	**4,043,576**	**3,296,091**	**4,800,152**

Analysis of Variation in Interim Results with Final Accounts

In the first quarter of 2016-17, the Company's operating result was PKR 870 million. This increased over the subsequent quarters to PKR 4,044 million for the full year. The highest quarterly operating result for the year was achieved in Quarter 3, amounting to PKR 1,064 million. This was primarily due to improved performances in the Polyester, Life Sciences and Chemicals Businesses. The Chemicals Business showed 54% growth due to an increase in net turnover, as well as cost efficiencies initiatives. The Polyester Business reduced its operating loss by 31% due to effective cost control initiatives and robust monitoring, which limited the increase in fixed costs to only 1%. The highest quarterly profit after taxation for the year, amounting to PKR 919 million was achieved in Quarter 2, and was mainly attributable to higher operating results, as well as dividend income of PKR 160 million from NutriCo Pakistan (Private) Limited and PKR 125 million from ICI Pakistan PowerGen Limited. Profit after taxation was 15% higher in the second half of the year, mainly due to an improved operating result and further dividend income of PKR 388 million from NutriCo Pakistan (Private) Limited. Higher operating results in each quarter, coupled with a higher dividend income in the first half of the year, translated into profit after taxation of PKR 3,296 million for the year with an EPS of PKR 35.69.



	Net Turnover	Cost of Sales	Operating Results	Profit After Taxation
Quarter 1	Higher by 9% compared to the same period last year (SPLY), primarily due to higher revenues in the Life Sciences Business, which increased by 37%, with double digit growth in the Animal Health and Agri Divisions. The Animal Health Division managed to double its sales as compared to SPLY crossing the PKR 1 billion mark in the first quarter for the very first time. Further, net turnover of Chemicals Business was higher by 4% compared to SPLY due to improved performances in the Polyurethanes and Specialty Chemicals Divisions. The Soda Ash Business remained 1% lower as compared to SPLY due to higher discounts offered to customers in spite of higher sales volumes by 5%.	Increased by 7% as compared to SPLY, which is lower than the increase in net turnover. The Polyester plant's energy requirements were primarily met by an energy mix of gas and furnace oil instead of coal, which helped achieve an 11% saving in unit energy costs as compared to SPLY.	24% higher as compared to SPLY due to improved performances in the Polyester and Life Sciences Businesses. The Polyester Business's operating loss was reduced by 72% due to robust control over fixed costs and lower energy costs. The Life Sciences Business showed a 40% increase due to strong performances in the Animal Health and Agri Divisions. The Soda Ash Business remained 14% lower than SPLY due to decreased net turnover coupled with higher depreciation charges.	PAT is 30% higher as compared to SPLY due to better operating results, higher dividend income of PKR 120 million from Associate and lower exchange losses.
Quarter 2	Higher by 9% compared to SPLY, due to higher revenues across all Businesses. The Chemicals Business showed 11% growth as compared to SPLY, majorly due to the Polyurethanes Division, while Specialty Chemicals showed improved performances due to the Crops and Adhesive Segments. The Polyester Business posted 10% growth as compared to SPLY on account of improved margins due to anti-dumping duty being levied on Chinese PSF, along with improved prices. The Life Sciences Business delivered a growth of 9% as compared to SPLY, mainly due to strong performances by the Pharmaceuticals and Animal Health Divisions, with both Divisions posting double digit growth. Net turnover in the Soda Ash Business grew by 3% on account of higher sales volumes in the domestic market.	As opposed to coal-based energy, the energy mix of gas and furnace oil proved to be the most cost-efficient option due to lower crude oil prices and a continous supply of gas to the industry.	Operating result was 12.5% higher compared to SPLY. The Polyester Business showed a 48% reduction in operating loss due to lower cost of sales, cost rationalisation initiatives and improved domestic margins. The Chemicals Business showed a 25% growth on account of increasing market share, stronger relationships with customers, and a continued focus on cost efficiencies.	PAT was 23% higher compared to SPLY due to better operating results, dividend income of PKR 125 million and PKR 160 million from ICI Pakistan PowerGen Limited and NutriCo Pakistan (Private) Limited respectively, and exchange gains as compared to SPLY.
Quarter 3	Increased by 15% compared to SPLY. The Chemicals Business improved by 38% mainly due to the Polyurethanes segment, Industrial Chemicals segment and Crops and Adhesives segments. The Life Sciences Business showed an improvement of 26% due to double digit growth in all three division of the Business. Soda Ash Business showed a 2% growth due to higher sales volumes in the domestic market	Crude oil prices remained range-bound in the third quarter. Greater trading on commodity markets drove raw material prices up, with PTA and MEG prices rising by 5% and 12% respectively. However, continuous supply of gas along with low oil prices provided cost-effective energy.	Operating result was 23% higher compared to the SPLY. The Chemicals Business showed 54% growth due to an increase in net turnover and cost efficiencies initiatives. The Polyester Business reduced its operating loss by 31% due to effective cost control initiatives and robust monitoring, which limited the increase in fixed costs to only 1%.	PAT was 19% higher compared to SPLY due to better operating results, higher dividend income of PKR 224 million from NutriCo Pakistan (Pvt.) Limited and lower exchange losses as compared to SPLY.
Quarter 4	Increased by 15% compared to SPLY, with a 45% increase in the Life Sciences Business due to double digit growth across all categories through new partnerships and improved performances of Somatech, Vegetable Seeds and Agrochemicals portfolios. The Chemicals Business showed 19% growth, mainly due to the Polyurethanes Division. The Soda Ash Business and Polyester Business achieved 3% and 5% growth respectively.	Increased in line with sales as compared to SPLY.	Operating result was 8% higher than SPLY due to 24% and 27% growth in the Life Sciences and Chemcials Businesses respectively, and 27% reduction in operating loss of the Polyester Business partially offset by a 6% reduction in the Soda Ash Business. Growth in the Chemicals Business was mainly due to higher sales volumes, an expanded customer base and cost efficiency initiatives.	PAT is 11% higher as compared to SPLY mainly due to better operating result and higher dividend income of PKR 164 million from NutriCo Pakistan (Pvt.) Limited.

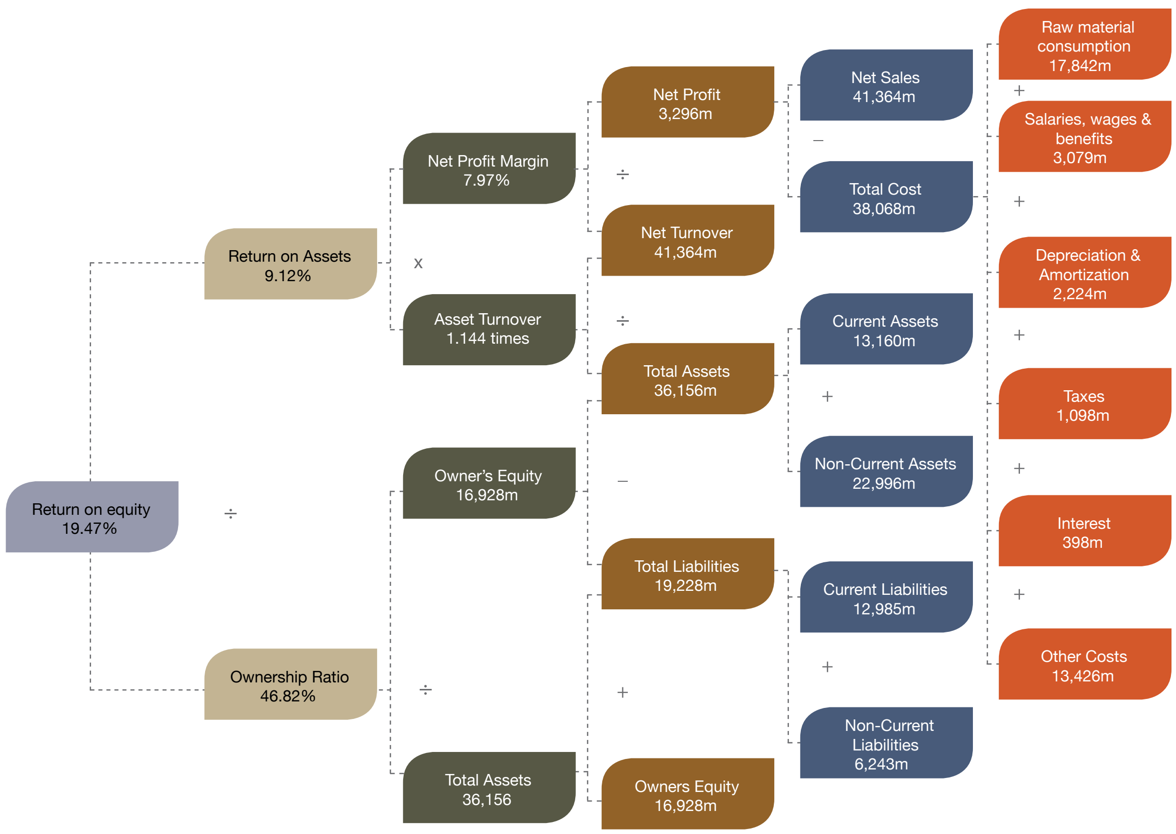
DuPont Analysis

DuPont Analysis	2016-17	2015-16
Tax burden	24.99%	18.73%
Interest burden	8.31%	9.87%
Operating result margin	9.78% times	9.41% times
Asset turnover	1.144	1.208
Gearing	34.32%	28.07%
Return on equity	19.47%	18.65%

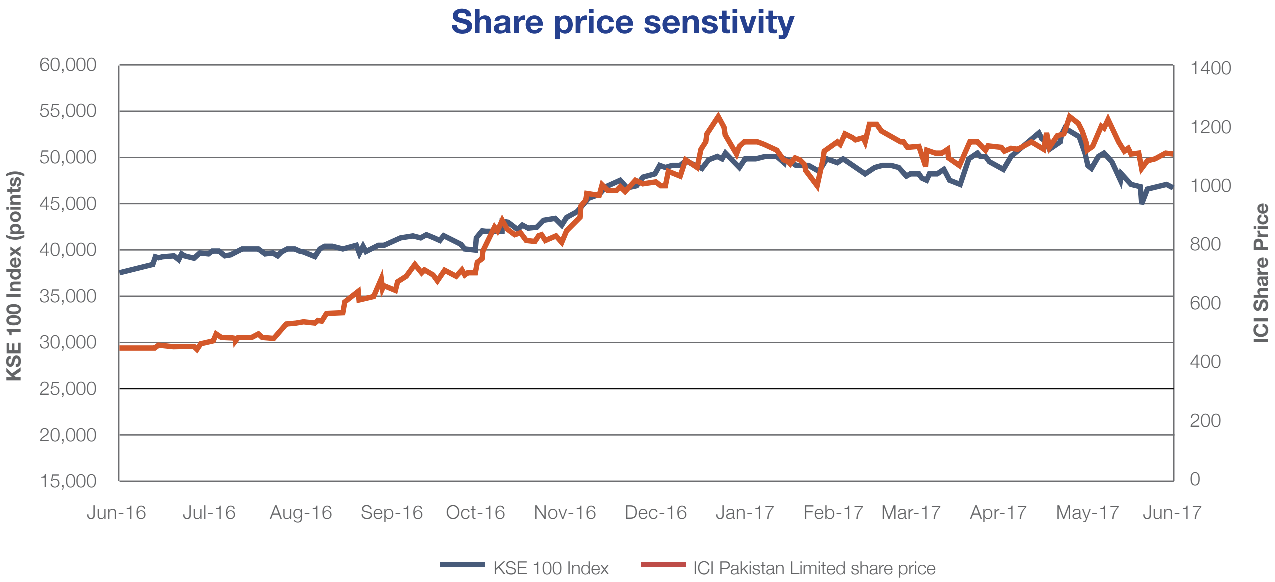
Commentary on DuPont Analysis

Profit after tax amounting to PKR 3,296 million is 16% higher than the same period last year (SPLY). This is principally due to a 16% increase in operating results with improved performances in the Polyester, Life Sciences and Chemicals Businesses, driven through expansion of the product range, customer engagement programmes and cost efficiencies. Other income increased due to higher dividend income of PKR 668 million from NutriCo Pakistan (Private) Limited (Associate) as compared to PKR 458 million in the previous year. Financial charges showed a marginal increase of 3%, despite higher long-term loans and short-term financing facilities availed by the Company from various banks to manage new acqusitions and ventures, capital expenditure and working capital funding requirements. This is due to the reduction in interest rates and keen negotiations with banks, along with lower exchange losses. Total assets of the Company witnessed an increase of 18% due to capital expenditure on the Soda Ash expansion project of 75 KTPA and investments in Cirin Pharmaceuticals (Private) Limited and NutriCo Morinaga (Private) Limited.

Ownership ratio reduced by 3% as compared to SPLY due to a higher increase in total assets as compared to total equity. Owner's equity increased due to enhanced un-appropriated profit partially offset by dividends paid during the year. As a result the return on equity of the Company was recorded at 19.47% compared to 18.65% reported in the previous year.



Share Price Sensitivity **Analysis**



During the financial year ended June 30, 2017, ICI Pakistan Limited outperformed the KSE 100 Index, and its share price increased from PKR 445.02 to PKR 1094.55 giving a massive price return of 146% as compared to the KSE 100 Index return which increased by 23%. During the year, the Company reported profit after tax (PAT) of PKR 3,296 million translating into an EPS of PKR 35.69, which is 16% higher as compared to SPLY, due to various initiatives taken by the Company.

A few of the factors that boosted investors' confidence and interest are:

1) Heavy Capital Expenditure:

ICI Pakistan Limited continues to make strides in fulfilling its brand promise Cultivating Growth. The steam turbine was successfully commissioned in the Soda Ash Business and the plant operated on a single power source for the first time in its history. The Soda Ash expansion project of 75 KTPA is progressing as per plan and is expected to come online during the third quarter of FY 2018.

2) Diversification in new Business:

In order to make consistent progress towards the Company's strategic growth ambitions, the Company ventured into various expansionary and diversifying projects. The Company successfully acquired and integrated Cirin Pharmaceuticals (Private) Limited as a wholly owned subsidiary which provides a diverse product portfolio along with manufacturing capabilities to the Life Sciences Business for its Pharmaceuticals segment. During the year, the Company also executed a shareholders agreement for the establishment of a state-of-the-art facility to manufacture Morinaga infant formula along with the distribution, marketing and sale of these products. This project, which is currently in progress, is being pursued through a newly incorporated subsidiary under the name of NutriCo Morinaga (Private) Limited, in which ICI Pakistan Limited has majority shareholding of 51% with remaining shareholding divided equally between Morinaga Milk Industry Company Limited of Japan and UniBrands (Private) Limited. The Board of Directors also approved the acquisition of a Wyeth-owned manufacturing facility from Wyeth Pakistan Limited along with certain brands and registrations of Wyeth Pakistan Limited and Pfizer Pakistan Limited. Regulatory formalities for completion of this transaction are under way. These expansionary projects will further strengthen the Company's position to leverage the opportunities present in Pakistan.

3) Improved performance:

The Company reported operating profit for the year of PKR 4,044 million, which is 16% higher than SPLY with notable growth in the Polyester, Life Sciences and Chemicals Businesses. The financial performance of the Polyester Business improved significantly due to better margins and cost efficiencies, which has improved operating results of the Business by 49%. Besides, all Divisions of the Life Sciences Business reached their highest annual net turnover, registering double-digit growth across all categories.

4) Ownership by Yunus Brother Group (YBG):

The acquisition of ICI Pakistan Limited by YBG in December 2012 has enhanced the prospects of the Company. While making progress towards continuing growth the share price has increased by 544% since the acquisition, taking annual growth rate (CAGR) to 51%, which clearly indicates the trust and confidence of investors. YBG will continue to build upon the legacy of what is one of Pakistan's leading groups today and endeavour to continue gaining momentum in the years to come.

Year in Review 2016-17

Q1

July – September 2016

April 18	Relaunch of the Chief Executive's Best HSE&S Initiative Award
July 27	ICI Pakistan Limited partners with Cogent Breeding Ltd, UK, to break new ground in the Pakistan livestock industry with artificial insemination products
August 13	Board of Directors Meeting
August 30	Board of Directors Meeting
September 27	ICI Pakistan Limited announces it is set to establish the first ever Morinaga infant formula manufacturing facility in Pakistan, subject to regulatory approval, with 51% equity stake

Q2

October – December 2016

October 7	ICI Pakistan Limited receives awards for its Annual and Sustainability Report 2014-15, at the 'ICAP & ICMAP Best Corporate and Sustainability Report Awards 2015' ceremony
October 19	The Soda Ash Business commissions a new power plant. Subsequently, the entire Soda Ash plant would begin operation on a single power source for the first time in history
October 25	Annual General Meeting (AGM)
October 25	Board of Directors Meeting
November 14	Dispatch of Final Cash Dividend Warrants
November 16	Launch of premium international skincare brand, Repavar by the Life Sciences Business, Pharmaceuticals Division
December 5	ICI Pakistan Limited launches official social media presence, on Facebook
December 21	WWF Green Office certification achieved by the Head Office premises
December 23	ICI Pakistan Limited successfully concludes acquisition of Cirin Pharmaceuticals (Private) Limited

Q3

January – March 2017

January 3	Corporate HSE Department launches the third version of the Company's Crisis Management Plan
January 17	Agreements are signed with Morinaga Milk Industry Company Limited and Unibrands (Private) Limited to establish the first ever Morinaga infant formula manufacturing facility in Pakistan, along with distribution, marketing and sale of such locally manufactured products
January 23	Relaunch of the state-of-the-art Environmental Performance Management (EPM) Database
January 24	Board of Directors Meeting
February 27	HR Graduate Recruitment Drive: Race to the Boardroom
March 3	Board of Directors of ICI Pakistan Limited approve the acquisition of certain assets of Wyeth Pakistan Limited
March 6	Joint venture company NutriCo Morinaga (Private) Limited is incorporated
March 7	Dispatch of Interim Cash Dividend Warrants
March 8	Soda Ash Business holds Customer Conference in Australia
March 9	Launch of SOVIR and its introduction at the 33rd PSG Annual Congress
March 23-27	Life Sciences Annual Business Conference takes place in Thailand
March 29	ICI Pakistan Limited is awarded the W-Corporates Enlistment Award by Women on Board Pakistan

Q4

April – June 2017

April 20	Extraordinary General Meeting (EoGM)
April 20	Election of Directors
April 20	Board of Directors Meeting
April 20-24	Polyester Customer Conference takes place in the Baltic region
April 27	MoU signed with USAID-funded Sindh Community Mobilization Program for the provision of in-kind and technical support at the Government Girls Secondary School, Wali Muhammad Haji Yaqoob in Lyari Town, Karachi
May 19	ICI Pakistan Limited inaugurates a science lab at the Govt. Girls Middle School, Brarkot under the Ilm-o-Hunar Programme
May 19	The year's 'iMPOWER Employee Engagement Survey is initiated in partnership with Gallup, with a record high score achieved
May 22	ICI Pakistan Limited signs agreements for the acquisition of certain assets of Wyeth Pakistan Limited
May 22	Board of Directors Meeting
May 25	Board of Directors Meeting

Abid Ganatra (Executive Director & CFO) accepted the award for second place in the Best Sustainability Report Award category at the ICAP and ICMAP Best Corporate and Sustainability Report Awards.

Awards and Achievements

ICAP & ICMAP Best Corporate and Sustainability Awards 2015

The Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost & Management Accountants of Pakistan (ICMAP) annually hold the Best Corporate Report (BCR) Award to recognise excellence in corporate and sustainability reports. It encourages responsible reporting by companies to the community both as employers and corporate citizens.

ICI Pakistan Limited has consistently won numerous awards at these ceremonies, and in October 2016 the Company won two awards for its Annual Report for the financial year 2014-15. This is a significant achievement for the Company considering the diverse competition nominated at the awards.

ICI Pakistan Limited won fifth place in the category for the “Best Corporate Report Award 2015” in the Chemicals Sector, and second place for the “Best Sustainability Report Award 2015.”

These awards underscore our Company’s focus on effectively communicating financial and business information comprehensively and transparently.

W-Corporates Enlistment Award

As an employer of choice that promotes equality and diversity, ICI Pakistan Limited has been at the forefront in bringing positive changes to the industry. And On March 29, 2017, the Company was honoured with the W-Corporates Enlistment Award by Women on Board Pakistan, at a gong ceremony held at the Pakistan Stock Exchange.

The Women on Board (WOB) Pakistan initiative aims to promote and acknowledge greater gender diversity on boards across listed corporate entities in Pakistan. The recent findings of a survey carried out by WOB showed that only 4% of total listed companies in Pakistan have appointed independent woman directors on their Boards.

While we still have a long way to go in this area as a nation, at ICI Pakistan Limited we remain committed to our pledge for increased gender diversity across all levels of the Company.

WWF Green Office Certification

The WWF Green Office initiative is a practical environmental programme that aims to reduce the ecological footprint of corporate offices. The programme also potentially benefits organisations by helping them achieve cost savings.

After carrying out an audit of our Head Office premises, WWF Pakistan granted ICI Pakistan Limited the Green Office certification in December 2016. Our Head Office in Karachi is now a certified WWF Green Office, and we continue as before to do our part to reduce our burden on the environment and achieve energy and material savings.

Kamila Khan (General Counsel, Company Secretary and Head of Corporate Communications & Public Affairs received the Women on Board (WoB) award on behalf of ICI Pakistan Limited.

Human Resources

Focussing on the **Future of Talent**

Our story of growth is a testament to our commitment to investing in our people, who are driven to continuously evolve and innovate. Our legacy is built on the strength of our Businesses, the passion of our people, and the excellence of our culture, along with our unwavering ambition to constantly grow.

We strongly believe that delivery of our strategic growth ambitions is contingent on the quality of our people. Therefore, we remain determined in our unrelenting pursuit of attracting, developing and retaining the best talent while cultivating an enabling environment conducive to innovation and high performance; transforming our people into leaders of tomorrow.

Diversifying Growth

The diverse and ever-growing nature of our Businesses and Functions allow us to provide invaluable learning and development experiences. We've developed and facilitated cross-Functional and cross-Business movements, to give our people a more diverse, well-rounded experience with the Company. These movements remain our strategic priority for

The Graduate Recruits were taken to Nathia Gali as part of their induction programme.

In Karachi, the Women's Day Exhibition showcased eight brilliant women entrepreneurs; each exhibited a diverse range of hand-made products.

Ladies Welfare Centre students with the female colleagues came together for a group photograph after the certificate distribution ceremony concluded at the Mozang Office.

diversifying growth, a fact that is evident from the remarkable 21% talent movement achieved during the year.

The Power of Engagement

As we continue to build on our brand promise of Cultivating Growth, employee engagement remains vital. We strongly believe that success is made possible when employees are engaged and aligned with the Company's vision, and when they feel valued and heard. This year, for the third year running, we remained committed to driving employee engagement across our Company through our 'IMPOWER programme. Under this programme, we have partnered with Gallup to administer their renowned Q12 employee engagement survey. Starting out in 2015 at the 35th percentile with a score of 3.87 (on a 5 point scale), in 2017, we now stand at an impressive 68th percentile with a score of 4.30. This score is well ahead of Gallup's recommended trajectory and was made possible due to various Company-wide and local level initiatives, which were undertaken after each survey, as part of an action planning process. This significant yearly increase reflects our people's interest and confidence in our collective future, and brings us closer to our target of achieving world-class engagement levels. Events held through the year to sustain the spirit of engagement included Mothers' Day at Work, Kids' Day at Work, and a Futsal tournament. A state-of-the-art gym facility was also inaugurated at the Head Office to enhance employees' wellbeing.

Hiring for the Future

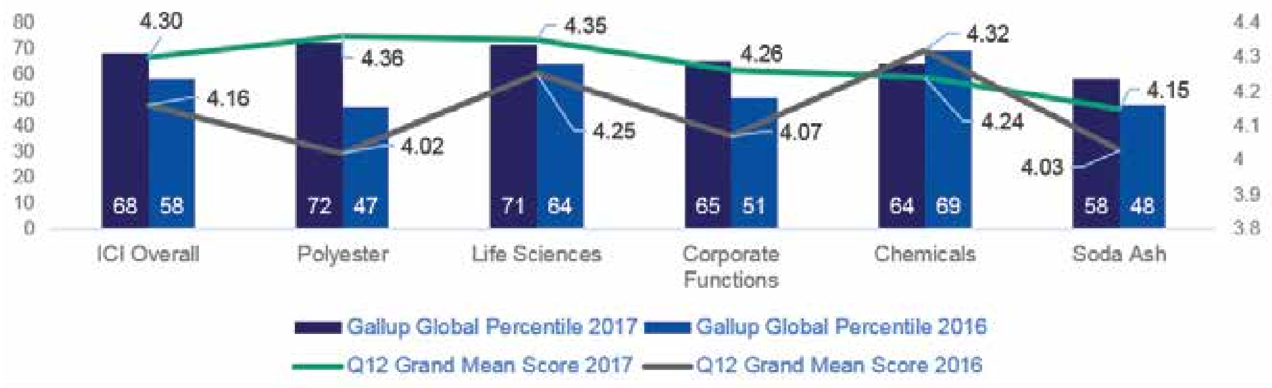
Innovation is a core value that drives the way we work and grow as a Company. We hire for the future, therefore we aim to constantly build a compelling Employee Value Proposition in order to attract tomorrow's leaders today.

This year, our revamped Graduate Recruitment Drive, Race to the Boardroom, was an innovative recruitment experience designed to appeal to millennials. An online game presenting various scenarios depicting a real work environment, Race to the Boardroom transformed the Graduate Recruitment process into a fun and challenging experience.

Our overall talent acquisition efforts helped us further strengthen our talent pipeline, through the recruitment of 29 graduates (including 11 Graduate Recruits) from reputable institutes, and 243 experienced professionals.

The Talent Factor

We know that a well-defined talent management framework is necessary to build a healthy and sustainable talent pipeline. This involves Capability Groups, Leadership Talent Reviews and Succession Planning Forums to identify capability and talent gaps and build comprehensive plans to address these. When these plans are put in place, we are better equipped to address talent issues more effectively, while building on organisational capability and succession for the future. In 2016-17 we completed our talent management cycle by conducting several meetings of our functional Capability Groups along with the annual Succession Planning Forum.



'iMPOWER Employee Engagement Survey Scores

The state-of-the-art gym facility at the Karachi Head Office.

Our HR for Non HR Managers programme in progress.

Learning to Lead

Given the range of our Businesses and Functions we consider ourselves to be an excellent organisation for learning and development. At ICI Pakistan Limited, we strive to provide our people with diverse learning and developmental opportunities to ensure an all-encompassing approach to capability building. Our well-integrated and structured learning framework includes Essentials, Annual Learning Plans based on Training Needs Assessment (TNA), Core Development Programme (CDP) as well as our flagship Leadership Development Roadmap (LDRM). Our learning philosophy is based on the 70:20:10 learning model (where 70% accounts for on the job training, 20% for coaching and mentoring experiences, and 10% for formal training). Through this philosophy, we've ensured a strong focus on building functional, managerial and leadership competencies at all levels.

Our Leadership Development Roadmap continues to be a key ingredient in building the capabilities of our employees. Through it we are providing them with a structured and integrated talent development framework. And we've achieved this with customised training modules, executive coaching sessions and learning projects, in which more than 886 managers participated throughout the year.

This year, our flagship HR for Non HR Managers programme continued, with an additional 69 managers participating. This programme was developed in order to help people managers better understand the HR aspect of their roles. The Core Development Programme for engineers continued with a renewed focus, training 64 managers, while functional and managerial trainings progressed as per the training needs assessment. A total of 33,036 man-hours were invested in employee training, focussing on functional and leadership development, which translated into an increase of 17% over the same period last year.

Along with well-structured training interventions, our employees are also exposed to exciting on the job learnings, challenging project work, networking opportunities and external professional forums to fast track their career growth.

Furthermore, we have formally devised a voluntary mentoring programme, RISE, which serves as a powerful platform for dialogue through networking and mentoring. RISE allows people to connect with mentors who can offer them fresh perspectives, valuable advice and coaching, all in order to achieve long-term personal and professional goals.

Kids' Day at work at the Karachi Head Office, December 2016.

Fathema Zuberi (GM HR), opened the Women's Day celebration event.

Corporate HR invited mothers of our colleagues to celebrate Mother's Day at the Karachi Head Office.

The Performance Leap

With a relentless drive to grow, innovate and excel, we maintain our commitment to our people. Their determination for excellence and results drives us to continuously improve the way we work and grow our business.

We place significant emphasis on performance as well as the means used to achieve it. In order to assess it against targets and objectives, we have a comprehensive measurement system in place that acts as a barometer for the Company's performance. This is the Performance and Development Discussion (P&DD) process, and it continues to be an essential tool in providing constructive and regular feedback to managers. It also allows them to align their performance and development with their respective Business's or Function's strategy, as well as our Company's strategy. During the year under review, our P&DD process was concluded as per guidelines, and helped ensure employees continue to benefit from clear and credible feedback and assessment.

Embracing Digitalisation

We focus on not only hiring the best people, but also providing them with the latest technology to better equip them for their work. In our pursuit of innovation and technology, we have successfully initiated the implementation of the globally recognised SAP SuccessFactors Talent Management Suite. Once completed, SAP SuccessFactors will digitalise our major HR processes and activities including recruitment, on-boarding, learning, performance management, succession, as well as compensation and benefits.

The Gender Diversity 'iMPACT

We consider gender diversity a strategic ambition that will help us build a sustainable competitive advantage. 'iMPACT, our gender diversity forum, continues to further this aspiration across the organisation, through focussed gender supportive initiatives.

This year on International Women's Day, we organised an event to appreciate all the women working at ICI Pakistan Limited. During the event we also recognised talented craftswomen from diverse backgrounds, for their courage, hard work and determination against all odds. The event comprised an interactive and inspiring session, followed by an exhibition of hand-made items made by the craftswomen. This exhibition received a very positive response from our colleagues, who appreciated the efforts of the entrepreneurs.

Building on our Legacy, with a Difference

We are rated amongst the top preferred employers in the country. We are bold and resilient in the face of challenges, and have the confidence to pursue growth in unfamiliar and rewarding areas. We possess an ever growing urge to think differently and innovate. Our aim is to continue seizing greater opportunities by nurturing a dynamic and passionate workforce, who look forward to a future in which they lead.

Information Technology

Enabling Business Innovation through Technology

In an increasingly competitive and dynamic world, our goal is to embrace change and strive for continuous innovation. Our IT team is a well-balanced mix of experienced professionals and younger colleagues, each committed to implementing the best practices in a modern world.

We adhere to our Corporate IT Vision in all our information technology-related endeavours: To act as an effective business enabler, ensuring visibility and compliance through innovative and sustainable information solutions, and by embracing the best infrastructure and technology.

Highlights of the year 2016-2017

Launch of SAP Fiori Applications: Revolutionising Purchasing Approvals

We successfully launched applications from the SAP Fiori framework across ICI Pakistan Limited to introduce quicker and more convenient approvals for purchase orders and requisitions. SAP Fiori utilises an intuitive interface and responsive design to provide easy, efficient access to purchase requisite and purchase order (PR/PO) approvals on a range of devices such as mobile, tablet and PC, across all networks. Moving forward, our Corporate IT department plans to continue these innovative practices and implement more SAP Fiori applications to facilitate SAP approvals, and improve the user experience.

Analytics with SAP Business Objects

In-house implementation of SAP Business Objects was carried out, and new dashboards were developed for members of our Executive Management Team (EMT). Continuous development with SAP Business Objects has made our dashboards more accessible over tablets, improved performance speed and provided business users with a more user-friendly interface to view Key Performance Indicators (KPIs) and drilldowns.

Integration with Standard Chartered Bank using S2B

A project was initiated in collaboration with Standard Chartered Bank (SCB), in which we established host-to-host connectivity. This essentially means that through SAP we will be able to directly communicate with SCB's servers for procedures such as processing requests for cheques, pay orders, IBFT and bank transfers. These requests will be verified pending an online approval process. This will result in a multitude of benefits including reduced processing times, significant cost reduction and fewer printed documents.

The Corporate IT team hiked to Siri Paye during their yearly IT Conference.

The Corporate IT team observed October 2016 as security awareness month and conducted sessions in Karachi and Lahore on the importance of cyber security.

The team gathered for a group photograph during the IT Conference at the Kunhar Riverside, Khanian Kaghan Valley.

Smart Inventory Management in the Chemicals Business

For the Chemicals Business, inventory optimisation and control were identified as key areas of improvement. In order to enable effective inventory management, we initiated a project to utilise barcodes and automate the handling of material issuances, receipts and dispatches. The project ensured all materials were fully tracked through all processes, providing better visibility and establishing monitoring controls for the Supply Chain department.

Operator Driven Reliability in the Polyester Business

Smooth running of our plant and its systems is critical for production at our Polyester Business, and ensuring full functionality and availability of all systems is a major requirement. To help enhance these systems, we carried out a number of improvements including:

- Enabling regular machine logging and monitoring
- Equipment tagging with unique barcode IDs
- Daily automated operator rounds through barcode-enabled handheld devices
- Centralised management reporting against limits and defined specifications

SAP SuccessFactors Talent Management in HR

Our implementation of the SAP SuccessFactors Talent Management Suite in Human Resources began earlier this year. This market-leading, cloud-based talent solution will significantly enhance ICI Pakistan Limited's HR processes, and will provide a better outlook on recruitment and succession, a consolidated portal for all learning avenues, and a uniform on-boarding process for new hires. The first two phases of the project have been completed and comprise of modules for learning, on-boarding, recruitment and succession.

IT Security Operations Updates

IT DR Drill

A successful exercise of the DR Drill was carried out with an expanded scope as scenarios related to the Internet, Active Directory, Domain, SAP Services and SharePoint based Applications were thoroughly tested. Evidence was recorded in the presence of an independent observer from KPMG as well as our internal audit team. These aforementioned scenarios were tested for the first time in ICI Pakistan Limited's history and act as a source which confirms the availability of interrupted IT services even in case of a setback at our main data centre or any other major site.

ICI Pakistan Limited Technology Risk Assessment Exercise

For the first time, our team successfully carried out a technology risk assessment exercise at ICI Pakistan Limited to assess and benchmark the strength of IT Security Control's preventive and detective measures. The exercise also served to record findings and follow best business practices. It comprised of three main activities including IT external penetration testing, internal penetration testing, and a network configuration review exercise.

Deep Scan Reverification

Following the findings of the Technology Risk Assessment, this exercise was conducted to complete necessary implementations to ensure any remaining gaps were addressed, and globally accepted best business practices are followed. Later a deep scan reverification was also conducted to ensure that all identified gaps, if any, were addressed properly by the corresponding implementations.

IT Security Awareness Sessions at Lahore and Karachi Head Office

The importance of IT security is paramount, considering the rising scale of web usage and the proliferation of threats. These threats are continually evolving and we must protect our information assets. Awareness and safe practices alone can deter countless potential threats and risks, in light of which, IT Security Awareness Sessions were organised by Corporate IT and held in our Mozang and Karachi Offices. Through these sessions, we communicated the importance of adopting safe IT practices and continued to spread awareness about IT security.

Future Outlook

Using the initiatives carried out in 2016-17 as a springboard, we intend to continue investing in innovative solutions to enable our Businesses and Functions to work smarter and faster through mobility, automation and digital integration.

Health, Safety, Environment and Security (HSE&S)

Committed to Responsible Operations

At ICI Pakistan Limited, HSE&S remains of critical importance to us as we move ahead into new ventures and new areas of operation. We are committed to providing a safe working environment for our people, and to operating responsibly with minimum impact on the planet. In doing so, we work towards a cleaner world, a safer workplace and high quality manufacturing, in adherence with global standards.

HSE&S Beliefs and Principles

Our enduring commitment to the highest standards of health and safety for our employees, customers and contractors, as well as to the protection of our environment, leads us to abide by a set of HSE&S beliefs and principles. In line with these principles, we strive to constantly innovate and improve our HSE&S performance, which is the collective responsibility of every individual, from the Executive Management Team right down to each employee. Accordingly, we must all strive to apply the most stringent HSE&S standards to our work.

The Company remains focussed on assessing the effectiveness of existing regulatory HSE&S frameworks and approaches on an ongoing basis. This helps us ensure that our systems are sufficiently robust to safeguard our employees and the public against accidents and ill-health.

These are the HSE&S Principles that we operate in accordance with:

- **Work-related injuries and illnesses are preventable**
  We must endeavour to protect those working at our sites, as well as our business partners and our suppliers, from accidental or deliberate harm, damage or loss. Our target is zero injury.

- **Discover measures to reduce our carbon footprint**
  Reducing our carbon footprint remains a focus for us, especially as our operations grow. Carbon footprint can be minimised through pollution prevention, efficient utilisation/ conservation of energy and other resources including water, and reduction of emissions and waste. Some of these measures involve the implementation of new technologies and products.

The Corporate HSE team conducted an HSE&S awareness course in Lahore for employees.

The Life Sciences Business, as part of their commitment to HSE&S, arranged environment and conservation training for employees.

Saboor Ahmed (Business Manager, Animal Health), talked to the attendees about safe operations, during a session on Plant Safety.

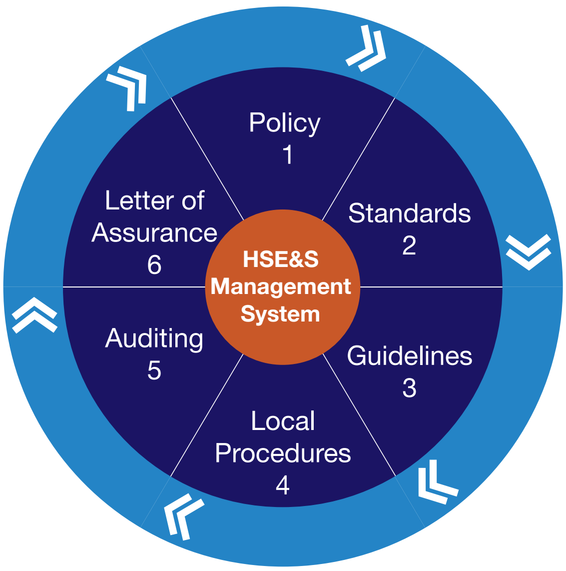
- **Continuous improvement of our HSE&S performance**
  We aim to achieve this through strategic management of HSE&S-related issues, as well as the dedication of our people, and adherence to the highest standards in all areas of our operations. Monitoring and improving our HSE&S performance on an ongoing basis has several benefits; safety and security concerns are highlighted, while enhanced HSE&S measures provide competitive advantages where business opportunities are concerned.

- **Transparency**
  We firmly believe our stakeholders have a right to information about our HSE&S performance and our operations as a whole; transparency in this regard promotes and increases trust and accountability.

HSE&S Management System

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

During the financial year 2016-17, our Businesses designed their HSE&S plans incorporating recommendations from last year's Management Audit. With the alignment of local engineering procedures with the corporate engineering procedures in 2016-17, the Chief Executive nominated Responsible Executives for each Business and location. The Responsible Executives further nominated individuals (Responsible Engineers) for their respective domains relevant to Corporate Engineering Procedure.



HSE&S Assurance Process

Letter of Assurance

This is the annual process through which the Company checks on compliance to mandatory regulations, corporate standards and procedures. This Letter of Assurance is a formal submission from each Business Head to the Chief Executive of ICI Pakistan Limited, indicating conformance with legislation, standards and procedures. It also identifies areas of concern for the Business and plans for their improvement. The process is carried out annually to ensure full implementation of the ICI Pakistan HSE&S Management System.

HSE&S Year in Review 2016-17

Health

Hundred percent compliance with Health Assessment (HAPI) and Work Environment (HYPI) monitoring programmes resulted in the conclusion of the year with no reportable occupational illness. These programmes include the regular testing of plant equipment and sites from a health perspective, as well as monitoring of employee health. Additionally, health awareness sessions on coronary heart disease, diabetes, cardiopulmonary resuscitation, active immunisation against pneumonia, basic lifesaving techniques, medical emergency handling and first aid were conducted at our Businesses and locations.

To help sustain the zero illness record, March 2017 was celebrated as Health and Hygiene Awareness month by our Life Sciences Business. During this month, 460 employees received health and hygiene training during the Annual Business Conference held in Thailand. Weekly fitness and hygiene challenges, along with online quizzes helped employees achieve better health and motivation at work.

Our Soda Ash Business held presentations and demonstrations on understanding and coping with various medical conditions including hypertension, malaria and more.

The attendees during the Accident Investigation workshop.

Zafar Farid (Corporate HSE Manager), gave a comprehensive talk on the investigation of accidents.

Health awareness e-campaigns were also conducted on a variety of topics including the effects of saturated fats, diabetes, and coronary diseases.

Safety

While safety remains our utmost priority, we recognise that accidents do sometimes happen, and that these provide an opportunity to review our systems and renew our commitment to safety. There were a total of four reportable injuries to employees and supervised contractors, and one reportable injury for independent contractors during the year.

The Polyester, Soda Ash, Life Sciences and Chemicals Businesses achieved 10.02, 12.3, 1.05 and 0.27 million man-hours without injury, respectively.

All reported injury cases were thoroughly investigated by trained personnel, and findings were subsequently circulated Companywide. Once investigations were completed, actions and recommendations were assigned to individuals with a strict follow-up system put in place to avoid any recurrence.

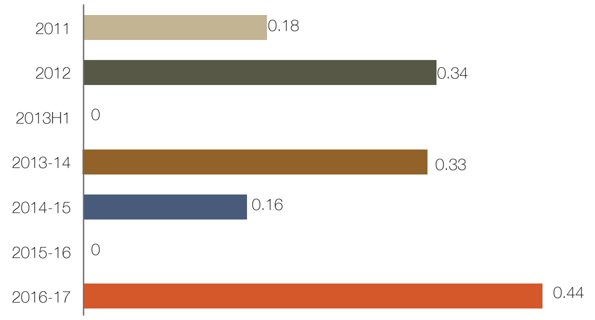
A sharper focus on operational discipline and even stricter adherence to the Company's Health, Safety, Environment and Security (HSE&S) Management system and investigation outcomes is being planned for 2017-18 to avoid any future mishaps.

Environment

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

This year, we also relaunched our state-of-the-art Environmental Performance Management (EPM) Database. The EPM Database is an application purpose-built to report on all HSE&S related parameters. Our continued focus on innovation means modernisation of existing procedures and protocols is a big part of what we do; this application makes it simpler for our Businesses to report their HSE&S data using three standardised quarterly datasheets for Health & Safety, Environment and Energy. This sophisticated tool enables the Corporate HSE Department to consolidate, analyse and report data. We anticipate that it will support us in our benchmarking efforts and aid in global competitions going forward.

Total Reportable Injury Rate for Employees & Supervised Contractors



26-Sep-16	**Two Pharmaceuticals Division employees were injured in a road accident**
27-Jan-17	**A Chemicals Business employee received burns due to a splash of high concentrated sulfuric acid**
09-Feb-17	**A Pharmaceuticals Division employee lost his life when the car he was travelling in fell in the River at Pattan**
28-Mar-17	**An independent contractor received a cut on his right hand from a cladding sheet**
21-Apr-17	**A food poisoning incident occurred at the Head Office**

Security

Security remains a central focus in line with our aim of achieving zero harm to our people and assets. A comprehensive site security review was undertaken, covering all major sites including our Soda Ash Business site, Polyester Business, Mozang Office, Head Office and the newly acquired Cirin Pharmaceuticals (Private) Limited facilities. The review was carried out in order to assess the probability and impact of possible terrorism-related activities, and to implement safeguards. These anti-terrorism measures also provide other security benefits, including probability and impact reduction from criminal and malicious activities, as well as from major natural disasters and serious industrial accidents. We utilise modern surveillance techniques to ensure the security of people and assets at our plant sites and offices; these will be further upgraded in the future to ensure we provide maximum security. These security plans will also fall under the Company's Business Continuity Plan.

HSE&S Trainings

A truly safe, secure workplace can only be achieved when every single employee is well-versed with, and committed

The audience intently listened to the speaker during the Introduction to Engineering Standard training, conducted in Lahore.

Fayyaz Moazam talked to ICI Pakistan Limited employees during the Hazard Studies Leadership training, conducted in Lahore for all four Businesses.

to, HSE&S practices and procedures. HSE&S trainings are therefore a vital component of our Company's HSE&S Management System. Various facets of occupational health, safety, risk mitigation, hazard identification, accident investigations, and environment are covered through conducted trainings. The following training sessions regarding HSE&S were conducted Companywide through the year:

- HSE&S Awareness Training
- First Aid Refresher Training
- Defensive Driving Training (conducted by the Motorway Police)
- Permit to Work Trainings
- Accident Investigation Workshop
- Hazard Study Appreciation and Risk Management

Specialised Trainings

Hazard Study Leadership Workshop

In 2016-17 we held specialised trainings on Hazard Studies; a mandatory protocol for any new project or major modification work undertaken at our Businesses. Comprehensive technical knowledge and experience is a requirement for undertaking Hazard Studies, for which a Hazard Study Leader is responsible.

In collaboration with PetroRisk, our Corporate HSE Department conducted a five-day Hazard Study Leadership Workshop for manufacturing site managers with a minimum of seven years' experience. The comprehensive workshop took participants through each stage of a Hazard Study, including steps to be taken. It also covered the correct use of tools and techniques, enabling managers to carry out this process successfully.

GRI Standards Trainings

With the introduction of the newest edition of Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, at ICI Pakistan Limited, we took the initiative to be among the first companies in Pakistan to report in accordance with the latest GRI Standards. All stakeholders of our sustainability reporting process were accordingly trained and certified on the GRI Standards by the Global Reporting Initiative, Netherlands.

Chief Executive's Best HSE&S Initiative Award

2016-17 saw the relaunch of the Chief Executive's Best HSE&S Initiative Award. This award recognises the efforts made by each Business to improve HSE&S practices at our manufacturing sites and offices. The award consists of two categories, namely: Manufacturing and Office/ Warehouse, to account for the two different types of locations. Each Business can enter up to two submissions per category for judging. For this year's award, all Business HSE Managers presented their submissions after which they were awarded marks against a pre-agreed 12-point criteria.

Risk Identification through Learning Event Database

The Learning Event Database is a SharePoint-based application used throughout the Company to record and report undesirable situations or incidents occurring at our manufacturing sites and offices. These reports are then analysed by Corporate HSE to identify major risk themes, and suggest appropriate corrective action. With approximately 1,500 learning events being raised across Pakistan over the course of the year 2016-17, we are pleased to report the Learning Event Database is functioning as a direct reflection of our HSE&S Management Database, and supporting its implementation as it aids in the improvement of the work environment and increased safety of our employees. It is worth noting that our senior management has been instrumental in encouraging employees to report their observations via this tool, resulting in widespread use and better reporting of on-ground issues.

Procedural Upgradation

In 2016-17, Corporate HSE set out to upgrade vital HSE&S procedures and protocols Companywide. The aim was to provide all employees with comprehensive supporting documents to help them better understand the ICI Pakistan Limited HSE&S Management System.

Among these documents was an FAQ book providing answers to frequently asked questions regarding our HSE&S Management System. It includes examples for various scenarios to help aid better understanding.

Another major milestone achieved was the launch of HSE-003 Arrangements for Reporting Health, Safety & Environmental Performance. This document, which also supports our HSE&S Management System, includes the following sections:

In collaboration with 1122 rescue, the Life Sciences Business conducted Emergency Rescue Training for its employees in Sahiwal.

Matin Amjad (GM, Pharmaceuticals), spoke about the importance of HSE&S during the Life Sciences Annual Business Conference 2016-17.

- Immediate Reporting
- Injury and Illness Reporting
- Motor Vehicle and Distribution Incident Reporting
- Occupational Health Performance Reporting
- Environmental & Energy Reporting

Corporate HSE also launched the third version of our Company's Crisis Management Plan, which defines management responsibilities and actions required for an organised response to any potential HSE&S crisis. Requirements of the Crisis Management Plan include clear and early identification of situations with crisis potential; structured responses to its demands, and a factually accurate process of communication, both within the Company and externally.

Behaviour Based Safety (BBS) Programme

The primary objective of the BBS Programme is to create a positive and safe workplace for employees by developing positive safety recognition of management and peers through supportive leadership. The programme continued at regular intervals to identify site employee behaviour and its associated impact on safety.

Events and Special Days

Earth Day

Earth Day is celebrated globally to raise awareness of, and appreciation for, our Earth's life-giving environment and resources. Our Soda Ash Business celebrated Earth Day with all safety improvement teams, focussing on the importance of trees in our natural ecosystem as supporters of biodiversity and environmental sanctity. The celebrations were supplemented with tree plantation activities.

International Firefighters' Day

International Firefighters' Day is celebrated to thank firefighters the world over for their extraordinary commitment and exceptional courage in the face of life-threatening emergencies. We celebrated International Firefighters' Day on May 4, 2017 with all our firefighting staff. Audiences were given an overview of the purpose of the event, and the firefighting squad was commended for their services at our plant and local community.

World Water Day

World Water Day was celebrated at ICI Pakistan Limited with senior management communicating the importance of water management in every walk of life. Special posters with messages on water management and conservation were displayed around the residential and works areas.

An e-campaign was launched by Corporate HSE with the 2017 theme of "Why Wastewater" highlighting the adverse effects caused by untreated wastewater being dumped into water systems and how we can treat or reuse this water at our homes and offices.

Tree Plantation Drive

Companywide tree plantation drives were continued through the year encompassing the Polyester, Soda Ash, Life Sciences and Chemicals Businesses along with the Head Office in Karachi.

The Soda Ash Business planted approximately 12,000 trees at the plant site, residential areas, in the community and along the highway. The District Officer Environment and EPA Punjab Team, along with the senior management of the Soda Ash Business participated in these activities, demonstrating their commitment towards a greener future.

Community Investment

Giving back to our Communities

At ICI Pakistan Limited, investment in the communities we operate in, and near, is a strong focus. Our communities support and sustain our operations, both directly and indirectly. And we know that giving back to them and helping them develop simply makes good sense in the long run – for them and for us.

Most major community investment and CSR initiatives at ICI Pakistan Limited are carried out through the ICI Pakistan Foundation, a registered trust run and managed by a Board of Trustees. However, in addition to these corporate level initiatives, the Company's Businesses also carry out more business-specific community and CSR activities.

Guided by our CSR Policy, the Foundation's initiatives (under the umbrella of the Hamqadam Programme) focus primarily on the following broad areas: education, health, community and environment. Through the Foundation, we also support civic development through investment in community projects, disaster relief and rehabilitation activities as needed.

Here is an overview of the progress of our community and CSR projects for 2016-17

Education

Support extended to education-related initiatives includes primary education support, vocational training, and higher education support.

Ladies Welfare Centre (LWC) - Vocational Training

Established in 1973 to empower young women from the Khewra community by imparting marketable skills, the ICI Pakistan Limited-funded and operated LWC continues to flourish with a new facility that was inaugurated in 2015. Courses currently offered include a year-long comprehensive course in Domestic Tailoring and Fashion Design (which is aligned with the TEVTA Curriculum) and a year-long course in Professional Cooking.

In December 2016, the latest batch of 14 students completed their training and were awarded certificates at a ceremony held on March 31, 2017 at our Mozang Office in Lahore. The LWC also offers internships and teacher training programmes. The Centre currently employs five instructors, all of whom are former students of the LWC. At the time of printing of this publication, 12 new students had been inducted into the new batch. To date, over 1,200 young women from the Khewra community have benefitted from this training.

Industrial Electrical Wireman Course - Vocational Training

In 2015, we initiated a course teaching Basic Household Electrical Wireman skills at our Polyester Business's Training Centre in Sheikhupura. To date, three batches of students (approximately 45 community youths) have successfully completed the course.

In 2016-2017, the basic wiring course was upgraded to the more advanced, commercially-oriented Industrial Electrical Wireman course to provide students with even better employment opportunities in the industrial and commercial sectors. The first batch of 12 students has successfully completed this course.

Government Boys and Girls Primary School, Tibbi Hariya – Primary Education Support

This government primary school has been managed by our Polyester Business CSR team in partnership with a local NGO for 15 years, with 110 students currently enrolled. To improve the quality of education and general standards of the school, we recently approached the CARE Foundation, a reputable non-profit, to take on the management of the school.

An agreement has been reached on this matter, and we look forward to working with the CARE Foundation, which is currently running 716 schools with over 230,000 students and 4,000 teaching staff across the country.

Government Boys and Girls Primary School, Kakapir Village – Primary Education Support

Our long-term support of this school has included the 2008 renovation of the entire school building, including the provision of new classroom furniture. Currently over 180 students are enrolled (nursery to grade five), and significantly, 65% of primary students are girls. While this showed a growing acceptance of the need for female education in the community, we observed an emerging issue. As students graduated beyond primary school level, in keeping with conservative social norms, parents were reluctant to allow their daughters to attend the nearby co-education secondary school. Girls from the Kakapir Village were therefore having

Basic Household and Industrial Wiring Courses at the Polyester Business Site aimed to create skilled workers so that community members could engage in economically profitable work.

ICI Pakistan Limited and Sindh Community Mobilization Program signed an MoU under the banner of ICI Pakistan Limited's Ilm-o-Hunar programme for education-related initiatives.

to give up their studies after the primary level. To resolve this problem, in 2016-17, we initiated sixth grade classes for girls at the school in partnership with Literate Pakistan Foundation. Currently, 12 female students are enrolled in the sixth grade at Kakapir School.

Reader's Club and "Dewaar-e-Sahafat" Project

Launched at the WRRA Secondary School in Shah Faisal Colony, Karachi, the Reader's Club Project was a scrapbooking project aimed to get children from lower income backgrounds interested in reading, and to encourage them to express their thoughts and feelings. About one hundred students from grades four through ten participated; each student was given a starter pack consisting of a collection of children's magazines and newspapers (to serve as source material) and a blank scrapbook, along with a package of Fevistik glue, marketed by our Chemicals Business.

The response was overwhelmingly positive. Children created scrapbooks full of colour and information. To reward their hard work, prizes were awarded at each grade level. To help sustain the interest in reading and writing, we also installed a "Dewaar-e-Sahafat" or "Wall of Journalism," at the school premises, where students can display their own articles, stories and other writings about activities and events happening in their school. The objective of ''Dewar-e-Sahafat" supports that of the Reader's Club; that children express their thoughts and develop their intellectual capacity through creative writing.

Science Lab - Brarkot School, KPK – Secondary Education Support

Following the devastating 2005 earthquakes in the Northern Areas of Pakistan, the ICI Pakistan Foundation constructed a new girls' primary school facility in Brarkot, KPK, in 2007. In 2008, the school was upgraded to middle school level by the KPK Education Department, but when the girls graduated from middle school, they were compelled to discontinue their studies due to lack of accessible secondary education. Even after secondary classes were initiated for these girls, it soon became evident that the lack of a science lab was causing serious challenges. The nearest girls' school with a lab was located at a distance of 8–10 kilometres; too far for the students to travel.

Statement of Charity Account

	PKR 'million	
	2016-2017	**2015-2016**
Education	6.06	11.04
Health	14.92	11.34
Environment	3.62	2.00
Others	0.07	-
Total PKR*	**24.67**	**24.38**

**Includes funding through the Company such as LRBT, LWC, Project Green etc.*

As a solution, we funded the establishment of a fully-equipped science lab at the school as well as covering two teachers' salaries. Formal inauguration of the lab was carried out in May 2017, and is expected to significantly improve the learning of science students at secondary level.

Science Lab – Lyari School & USAID – Secondary Education Support

In April 2017, ICI Pakistan Limited signed an MoU outlining a partnership with the Sindh Community Mobilization Program, a part of the USAID-funded Sindh Basic Education Program. As part of this agreement, we provided funds to establish a science lab at a government girls secondary school Wali Muhammad Haji Yaqoob in Lyari, which was an urgent requirement at the school, which caters to approximately 780 girls at present.

Murshid Hospital School of Nursing – Higher Education Support

The ICI Pakistan Foundation provided funds to upgrade the Murshid Hospital School of Nursing to college level, which will offer nursing students an upgraded four-year degree programme which in turn offers higher employability. With the funds we provided, the school has upgraded its library as well as adding critical training equipment to its skills lab including life-sized models for students to practice life-saving medical techniques on. The inauguration of the new lab is expected soon.

ICI Pakistan Foundation in collaboration with Friends Welfare Association, has established a science lab at the Government Girls Middle School in Bararkot.

ICI Pakistan Limited launched the Reader's Club project at the WRRA Secondary School in Shah Faisal Colony, Karachi, to encourage reading.

Pakistan Agricultural Collation (PAC) – Higher Education Support

We continue to provide funds to the PAC for establishment of an agricultural technical institute to aid in agricultural research and impart quality education to farmers.

Health

Support extended to health-related initiatives includes funding for Company-run programmes that serve our communities, as well as financial support to reputed healthcare non-profits.

Hamqadam Community Clinic:

In 2016, a mother and child healthcare community clinic was established in Khewra in response to an observed need. Funded by the ICI Pakistan Foundation and run in partnership with Marie Adelaide Leprosy Centre (MALC), the clinic has now been in operation for 17 months, and is proving to be a valuable addition to Khewra's healthcare infrastructure. Previously, pregnant women and young children had to travel long distances to access adequate healthcare facilities; these are now available to them locally at the Hamqadam Community Clinic.

We are pleased to report that large numbers of women and children are regularly treated at the clinic, which is run by a lady doctor with the support of a lady health worker, along with a leprosy, ophthalmic and tuberculosis technician and ambulance driver.

Since the clinic's inception in February 2016, a total of 6944 OPD cases have been catered to, with 346 pregnant women registered at the clinic, and 998 children under the age of five monitored for immunisation and nutrition through the 'Road to Health' chart.

Recently an ultrasound machine has also been provided by us to the clinic to aid in examination and diagnosis of patients. A state-of-the-art ambulance was also donated to the clinic at the time of inauguration to cater to emergencies in the local area. So far, the ambulance has been utilised for 74 trips and has addressed emergency needs to transfer patients from Khewra to Rawalpindi/Islamabad, Lahore, Pind Dadan Khan, Chakwal, Kalarkahar, Sargodha, Jhelum, and Mandi Bahauddin.

LRBT Eye Clinics - Khewra

Our long-running eye care programme held in collaboration with the Layton Rahmatullah Benevolent Trust (LRBT) continues to operate sustainably, with camps held every month, with the exception of the month of Ramadan. Last year marked the silver jubilee of this eye care programme which has benefitted thousands of deserving patients from Khewra and beyond for more than 25 years with quality, free eye care interventions.

As of May 31, 2017, 284 eye camps have been held as part of the LRBT Eye Clinic programme, during which 148,846 OPD consultations have been carried out, 16,513 surgeries completed and 28,757 refractions have been performed.

Childlife Foundation

Through the Foundation we completed the second year of our three-year pledge to the Child Life Foundation, a non-profit institution which operates and manages the Pediatric Emergency wards in both Civil and Jinnah Hospitals, Karachi. A new, third Pediatric Emergency Room added to Child Life's network is in the Sindh Government Hospital, Korangi No. 5, which is the largest Pediatric ER in Pakistan. So far over one million children have been treated in this ER.

Community

Waste bins for a cleaner Khewra

We provided 35 large waste bins to the Khewra Municipal Committee and surrounding educational institutes as part of an ongoing effort to promote better civic sense and community awareness of issues such as health and hygiene. Installed in prominent locations, these waste bins will encourage the proper disposal of waste materials.

Environment

Tree Plantation Drives

Tree plantation is an ongoing focus for us. Given the growing pressure on our environment, it is only prudent to attempt to offset environmental impacts in any way, and tree plantation is possibly one of the best, most effective of these.

Teams across the Company continue to enthusiastically participate in tree plantation drives, especially on occasions such as Earth Day and World Environment Day. In 2016-17, over 12,000 trees were planted.

Governance & Compliance

Playing by the Rules

While we are changing the game with our increasingly innovative thinking, we remain clear on our fundamental principles and rules. These include our governance and compliance frameworks. They form the bedrock of all our efforts. They give us the freedom and the confidence to explore new solutions and strike out into new territories, all the while remaining assured that we are adhering to the highest standards of ethical, responsible behaviour.

This section includes the Board of Directors report, details of business performance and activities, and our Governance, Compliance and Risk Management policies

Corporate Governance and Compliance

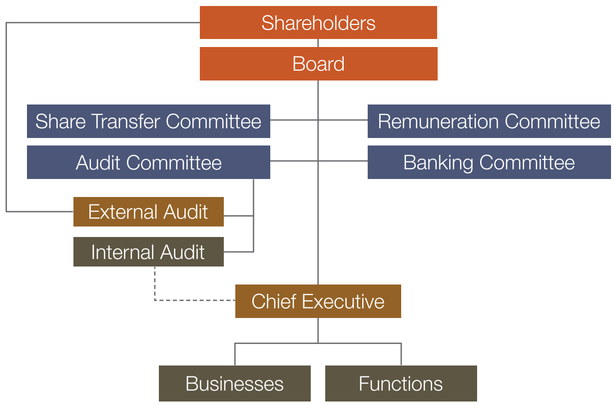
Good corporate governance is at the heart of sustainable growth and progress. It ensures that our operations adhere to the highest standards of ethical practice, and that we are accountable for what we do.

Our Company's corporate governance structure is based on the ICI Pakistan Limited Articles of Association, as well as statutory, regulatory and other compliance requirements which are applicable to companies listed on the Pakistan Stock Exchange Limited ("PSX"). This governance structure is complemented by several internal procedures, which include a risk assessment and control system, as well as a system of assurances on compliance with the applicable laws, regulations and the Company's Code of Conduct.

Corporate Governance Statement

ICI Pakistan Limited is a public limited company established under the laws of Pakistan. The Company's shares are listed on the PSX.

Corporate Governance Structure of ICI Pakistan Limited



Major External Regulations

- Companies Ordinance, 1984/Companies Act, 2017 and other allied laws
- Listing Regulations/Rule Book of the PSX.
- Code of Corporate Governance and Securities Act 2015
- CDC Regulations
- Other SECP Regulations, Circulars, Notifications and Guidelines etc.

Major Internal Regulations

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

The Board of Directors is responsible for governing the organisation by doing the following: establishing Board policies; setting out strategies, goals, and objectives for the Company to operate in accordance with and achieve; and formulating policies and guidelines that outline the way forward in achieving set goals and objectives.

The Board is accountable to shareholders for the discharge of its fiduciary function, while the Company's management is responsible for the implementation of the aforesaid strategies, goals and objectives in accordance with the policies and guidelines laid down by the Board of Directors. The day-to-day management of the Company's affairs is overseen by the Chief Executive (CE), whom the Board entrusts with the necessary powers and responsibilities for the execution of this role. The CE is in turn assisted by an Executive Management Team comprising the Chief Financial Officer and the heads of Businesses and Functions. The Board is also assisted by a number of Sub-Committees comprising mainly of independent/non-executive directors.

Code of Conduct

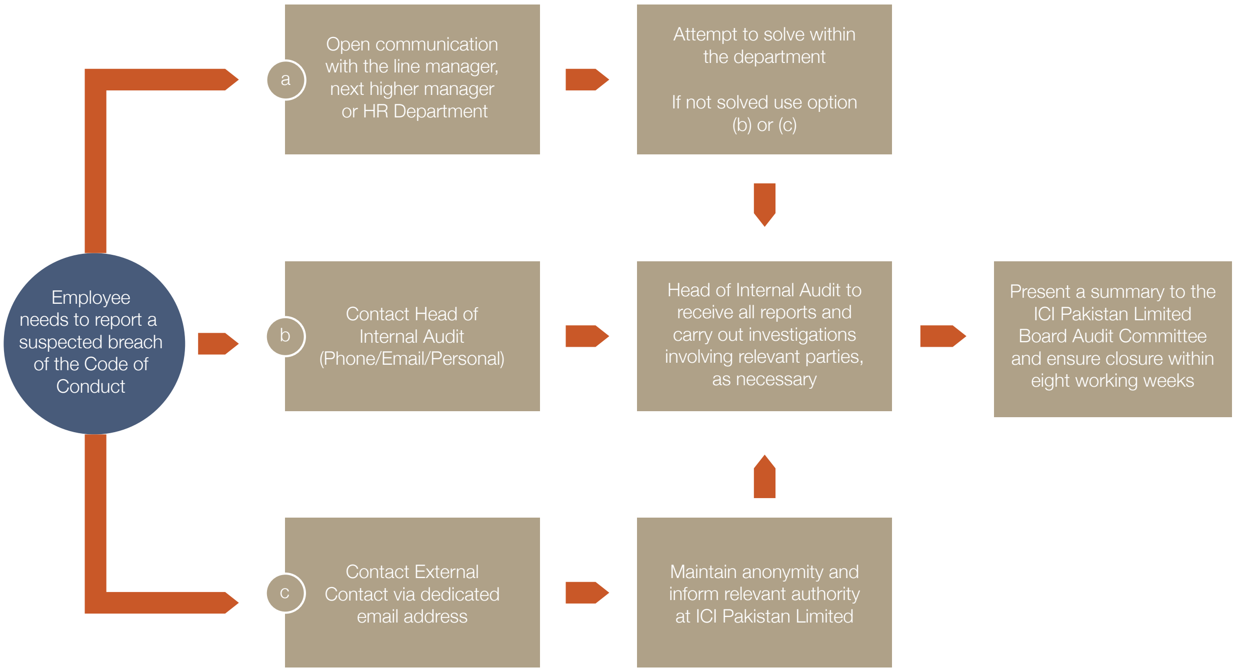
At ICI Pakistan Limited, we have always placed great importance on adhering strictly to high standards and best practices where corporate governance is concerned. We encourage our people to live by our values at all times, and ensure that ethical standards are upheld by our employees, contractors, suppliers and others who do business with us.

Our long-standing commitment to upholding ethical conduct is demonstrated by the fact that ICI Pakistan Limited had a comprehensive Code of Conduct in place well before the Code of Corporate Governance (CCG) introduced this requirement for listed companies in 2002. To ensure all employees are well-versed with the Code, we include it in our induction training for new employees, as well as organising regular training/refresher sessions at all levels. Upon joining the Company, new employees are required to sign a declaration of compliance to the Code of Conduct after they have read and understood the Code.

Speak Up (Whistleblowing Programme)

We recognise the possibility that the Code of Conduct may, at some point, be violated, and have made provisions accordingly in the form of our whistleblowing

A Depiction of the Whistleblowing Process



Speak Up Reports During the Year	
Number of Speak Ups reported to Audit Committee during the financial year ended June 30, 2017	3*
Number of Speak Up investigations completed and cases closed	2

** One case is under investigation.*

programme, Speak Up. Through the Speak Up programme, employees can confidentially report cases of suspected unethical dealings/breach of the Code of Conduct by any employee. Speak Up offers several courses of action, depending on the nature of the reported violation; confidential reports can be made via email to the relevant HR Manager or Head of Internal Audit. If greater anonymity is required, reports can be made to an independent third party (a renowned firm of chartered accountants) engaged for this purpose. All complaints are investigated and results are communicated to the Complainant (provided they have furnished a return address or other relevant contact information). Action is then taken accordingly by the Company. This process is overseen by the Board Audit Committee.

Board Composition

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

At ICI Pakistan Limited we established an Audit Sub-Committee and an HR and Remuneration Sub-Committee of the Board well before the introduction of the Code of Corporate Governance. These Committees are composed mainly of non-executive directors, including the Chairman. The terms of reference of these Committees can be found in this report, on page 66.

Internal Control

At ICI Pakistan Limited we have a robust internal control and risk management system. The overall responsibility of overseeing internal control processes lies with the Board of Directors. The Risk Management and internal control processes are designed to safeguard the Company's assets and to appropriately address and/or mitigate emerging risks being faced by the Company. The Company maintains a clear organisational structure with a well-defined chain of authority. Senior management has the responsibility to implement procedures, monitor risk and assess the effectiveness of various controls. Comprehensive details regarding the Risk Management System are separately disclosed in the financial statements.

Insider Trading

At ICI Pakistan Limited, we have a stringent policy on insider trading and securities transactions. This is articulated in a policy paper, which is circulated periodically to all Company employees, and which details the procedure to be followed by employees while conducting any dealings in the Company's shares.

The Company announces closed periods prior to the announcement of financial results, during which Executives (defined by the Board to be those employees drawing an annual basic salary of PKR 2.4 million or above) and some finance staff are barred from dealing in the Company's shares. Dealings in the Company's shares can only be conducted outside the specified closed periods. Any transaction carried out by an Executive in the shares of the Company must be reported to the Company Secretary within two days of execution, along with relevant details of purchase and/or sale of shares.

Competition Law

As laid out in our Code of Conduct, at ICI Pakistan Limited we support the principles of free enterprise and fair competition. The Company competes vigorously but fairly with its competitors within the framework of applicable laws, to provide better and increasingly more value-adding products and services to our customers.

In 2014-15, our Legal Department conducted a comprehensive Competition Law Training for relevant employees, and we continue to ensure compliance with competition laws for these employees. Additionally, all employees are informed of the relevant competition laws in the Code of Conduct; upon joining the Company, each employee signs a declaration of compliance, which is regularly renewed.

United Nations Global Compact (UNGC)

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

Adequate Disclosure

At ICI Pakistan Limited, we endeavour to continue to be transparent in our dealings with stakeholders. This is achieved through adequate and comprehensive disclosure of all significant developments via communications targeted to our shareholders and other stakeholders. These include our financial statements, and other communications such as public announcements and press releases.

All critical accounting estimates, rules and procedures governing extraordinary transactions, or any changes in accounting policies along with their financial impact, are disclosed in the notes to our financial statements. We followed the Companies Ordinance, 1984/Companies Act, 2017, and applicable IAS and IFRS (International Accounting Standards and International Financial Reporting Standards). In addition, we make an effort to provide as much supplementary information in our financial statements as reasonably possible.

As part of our effort to ensure our stakeholders are well-informed about our operations, we formulated an Investor Relations Policy which aims to ensure that the financial community, and other constituencies, such as analysts, shareholders and investors (both current and potential), are ensured timely access to all relevant information pertaining to the Company, which includes business updates, stock and financial performance, historical performance and future prospects.

Annual General Meeting (AGM)

The Company holds its AGM of shareholders in light of the Companies Ordinance, 1984/Companies Act, 2017, Listing Regulations/Rule Book of Pakistan Stock Exchange Limited (PSX), Code of Corporate Governance and its Articles of Association. We request all our shareholders to participate in the AGM and other general meetings as and when these take place. We also ensure that a copy of the annual report containing the agenda and notice of our AGM is dispatched to every shareholder at her/his registered address within the stipulated time.

During the last Annual General Meeting of the Company, no issues were raised by the shareholders present. Queries raised were responded to accordingly by present Board Members, the Chief Executive and Company Secretary. In the last AGM, questions were asked pertaining to: polyester staple fibre (Polyester Business); set-up of a Morinaga manufacturing facility in the country; Soda Ash expansion project and market competition risks (Soda Ash Business); challenges in the chemicals sector; and partnership with Cogent Breeding, UK, regarding artificial insemination (Life Sciences Business, Animal Health Division).

Ownership & Control Structure

Complete disclosure of ICI Pakistan Limited's shareholding structure is provided in the pattern of shareholding section of the annual accounts of the Company, pursuant to the Companies Ordinance, 1984/Companies Act, 2017, and the Code of Corporate Governance. Our share capital is comprised of ordinary shares. No other class of shares is issued by the Company. The Yunus Brothers Group (YBG) has acquired 86.14% shares in the Company, details of which are disclosed in the pattern of shareholding. The remaining shares are held by the general public and institutions.

Related Party Transactions

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

Material Interests of Board Members

Directors are required to disclose, at the time of appointment and on an annual basis, the directorships or memberships they hold in other corporate bodies. This is in pursuance with Section 205 of The Companies Act, 2017 which also requires them to disclose all material interests. We use this information to help us maintain an updated list of related parties. In case any conflict of interest arises, the matter is referred to the Board's Audit Committee.

Offices of the Chairman and Chief Executive

In compliance with good governance practices, the position of the Chairman of the Board of Directors and the office of the Chief Executive are held by separate incumbents with a clear demarcation of roles and responsibilities.

Brief Roles and Responsibilities of Chairman and Chief Executive

The Chairman's primary role is to ensure that the Board is effective in its tasks of setting and implementing the Company's direction and strategy. The Chairman is responsible for assessing and making recommendations regarding the effectiveness of the Board, its Sub-Committees, and of individual directors in fulfilling their responsibilities, including avoidance of conflicts of interest. The Chairman is entrusted to supervise and direct the Board's proceedings. He or she has the authority to set the agenda, give directions and sign the minutes of the Board meetings.

The Chief Executive (CE) is the senior-most full-time executive of the Company, to whom all Business and Functional heads report. He is responsible for presenting the Company's aims and policies to the government and all stakeholders. The CE is also responsible for the performance of the Company, in accordance with the business strategy adopted by the Board. The Chief Executive reports to the Board of Directors.

The responsibilities of the Chief Executive include:

- Formulating, and after Board approval, successfully implementing Company policy.
- Directing strategy towards the profitable growth and operations of the Company.
- Developing strategic operating plans that reflect the longer-term objectives and priorities established by the Board.
- Maintaining an ongoing dialogue with the Chairman of the Board to keep him fully informed of all significant developments.
- Putting in place adequate operational planning and financial control systems.
- Ensuring that operating objectives and required standards of performance are understood by all Company employees.
- Monitoring of operating and financial results against budget.
- Taking remedial action where necessary and informing the Board of significant changes.
- Ensuring that the Company is in compliance with all applicable laws.
- Building and maintaining an effective executive team and appropriate succession plans.

Performance Criteria for the Chief Executive

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

Evaluation of the Board's Performance

The Board evaluates its performance by considering the overall performance of the Company. Every member of the Board makes an effort to attend all Board meetings and to actively participate in these proceedings, wherein discussions are held on various strategic issues. The Board ensures that the Company adopts the best practices of corporate governance in all areas of its operations, as well as having a robust internal control system in place. The Board closely monitors major capital expenditure projects including balancing, modernisation and replacement. Succession planning and compliance with all regulatory requirements are also areas on which the Board remains focussed throughout the year. The Board is fully cognisant of the Company's commitment to its sustainability strategy based on social, economic and environmental factors and has issued appropriate policy guidelines to ensure continued maintenance of performance in these areas.

In line with global best practices, at ICI Pakistan Limited we have developed and successfully implemented a methodology for self-evaluation of the Board's performance as an entity on the basis of the following factors: board composition, leadership and planning, board effectiveness, board accountability, strategy and performance, organisation, risk management, ethics and compliance.

Internal and External Audit

Our Internal Audit function plays a pivotal role in providing the Board with an objective view in evaluating and improving the effectiveness of risk management and related control systems throughout the Company. The Head of Internal Audit independently reports to the Audit Committee and administratively to the Chief Executive. A renowned firm of Chartered Accountants has been hired to perform internal audits within the Company. The Head of Internal Audit ensures that the audit plan, as approved by the Audit Committee, is effectively and seamlessly implemented in close coordination with the external firm.

Internal Audits are executed across all Businesses by our independent internal auditors and all findings are reported to the Senior Management and the Audit Committee of the Board. Action plans are followed up rigorously to ensure that timely corrective action is implemented for the effective functioning of controls. The Board, through the Audit Committee, has reviewed the assessment of risks, internal control and disclosure procedures and suggested remedial actions where applicable. The role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities regarding the integrity of ICI Pakistan Limited's financial statements, risk management and internal control, compliance with legal and regulatory requirements, the external auditors' performance, qualifications and independence, and the performance of the internal audit function. External auditors are appointed by the shareholders on a yearly basis at the AGM on the recommendation of the Board of Directors. The partner in charge of our audit is rotated every five years as per the local regulations.

Risk **Management**

Managing risk is a vital part of staying ahead of the curve. At ICI Pakistan Limited, the overall responsibility of overseeing risk management processes lies with the Board of Directors. This includes risk management and internal control procedures.

Our Company's risk management processes are designed to safeguard our assets and address possible risks to our Businesses, including possible impacts on business continuity. These documented processes are subject to regular review. Identified risks which could potentially affect the achievement of strategic, operational, financial and/or compliance objectives are promptly reported to the Board and senior management, allowing them to take timely action where required, to ensure the Company's operations continue smoothly.

ICI Pakistan Limited has a clear organisational structure with a well-defined chain of authority. Our senior management teams are responsible for implementing procedures, monitoring risk and assessing the effectiveness of various controls.

We employ a robust Enterprise Risk Management (ERM) framework, which is integrated across the organisation to ensure risks are proactively identified and addressed. The ERM framework utilises comprehensive, interactive systems and processes, which enable us to systematically identify, evaluate, and assess risks. Highlighted risks are prioritised according to their impact and likelihood, and remedial actions are devised accordingly.

Risk management is an ongoing need, and therefore, this annual process includes interim updates on both, risks, as well as remedial and/or corrective actions.

Our ERM framework encompasses the following elements:

- A transparent process providing necessary insight into risks that the Company faces
- A common language utilised for risk and its related actions – this facilitates clear communication and decision-making by ensuring understanding across the board
- Clear accountability and governance structure in relation to risk management

Risk	Type	Risk Mitigation Plan	Risk Exposure Rating*
Changing economic conditions, government policies and law and order situation • Local competition • Risk of ad-hoc tariff adjustments on imports impacting local producers, such as ICI Pakistan Limited • Large scale cheap imports at uneconomical prices or dumping in Pakistan by major international manufacturers	Strategic	Continued commitment to customer centricity, product quality, innovation and supply chain efficiencies, along with a strong market footprint, can help us appropriately respond to challenges posed by weak economic and demand conditions. The Board and management endeavour to define and implement a clear strategy to overcome these strategic external risks by regularly benchmarking production efficiencies against competitors' to minimise cost. The Board and management continuously seek dialogue with policy makers through various business forums in the overall interest of domestic industries, and are actively vigilant with policies and proceedings of cases filed against anti-dumping. Training is also provided to update concerned stakeholders with regard to the law and order situation.	High
Exposure to liabilities arising from non-compliance with laws and regulations	Compliance	We closely monitor changes in the regulatory environment and adapt to all significant changes in a timely manner. We are dedicated to compliance with all legal and regulatory requirements with special emphasis on conformity to our Code of Conduct. We operate under a comprehensive Competition Law compliance programme including training, monitoring and assessment.	Medium
Inability to attract, engage and retain high potential/promotable talent	Strategic	Our key focus remains on the growth and wellbeing of our intellectual capital. The re-launch of ICI Pakistan Limited's value driven competency framework (SuccessFactors) provides the roadmap for talent acquisition and development activities, ensuring that the right talent is available for the delivery of strategic ambitions. Advancing the wellbeing and engagement of our workforce is a high priority and we consider it a commitment that encompasses employee satisfaction and competitive benefits. The Board and management place great emphasis on attracting, educating, motivating and retaining our workforce, through further strengthening tools such as our Performance and Development Discussion, organisation health surveys and ensuring robust succession planning in the Company.	Medium

Risk	Type	Risk Mitigation Plan	Risk Exposure Rating*
Overdependence on single source suppliers and major principals	Operational/ Commercial	We continuously engage our principals in a strategic view of business in Pakistan to align and create a common view of the business. We emphasise the satisfaction of our suppliers and work hard to outperform their expectations. We safeguard the Company's position through secured contracts and continue to seize opportunities to launch our own range of products/brands to reduce dependency on principals. We will further explore alternate suppliers and perform concrete and thorough research on their product ranges to have an alternate ready if required.	Low to Medium
Product risk Adverse events and reporting in the press on the quality or performance of products	Operational/ Commercial	Continued focus on quality control, at principal level and at business level (e.g. storage/transportation at correct temperatures, etc.) We also ensure detailed information is available on packaging, and training needs of staff are regularly monitored for reporting of adverse events. We also have defined standard operating procedures for crisis management and media handling. Moreover, our customer complaint management system aids in the timely review of the concerns and needs of every customer. We further conduct gap analyses to improve our testing methodologies so as to comply with our value of Customer Centricity.	Medium
Commodity Risk Reduction or increase in demand for seasonal imported goods versus plan/outlook	Operational/ Commercial	Review plan on an on-going basis and in case of any changes in market dynamics, highlight issues/ scenarios to the principal in advance, negotiating quantities and prices.	Low
Failure to keep pace with technological advancements	Strategic	Our management highly values data security, automation of operations and technological advancement in the relevant industries. We have invested in a robust management reporting system, research and development, and lab infrastructure to improve in-house capabilities. We maintain close ties with our customers and consult them to remain updated on the changes taking place in the industry. Our business development team regularly issues a news bulletin containing information on new developments and changes taking place across the industry globally.	Low

Risk	Type	Risk Mitigation Plan	Risk Exposure Rating*
HSE&S compliance risk HSE&S risks in production and supply chain processes can adversely affect our operations. These risks concern areas such as personal health and safety, product safety and operating eco-efficiency. An unlikely scenario can involve major incidents with high impact for our organisation as well as our local communities, which may cause business disruption and reputational damage.	**Health & Safety**	For us, compliance with HSE&S standards is our license to operate. The Company continues to focus on energy conservation, waste and operational efficiencies and eco-efficiency foot print reduction. A detailed report on HSE&S performance and development in 2016-17 is available in the report.	**Low**
Fluctuation in exchange rates Continued depreciation of the Pakistani Rupee against the US Dollar has a negative impact on the financial results of our Businesses through erosion of margins, particularly in the Life Sciences Business, where prices of pharmaceutical products are capped by the Ministry of Health.	**Financial**	We have a centralised treasury and forward contracts are obtained from time to time to limit the exposure to foreign currency risk. However, the erosion of margins because of an inability to raise prices as highlighted is a risk the Company has to take, and one which is being partially mitigated through the introduction of generic brands and continuous engagement with policy makers in the government.	**Low**
Interest rate risk Risk of an increase in interest rates having an advance impact on the profitability of the Company.	**Financial**	The Company has availed financing for working capital requirements at competitive spreads and major borrowing is set on a floating rate. For other borrowings, the interest rate risk is at an acceptable level.	**Low**
Credit Risk Risk of default in payments by credit customers in the current challenging economic conditions, leading to adverse financial impact on the Company.	**Financial**	The Company's counterparty risk is sufficiently diversified with established limits for key customers. Credit reviews are regularly conducted to align the exposure in keeping with changing conditions while remaining within the bounds of the overall risk appetite of the Company.	**Low**
Liquidity Risk Risk of the Company being unable to fulfil its financial obligations due to non-availability of sufficient funds	**Financial**	The Company ensures optimum utilisation of cash generated by operations and has sufficient financial lines with various institutions to meet any funding requirements.	**Low**

*Risk exposure rating is based on the likelihood and impact of the risk on the entity as a whole, and translated as such, based on established criteria.

Board and Management **Committees**

Committees of the Board

Audit Committee with brief terms of reference

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

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

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

In carrying out its duties, the Audit Committee has the authority to discuss any issue within its remit directly with the management, internal auditors or external auditors, and may obtain outside legal or professional advice on the matter, if deemed necessary. The Audit Committee comprises three members, of whom two are Non-Executive Directors. The Chairman of the Committee is an Independent Director and the Head of Internal Audit acts as the Secretary to the Committee. The Chief Financial Officer and representatives of internal auditors attend Audit Committee meetings by invitation.

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

Human Resource and Remuneration Committee

The Human Resource and Remuneration Committee is a Sub-Committee of the Board and is responsible for reviewing and recommending the selection, evaluation and compensation of the Chief Executive; the Executive Management Team; and the Head of Internal Audit. Additionally, it also reviews and recommends HR management policies and the succession planning process for the position of the Chief Executive and his direct reports. The Committee also takes into consideration the recommendations of the Chief Executive on such matters as key management positions and who reports directly to the CE, and obtains approval on such recommendations from the Board.

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

Banking Committee

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

Shares Transfer Committee

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

Management Committees

Executive Management Committee

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

HSE&S Management Committee

The Health, Safety Environment and Security Committee monitors Companywide practices. It oversees the health, safety, environment and security functions of the Company and is also responsible for ensuring that all our operations are environment-friendly and compliant with the prevalent regulatory framework.

Succession Planning Forum

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

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

Company Information

Board of Directors

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 Committee

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

HR & Remuneration Committee

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

Chief Financial Officer

M 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
Eqan Ali Khan	General Manager, Strategy and Business Development
Fathema Zuberi	General Manager, Human Resources
M Abid Ganatra	Chief Financial Officer
Matin Amjad	General Manager, Pharmaceuticals
M A Samie Cashmiri	Vice President, Life Sciences Business
Saima Kamila Khan	General Counsel, Company Secretary and Head of Corporate Communications & Public Affairs
Suhail Aslam Khan	Vice President, Polyester and Soda Ash Businesses

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Bank of Punjab
Citibank N.A.
Deutsche Bank AG
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
HSBC Bank Middle East Limited
HSBC Bank Oman S.A.O.G.
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Samba Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Auditors

Internal Auditors
KPMG Taseer Hadi & Co.,
Chartered Accountants

External Auditors
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.
www.famco.com.pk
Tel: (021) 34380101-2,
Fax: (021) 34380106

Our Board of **Directors**

Muhammad Sohail Tabba
Chairman

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

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

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

In December 2016, Mr Sohail Tabba was appointed as a Director on the Board of Kia Lucky Motors Pakistan Limited (a subsidiary of Lucky Cement Limited).

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

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

Muhammad Ali Tabba
Vice Chairman

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

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

Muhammad Ali Tabba is also a generous philanthropist with extensive engagements in many community welfare projects. He serves on the Board of Governors of numerous renowned universities, institutions and foundations. He is the Vice Chairman of a not-for-profit organisation, the Aziz Tabba Foundation (ATF), that works extensively in the fields of education, health and housing. The Foundation runs two state-of-the-art hospitals in Karachi, the Tabba Heart Institute and a kidney centre, the Tabba Kidney Institute. ATF's mission is to provide humanitarian and welfare service to the community at large from all over Pakistan. Recognising his commitment to the social development sector of the country, in 2010, the World Economic Forum (WEF) bestowed the title of Young Global Leader (YGL) on Mr Tabba in recognition of his outstanding services and contributions.

Amina Abdul Aziz Bawany
Non-Executive Director

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

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

Jawed Yunus Tabba
Non-Executive Director

Appointed as Non-Executive Director on the Board of Directors of ICI Pakistan Limited on April 29, 2014, Mr. Jawed Tabba has rich experience in the textile industry and is currently the Chief Executive of Lucky Textile Mills Limited, which is among the top five home textile exporters from Pakistan. He has been instrumental in managing the textile concerns of the Yunus Brothers Group and has transformed Lucky Textile Mills Limited into one of the premier textile companies in Pakistan. Lucky Textile Mills has been a story of rapid expansion and diversification in the textile industry under Mr. Tabba's leadership and guidance. He is also the Chairman of the Shares Transfer Committee of the Board of Lucky Cement Limited.

His untiring efforts helped him acquire deep insight and expertise into the export and manufacturing activities. Mr. Jawed Tabba is also managing the real estate project LuckyOne, which is one of the largest malls in Karachi. LuckyOne is currently touted as a multi-faceted first of its kind regional shopping mall which is revolutionising the shopping experience in Pakistan.

Mr. Jawed Tabba is also extensively engaged in community welfare projects which include the Aziz Tabba Foundation. The Foundation works extensively in the field of social welfare, education, health and housing.

Our Board of **Directors**

Asif Jooma
Chief Executive

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

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

Khawaja Iqbal Hassan
Independent Director

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

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

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

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

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

Kamal A Chinoy
Independent Director

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

He serves on the Board of Directors of ICI Pakistan Limited, International Industries Limited, International Steels Limited, NBP Fullerton Asset Management Limited (NAFA), Askari Bank Limited and Atlas Power Limited as well as being Chairman of Jubilee Life Insurance. He is also Honorary Consul General of the Republic of Cyprus.

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

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

He is an advisor to Tharpak, a consortium of international companies interested in developing the Thar coal field.
Mr Chinoy is also a Certified Director, having been certified by the Pakistan Institute of Corporate Governance.

Muhammad Abid Ganatra
Executive Director & CFO

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

Mr. Abid Ganatra is a fellow member of the Institute of Chartered Accountants and the Institute of Cost and Management Accountants of Pakistan. He holds a Bachelor's in Law and a Master's in Economics.

Our Executive Management Team

Suhail Aslam Khan
Vice President
Polyester and
Soda Ash

Matin Amjad
General Manager
Pharmaceuticals

Arshaduddin Ahmed
General Manager
Chemicals

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

Eqan Ali Khan
General Manager,
Strategy and Business
Development

Muhammad Abid Ganatra
Chief Financial Officer

Kanize Fathema Zuberi
General Manager
Human Resources

Asif Jooma
Chief Executive

M. A. Samie Cashmiri
Vice President
Life Sciences

Report of the **Directors**

for the year ended June 30, 2017

The Directors are pleased to present their report, together with the audited financial statements of the Company, for the year ended June 30, 2017

Overview

Net turnover of PKR 41,364 million for the year under review is 12% above net sales for the year ended June 30, 2016, which were recorded at PKR 36,954 million. The sales revenue growth is attributable to growth across all Businesses.

Net turnover in the Polyester Business grew by 7% on account of higher prices across the petrochemical chain, higher average Polyester Staple Fibre selling prices and higher sales of Black Fibre, whereas Soda Ash revenues grew by 2% on account of higher volumes. The Life Sciences Business recorded a 28% growth in sales on the back of new product launches, improved commercial execution, new partnerships and business expansion, while the Chemicals Business's net turnover grew by 20% against the same period last year (SPLY) owing to higher sales volumes and a larger customer base.

Operating profit for the year at PKR 4,044 million is 16% higher than the SPLY, with improved performances in the Polyester, Life Sciences and Chemicals Businesses. This compensated for the Soda Ash Business's marginally lower operating result compared to the SPLY, because of a higher depreciation expense due to capitalisation of the 18MW power plant. Growth in the Life Sciences and Chemicals Businesses was mainly driven through expansion of the product range, customer engagement programmes, as well as cost efficiencies achieved in the Chemicals Business.

Profit after tax (PAT) for the year ended June 30, 2017 at PKR 3,296 million is 16% higher than the SPLY due to higher operating profit, higher Dividend Income from NutriCo Pakistan (Private) Limited and lower exchange losses as compared to the SPLY. Earnings per share (EPS) at PKR 35.69 is 16% higher, compared to PKR 30.78 for the SPLY.

On a consolidated basis, including the results of the Company's subsidiaries, ICI Pakistan PowerGen Limited, Cirin Pharmaceuticals (Private) Limited and NutriCo Morinaga (Private) Limited, profit after tax (PAT) for the year at PKR 3,280 million or PKR 35.54 EPS is 20% higher than the SPLY. During the year, the Company recognised PKR 671 million as share of profit from NutriCo Pakistan (Private) Limited.

The Company has boldly pursued and successfully completed a number of expansion projects during the period under review, in line with its growth aspirations. These include:

1. The acquisition of Cirin Pharmaceuticals (Private) Limited, a local pharmaceuticals company which provides a diverse product portfolio along with manufacturing capabilities to the Life Sciences Business.

2. Execution of a shareholders agreement for the establishment of a state-of-the-art facility to manufacture Morinaga infant formula along with its distribution, marketing and sale. This project, which is currently in progress, is being pursued through a newly incorporated subsidiary under the name NutriCo Morinaga (Private) Limited, in which ICI Pakistan Limited has majority shareholding of 51%. The remaining shareholding is equally divided between Morinaga Milk Industry Company Limited of Japan and UniBrands (Private) Limited.

3. The approval by the Board of Directors for the acquisition of a Wyeth Pakistan Limited-owned manufacturing facility, along with certain brands and registrations of Wyeth Pakistan Limited and Pfizer Pakistan Limited, to further enhance the product portfolio and manufacturing capability of the Life Sciences Business. Regulatory formalities for the completion of this transaction are under way.

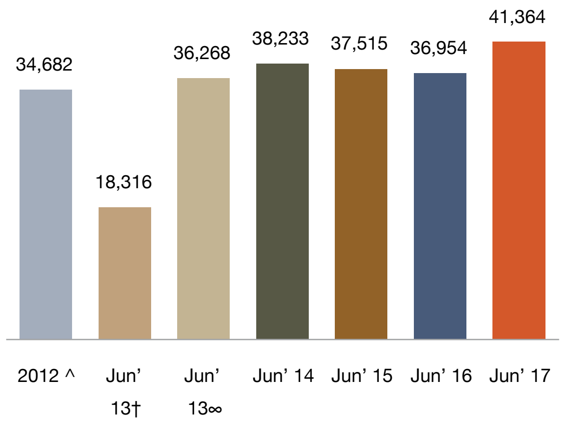
اردو کیلئے آخری صفحات ملاحظہ کریں۔

Financial Performance

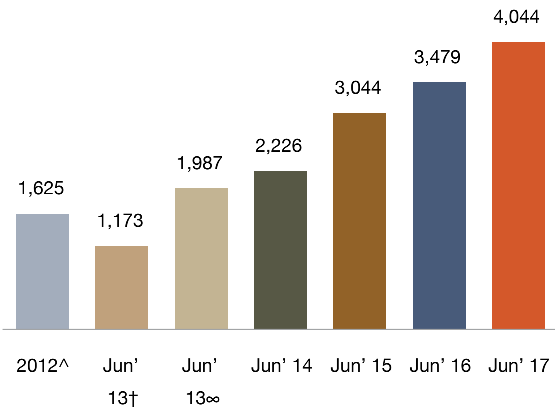
PKR (m)	June 2017	June 2016	Increase/ Decrease %age
Turnover	47,549	42,689	11%
Net Turnover	41,364	36,954	12%
Gross Profit	7,765	6,479	20%
Operating Result	4,044	3,479	16%
Profit Before Tax	4,394	3,498	26%
Profit After Tax	3,296	2,843	16%
Earnings Per Share (PKR)	35.69	30.78	16%

Six years Financial Performace at a Glance

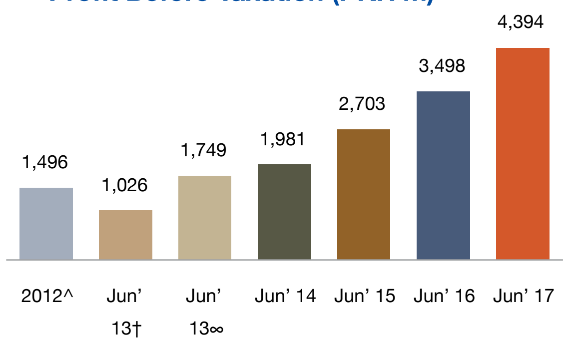
Net Turnover (PKR m)



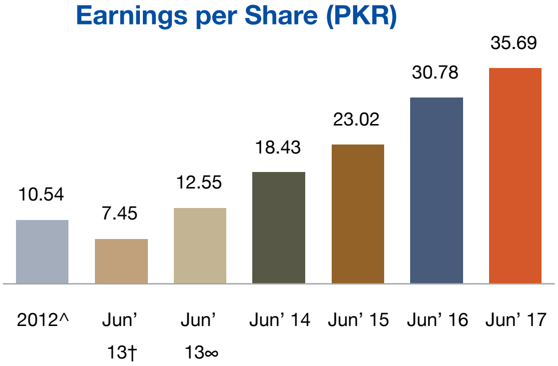
Operating Result (PKR m)



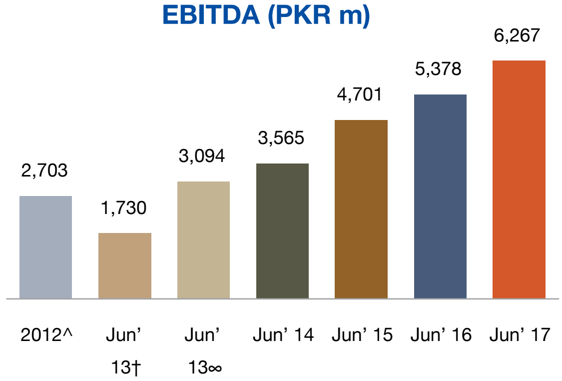
Profit Before Taxation (PKR m)



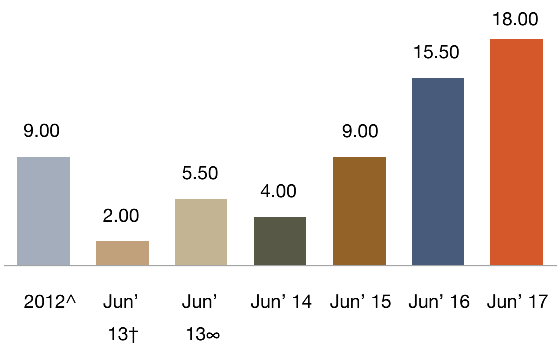
Earnings per Share (PKR)

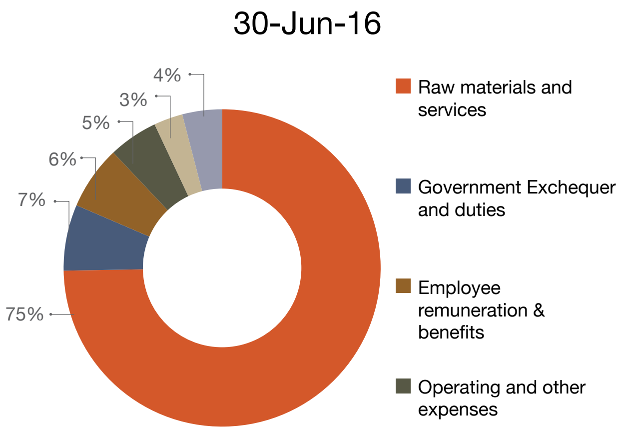


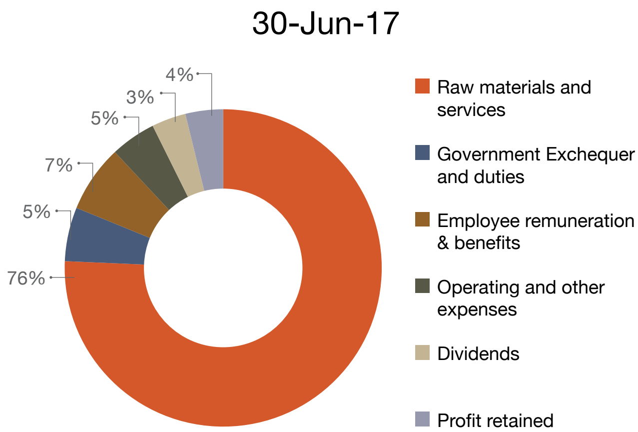
EBITDA (PKR m)



Dividend (PKR per Share)







Value Addition and its distribution

PKR' 000

		June 30, 2017	%	June 30, 2016	%
Net Turnover		**41,363,695**		36,954,437	
Sales Tax		**2,656,168**		2,945,901	
Net Turnover including sales tax	A	**44,019,863**	**98%**	39,900,338	98%
Other operating Income		**892,701**	**2%**	687,697	2%
		44,912,564	**100%**	40,588,035	100%
Raw materials and services	B	**33,990,464**	**76%**	30,329,577	75%
Government Exchequer and duties	C	**2,466,731**	**5%**	2,733,712	7%
Employee remuneration & benefits	D	**3,079,192**	**7%**	2,636,026	6%
Operating and other expenses	E	**2,080,086**	**5%**	2,045,534	5%
Dividends		**1,570,103**	**3%**	1,200,674	3%
Profit retained	F	**1,725,988**	**4%**	1,642,512	4%
		44,912,564	**100%**	40,588,035	100%

Dividend

In view of the Company's earnings, the Board of Directors has recommended the Final Cash Dividend for the financial year ended June 30, 2017, at the rate of 100% i.e. PKR 10/- per share of PKR 10/- each, subject to the approval of the shareholders at the forthcoming Annual General Meeting. This, including the interim dividend of PKR 8/- per share already paid, makes a total dividend of PKR 18/- per share.

Health, Safety, Environment and Security (HSE&S)

ICI Pakistan Limited is committed to maintaining the highest standards of health and safety for its employees, customers and contractors, as well as to the protection of the environment through a set of HSE&S beliefs and principles. To demonstrate these principles, various new initiatives were launched across the Company's operations. During the year,

Muhammad Sohail Tabba (Chairman of ICI Pakistan Limited) along with Asif Jooma (Chief Executive) visited the offices of Morinaga Milk Industry Company Ltd. to discuss the NutriCo Morinaga joint venture.

Michio Miyahara (President Morinaga Milk Industry Company Ltd.) along with other members of Morinaga Milk Industry Company Ltd. visited Pakistan.

there were a total of four reportable injuries to employees and supervised contractors, and one reportable injury to independent contractors. No occupational illness was reported, due to rigorous compliance with the Company's various Health Assessment and Work Environment monitoring programmes. A sharper focus on operational discipline and stricter adherence to the Company's HSE&S Management System was supported by the management's focus on these areas through the Behaviour-Based Safety (BBS) programme. These developments are a clear demonstration of the Company's resolve to maintain health and safety as a core priority.

HSE&S performance achieved by the Polyester, Soda Ash, Life Sciences and Chemicals Businesses was 10.02, 12.3, 1.05, and 0.27 million man hours respectively, without any reportable injury for employees and supervised contractors.

The Environmental Performance Management Database (EPM) was upgraded and all teething issues were resolved before successfully launching the application. Trainings were conducted for users at all ICI Pakistan Limited Businesses, and reporting for the financial year 2016-17 was completed via the application. The Learning Events (LE) Portal, a tool to aid in the proactive identification of hazards, was utilised to identify major risks at each location, and a programme was developed accordingly to eliminate these risks.

The HSE&S Management Committee, Corporate Crisis Management Team and Sustainability Council were reconstituted following organisational changes. As a consequence of changes in the Crisis Management Team, the Crisis Management Plan was also updated. Sustainability Council Meetings were held to set five year targets (targets 2020-21) for all ICI Pakistan Limited disclosures and reporting parameters.

With the successful issuance of Corporate Engineering Procedures, Responsible Executives (REs) were nominated by the Chief Executive, and each Businesses' RE in turn nominated Responsible Engineers for specific areas to ensure system quality and integrity. In the year under review, the Company continued its focus on reducing the Operational Eco Efficiency (OEE) footprint, through energy conservation, waste reductions, and NEQS compliance, by implementing sustainability plans in all Businesses.

Recent capital development projects across the Company, which included the use of coal and biomass fired boilers and heating systems, have seen an increase in waste, water withdrawal, energy consumption, emissions, compared to previously set targets. Despite this, all manufacturing sites have reported healthy compliance with the National Regulations for liquid and air emissions.

For more detailed information on HSE&S and Sustainability performance, please see the Sustainability section of the Annual Report on page 112.

Community Investment (Corporate Social Responsibility)

ICI Pakistan Limited maintains a strong focus on investing in its communities, with most major corporate social responsibility (CSR) initiatives carried out through the ICI Pakistan Foundation, a registered trust run and managed by its own Board of Trustees. In addition to these, the Company's Businesses also carry out specific community and CSR activities. In accordance with the Company's CSR Policy, the Foundation's initiatives (under the umbrella of the Hamqadam Programme) focus primarily on: education, health, community and environment. The Foundation also supports civic development through investment in community projects, disaster relief and rehabilitation activities as needed. **In 2016-17, the major initiatives supported by the ICI Pakistan Foundation include:**

Education

Vocational Training – Established in 1973 to empower young women from the Khewra community by imparting marketable skills, the ICI Pakistan Limited-funded and operated Ladies Welfare Centre (LWC) continues to flourish, offering year-long courses in professional tailoring and cooking at its new facility. In December 2016, the latest batch of 14 students completed their training; the students were subsequently awarded certificates. The LWC also offers internships and teacher training programmes, currently employing five instructors, all of whom are former students of the LWC. Twelve students have been inducted into the new batch while to date, over 1,200 students have benefitted from the LWC's vocational training.

In 2016-17, the Basic Household Electrical Wireman skills course offered at the Polyester Business's Training Centre

Matin Amjad (GM, Pharmaceuticals), at the inauguration ceremony of the science lab at the Bararkot girls middle school.

The attendees admired the 'Deewar-e-Sahafat' (Wall of Journalism), at the WRRA School.

was upgraded to the more advanced Industrial Electrical Wireman course to provide students with improved employment opportunities in the industrial and commercial sectors. The first batch of 12 students has successfully completed this course. To date, approximately 45 students have completed the previous basic wiring course.

Primary Education Support – The Government Boys and Girls Primary School, Tibbi Hariya, Sheikhupura, was previously managed by the Polyester Business's CSR team in partnership with a local NGO, with 110 students currently enrolled. In 2016-17, to improve the quality of education and general standards, an agreement was entered into with the CARE Foundation, a reputable non-profit, to take over the management of the school. The CARE Foundation currently runs 716 schools with over 230,000 students and 4,000 teaching staff across the country.

In the coastal fisherman's village of Kakapir, Karachi, the Foundation initiated sixth grade classes in 2016-17 at the Government Boys and Girls Primary School, in partnership with Literate Pakistan Foundation, to cater to the growing population of female students graduating beyond middle school level. These girls were unable to attend the nearby co-education secondary school due to conservative social norms; as a result of this initiative, 12 female students are now continuing their education beyond primary level in the sixth grade at Kakapir School.

Secondary Education Support – The ICI Pakistan Foundation constructed a girls' primary school facility in Brarkot, KPK in 2007 following the devastating 2005 earthquakes, which was then handed over to the local government. While the school was upgraded in subsequent years, including the introduction of secondary school classes for girls, the need for a science lab remained unattended. As a solution, the Foundation funded the establishment of a fully-equipped science lab at the school as well as covering two teachers' salaries. Formally inaugurated in May 2017, the lab is expected to enhance the learning experience of science students at secondary level.

Similarly, in April 2017, ICI Pakistan Limited signed an MoU outlining a partnership with the Sindh Community Mobilization Program, part of the USAID-funded Sindh Basic Education Program. As part of this agreement, the Company sponsored the setting up of a science lab at a government girls secondary school (Wali Muhammad Haji Yaqoob School in Lyari) which caters to approximately 780 girls.

Higher Education Support – At the Murshid Hospital School of Nursing, located in Hub, Karachi, the Foundation provided funds to upgrade the school to college level. This enables the school to offer nursing students an upgraded four-year degree programme, in turn increasing employability. With the funds provided, the school has upgraded its library, as well as adding critical training equipment to its skills lab including life-sized models for students to practice life-saving medical techniques on.

In addition, the ICI Pakistan Foundation continues to provide funds to the Pakistan Agricultural Coalition (PAC) for the establishment of an agricultural technical institute to aid in agricultural research and impart quality education to farmers.

Health

Community Healthcare Support – In 2016 a mother and child clinic named the Hamqadam Community Clinic was established in Khewra in response to an observed need. Funded by the ICI Pakistan Foundation and operated in partnership with Marie Adelaide Leprosy Centre (MALC), the clinic has now been operational for 17 months, proving to be a valuable addition to Khewra's healthcare infrastructure. Large numbers of women and children are now treated at the clinic; previously these patients had to travel long distances to access adequate healthcare facilities. Since the clinic's inception in February 2016, a total of 6,944 OPD cases have been catered to, 346 pregnant women registered at the clinic, and 998 children under the age of five monitored for immunisation and nutrition through the 'Road to Health' chart. Recently an ultrasound machine has also been provided by the Foundation to the clinic to aid in examination and diagnosis of patients. A state of the art ambulance was also donated to the clinic at the time of inauguration to cater to emergencies in the local area.

Also based in Khewra, the Company's most remote community, ICI Pakistan Limited's long-running eye care programme in collaboration with the Layton Rahmatullah Benevolent Trust (LRBT) continues to operate sustainably, with camps held every month, with the exception of the month of Ramadan. Last year marked the silver jubilee of this eye care programme which has benefitted thousands of deserving patients from Khewra and beyond for more than

Female colleagues from the Mozang Office, came together for a group photograph after the conclusion of the Women's Day activities.

Female colleagues and the women entrepreneurs posed for the camera after the Women's Day session.

25 years with quality, free eye care interventions. To date, 284 eye camps have been held as part of the LRBT Eye Clinic programme, through which 148,846 OPD consultations have been carried out, 16,513 surgeries completed and 28,757 refractions performed.

Institutional Support – The ICI Pakistan Foundation completed the second year of its three-year pledge to the Child Life Foundation, a non-profit institution which operates and manages the Paediatric Emergency wards in both Civil and National Institute of Child Health (NICH), Karachi. Recently, the third Pediatric Emergency Room added to the Child Life Foundation network is located at the Sindh Government Hospital, Korangi No. 5, and is the largest pediatric emergency facility in Pakistan. So far, over one million children have been treated in these ERs.

For more detailed information on these and other CSR and community investment initiatives, please see page 53 of the Annual Report.

Human Resources

Today, ICI Pakistan Limited is focussed on its unwavering commitment to future growth and investment. This growth has been made possible, in no small part, by the human capital of the Company; their will and dedication enables ICI Pakistan Limited to continue to progress.

To maintain and bolster this progression, the Company keeps a strong focus on providing a positive and enabling work environment. It allows each employee to leverage their talent, and evolve into leaders of tomorrow.

The diverse and expanding nature of the Businesses and their Divisions provides an invaluable learning and development experience. Cross-functional and cross-Business talent movement remains the Company's strategic priority, which is evident through a remarkable 21% talent movement achieved during the year.

With its strong focus on engaging employees, ICI Pakistan Limited partnered with Gallup for the 'iMPOWER employee engagement survey. Starting on the 35th percentile with a score of 3.87 (on Gallup's 5 point rating scale) in 2015, the Company now stands at an impressive 68th percentile with a score of 4.30 in 2017. This significant increase speaks volumes of the Company's commitment and the collective belief of its people in this important initiative, to achieve world-class engagement levels.

The Leadership Development Roadmap continues to be a key ingredient in building the capabilities of the Company's employees. Through a structured and integrated talent development framework, which provides customised training modules, executive coaching sessions and learning projects, more than 886 managers participated in this initiative.

The flagship "HR for Non HR Managers" programme continued with an additional 69 managers participating this year. This programme is vital for managers as it helps them better understand the HR aspect of their role as line managers. The Core Development Programme for engineers also continued with a renewed focus, training 64 managers, while functional and managerial trainings progressed as per the training needs assessment. A total of 33,036 man-hours were invested in employee training, focussing on functional and leadership development, reflecting an increase of 17% over the same period last year.

The revamped and innovative Graduate Recruitment Drive, Race to the Boardroom, aimed to build a unique Employee Value Proposition (EVP) while establishing ICI Pakistan Limited as a top tier employer, specifically targeting the millennial generation. The Drive was successful, resulting in the recruitment of 11 Graduate Recruits. The Company's overall ongoing talent acquisition efforts also continued, further strengthening the talent pipeline through the recruitment of 29 graduates (including the 11 Graduate Recruits) from reputable institutes, and 243 experienced professionals during the year.

The Performance and Development Discussion (P&DD) process continues to be an essential tool that provides regular and candid feedback to managers on performance. It also helps them align their performance and development with the strategy of the respective Business or Function. The P&DD process was concluded as per guidelines, ensuring clear and credible assessment systems.

As the partner of choice, ICI Pakistan Limited considers gender diversity a strategic ambition that will help the Company build a sustainable competitive advantage. 'iMPACT, the Company's gender diversity forum, continues to further the ambition

As part of their engagement initiatives, team N-Gauge, at the Polyester Business arranged a cricket match and a barbeque lunch for colleagues.

The firefighting team demonstrated the proper use of equipment during a mock emergency drill at the Polyester manufacturing site, Sheikhupura.

to increase the number of women across the organisation through focussed gender-supportive initiatives.

Innovation is a key value at ICI Pakistan Limited which encourages the continued transformation of systems and processes. In this regard, the SAP SuccessFactors Talent Management Suite is being implemented to digitise major HR processes including recruitment, on-boarding, learning, performance management, succession, and compensation and benefits, allowing for a much more contemporary and accessible approach to HR functions.

For more detailed information on Human Resources, please see page 42 of the Annual Report.

Risk Management Framework

Managing risk is a vital part of staying ahead of the curve. At ICI Pakistan Limited, the overall responsibility of overseeing risk management processes lies with the Company's Board of Directors. This includes risk management and internal control procedures.

The Company's risk management processes are designed to safeguard its assets and address possible risks to the Businesses, including possible impact on business continuity. These documented processes are subject to regular review. Risks identified which could potentially affect the achievement of strategic, operational, financial and/or compliance objectives are promptly reported to the Board and senior management, allowing them to take timely action where required, to ensure the Company's operations continue smoothly.

ICI Pakistan Limited has a clear organisational structure with a well-defined chain of authority. The Company's senior management teams are responsible for implementing procedures, monitoring risk and assessing the effectiveness of various controls.

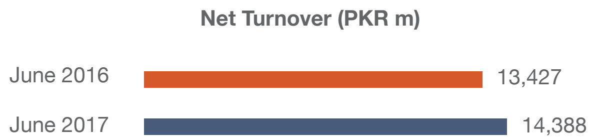
The Company employs a robust Enterprise Risk Management (ERM) framework, which is integrated across the organisation to ensure risks are proactively identified and addressed. The ERM framework utilises comprehensive, interactive systems and processes, which enable the Company to systematically identify, evaluate, and assess the risks. The highlighted risks are prioritised according to their impact and likelihood, with remedial actions being devised accordingly.

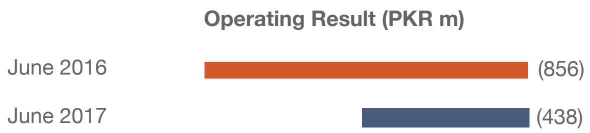
Risk management is an ongoing need, and therefore, this annual process includes interim updates on both, risks, as well as remedial and/or corrective actions.

ICI Pakistan Limited's ERM framework encompasses the following elements:

- A transparent process providing necessary insight into risks that the Company faces
- A common language utilised for risk and its related actions – this facilitates clear communication and decision-making by ensuring understanding across the board
- Clear accountability and governance structure in relation to risk management

Polyester Staple Fibre Business (PSF)





Global economic conditions remained uncertain during the year under review, on account of significant geopolitical events such as Brexit, the US Presidential elections and increasing tensions in the Middle East. In an attempt to end the three-year oil glut, OPEC and several non-OPEC members decided to extend their agreed production cuts – which came into effect from January 1, 2017 – till March 2018. As a result, crude oil prices showed some improvement, with an increase of 16% versus last year, subsequently pushing prices up across the entire petrochemical chain. The prices of major PSF raw materials PTA and MEG followed suit, rising by 4% and 13%, respectively. This resulted in an increase of 5% in regional Polyester Staple Fibre (PSF) prices, a change that was reflected in domestic prices buoyed by the imposition of Anti-Dumping Duty (ADD) on imports from China. However, the industry was unable to fully capture the pricing opportunity from this development due to two major reasons: firstly, the imposed ADD was too low to be effective; secondly, PSF imports from non-Chinese sources increased, as did polyester-based yarn imports.

Asif Jooma (Chief Executive) along with Suhail Aslam Khan (VP, Polyester and Soda Ash Businesses) visited the on-going Light Ash expansion site.

A group of young engineers innovatively replaced the ash conveyor using only in-house resources, upgrading the capacity of the conveyor to 200 tons per day.

During the year, the Business achieved 1% higher volume of sales which, along with an increase in PSF prices, resulted in a 7% growth in net turnover over last year. An optimum level of production, higher by 3% over last year, was achieved in order to meet strong downstream demand. The Company's recently launched Black Fibre product received widespread appreciation from customers, capturing 47% of domestic market share.

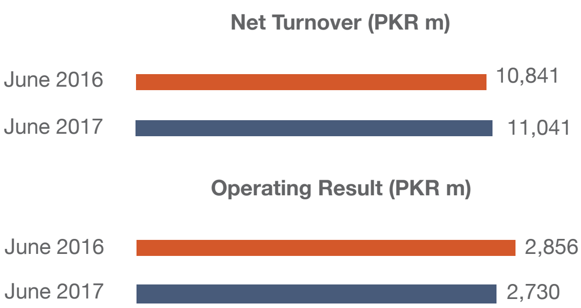
Energy costs rose due to a rebound in fuel prices and the introduction of costly RLNG into the country's gas network.

The ongoing challenges of an oversupplied regional PSF industry, predominantly in China, continued to put pressure on margins. To mitigate the impact of this situation, the Business undertook a number of internal cost rationalisation initiatives which limited the increase in operating cost to only 2%. This translated into a 49% improvement in operating results over last year.

During the fiscal year, the Business successfully defended the final determination of Anti-Dumping Duty (ADD) on Chinese PSF imports. With regard to Free Trade Agreements with China, Turkey and Thailand, the industry maintained a strong focus on keeping PSF in the "no concessions" list, also highlighting this issue at various consultative forums organised by the Ministry of Commerce.

Going forward, the current oversupply situation in global PSF markets has been forecasted to persist. The trajectory of feedstock prices will be determined by the movement in crude oil prices (dependent on US crude production and OPEC output cutbacks) and the market fundamentals of raw materials.

Soda Ash Business



Net turnover for the year grew by 2% compared to the same period last year (SPLY) due to higher soda ash sales volumes in the domestic market. The Soda Ash Business also continued regular exports to India and Afghanistan in order to maintain a footprint in the South Asian market.

The domestic soda ash market grew by 4% over last year mainly driven by growth in the branded detergent segment. Demand for branded detergent increased substantially as these products continue to be preferred by consumers over laundry soap and generic detergents. Other market segments exhibiting growth were the chemicals and refined sodium bicarbonate (RSB) segments. The RSB market has grown in line with expectations, with the poultry and bakery segments in particular driving growth due to high demand for both segments' products in expanding urban markets.

The Business's operating result for the year, at PKR 2,730 million, was 4% lower than the same period last year, essentially due to significantly higher depreciation charges. At the end of the fiscal year 2016, the Business capitalised two new steam and power generation projects as well as a Refined Sodium Bicarbonate capacity expansion project; these projects have resulted in a PKR 340 million increase in depreciation charges over the previous year.

The Business maintained a strong focus on improving the reliability and production capability of the Soda Ash plant. As a result, production volumes (at 345,581 tons) remained 1% higher than the SPLY. The successful commissioning of the steam turbine led to the achievement of a milestone for the Business with the Soda Ash plant successfully operating on a single power source for the first time in its history.

Currently, work is underway on phase one of the Soda Ash expansion project, which entails 75,000 tons per annum production capacity, and is expected to come online during the third quarter of FY 2017-18. The total incremental capacity of 150,000 tons will be completed over two phases.

On the regulatory front, the order passed by the Directorate General of Anti-Dumping and Allied Duties (DGAD) to revoke all anti-dumping duties on imports of soda ash into India was challenged by Alkali Manufacturers Association of India in the High Court of Gujrat. As a result, the High Court passed an interim order barring the customs authority from issuing any notification on the matter. However, upon expiry

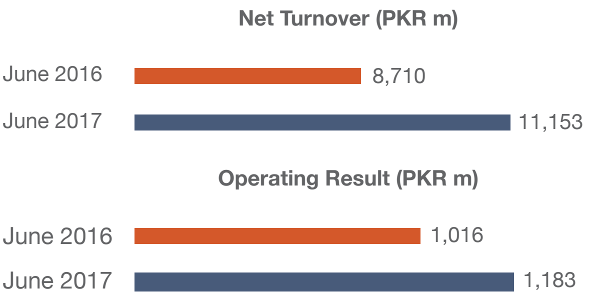
The Business Executive Team of the Life Sciences Business, during their Annual Business Conference in Thailand.

Life Sciences Business Agri Division, raised awareness of road safety through safety walks in collaboration with Sindh Agriculture University, Hyderabad and University of Agriculture, Faisalabad.

of the anti-dumping duties, the DGAD issued a notification to all the relevant stakeholders for initiation of the Sunset Review and also extended the anti-dumping duties already enforced up to 2018 until the Sunset Review is concluded. At present, the Business is actively working with its counsel in India for the submissions to be made in respect to the Sunset Review.

Going forward, it is anticipated that regional soda ash prices will remain under pressure due to the substantial increase (approximately 3 million tons per annum) of natural soda ash capacity expected by August 2017 in Turkey. This development, coupled with the sustained strength of coal prices, and the expected upward trajectory of metallurgical coke prices in the near future, will likely result in stagnant-to-under-pressure margins in the coming year.

Life Sciences Business



The Life Sciences Business achieved a net operating result of PKR 1,183 million for the year ended June 30, 2017; 16% above the SPLY. The Business delivered net turnover of PKR 11,153 million. All Divisions posted their highest annual net turnover, with double-digit growth across all categories.

The Pharmaceuticals Division further enhanced its product offering through new partnerships with Ferrer and Smith & Nephew. Additionally, a number of new products were launched in the Nutraceuticals Segment.

The Animal Health Division performed well throughout the year, driving value growth primarily in the Farmer's Choice portfolio and Somatech.

The Agri Division delivered robust growth over the SPLY, despite facing challenges including a difficult agriculture economy, and adverse weather and water conditions. Growth was achieved mainly through the Division's Vegetable Seeds and Agrochemicals portfolios.

ICI Pakistan Limited completed the acquisition and integration of Cirin Pharmaceuticals (Private) Limited (Cirin) as a wholly owned subsidiary on December 23, 2016. Through this acquisition, the Company expects to leverage its newly acquired manufacturing capability. Cirin successfully launched its first product post-acquisition; a systemic antiviral for the treatment of Hepatitis C, under the brand name Sovir (Sofosbuvir). Cirin also succeeded in obtaining registration of Hy-Cortisone in the international market. The integration of Cirin into the systems of ICI Pakistan Limited progressed well and is expected to be completed soon. Going forward, the major focus will be to capitalise on the manufacturing capacity of Cirin. Alongside this, the intent will also be to leverage the sales network and marketing capabilities of ICI Pakistan Limited to broaden the customer base for existing products, and further enhance product portfolios.

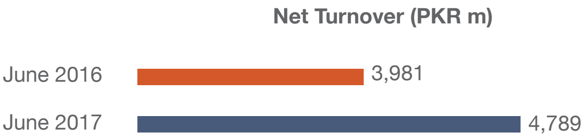
After receiving approval from the Board of Directors for the acquisition of certain assets and strategic brands of Wyeth Pakistan Limited, the Company has proceeded with regulatory formalities and is currently in the process of obtaining the requisite approvals from the Competition Commission of Pakistan (CCP). The assets of Wyeth Pakistan Limited being acquired by ICI Pakistan Limited through this transaction include a Wyeth Pakistan Limited-owned pharmaceutical manufacturing facility located on Hawkes Bay Road, SITE, in Karachi, along with products and registrations including the following popular and well-established pharmaceutical brands: Entox-P, Lederplex, Lederrif, Mucaine, Nilstat, TriHEMIC and Wymox. In addition, two products and registrations of Pfizer Pakistan Limited are also included in the acquisition, namely Citralka and Combantrin.

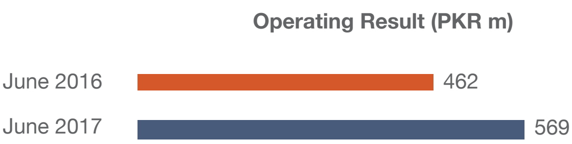
The future outlook of the Business remains encouraging, with the launch of new product lines across all Divisions and the development of manufacturing capabilities alongside a continuing focus on further strengthening the Business's existing portfolio.

The Chemicals HR team arranged sessions on road and travel safety to encourage vigilant and safe travel practices.

The Chemicals Business Specialty Chemicals Segment, participated in Global Textile Expo in Karachi, showcasing the products and services offered to existing and potential customers.

Chemicals Business





Chemicals Business net turnover for the year at PKR 4,789 million is 20% higher than the SPLY, with improved performance observed across all Divisions of the Business. The Polyurethanes Division was the major contributor to growth, largely due to increased volumes. In the General Chemicals Division, improved performance was driven by the Industrial Chemicals Segment, whereas the Specialty Chemicals Division delivered better performance mainly in the Crops and Adhesives Segments.

During the year under review, the Business reported its highest ever operating profit of PKR 569 million, which is 23% higher than the SPLY. This improved performance is attributable to an increase in net turnover driven by several factors, including: higher sales volumes, an expanded customer base, and the realised benefits of implemented cost efficiencies.

The future outlook of the Business remains encouraging, and it is expected to continue delivering greater value to all its stakeholders.

Finance

The Company's balance sheet as of June 30, 2017, remains on a strong footing, with a current ratio of 1.01 (2016: 1.15) and quick ratio of 0.50 (2016: 0.55). The slight decline in these ratios is due to capital expenditures made towards the Soda Ash expansion project.

Net turnover of PKR 41,364 million for the year under review is 12% higher than the SPLY, mainly attributable to higher revenues across all Businesses in light of economic stability, more diverse product portfolio and an enhanced customer base.

Gross profit for the year is 20% higher than the SPLY. This is principally due to increased volumes and an overall efficiency in operations, coupled with reduction and stability in average raw material prices.

Sales and distribution expenses for the year are 23% higher than the SPLY, essentially due to increased staff costs, higher advertising and publicity expenses and outward freight in line with the Businesses' growth. Administrative and general expenses for the year were 26% higher than the SPLY in line with the Company's expansion.

The Company availed both long-term and short-term financing facilities from various banks during the year to manage working capital funding and Business expansion requirements. Finance costs for the year are only 4% higher than the SPLY; this is despite significant investments having been made including funding of the acquisition of Cirin Pharmaceuticals (Private) Limited, an investment in NutriCo Morinaga (Private) Limited, and overall business expansion efforts. This was due to improved interest rates along with reduction in exchange losses as compared to the SPLY.

Other operating income is 30% higher than the SPLY, primarily due to the higher dividend income from Associate as compared to the SPLY.

Profit after tax (PAT) amounting to PKR 3,296 million is 16% higher than the SPLY.

Earnings per share (EPS) of PKR 35.69 for the year is 16% higher than the SPLY.

Future Outlook

Going forward, several factors are expected to foster a positive atmosphere for investment growth in the country. These include: economic development on account of China Pakistan Economic Corridor (CPEC) projects; an improved security situation; stable inflation and interest rates; and continuing improvement in energy availability, which has followed the stability in oil prices and the influx of LNG. This positive atmosphere will further bolster entrepreneurial momentum and enable existing organisations to develop and expand their lines of business to maximise growth prospects.

Zafar Farid (Corporate HSE Manager), talked to attendees during the Accident Investigation Workshop in Lahore.

The attendees listened to the speakers intently, during the Introduction to Engineering Standard Training in Lahore.

Crude oil markets continue to search for a new equilibrium in light of global economic instability; prices are accordingly expected to remain unpredictable. The continuous supply of RLNG into the country's gas network provides a viable alternative to other energy sources given the price hikes in coal and furnace oil. The availability of RLNG is therefore expected to stabilise margins and operations in the Polyester Business. In the Soda Ash Business, capacity expansion projects are anticipated to further improve the Business's performance. The outlook for the Life Sciences and Chemicals Businesses also remains positive.

The Board of Directors of the Company approved the establishment of a facility to manufacture Masterbatch, a colourant and additive concentrate utilised in the manufacture of various plastics (PE, PP, PVC). The estimated project cost for this manufacturing facility is PKR 590 million. This development is another strategic step towards fulfilling the Company's growth aspirations by enhancing the product portfolio of its Chemicals Business. The project is expected to come online in the first quarter of 2019 and the facility will be located at the ICI Pakistan Limited premises 5 West Wharf, Karachi.

The Company remains focussed on serving its customers, strengthening and building stakeholder relationships, expanding and diversifying its product offering, and exploring opportunities for both organic and inorganic growth, in line with its brand promise, Cultivating Growth.

Acknowledgment

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

Auditors

The present auditors (M/s EY Ford Rhodes, Chartered Accountants) retired, and being eligible, have offered themselves for reappointment for the new financial year.

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

Compliance with the Code of Corporate Governance

As required under the Code of Corporate Governance incorporated in the Rule Book of the Pakistan Stock Exchange Limited (PSX), the Directors are pleased to state as follows:

- The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any deviation from these has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from corporate governance best practices as detailed in the PSX Rule Book.
- Key operating and financial data for the last 10 years is summarised on page 24-25.
- Outstanding taxes and levies are given in the Notes to the Financial Statements.
- The management of the Company is committed to good corporate governance, and appropriate steps are taken to comply with best practices.

Investment in Retirement Benefits

The value of net assets available for benefits with respect to staff retirement funds operated by the trustees of the funds, as per their financial statements (audited) on June 30, 2016 were as follows:

		30-Jun-16 Value (PKR '000)	30-Jun-15 Value (PKR '000)
1	ICI Pakistan Management Staff Pension Fund	1,330,217	1,249,597
2	ICI Pakistan Management Staff Gratuity Fund	525,697	427,507
3	ICI Pakistan Management Staff Defined Contribution Superannuation Fund	643,727	531,243
4	ICI Pakistan Management Staff Provident Fund	1,169,750	1,012,617
5	ICI Pakistan Non-Management Staff Provident Fund	430,848	404,870

Directors' Attendance

During the period under review, seven (07) Board meetings, five (05) Audit Committee meetings and three (3) Human Resource Remuneration Committee (HR&RC) meetings were held. Attendance by each Director/Member/CFO/Company Secretary of the respective Board/Sub-Committees was as follows:

Name of Director & Secretary	Board of Directors Meetings	Audit Committee Meetings	HR & Remunerations Committee Meetings
Mr. Muhammad Sohail Tabba	7	-	3
Mr. Muhammad Ali Tabba	7	5	2
Mr. Jawed Yunus Tabba	7	5	3
Mrs. Amina A Aziz Bawany	4	-	-
Mr. Asif Jooma	7	-	3
Mr. Khawaja Iqbal Hassan	5	4	3
Mr. Muhammad Abid Ganatra Director & CFO	6	5	-
Mr. Kamal A Chinoy	6	-	-
Ms. Saima Kamila Khan Company Secretary	7	-	-
Ms. Fathema Zuberi Secretary to HR&RC	-	-	3
Mr. Muhammad Ali Mirza Secretary to the BAC	-	5	-

Directors' Training

The majority of the Board members have the prescribed qualification and experience required for exemption from training programmes of Directors pursuant to clause 5.19.7, of the PSX Rule Book in the Code of Corporate Governance (CCG). All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies. The Board had arranged an orientation course of the CCG for its Directors in the previous years to apprise them of their roles and responsibilities.

Pattern Of Shareholding

A statement showing the pattern of shareholding in the Company along with additional information as at June 30, 2017, appears on page numbers F50-F52.

As at June 30, 2017, Lucky Holdings Limited, together with Gadoon Textile Mills Limited and Lucky Textile Mills Limited held 86.14% shares, while institutions held 5.73%, and individuals and others held the balance 8.13%.

The highest and lowest market prices of ICI Pakistan Limited's shares during 2016-17 were as follows:

Highest	May 26, 2017	1,219.70
Lowest	July 4, 2016	447.92

During the year, Mr. Kamal A Chinoy, Director, purchased 1,000 shares of the Company. The requisite returns in this respect were filed with the regulatory authorities in addition to informing the Board and the Stock Exchange of the said transaction, as required under the CCG. Other than this, the Directors, CE, CFO, Company Secretary and their spouses and minor children did not carry out any transactions in the shares of the Company during the financial year.

Group Financial Statements

The audited financial statements of the ICI Group for the year ended June 30, 2017 are attached. The ICI Pakistan Group comprises of ICI Pakistan Limited, as well as its subsidiaries ICI Pakistan PowerGen Limited, Cirin Pharmaceuticals (Private) Limited and NutriCo Morinaga (Private) Limited.

Muhammad Sohail Tabba
Chairman

Asif Jooma
Chief Executive

Dated: July 28, 2017
Karachi

Statement of Compliance with the **Code of Corporate Governance** for the year ended June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in clause no 5.19.24 of the Rule Book of the Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

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

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

The Independent Directors meet the criteria of independence under clause 5.19.1 (b) of the CCG.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including ICI Pakistan Limited.

3. All the resident Directors of the Company are registered taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred on the Board during the year.

5. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedure besides being placed on the Company's website.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive and non-executive Directors, have been taken by the Board.

8. During the year, seven Board meetings were held which were all presided over by the Chairman and in his absence, by the Vice Chairman of the Board. Written notices of all Board Meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. All the Board members have the prescribed education, experience and are fully conversant with their duties and

responsibilities required under the Code of Corporate Governance. During the year, the Board arranged for training as required under the Code of Corporate Governance, for two of its Directors, while two of the other Directors are exempted based on the criteria stated therein.

10. No new appointments of the Chief Financial Officer, Company Secretary and Head of Internal Audit were made during the year.

11. The Directors' Report has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by the CE and CFO before approval of the Board.

13. The Directors, CE and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has an Audit Committee which has been in existence since 1992. It comprises of three members, of whom two are Non-Executive Directors and the Chairman of the Committee is an Independent Director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of financial results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. The Board has formed an HR & Remuneration Committee which has also been in operation since 1997. It comprises of five members, of whom three are Non-Executive Directors including the Chairman of the Committee.

18. The Board has outsourced the internal audit function to M/s KPMG Taseer Hadi & Co. Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. They are involved in the internal audit function on a full time basis. The Head of Internal Audit coordinates with the internal auditors and reports directly to the Board Audit Committee.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP) that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to the Directors, CE, CFO, Head of Internal Audit, other Executives and stock exchanges. ('Executive' as determined by the Board is an employee of the Company who is drawing a basic salary of Rs. 2.4 million or more in a year).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23 The Company has been compliant with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

24. We confirm that all other material principles contained in the CCG have been complied with.

Muhammad Sohail Tabba
Chairman

Asif Jooma
Chief Executive

July 28, 2017
Karachi

Review Report

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of ICI Pakistan Limited (the Company) for the year ended June 30, 2017 to comply with the requirements of, Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.24(b) of the Code of Corporate Governance, where the Company is listed.

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

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.
The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

EY Ford Rhodes
Chartered Accountants

Date: July 28, 2017
Karachi

Business Performance

Sparking Growth with **Innovation**

Innovation is often about identifying possibilities that others do not see. It requires being confident in our pursuit of new ideas, and fearless about discarding old ones. It means developing solutions that are flexibile, agile and responsive to an ever-changing environment. Through this approach, we transform the way we work, remaining dedicated to Cultivating Growth on all fronts.

This section outlines the performance and growth of ICI Pakistan Limited's four Businesses in 2016-17.

Soda Ash

Since 1944, when soda ash production began at our plant in Khewra, the iconic Soda Ash Business has remained a supplier of choice, consistently producing quality soda ash for a wide range of applications including the making of glass, detergents and paper. We also produce food-grade sodium bicarbonate, popularly known as baking soda, which is used in cooking and baking as well as industrially, in tanneries, textile production, water purification and poultry feed. Over 70 years after its inception, the Business continues to go from strength to strength, with expansions underway to increase annual production capacity from the existing 350,000 tons to 500,000 tons.

Market Overview

During the year 2016-17, the soda ash market witnessed appreciable growth despite being impacted by energy crises and an uncertain political landscape.

The detergent segment in particular proved a driver of market growth, as the demand for branded detergents continued to surge. The paper segment remained strong, achieving commendable growth despite being severely impacted by energy shortfalls, while the silicate segment registered modest growth.

On the other hand, the bazaar segment remained challenging with slow growth, while the glass segment witnessed a slight contraction due to a slowdown in housing construction, as well as the shutdown of several container glass units. The market for refined sodium bicarbonate, however, remained strong.

Business Performance and Key Developments

At the Soda Ash Business, we have achieved stellar performance overall, closing the year at 357,843 tons; the highest ever volume of total sales in a fiscal year, and also 3% above the same period last year.

This achievement reflects our focus on remaining the supplier of choice in the domestic soda ash market. The Business also continued to make inroads in the export market, with exports to both India and Afghanistan, which enabled us to establish a strong foothold in these markets. The export market continues to remain strong and we expect to cater to its growing demand with capacity expansions that are underway.

The year 2016-17 also witnessed the successful commissioning of the 18 megawatt (MW) steam turbine in order to improve cost efficiency and enable self-reliance with regard to energy needs.

The Soda Ash team gathered for a group photograph in front of the Sydney Opera House and the Harbor Bridge, during the annual customer conference, Sydney, Australia.

Asif Jooma (Chief Executive), visited the Light Ash expansion site with Suhail A Khan (VP, Polyester and Soda Ash Businesses).

Mr and Mrs Suhail A Khan presented medals to students during the Winnington School's annual prize distribution ceremony.

Customer Engagement

Building and preserving lasting partnerships with our customers has always been a key focus for our Business.

We undertook several major initiatives during the year to this end, notably a distributor conference in Azerbaijan, and a customer conference in Australia, both hosted by our commercial department.

The distributor conference, held in October 2016 in the beautiful city of Baku, Azerbaijan, enabled us to renew and fortify ties with our existing distributors. The conference proved a success, and was well appreciated by all participants.

Similarly, the customer conference was held in March 2017 in Australia, with the lively Gold Coast and picturesque city of Sydney on the itinerary. The customer conference garnered similar benefits; as always, the event proved to be an opportunity to share in our customers' experiences and understand their expectations more thoroughly in a relaxed, informal atmosphere. The event went a long way towards further strengthening relationships, and was thoroughly enjoyed by our customers who commended the team's efforts to engage, understand and support them.

Both conferences achieved the ultimate aim of helping us reinforce our commitment to our key stakeholders, and to develop and retain mutually beneficial, long-term relationships.

The Soda Ash team along with distributors visited Baku for the 6th distributor conference.

The Soda Ash team successfully replaced the calciner ring at the Soda Ash plant, improving efficiency.

The Soda Ash project team laid a new water pipeline using steel mesh reinforced polyethylene pipe.

Challenges

The increasing supply overhang in global markets, particularly originating from Turkey and Eastern Europe, will continue to put pressure on domestic market volumes and prices. Additionally, volatility in the prices of energy imports, specifically coal and coke, will be a cause for concern and will require continual management if improved profitability margins are to be achieved.

Challenges faced on the customer front include continued energy crises, coupled with infrastructural voids that require resolution. Furthermore, if the unstable political landscape persists, this may adversely impact the business cycle.

Future Outlook

Moving forward into 2017-18, opportunities provided by the China Pakistan Economic Corridor (CPEC) are expected to provide an impetus to future growth. We expect the effects of CPEC projects to include growth in the construction sector, and an increase in urbanisation, including the establishment of new urban centres. These developments will in turn result in surging demand for products manufactured by our downstream customers; accordingly, we anticipate higher growth rates in the glass, detergents, and RSB segments.

In view of the expected increase in domestic demand, and to cater to growing export markets, ICI Pakistan Limited is carrying out a capacity expansion of 75 kilotons per annum (KTPA) which is expected to come online in the third quarter of 2017-18. In addition to this capacity expansion, the domestic competitor is also expected to increase plant capacity by 100 KTPA, as well. This will in turn drastically increase domestic surplus capacity. Managing this surplus capacity to maintain market equilibrium will be a key objective for the Soda Ash Business in 2017-18.

Life Sciences

The Life Sciences Business of our Company has a clear, compelling purpose: the mission of Improving Lives. With three diverse and growing Divisions, Pharmaceuticals, Animal Health, and Agri, the Life Sciences Business has a direct impact on countless lives across the country. Through these Divisions, we promote better health and wellbeing for people across Pakistan; better veterinary practices and nutrition in the poultry and livestock industries; and improved crop quality and farming practices in the agriculture industry.

In a terrific show of teamwork, the entire Life Sciences Business team came together to execute a human formation of the letters 'ICI' on the beach at Hua Hin, Thailand, during the Life Sciences Annual Business Conference 2016-17.

Pharmaceuticals Division

Market Overview

The pharmaceuticals industry of Pakistan continued to grow, recording a growth of 16%, reaching a value of PKR 324 billion in 2016-17.

Several key developments were observed in the pharmaceuticals market in 2016-17. One of the prime drivers of the above-mentioned growth was the launch of a new Hepatitis C drug. This was followed by a number of new entrants into the Hepatitis category, looking to capitalise on this high-growth market.

On the regulatory front, the Drug Regulatory Authority of Pakistan (DRAP) allowed the industry a CPI-based price increase for the first time under its new policy. The increase, albeit small, was welcomed by the industry as a clear mechanism had been defined by the regulator.

ICI Pakistan Limited made headlines with two strategic acquisitions; the first being Cirin Pharmaceuticals (Private) Limited, a local company with a multi-category manufacturing facility located in Hattar and strong presence in several key market segments. The second was the strategic acquisition of certain Wyeth Pakistan Limited-owned assets, including several key brands and a manufacturing facility based in Karachi. Regulatory formalities for the completion of this transaction are under way.

Business Performance and Key Developments

The Division closed the year on a strong note, with net sales income (NSI) of PKR 4.31 billion, demonstrating appreciable growth of 15% over the previous year.

The Oncology Segment led the way with NSI growth of 39% over the previous year. The top performer of the Segment proved to be the Meronem brand, which reached the sales milestone of one billion rupees. The Cardiology Segment also staged a strong recovery, registering growth of 12%, which was achieved through the revitalisation of marketing efforts and a focus on retail sales. Our key cardiology brand, Tenormin, closed the year at PKR 940 million, posting 8% growth. Other brands driving the Segment's growth included Inderal, Etipro and Icef.

In the Primary Care Segment, we had several key highlights during the year. These included the launch of eight new brands; leveraging our Nutraceuticals manufacturing facility fully; and the commercialisation of our toll manufacturing business for two pharmaceutical companies, PharmEvo (Private) Limited and Scilife (Private) Limited, which enabled us to maximise capacity utilisation.

The year 2016-17 also saw the realisation of two strategic acquisitions, Cirin Pharmaceuticals (Private) Limited (Cirin) and Wyeth Pakistan Limited-owned brands and manufacturing assets (completion of the latter is subject to regulatory formalities). These acquisitions are a milestone for our Company, and they provide the Pharmaceuticals Division with exciting new opportunities in high growth markets, including access to a wider category of therapeutic areas. This greatly enhances our overall presence in the healthcare segment.

The integration of Cirin's business portfolio began by mid-year, with a key focus on team restructuring, and training and skills development. We also worked on realigning our sales

ICI Pakistan Limited management along with management from Pfizer Pakistan Limited during the APA signing ceremony for certain assets of Wyeth Pakistan Limited.

Senior management of both ICI Pakistan Limited and Cirin Pharmaceuticals (Private) Limited on the closing of the Cirin acquisition.

channel mix to improve focus on retail sales. In addition to this, several key brands were launched in the retail market which were previously only being marketed to institutions, including Tazopip and Stanem. We were also successful in launching our own Hepatitis C molecule, by the brand name Sovir. On the operations front, the Cirin manufacturing facility received ISO 17025 certification, making us one of the first companies in Pakistan with this distinction. A number of improvement and upgradation initiatives were also carried out to improve manufacturing capability, processes and compliance levels.

Our focus during the year extended beyond the local market, as the Pharmaceuticals Division continued to forge strong business partnerships with global companies. A significant development in this area was the signing of a marketing and distribution agreement with UK-based Smith & Nephew, a company that currently markets its advanced wound care management portfolio in over 120 countries worldwide. We envision significant potential for this portfolio in the Pakistan market.

Our partnership with Spanish healthcare giant Ferrer continues to go from strength to strength. Of particular significance was the launch of premium skincare brand Repavar, the Division's first foray into the skincare industry, specifically the cosmeceutical and beauty salon segment. Our successful entry into this segment was marked by the grand Repavar launch event held in Karachi in November 2016. The launch ceremony was attended by leading dermatologists, key beauty salon owners, and celebrities. Repavar's successful launch has been supported by a number of initiatives including salon branding and training, social media campaigns and introduction of the brand to dermatologists.

The online launch of HealthNWellness, the umbrella for our nutraceuticals and over-the-counter (OTC) portfolio, marked another new avenue for reaching out to our customers. A new website dedicated to the portfolio, as well as social media presence, attracted consumers online. These initiatives have helped us evolve from conventional medical marketing to a more diversified, direct-to-consumer approach. This was especially relevant given the growth of our nutraceuticals and OTC portfolio, and a subsequent need to make these products more accessible to consumers.

Another highlight of the year was the realignment of our sales channel to ensure stronger focus on retail sales, especially for key brands including Tenormin. The sales and marketing teams were restructured and aligned to meet the growth ambitions of the coming year. As part of our ongoing effort to adopt innovative processes and tools that improve efficiency, the strategic and highly critical Sales Force Excellence (SFE) programme was rolled out successfully and on target. The SFE programme enables improved planning, execution and monitoring of customer coverage through the use of a digital database which allows, among other things, monitoring of call frequency, days in field, and adherence to plans.

Work was also begun on a strategic project for product packaging. The objective of this project is to standardise all Pharmaceuticals Division product packaging by applying one consistent visual identity across the board to all applicable products. This will unify our product line, aiding in recognition and recall. It will also aid in boosting visibility and recall of the ICI Pakistan Limited corporate brand.

Customer Engagement

Our customer engagement initiatives this year centred on diversifying and modernising our existing engagement programmes. While we maintained our focus on engaging with customers to share medical knowledge and product information via one-on-one discussions, informative symposiums and conferences, we also undertook a number of Continuing Medical Education (CME) programmes and Patient Benefit Schemes (PBS) serving the community at large at clinics by organising triglyceride camps on Ovaza, hypertension awareness camps on the Cardiovascular portfolio and OPD camps on a number of other brands, among many other initiatives.

Eduardo Yanovsky of Ferrer spoke to the audience about Ferrer's operations and the Repavar brand, during the launch of Repavar in Pakistan.

The Pharmaceuticals Divison launched the Smith & Nephew advanced woundcare portfolio in Pakistan.

Challenges

Many of the major challenges faced by the Division during the year were successfully overcome. One of these was to revive and grow sales of Tenormin, which had slowed in the recent past due to various reasons. Through revitalised marketing campaigns and focussed sales execution, Tenormin sales rebounded, registering 8% growth. The strategic sales structure put in place last year now enables us to effectively commercialise the incoming Wyeth Pakistan Limited portfolio. The integration of Cirin's operations into the Life Sciences Business domain also provided exciting new challenges for our Business team, as did the task of developing commercial and operational plans for the Wyeth acquisition.

Future Outlook

Our primary focus in the coming year will be to continue the strong growth momentum achieved in 2016-17 by consolidating our existing portfolio, and through successful integration of both Cirin and Wyeth Pakistan Limited portfolios for delivery of results from these new ventures as per plan. We have renewed our commitment to leverage best practices and help forge synergies between segments and portfolios. We will continue to focus on developing a robust nutraceutical and cosmeceuticals pipeline, as well as capitalising on toll manufacturing opportunities. We also intend to forge ahead on a decisive plan to penetrate into export markets, looking beyond Afghanistan. Additionally, with the added capability of two pharmaceutical manufacturing facilities now available to us, we are determined to develop an even stronger portfolio of pharmaceutical brands.

Plans are also in place for the expansion of sales teams, as well as the launch of a dedicated trade team. These teams will be complemented and supported by robust brand and customer engagement plans.

A key strategic thrust going forward will be to drive top line growth through investment and focus on building big brands. There is also renewed focus on team skills development, placement and use of analytics. We aim to further build on our strategy of diversifying and modernising marketing channels, as well as building a strong and sustainable retail sales model for key brands, most notably Tenormin.

With the incoming Wyeth Pakistan Limited and Cirin brands integrated into the ICI Pakistan Limited portfolio, and expansion plans in place for our sales teams, the training function is also marked for expansion and reorganisation. This will help in further enhancing the role of training in upgrading our teams' technical and soft skills.

By conducting regular cycle meetings and frequent trainings, and encouraging the use of IMS data and the SFE programme, the Pharmaceuticals Division is confident of its ability to forge a strong alliance between strategic brand plans and driving executional excellence, and in doing so, delivering enduring value for 2017-18 and beyond.

The Animal Health Division conducted a deworming campaign in collaboration with WWF in Nagarparkar, Sindh.

The Animal Health Division sponsored the International Livestock Nutrition Summit, which aimed at improving the future prospects of the livestock and poultry industries.

Animal Health Division

Market Overview

In 2016-17, the livestock sector in Pakistan recorded 3.43% growth, maintaining the stable growth observed over the last two years. Keeping in view the constant cost factor of financial year 2005-06, gross value addition of the livestock sector increased by 3.4% in 2016-17 over last year (from PKR 1,288 billion in 2015-16 to PKR 1,333 billion in 2016-17). Factors that contributed to this demand growth included population growth, urbanisation, rising per capita income and lucrative export opportunities. At present, the livestock sector constitutes a significant 58.33% of the country's total agriculture sector, which itself accounts for 19.5% of the national GDP and employs 42.3% of our national labour force.

Positive developments in the livestock industry include an increase in production over last year of its two main products, milk and meat, by 3.2% and 4.9% respectively. Furthermore, due to a large livestock population and suitable climate, Pakistan has succeeded in establishing itself as the fourth largest global milk producer. The livestock market, however, as a whole remains largely basic and unorganised. This poses a challenge with regard to the adoption of technology for the mechanisation of farming, since our large livestock population is scattered across numerous small holdings instead of being concentrated on larger farms. The average farm holding at present consists of fewer than six animals.

These challenges notwithstanding, the livestock sector remains a promising avenue for consistent growth. Currently, despite its status as a major milk producer, Pakistan lags far behind the world average per capita consumption of milk and meat. This statistic alone is a strong indicator of the potential for growth in this sector.

A subset of the livestock sector, the poultry sector is another major contributor to Pakistan's agriculture industry. The poultry sector accounts for the indirect and direct employment of approximately 1.5 million people, and 31% of total meat production in the country. At present, investment in the poultry industry is estimated at over PKR 700 billion.

During 2016-17, the sector contributed 1.4% to the country's GDP, while its contribution to the agriculture and livestock markets stood at 7.1% and 12.2% respectively. Value-added poultry products at the current cost factor have increased from PKR 151.1 billion in 2015-16 to PKR 162.8 billion in 2016-17, an increase of 7.7%. In an interesting contrast to the more unorganised livestock sector, the poultry industry is distinguished by rapid mechanisation, the introduction of integrated farming systems, superior bio-security, and value addition through sizeable investments.

Business Performance and Key Developments

Overall, the Animal Health Division has registered net sales of PKR 4.33 billion for the year 2016-17; a robust growth of 40% over the same period last year.

Our own-brands portfolio, under the Farmer's Choice umbrella, delivered sales of PKR 1.61 billion, a healthy growth of 30% over the same period last year, establishing the Farmer's Choice range as a major component of the Division's comprehensive portfolio.

Our cattle feed product, Farmer's Choice Vanda, experienced growth of 26%. Sales of Somatech recorded remarkable growth of 75% over last year, despite challenges experienced in Punjab.

In collaboration with UK-based Cogent Breeding Ltd, a company renowned for its expertise in bovine genetics, we managed to penetrate into the local artificial insemination market, securing a market share of 7% within only nine months of launch. We are currently evaluating the possibility of entering into bovine semen production for indigenous breeds, to fill a current gap in the availability of quality bovine semen in the market.

We were also proud to celebrate the first anniversary of successful operations at our Veterinary Pharmaceuticals Plant, made possible by the team's outstanding efforts and enduring focus on quality.

Members of the Animal Health Division and Cogent Breeding Ltd. teams along with government officials, at a seminar launching Cogent in Pakistan.

Dr. Denis, technical manager from MSD, shared the advantages of F Vax-MG during a seminar on flock management.

New product launches: Strengthening our product portfolio is an ongoing objective for us at the Animal Health Division, and during the course of the financial year, we launched six new products; one in the Livestock Segment and five in the Poultry Segment.

In the Poultry Segment, we launched F Vax-Mg Vaccine in collaboration with MSD Animal Health. This vaccine aids in the eradication of Mycoplasmosis, a common bacterial infection in poultry. We also launched superior quality probiotics Growforte and Lactigrow, from Mervue Laboratory, Ireland. As part of our Farmer's Choice portfolio, we launched two new antibiotics, Co-Spira and Bio-Amoxyline. These are indicated for the treatment of Salmonellosis, E coli infections, necrotic enteritis and fowl cholera.

In the Livestock Segment, we successfully launched Cobacaten LC (a fourth-generation cephalosporin containing cefquinome sulphate) in collaboration with MSD Animal Health.

Customer Engagement

We continued to build on the Company's value of Customer Centricity by engaging meaningfully with our customers to develop farming communities, empowering farmers with awareness and knowledge that helped them enhance productivity, and eventually, profitability. The topics we engaged with our customers on included; better farm management practices, breed development, biosecurity and nutrition. We continued to conduct awareness campaigns to reach farmers in rural communities across Pakistan.

Among the customer engagement initiatives taken by us in 2016-17 were technical sessions for customers and talks by foreign delegates invited to share insight on current challenges in the livestock and poultry industries. We organised the Third International Conference on Agriculture, Food and Animal Sciences, as well as sponsoring the International Livestock Nutrition Summit. This summit was a significant event that aimed at bringing together leading researchers to review and discuss emerging issues in the fields of agriculture, food and animal sciences, as these have the potential to significantly impact industries, consumers, and the environment. Technical managers of collaborating companies were invited to this event to effectively address issues faced at the farm level, and create greater awareness among farmers regarding the use of quality products.

Alongside such campaigns and events, we continued to ensure that our teams are regularly trained on new product technologies, the latest farm management practices and key industry challenges. This added tremendous value by enabling our people to offer better, more innovative and technologically sound solutions to customers. Our teams also engaged in ongoing campaigns and corner meetings to increase customer awareness on major animal health issues and their subsequent preventative measures. These measures have had the added advantage of building relationships and forging new ties in our communities.

Challenges

During the year 2016-17, the animal health industry continued to be plagued with the influx of low-quality, low-priced generics, both locally-produced and imported. Other significant challenges included a farmer base that requires continuous education, and the management of input costs. Specifically, this challenge related to keeping the costs of quality inputs for Farmer's Choice Vanda competitive.

Future Outlook

Our strategy for the future is focussed on growth and innovation. We intend to achieve this by enhancing our product and brand portfolio to cater to newer and more diverse segments of the animal health market than before. In addition, we intend to enhance our biological portfolio by expanding into new partnerships in both, the livestock and poultry sectors.

The Agri Division team participated in World Food Day, setting up stalls to share information on the Company's efforts in the field of food agriculture.

In January 2017, the Agri Division Seeds team arranged a seminar at the Livestock Extension Department to launch silage in Balochistan.

Agri Division

Market Overview

The agriculture sector plays a central role in national development, food security and poverty alleviation, contributing to 19.5% of the gross domestic product (GDP). Agriculture can rightly be considered the lifeline of Pakistan's economy. The industry employs 42.3% of the country's labour force, and provides the necessary raw material for several value-added sectors.

As always, the growth and output of the agriculture sector remains dependent on a number of significant, largely uncontrollable external factors including farm economics and environmental conditions. During 2016-17, the agriculture sector rallied strongly after the serious downturn it experienced the previous year, achieving growth of 3.46% against a target of 3.5% - a massive leap from last year's meagre growth of 0.27%.

This growth was driven by several factors. These included more successful harvests of major crops (as a result of improved availability of vital agricultural inputs such as water); agriculture credit, and intensive offtake of fertilizers. Major crops such as wheat, sugarcane, cotton and rice continue to be the primary contributors to the agricultural sector. In the seeds industry, the open pollinated variety (OPV) remains the preferred choice, with the OPV seed market dominating the industry with over 73% market share. The trend of hybridisation, however, is on the rise in recent years, and is likely to shape the industry over the next five years.

Production growth trends observed for most major crops were mixed, with significant recovery over last year for some, while others struggled. Maize production increased 16.3% against 6.77% last year; sugarcane, 12.41% against 4.23%; cotton, 7.59% against -28.96%; and rice, 0.71% against -2.88% last year. Wheat production growth remained low at 0.46% compared to 2.18% last year. Other crops accounting for 11.03% in value addition of agriculture, grew by 0.21% during 2016-17 against 0.59% during the same period last year, due to a decline in the production of vegetables and oilseeds which posted negative growth of 0.73% and 5.93%, respectively. With these difficult conditions, farmers struggled throughout the year to earn sustainable incomes.

A similar trend of dominance is observed in the vegetable seeds industry with regard to OPVs. The vegetable seeds segment continues to function as an unorganised, unstructured segment within which many local distributors compete. The pesticides industry continues to be focussed largely in the insecticides segment, with awareness for herbicides and fungicides remaining low.

Business Performance

The year 2016-17 proved to be a challenging one for the Agri Division. Despite this, net sales income (NSI) for the Division for the year was recorded at PKR 2.5 billion; a substantial growth of 35% over same period last year. This growth was recorded with aggressive marketing plans, a strong pipeline of new products and innovative demand generation activities.

In the Seeds Segment, challenges experienced in the previous year persisted, with low sales of sunflower seeds. However, the Segment shifted its focus to further developing its hybrid corn seed product, which was successfully launched last year. The Segment also worked to maintain its position in the vegetable seeds segment, achieving growth of 23% over the same period last year. This was achieved owing to strong presence created through products such as hybrid okra, hybrid hot pepper, peas and tomatoes.

The Agrochemicals Segment performed exceptionally well, recording a remarkable growth of 74% over last year. The Segment's three key brands for the year were Ulala, Lancer Gold and Total. We are pleased to report that ICI Pakistan Limited now numbers among the top ten companies operating in the agrochemicals industry, a position that we

The Vegetable Seeds segment introduced biodegradable shopping bags for farmers as an alternative to plastic shopping bags.

have achieved within a mere three years of the Segment's launch.

Customer Engagement

A strong customer focus continues to be an ongoing priority. To serve our customers better, we ensured that our customer engagement programmes remain responsive, adapting to the varying needs of different customers across the country.

In 2016-17, the Agri Division focussed on consolidating its agrochemical and vegetable seeds portfolios while maintaining and strengthening its existing portfolio of field crop seeds. Sixteen new products were launched; these included ten agrochemicals products, two products for field crops and four vegetable seeds products.

Our sales and development staff held regular trainings for farmers on the latest production technologies and on more efficient farm management practices. The Agri Division succeeded in reaching 250,000 farmers across Pakistan.

Our retail partners are of great significance to us, since they play an important part in ensuring that our product is available to farmers. Aligning closely with them and ensuring solid partnerships based on good communication is therefore vital to the Agri Division's operations. To this end, during the year, we undertook a series of business partner conferences that including various training sessions and discussions on a range of pertinent topics.

Challenges

During 2016-17, the majority of challenges faced in the previous year persisted. These included the effects of climate change: variations in weather patterns led to subsequent changes in the duration and severity of the seasons, as well as marked changes in the duration and timing of seasonal rains. All of this has had a significant impact on crop yields.

Economic factors also played a part, including slow economic growth, high input prices, and a decrease in global agriculture commodity prices. Water and electricity shortages also remained prevalent. These factors combined to negatively impact the ability of farmers to invest in farm inputs.

The nature of the agriculture industry is also a challenge, as market practices are often unorthodox, while the supply chain model of the industry itself is complex. Farmers have limited access to formal credit, which affects their ability to make the necessary financial investments to enhance crop quality and yield. Another persistent challenge in the industry is a lack of standardisation, and poor controls. As a result, the market is flooded with inferior quality seeds and agrochemicals products, which erode the market share of legitimate, quality products as well as affecting the outcome of crops.

Future Plans

The government has expressed intentions to promote agriculture, and if concrete steps are materialised, improvements in the sector will take place. The Agri Division is geared to achieve aggressive growth in the coming years through strategic plans that have been put in place for the development and growth of the Division, focussing on consolidating existing strengths and diversifying our portfolio further to provide greater value to customers. With these plans in place, we are confident that we are well-poised to continue to grow and expand our footprint in line with the Company's ambitions.

Chemicals

For decades, our Chemicals Business has been adding value to practically every industry in Pakistan. The Business is divided into three primary divisions; Polyurethanes (PU), General Chemicals (GC) and Specialty Chemicals (SC), with each Division further focussing on key products and segments through marketing, trading and manufacturing.

Over time, we have witnessed significant growth through the continued expansion of our product portfolio, increase in market share and the application of innovative solutions. As a leading supplier in all major industrial sectors, our unparalleled commercial and technical expertise guides the Business through new ventures, development efforts and investment opportunities, with all aspects focussed on continuously improving the customer experience.

Arshaduddin Ahmed (GM, Chemicals Business), centre, along with team members at the Global Textile Expo, Karachi.

General Chemicals

Market Overview and Business Performance

Our General Chemicals (GC) Division, the trading segment of the Business, is divided into the Consumer Chemicals and Industrial Chemicals Segments. The Division is vast, and is positioned to provide a wide range of chemicals to more than 350 customers across 40 industries, representing more than 35 global suppliers.

During the year, our GC Division witnessed considerable growth driven primarily by the improved performances in the Industrial Chemicals Segment. Its status in a market which includes both base raw materials as well as paints and coatings, remained favourable as a result of the increase in customer demand. Taking advantage of this, we also made significant progress in expanding our customer base by entering into the pharmaceutical and engineering plastic industries.

Performance in the Consumer Chemicals Segment has strongly been tied to the economic growth of the country. Following the growth of the food and beverage industry, during the year under review, the Segment also benefitted with improved results.

Challenges

Our GC Division continues to face fierce competition in a market with prevalent aggressive pricing strategies. Our Division is aware of the competition, and has thus put in place various strategies and initiatives to enable our evolution and progress with market dynamics in mind.

Future Outlook

A structured approach is in place for the GC Division. Our business development team will continue to lead the Division's expansion into new markets and categories, while the focus for existing Segments will continue to be on supplier management, enhancing the product portfolio and expanding the customer base through segment-level market development. In addition, the overall focus will remain on enriching our value proposition, which would acquire new customers as well as improve the satisfaction of our existing customer base.

Polyurethanes

Market Overview and Business Performance

Our Polyurethanes (PU) Division extended the previous year's stellar performance to the current year under review. Several key factors contributed to this continuing robust performance, such as the higher GDP and per capita income. These factors triggered an increase in downstream demand from customers and led to a rise in the purchase of PU-based products. The automotive and appliances industries, in particular, posted double-digit growth on the back of a favourable economy. Other factors, such as improved infrastructure and low interest rates, also played a part.

Excellent performance through the year led to higher sales volumes and subsequently, an increase in market share. We were able to meet rising demand from our customers through efficient inventory management. The Division was also successful in expanding its customer base through effective sales pipeline management, efficient execution of account

Chemicals Business Polyurethanes Segment, launched Polypropylene Glycol (PPG) in the polyurethane market of Pakistan.

Colleagues during the Chemicals Business outbreak at the Dreamworld Resort, Karachi.

strategies and excellent technical support. Furthermore, the Division also successfully entered into the mattress segment of the PU market.

Challenges

The PU Division experienced a fair share of challenges during the year under review, particularly the supply shortages in the Chinese polyurethanes market. This was further intensified with pressure from consistent competition in Pakistan's market, from new and existing players. In the face of all this, our Division was successful in tackling most of these challenges through varying strategies. As a result, we managed to extend our leading share in the market and strengthened our position in almost all segments through improvements in product quality, effective sales planning and responsive technical support.

We have witnessed a rise in market competition from both traders and agents, who are aggressively pushing their products with low prices in an effort to challenge our leadership. We remain determined to counter these challenges, primarily by: extending our competitive edge; increasing market share in all segments through excellent customer service; developing and implementing value addition programs; and maintaining competitive prices while focussing on product improvement.

Future Outlook

We will maintain our approach to continue to aggressively sustain market leadership in established product lines while evolving and improving our offering to customers. Account specific strategies will be developed to maintain and constantly improve relationships with our key customers. And the Division has begun coordinated efforts to explore new and untapped areas of the PU market.

Specialty Chemicals (SC)

Market Overview

Our Specialty Chemicals Division serves as the manufacturing arm of the Chemicals Business. Following the previous year's restructuring, the Division's key Segments are now Textiles, Adhesives, Crops and the newly added Water Treatment Chemicals Segment. Each of these segments is vital to Pakistan's economy. Our products are widely used in numerous industries and include: textiles auxiliaries which enable fabric processing; crop protection emulsifiers used to enhance the effectiveness of pesticides; adhesives crucial in construction; and water treatment chemicals used for cooling water and boilers.

During the year, lower exports in textiles and growing competition among chemical suppliers applied continuous pressure on the textile market. Despite these challenges, the Textiles Segment achieved its highest ever sales volumes. In 2016-17, our Crops Segment continued to show promise, as its success was mainly driven by a better product mix.

Business Performance and Developments

Performance in the Division's Segments was significantly positive. Despite ongoing market challenges, our Textile Segment achieved record high sales volumes with a 6% increase over the same period last year. Several factors influenced this success, including better customer relationship management, an increasingly diverse product range, and key market penetration. The Adhesives and Crops Segments recorded their highest annual net turnover over the year, with growth of 15% and 47% in volumes, respectively. New developments played a key role in the growth of Adhesives, particularly in the furniture and non-woven sectors. This helped us expand our options in the Segment. The exceptional growth in the Crops Segment is attributed to consistent innovation and a focus on customer base expansion. Also, substantial groundwork was laid to foster networks with international players and expand our product reach.

Customer Engagement

With our customers at the core of everything we do, and Customer Centricity being one of our core values, we carried out various customer engagement initiatives.

- The Textiles and Water Treatment Chemicals team participated in the GTex Textile Exhibition during January 2017. The aim was to promote ICI Pakistan Limited as a serious player in the segment and develop new and promising customer leads.
- Our Adhesives team continued to make significant strides in the wood working market through multiple carpenter meetings in Lahore and Faisabalad during the final quarter of the year.
- Following the previous year's practice, we successfully conducted a customer engagement survey for the Division during the year under review. More than 80 active customers across all four Segments were contacted. Their feedback was recorded on several processes including product quality, sales process, sales staff behaviour, troubleshooting, information availability and overall customer engagement. The results of this survey will aid in developing the customer engagement plan for the coming year.

Customer Engagment Survey Components

Rating scale of 1-5 was used to quantify customer response. Response highlights were incorporated in survey. **Net promoter score (NPS)** tool was deployed to assess customer loyalty.

Challenges

Throughout the year there were substantial challenges in Pakistan's textile market that persist. As a result, customers remain hesitant on the back of declining exports and margins. Despite this, growth in sales volumes was delivered by focussing on core strengths which include stiffeners, softeners and special finishes.

Future Outlook

Going forward, tech-commercial innovation will continue to be the Division's forte, as we make consistent strides in enhancing market share through value creation for our existing and new customers. Also, focussed efforts are planned across the board to minimise raw material procurement costs and maximise margins. This will not only benefit the Division's bottom line, but will also allow us to be more competitive in the market, further enhancing our market share.

As part of the ongoing focus on team engagement, General Chemicals and Specialty Chemicals' marketing and sales teams visited Naran-Kaghan Valley.

Polyester

Our Polyester Business remains one of the major producers and preferred suppliers of Polyester Staple Fibre (PSF) to Pakistan's textile industry. PSF production in Pakistan was pioneered by our Company in 1982, since which time we have continually innovated to provide variants and specialised fibres, enabling the local textile industry to produce diverse, varied products in keeping with the evolving demands of the global market.

The Polyester Business arranged a customer conference in Estonia and Latvia. Asif Jooma (Chief Executive), Suhail Aslam Khan (VP, Polyester and Soda Ash Businesses), Polyester Business Executive team and the customers came together for a group photograph.

Market Overview

PSF is manufactured using two main raw materials, both of which are derivatives of crude oil: pure terephthalic acid (PTA) and mono-ethylene glycol (MEG). Crude oil, therefore, continues to play a key role in PSF production, pricing and more.

In the financial year 2016-17, crude oil remained volatile, initially increasing and then falling with factors working both for and against its price. One major factor working against crude prices was the global oil glut which persisted and was further exacerbated by build-up of crude inventory in the United States. However, on average during the year, crude prices increased due to the output freeze implemented by OPEC and non-OPEC members. Likewise, the prices of feedstock, including paraxylene (PX), PTA and MEG, all remained bullish before declining in line with the crude oil market.

Cotton is another crucial commodity affecting the PSF market; the natural fibre is a key substitute to PSF. In FY 2016-17, global cotton demand exceeded supply for the second consecutive year. Cotton prices increased internationally as stockpiles in China tightened. This had a trickle-down effect on the domestic front, with local cotton prices surging as high quality cotton remained in demand.

Anti-Dumping Duties (ADD) imposed on Chinese PSF imports provided some measure of relief to the pricing and demand dynamics of domestic PSF, however, the local industry was unable to truly benefit from this development. Firstly, the imposed ADD was too low to be effective, in addition, PSF imports from non-Chinese sources increased, as did polyester-based yarn imports.

Business Performance

During the year, the pressures faced by the oversupplied regional PSF industry were subsequently experienced by domestic PSF manufacturers as well. The challenging scenario persisted, due to continuing PSF imports – predominantly from China – and the prevailing oversupply of PSF in both regional and domestic industries. Our Business's margins remained under pressure as a result of this state of affairs. However, to mitigate the impact of this situation, we focussed our efforts on a number of internal cost reduction, quality and efficiency improvement initiatives. We are pleased to report that, despite continuing adverse market conditions, these initiatives enabled the Polyester Business to deliver stellar performance against key objectives (including market share, sales, operating efficiencies, etc.).

Key Initiatives / Developments

- We successfully represented the Polyester Business in litigation attempts filed by Chinese exporters in the Anti-Dumping Appellate Tribunal and High Courts of Pakistan to contest the final determination of the ADD case. We secured a positive outcome against these litigation attempts last year.

- Our Business was strongly represented at all available forums relating to Free Trade Agreement (FTA) negotiations with Turkey and Thailand. The Business team attended numerous seminars, meetings and conferences held by the various Ministries (Commerce, Textile, etc.) to provide our recommendations and voice our concerns regarding PSF tariff settlement.

- Market share of Terylene Black (black polyester fibre) stands at 47% and continues to grow; a testament to

Awards were presented at the Polyester Business Customer Conference.

The Polyester Business celebrated World Environment Day by carrying out tree plantation and an awareness walk.

this innovative product's contribution to our Business portfolio. Terylene Black was launched to address the spinning industry's demand for coloured yarn. Post-launch, the product received widespread appreciation from customers, and occupies significant market share in a segment traditionally dominated by imports.

- We utilised our previously idle batch assets to manufacture various product variants which contributed positively to the bottom line.

- We successfully implemented the second phase of our cost-saving initiatives project to further bolster Business profitability in the face of continued external pressure on margins. Several initiatives were also taken on the manufacturing front to improve plant efficiencies and product quality, while simultaneously reducing business costs substantially.

- During the year, we remained focussed on increasing employee engagement through a number of initiatives. Our success in this area was reflected in the annual employee engagement survey conducted across the Company in partnership with Gallup; survey results showed a substantial increase in our Business-wide engagement score.

Customer Engagement

Our customers are of the greatest importance to us, and our ongoing customer focus is reflected in our remarkably loyal customer base. In fact, our average customer relationships span about twelve and a half years, with some customers having been with us for as long as 35 years.

As part of our ongoing customer-centric approach, we organised the sixth Polyester Business Customer Conference in Latvia and Estonia, appropriately titled 'The Baltic Connection.' This bi-annual event provides us the vital opportunity to strengthen our enduring relationships with our customers by actively engaging with them, understanding their needs and concerns through feedback and discussion, and providing focussed support and solutions. The conference garnered overwhelmingly positive feedback from customers who appreciated our ongoing efforts in the face of a challenging business environment.

A new customer engagement initiative pioneered by our technical team was the two-day Technical Customer Conference organised at Greenfields Country Club, in the outskirts of Lahore. This event brought the technical directors of textile mills together with our Polyester Business teams for the first time in an informal, relaxed setting, encouraging frank and open dialogue on important issues. The conference proved to be a great success, further strengthening our relationships at the mill level with open communication. We plan on organising such conferences as a regular feature going forward.

We also conducted an independent customer feedback survey for the second year running. This second round of the survey not only allowed us to better understand customer perception regarding our products and services, it also enabled a comparison of the past two years' performance, helping us gauge our progress and identify areas of strength as well as improvement.

Technical Directors of one of Polyester Business's largest customers, the Monnoo Group, visited the Polyester plant in Sheikhupura and were given a tour of the facility.

The Takemoto spin finish team, one of the Polyester Business's stakeholders, visited the Polyester plant in Sheikhupura.

Challenges

The regional PSF industry remains under pressure as the addition of increased production capacities in China further aggravates issues in this oversupplied industry. The continuing oversupply results in increased competition from Chinese exporters who engage in illegal dumping as they seek export outlets to liquidate their inventories.

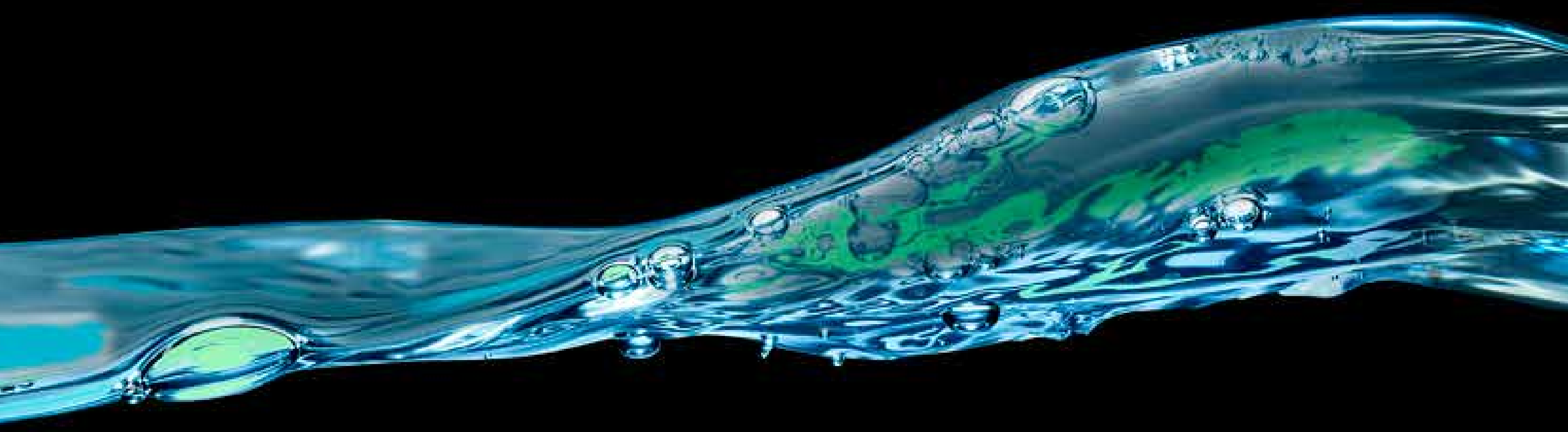
On the domestic front, we continue to experience a variety of factors – including the high costs of doing business – that pressure margins and compel the textile industry to operate well below potential. Coupled with the persisting state of oversupply, sluggish downstream demand, and the challenge of dumped imports from sources other than China, this will necessitate tremendous effort on our part in order to retain market share.

Future Outlook

The current oversupply in global PSF markets is likely to persist going forward. The trajectory of feedstock prices will be determined by crude oil price trends, and by the market fundamentals of PSF raw materials, i.e., PTA and MEG. Cotton consumption is forecast to exceed production for the third consecutive marketing year, reducing excess global stocks in 2017-18. Global cotton prices are expected to continue being driven by production levels in key cotton growing areas, and by tightening stocks in China.

On the other hand, the domestic cotton market will be impacted by the extent and timing of monsoon rains across Pakistan. In the domestic downstream industry, the implementation of the Prime Minister's export package for the textile sector will prove to be a key driver for improving demand, however, the full extent of its implementation is yet to be observed. Another key factor affecting the performance of the domestic PSF industry will be the Government's provision of necessary tariff protections to the domestic PSF industry. At the Polyester Business, we continue working towards this goal in the hope that the required tariff protection for the domestic PSF industry will be realised.

Despite the numerous challenges posed by the global and domestic scenario, at the Polyester Business we remain intent on leveraging our strengths in the face of all possible future challenges, and capitalising on growth prospects in the textile industry with both conventional and new product variants.

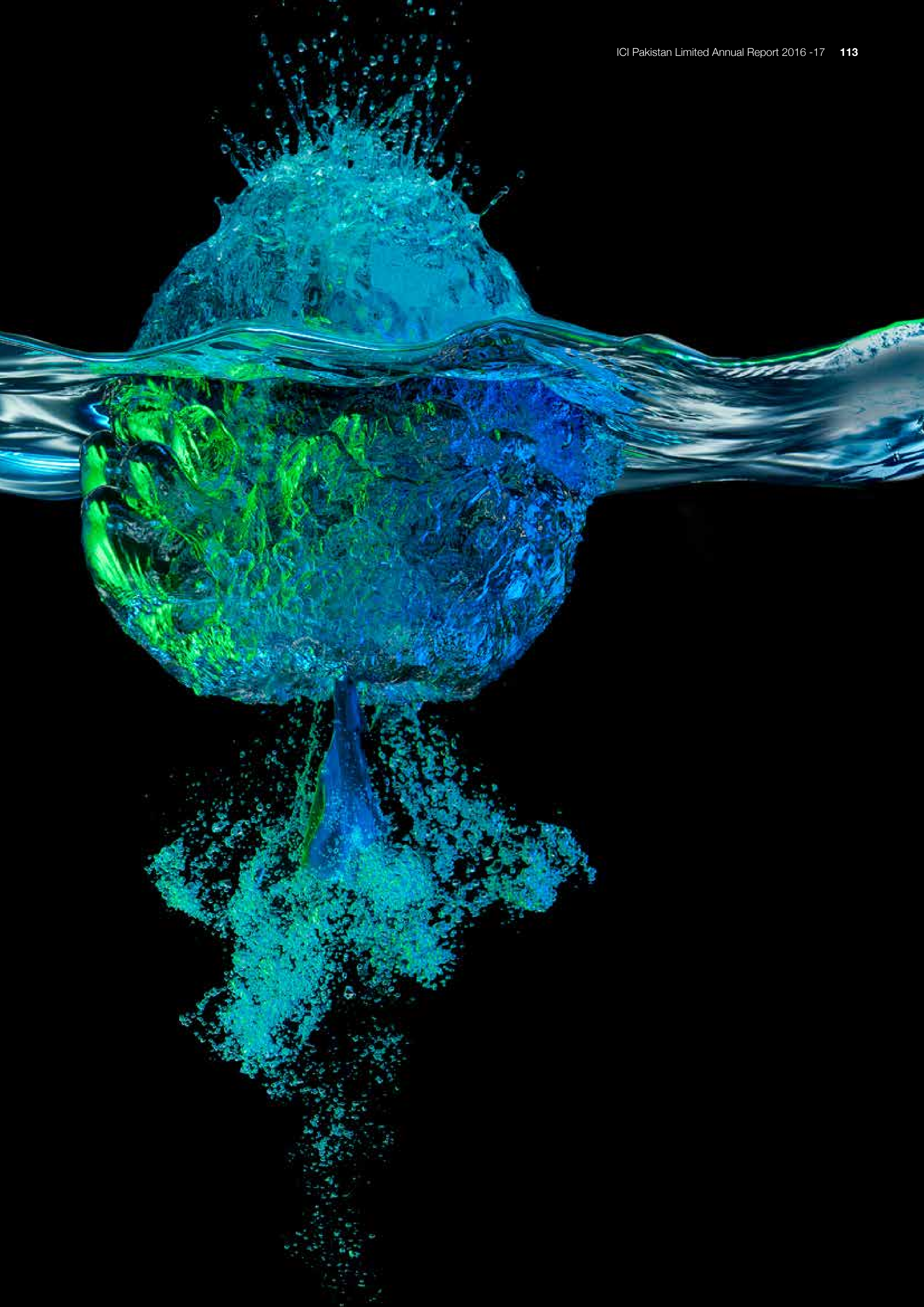


Sustainability Performance

Sustaining Innovation for **Tomorrow**

Innovators keep their sights set on the future. This means that while changing the game today, we also keep an eye on the impact of our changing practices for tomorrow. It means making sure our operations are not just smart, but sustainable in the long run. That's how we ensure our drive to innovate will stand the test of time – and always be a positive catalyst for change.

This section contains a comprehensive report on our sustainability strategy, KPIs, annual and long-term targets and performance.



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Message from the Chief Executive

Dear stakeholder,

Welcome to the ninth annual Sustainability Report for ICI Pakistan Limited, presented as part of the Company's Annual Report 2016-17. This year, we have attempted to report on our sustainability efforts in line with the newly introduced GRI Standards, and I am pleased to share that we are one of the first companies in Pakistan to adopt these new reporting standards. The fact that we continue to voluntarily report on sustainability, and endeavour to improve our reporting standards and report quality year on year, is a testament to the importance placed on sustainability practices and their timely, transparent disclosure at ICI Pakistan Limited.

As a manufacturing concern, we are well aware of our impacts on the economy, environment and society. We continue to work to manage and offset these impacts as much as reasonably possible, alongside ensuring the growth of the business and value creation for our stakeholders. This is an important part of our brand promise, Cultivating Growth, which as I often reiterate, is a promise that extends to all aspects of the Company's operations.

As we have reported on sustainability parameters for almost a decade now, we have a clear understanding of the topics and key areas that are of highest priority to the Company. Nevertheless, adopting the GRI Standards gave us the opportunity to revisit and rethink some of the parameters we report on. Broadly speaking, I can tell you that health, safety and security continues to be a prime area of focus for us, as well as our various environmental impacts (including emissions, water management and waste reduction), and investment in our people.

This report is about transparency, and about sharing information with our stakeholders so that they can better understand and assess our operations. During 2016-17, we did have a few regrettable incidents with regard to safety. You will find details in the report, but rest assured the outcome of these incidents was a re-evaluation and tightening of our HSE&S protocols and procedures. Investigations were carried out for the incidents that occurred, remedial action was taken accordingly, and we have worked to make sure our people at all levels learn a valuable lesson from such incidents so that we are all more vigilant and better equipped in the future. The Company remains focussed on assessing the effectiveness of existing regulatory HSE&S frameworks and approaches on an ongoing basis. In 2016-17, one of our main focus areas was employee training on various facets of HSE&S, including upgradation of existing procedures and protocols.

With regard to energy, we have seen an increase in consumption that was driven by a necessary change in our fuel mix. The persisting fuel crisis in the country, particularly with regard to liquefied natural gas (LNG) availability, necessitated that we turn to other fuel sources to power our operations. Our resultant increased energy consumption was reflected in higher per ton energy usage in 2016-17 as compared to last year. Water consumption for 2016-17 also increased in comparison to last year, due to major expansion projects undertaken at our Soda Ash site. However, this was compensated for to some extent by the fresh water usage reduction initiatives taken by all our manufacturing sites.

A particularly successful case of water reuse and conservation was seen at our Polyester site, where ten million litres of water were recycled during the year from our wastewater treatment facility; this translated into fresh water savings sufficient to serve the drinking needs of ten thousand people for the whole year. So, as you will see, consistent efforts are being made to offset impacts where they occur.

Today, ICI Pakistan Limited is growing; we have capacity expansions underway, as well as the integration of acquired manufacturing facilities and other projects in the pipeline. Regardless of our growth and subsequent increase in our energy needs and environmental outputs, we ensure that we manage these impacts in line with regulatory compliance requirements such as the National Environmental Quality Standards (NEQS). We also encourage our teams to continually think of new and innovative methods to minimise impacts and maximise the effectiveness of our processes.

At ICI Pakistan Limited we have a multi-functional Sustainability Council that is tasked with reviewing annual sustainability performance and setting voluntary targets for future performance. These targets are set based on data gathered by our Environmental Performance Management (EPM) database which collates and analyses data on relevant sustainability parameters. In this report, we present a new range of five-year targets (for 2021). These targets will now guide our sustainability performance for the coming years. However, it is important to be realistic and to adapt to changing circumstances as needed; with the aforementioned upcoming expansions, acquisitions and new projects, these targets may require subsequent review and revision.

Going forward, energy management and responsible use of resources will continue to be a key priority for us, as will ongoing health, safety and security, along with the creation of greater economic and social value. These priorities are a vital part of Cultivating Growth for us at ICI Pakistan Limited, as we strive to make more responsible, sustainable choices in our business.

Best regards,

Asif Jooma,
Chief Executive,
ICI Pakistan Limited

Sustainability Performance 2016-17 **at a Glance**

The existing Learning Events database was utilised to identify top risks to the Company. The Chief Executive's Best HSE&S Initiative Award was relaunched to recognise the best solutions to mitigate these risks.

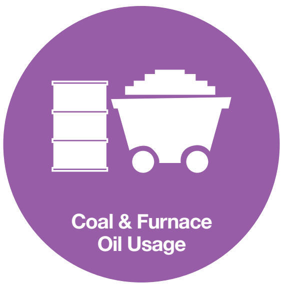
Successful relaunch of the Environmental Performance Management (EPM) Database, an application for the collation and analysis of the Company's HSE&S data.

ICI Pakistan Limited 2016-17 Sustainability Report prepared in accordance with the newly issued GRI Standards

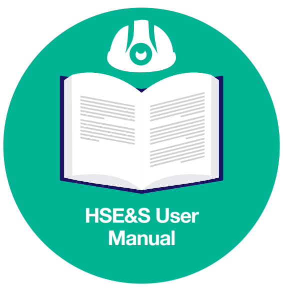
Due to compliance with the Company's Heath Assessment and Work Environmental monitoring programmes, no occupational illness was reported.

In light of the current security situation, the ICI Pakistan Limited Crisis Management Plan was updated and reissued.

HSE&S Training Calendar 2016-17 was developed and fully implemented, the highlight of which was the Hazard Study Leadership Course. 4,130 man-days for training were successfully completed.



The use of coal and furnace oil increased due to the prevailing energy situation, negatively impacting gaseous emissions and total energy per ton production.



The Company's HSE&S reporting manual (HSE-003 Arrangement for Reporting HSE Performance) was reviewed and aligned with the latest international standards on reporting. Through this system, immediate reporting to all stakeholders is ensured.

There were four reportable injuries to employees and supervised contractors, and one reportable injury to an independent contractor. Investigations were carried out for all incidents and recommendation plans implemented accordingly.

Sustainability Strategy and **Sustainability Council**

At ICI Pakistan Limited, we manage sustainability in line with a laid-out sustainability strategy and with the help of a Sustainability Council, which acts as a governing body on matters relating to sustainability targets and performance.

Sustainability Strategy

Our sustainability strategy is simple and compelling. It is divided into the following underlying principles, which we aim to uphold and adhere to:

1. Fostering a Culture of Excellence

We aim to build an environment in which people constantly strive to deliver more, and we endeavour to achieve this through attracting and retaining the best talent. This mindset encompasses sustainability-related practices and performance.

2. Operating Responsibly

We strive to operate with due respect and consideration for our environment, communities and other stakeholder groups. We endeavour to create and put into practice processes which evolve with changing needs, while ensuring that we operate responsibly.

3. Environmental Stewardship

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

4. Creating Socioeconomic Value

We work to create value in our local communities by providing the tools and assistance required for capacity building, and improving quality of life.

5. Transparency

We ensure that all processes and operations at our Businesses and Functions are transparent. We believe that our stakeholders have a right to information; transparency in this regard promotes and increases trust.

Sustainability Council

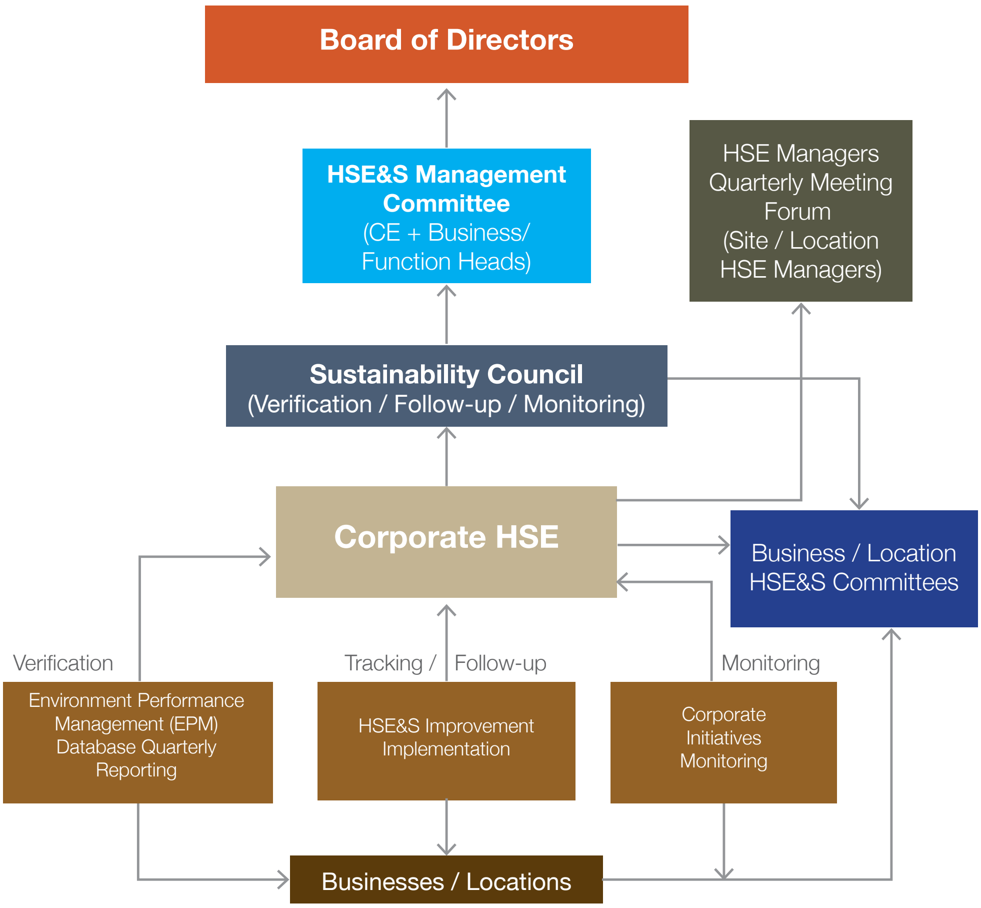
Established in FY 2013-14, the Sustainability Council is a multi-disciplinary team comprising members from all Business and functional areas of the Company. The Council was established to foster the ongoing sustainable growth of ICI Pakistan Limited.

The Council's objective is, therefore, to assist the Board in fulfilling its oversight responsibility to shareholders with regard to the Company's sustainability practices. The Council's scope includes development, implementation and monitoring of the Company's Health, Safety, Environment and Security (HSE&S) policies and practices.

Responsibilities of the Council

- Define sustainability KPIs, measurement matrices, and establish sustainability targets.
- Review partnerships and relationships, both current and proposed, with stakeholders, i.e., customers, regulators, communities, shareholders and suppliers.
- Formulate and execute communication strategies relating to the Company's sustainable growth.
- Introduce new and innovative technologies that will further the goal of sustainability within the Company, and implement actions to protect such technologies.

Structure and Operation of the Sustainability Process at ICI Pakistan Limited



In accordance with the requirements of the ICI Pakistan Limited HSE&S Management System, all Businesses and functional locations are required to monitor and report parameters that directly affect the Company's Operational Eco Efficiency (OEE) footprint. Besides this, all Businesses are also required to report their health and safety performance. The reporting is governed through a state-of-the-art application called the Environmental Performance Management (EPM) database (more details on the EPM can be found on page 131).

The Corporate Health, Safety, and Environment (HSE) department functions as an independent authority within the organisation and is the custodian of the EPM database. Corporate HSE analyses data to extract trends for each sustainability KPI, and benchmarks performance against the baseline. These trends are then presented to the Sustainability Council for review. After discussion, the Council agrees on a suitable mechanism for the control of the KPIs based on global sustainability guidelines. The Council also briefs the Company's Executive Management Team (EMT) regarding the OEE footprint, potential technological requirements and the financial impacts these may have on the Company and its communities.

This reporting cycle culminates with realistic targets and plans being set for individual KPIs, covering the current year as well as the next five years. Quarterly meetings are held to ensure that all KPIs remain on track to achieve the designated target.

About the Report

This is the ninth annual Sustainability Report of ICI Pakistan Limited, and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. Voluntary sustainability reporting was initiated by ICI Pakistan Limited in 2008, and continues as a part of our commitment to sustainable practices and transparency.

Report Boundary

The report covers the four core Businesses and corporate Functions of the Company, including manufacturing sites, corporate offices and regional/Business offices. The data in this report does not cover subsidiaries or associated companies of ICI Pakistan Limited.

Employee data includes management and non-management staff. Community investment is handled by the ICI Pakistan Foundation, which is a separate legal entity registered as a trust. All monetary amounts in this report are given in Pakistani rupees (PKR), unless otherwise indicated.

Reporting Period

The reporting period corresponds with the Company's financial year 2016-17 (from July 1, 2016, to June 30, 2017). The cycle of reporting is annual.

Report Content

This report provides information on topics that have been assessed to be material to the Company, in accordance with GRI Standards requirements. The content of this report has been developed keeping in consideration the GRI 101 Foundation Reporting Principles, which include principles that govern both, content and quality.

Developed in accordance with the Company's sustainability strategy (outlined in this document), this report also presents KPIs relating to these topics that have been set internally by the Company's sustainability reporting governing body, the multi-disciplinary Sustainability Council. Key Performance Indicators (KPIs) shared in this report were set during 2016-17, after the 2015-16 report covered the concluding year of the previous five years' targets.

The five-year target for KPIs set in 2016-17 is the year 2020-21; performance KPI targets to be achieved by that date have been set accordingly. These will serve to guide us in our sustainability efforts going forward. However, given the Company's growth and expansion, as well as a changing economic and political landscape, these targets may be subject to review and revision going forward.

Data Collection

Data has been obtained from our financial management reporting systems, the corporate HR information management system, and the Company's Environmental Performance Management (EPM) database, which is a tool for the collection and reporting of data on Health, Safety, Environment & Security (HSE&S) parameters.

Our internal reporting cycle takes place on a quarterly basis and related information is gathered and input by the respective Businesses and Functions for review by the Corporate Health, Safety and Environment (HSE) department. The Corporate HSE Manager is responsible for data for ICI Pakistan Limited as a whole. Data pertaining to integrity management, employment practices, sourcing and community investment is compiled and monitored by the Sustainability Council members responsible for each area. Where limitations in collecting data exist, we have attempted to include appropriate explanations in the report.

Review & Assurance

Independent review of this report was conducted by A.F. Ferguson & Co. (a member of the PwC network), in accordance with GRI Standards requirements, and they were engaged for this purpose by the Sustainability Council. A statement from the independent external reviewer is included at the end of this sustainability report, and outlines the scope of the assurance exercise carried out. The GRI Standards are a new, revised sustainability reporting framework that replace the GRI G4 Reporting Framework, and remain the most widely accepted global standard for sustainability reporting.

Contact Us

We encourage feedback on our Sustainability Report. If you would like to comment on the report or if you need more information, please email us at: **corporate.hse@ici.com.pk**

You may also contact the following at ICI Pakistan Limited:

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

Materiality Assessment

At ICI Pakistan Limited, we focus our sustainability efforts on those areas that potentially have significant impact on the most vital stakeholder groups, and which are deemed to be of greatest significance and value to the Company's continued growth, performance and success. This section shares information on these critical or material topics and aims to explain how they have been chosen, and why they are critical to our operations.

Material topics for sustainability performance are identified based on several factors, including stakeholders' concerns and feedback, alignment with the Company's strategy, objectives, vision, values and brand promise (Cultivating Growth); the past practice of the Company; and internal analysis, debate and discussion on issues raised by our multi-functional Sustainability Council. Material topics are also chosen based on general relevance and likely impact in broader social, economic and environmental contexts, such as the markets in which we operate, energy availability, environmental issues and climate change.

List of Material Topics and their Boundaries

Area	Material Topic	Boundary
Economic	Economic Performance	ICI Pakistan Limited
	Indirect Economic Impacts	Local community
	Market Presence	ICI Pakistan Limited
Social	Occupational Health and Safety	ICI Pakistan Limited
	Training and Education	ICI Pakistan Limited
	Diversity and Equal Opportunity	ICI Pakistan Limited
	Non-Discrimination	ICI Pakistan Limited
	Local Communities	ICI Pakistan Limited, our local communities
Environmental	Energy	ICI Pakistan Limited, our customers
	Water	ICI Pakistan Limited, our local communities, our customers
	Emissions	ICI Pakistan Limited, our suppliers, our local communities
	Effluents & Waste	ICI Pakistan Limited, our suppliers, our local communities

Relevance of Material Topics to ICI Pakistan Limited

ECONOMIC

Economic Performance: Deemed to be material as disclosures under this topic relate directly to our Company's value creation agenda as embodied by our vision, values, and brand promise, Cultivating Growth. ICI Pakistan Limited is committed to providing enduring growth and value for stakeholders, and this growth and value can be quantified and assessed accurately through the complete, audited financial statements of the Company, which are part of this report. In addition, economic performance carries implications for all other material topics reported upon.

Indirect Economic Impacts: Disclosures under this topic illustrate our Company's economic impacts on a wider socio-economic front than if we were simply to take our customers and suppliers into consideration. Our intent to support growth and development is not limited to the Company. Additionally, we consider ourselves responsible corporate citizens, therefore it is important we monitor and measure our ongoing indirect economic impacts in the wider context.

Market Presence: Our Company's presence in the market has significant impacts in terms of employment opportunities provided, number and level of professionals employed, regional employment prospects, and compensation and benefits provided. Information in this regard is therefore highly relevant to the Company's operations and its value creation agenda.

SOCIAL

Occupational Health and Safety: This topic carries tremendous significance in relation to ICI Pakistan Limited as health and safety are a primary concern and an overarching responsibility of the Company under its values (Passion for People; Integrity and Responsibility) and its HSE&S policy. The topic affects not only direct employees of the Company, but also contractors, suppliers and members of our communities.

Training and Education: At ICI Pakistan Limited, we have the long-standing ambition to be an employer of choice and to be known as a "Talent factory", recruiting and retaining the best and the brightest. The training, education and development of our people is therefore a topic of critical importance to us. We work towards this goal on a continual, ongoing basis, with formal training, development and growth opportunities, effective, timely, performance appraisal and feedback systems, and by creating an open culture that encourages feedback and discussion.

Diversity and Equal Opportunity: As part of our HR ambition, we strive to be an equal opportunity employer. ICI Pakistan Limited is committed to encouraging greater diversity and ensuring equal opportunities for individuals based on merit (including qualifications and competency). This belief is driven by our core values (Passion for People; Integrity and Responsibility) our brand promise Cultivating Growth, and our Code of Conduct.

Non-discrimination: ICI Pakistan Limited is committed to ensuring fair and equal treatment of employees, free of bias. This belief is driven by our core values (Passion for People; Integrity and Responsibility), our brand promise, Cultivating Growth, and our Code of Conduct.

Local communities: Disclosures on this topic take into account operations for the development of communities, and the impacts of these on local communities. These disclosures are important because they provide an overview of the significance of these operations and their impacts, allowing stakeholders to assess the value added by such initiatives.

ENVIRONMENTAL

Emissions: Emissions control relates directly to climate change and the impact of gaseous emissions on the ozone layer. As a manufacturing concern, this is of vital importance. Disclosures in this regard also provide an overview of the Company's compliance to national and governmental regulations, such as National Environmental Quality Standards (NEQS).

Water: This is deemed a material topic based on not only the water usage requirements of the Company's operations, but also the current state of water availability in the country. According to Development Advocate Pakistan, Volume 3, Issue 4 (a UNDP report dated February 2017) water scarcity continues to become an increasingly critical issue in Pakistan. The report emphasises that "Pakistan extracts 74.3 percent of its freshwater annually, thereby exerting tremendous pressure on renewable water resources."

Effluents and waste: As a manufacturing concern, this is an important topic as it has an impact not only on our own operations, but also on local communities where waste is generated and disposed of. Management and minimisation of waste materials is also important with respect to biodiversity of the relevant areas.

Energy: Due to the national energy crisis, this topic is highly relevant and therefore deemed material. The economic impact of energy usage on products and services provided is significant, as energy costs directly impact the cost of products. More efficient energy usage is therefore not only vital in terms of the environment, but also because it can provide the Company a competitive edge in terms of cost factors.

Stakeholder **Engagement**

At ICI Pakistan Limited, our approach to engaging with our stakeholders is underpinned by our core values of Customer Centricity and Passion for People, along with our vision to be a partner of choice. It is also encompassed by our promise of Cultivating Growth, which aims to ensure we encourage growth and development, and add value, wherever we engage with groups that are impacted by our operations.

A stakeholder of the Company is defined as an individual or group associated with, linked to, or significantly impacted by the operations of ICI Pakistan Limited.

Our core groups of stakeholders are identified by our Business and functional teams, based on the nature and scope of our operations. These are endorsed by the Executive Management Team (EMT) and the Sustainability Council as significant groups to engage with, and engagement objectives and strategies are formulated and carried out accordingly. An important aspect of stakeholder group selection is communication and feedback with these groups; this is done via a number of methods, both formal and informal.

Customer engagement is monitored at the level of each Business by surveys conducted and/or feedback collected through various channels. Community engagement is maintained and monitored by CSR teams in each Business, and through effective coordination with labour unions at our plant and manufacturing sites. Employee engagement is driven across the Company at a corporate level. Chief Executive's sessions are conducted Companywide as a platform for employees to address concerns, giving the Chief Executive a chance to share information and answer questions. The Company's annual employee engagement survey, as well as performance appraisal and management systems serve as vital channels for feedback and monitoring of progress against set engagement targets. In each area of stakeholder engagement, concerns and suggestions are registered and actions are outlined accordingly.

Stakeholder group	Engagement frequency	Mode of consultation	Topics identified by stakeholders	Our response
Shareholders/ Investors	Regular	Corporate Finance, Company Secretary, Corporate Communications and Public Affairs Department, analyst briefings, meetings	Ongoing economic viability, growth prospects, petrochemical market situation, new projects and expansions	Commitment to ongoing growth and value creation; continuing transparency of financial and other information; timely public disclosures; clarifications if any required
Employees	Regular	CE Sessions, internal events, annual engagement survey, discussions, internal communications	Training and education; career development;	Increased HR process transparency; Focus on capacity building trainings, cross-Functional and cross-Business movement
Customers	Regular	Technical support services, surveys, field visits, advisory services	Cost, quality and product availability	Customer capacity building, expanding/increasing product offerings, efficiencies in supply chain
Suppliers	Regular	Code of conduct compliance, surveys, visits	Favourable terms and conditions	Suppliers are given ample opportunity for discussion and negotiation. ICI Pakistan Limited strives to provide fair and market compatible rates
Local Community	Regular	Via manufacturing site employees, CSR teams	Manufacturing sites' impact; employment prospects	Managing environmental impacts through sustainability initiatives; creating provisions for local employment
Government and other regulatory bodies	Regular/Case Basis	Relevant Business or functional representatives, meetings with officials, submissions of data for review and compliance	Compliance with regulations and laws	Understanding and ensuring all legal and regulatory requirements are complied with. Lobbying with the government. to address matters impacting business.
Media	Occasional	Press releases, one-on-one media engagement	Information on the operations of the Company, growth prospects and sustainability practices, economic contribution	Press and media releases on relevant subjects, Chief Executive's statements/ interviews, responsiveness to media queries

Major initiatives carried out during the year for Stakeholder Groups

Shareholders/Investors

AGMs and EoGMs were carried out as required to inform and obtain consent of shareholders. Board members and senior management of the Company ware available at these occasions to answer queries and address concerns of shareholders, investors and analysts. An Investor Relations Policy was approved by the Board and is now in place, which governs the timely, accurate and comprehensive release of information for shareholders and investors.

Employees

To engage employees, ICI Pakistan Limited partnered with Gallup for the 'iMPOWER employee engagement survey. Starting on the 35th percentile with a score of 3.87 (on Gallup's 5 point rating scale) in 2015, the Company now stands at the impressive 68th percentile with a score of 4.30 in 2017. This significant increase speaks volumes of the Company's commitment and the collective belief of its people in this important initiative, to achieve world-class engagement levels.

The Company's Leadership Development Roadmap continues to be a key ingredient in building the capabilities of the Company's employees. With a structured and integrated talent development framework, which provides customised training modules, executive coaching sessions and learning projects, more than 886 managers participated in this initiative in 2016-17.

Customers

Customer Centricity is a core value at ICI Pakistan Limited, and this value is lived fully by the four Business units of the Company with regard to their respective sets of customers. Each Business plans and executes customer engagement initiatives that serve the core needs of their respective customer bases, and solicits feedback from them on various topics, both in the form of formal surveys, and informal meetings and gatherings. This feedback is evaluated internally and then forms the basis for action planning to improve the customer experience going forward.

In 2016-17, at the Polyester Business, the sixth Polyester Business Customer Conference was held to strengthen customer relationships through feedback and discussion, and providing focussed support and solutions. The conference garnered overwhelmingly positive feedback from customers who appreciated the team's ongoing efforts especially in the face of a challenging business environment. Another new customer engagement initiative pioneered by the Polyester technical team was the two-day Technical Customer Conference organised in Lahore, which brought the technical directors of textile mills together with Polyester Business teams for the first time, encouraging frank and open dialogue on important issues. The initiative proved to be a great success, and the Business intends on making this a regular occurrence. The Polyester Business also conducted an independent customer feedback survey for the second year running. This not only allowed for better understanding of customer perception regarding our products and services, it also enabled a comparison of the past two years' performance, helping us gauge our progress and identify areas of strength as well as improvement.

The Soda Ash Business carried out similar initiatives during the year, notably a distributor conference in Azerbaijan in October 2016, and a customer conference in Australia in March 2017. Both events proved successful and were well-received by the target groups due to the concerted effort made by the Soda Ash teams to understand their experiences, expectations and concerns.

In the Life Sciences Business, each of the three Divisions of the Business conducted their own tailored programmes to engage and serve customers. The Pharmaceuticals Division caters to a vast medical community including doctors and other healthcare professionals. During the year, the Division maintained its focus on engaging with customers to enhance medical knowledge and product information. This was done via participation in a series of informative symposiums, conferences and roundtable discussions. A number of Health Care Professionals (HCPs) were also engaged in international Continuing Medical Education (CME) programmes. Awareness camps were also organised centring on relevant medical topics. The Division also provided supported to the medical community by participating in notable medical conferences. Almost 200 HCPs were engaged via a campaign on Etipro. For the first time, emphasis was also placed on engaging directly with trade partners for OTC brands.

In the Agri Division, sales and development staff regularly trains farmers on the latest production technologies and on more efficient farm management practices. The Agri Division has reached 250,000 farmers across Pakistan. Retail partners play a pivotal role in the agriculture industry, ensuring the availability of product to farmers. The Division undertook a series of business partner conferences to ensure close customer connect and improve partnerships through various trainings/discussions.

The Animal Health Division caters to a large rural population of livestock and poultry farmers across the country. The Division continued to work closely with farmers to develop farming communities, empowering farmers with awareness and knowledge to help enhance productivity, and eventually, profitability. Topics covered in such engagement activities include better farm management practices, breed development, biosecurity and nutrition. Among the customer engagement initiatives taken by the Division in 2016-17 were technical sessions for customers and talks by foreign delegates invited to share their insight on current challenges in the livestock and poultry industries. The Division organised the Third International Conference on Agriculture, Food and Animal Sciences, as well as sponsoring the International Livestock Nutrition Summit, which brought together leading researchers to review and discuss emerging issues in the fields of agriculture, food and animal sciences, as these have the potential to significantly impact industries, consumers, and the environment. Teams are also regularly trained on new product technologies, the latest farm management practices and key industry challenges, to help them serve customers better.

In the Specialty Chemicals Division of the Chemicals Business, the following customer engagement initiatives were carried out. The Textiles and Water Treatment Chemicals team participated in the GTex Textile exhibition in January 2017 to promote ICI Pakistan Limited as a serious player in the segment and develop new and promising customer leads. The adhesives team held multiple carpenter meetings in Lahore and Faisabalad during the final quarter of the year. A customer engagement survey covering more than 80 active customers across all four segments was conducted. Their feedback was recorded on several processes including product quality, sales process, sales staff behaviour, troubleshooting, information availability and overall customer engagement. The results of this survey will aid in developing the customer engagement plan for the coming year.

Local community

Several projects were carried out to benefit local communities, particularly in the areas of healthcare provision and education/vocational training. The Hamqadam Community Clinic, a mother and child clinic established in Khewra in 2016, in partnership with Marie Adelaide Leprosy Centre (MALC), completed its first full year of operations. Seventeen months into its running, the clinic has proved to be a valuable addition to Khewra's healthcare infrastructure. Large numbers of women and children are now treated at the clinic; previously these patients had to travel long distances to access adequate healthcare facilities. Since the clinic's inception in February 2016, a total of 6,944 OPD cases have been catered to, 346 pregnant women registered at the clinic, and 998 children under the age of five monitored for immunisation and nutrition through the 'Road to Health' chart. Recently an ultrasound machine has also been provided by the ICI Pakistan Foundation to the clinic to aid in examination and diagnosis of patients. A state of the art ambulance was also donated to the clinic at the time of inauguration to cater to emergencies in the local area.

Also based in Khewra, the Company's most remote community, ICI Pakistan Limited's long-running eye care programme in collaboration with the Layton Rahmatullah Benevolent Trust (LRBT) continues to operate sustainably, with monthly camps held for 25 years running. To date, 284 eye camps have been held, offering quality, free eye care interventions through which 148,846 OPD consultations have been carried out, 16,513 surgeries completed and 28,757 refractions performed.

Government and other regulatory bodies

During the year, we worked with government and regulatory bodies to provide our input, both directly and through relevant platforms and forums, on draft legislations and regulations where required. Additionally, we make it a practice to share information on industry-related matters which could potentially impact the business and economic landscape of the country.

Media

During the year, wherever possible, we complied with media requests to interview the Chief Executive of the Company with regard to the Company's operations, plans, future outlook and economic prospects. Published in the mainstream media, these interviews serve as further insight into the Company's operations for not only the media, but also the general public. A clearly streamlined process is also in place regarding timely and prompt updates on the Company website regarding any disclosure of material information, such as financial results, acquisitions, expansions, or new partnerships and product launches. Channels of communication open to the media and the general public include email as well as social media channels. The Company launched its social media presence in December 2016 in order to further make its operations and initiatives accessible to the media and public.

Economic Performance **Management Approach**

Management approaches for the following material topics are covered in this section: Economic Performance, Indirect Economic Impacts, Market Presence. Other disclosures for these topics are presented in the GRI Content Index, and/or in the Company's Financial Statements 2016-17.

At ICI Pakistan Limited our performance is guided by our vision, our values, and our brand promise, Cultivating Growth, which underpins everything that we do. We recognise that our operations and activities have an economic impact at both, local and national levels, and are committed to sustainable growth and value creation for our stakeholders. Economic performance is thereby a key driver of the Company's aspirations, goals, strategy and operations, and is proactively managed accordingly by all relevant stakeholders across the organisational hierarchy.

The overall responsibility of governing the organisation, along with driving its economic performance, lies with the Board of Directors. The Board is responsible for doing the following: establishing Board policies; setting out strategies, goals, and objectives for the Company to operate in accordance with and achieve; and formulating policies and guidelines that outline the way forward in achieving set goals and objectives.

Goals and targets for economic performance are approved based on proposals set forward by the Businesses, which are duly approved by the Chief Executive and finally by the Board; the ultimate authority in this regard. Goals and targets may be annual, or in the case of expansions, acquisitions and new business ventures, they may be targeted over a longer term. In approving business proposals or setting targets and goals for economic performance, the Board considers a range of variables and factors including business potential, market conditions, financial implications, the wider economic and socio-political landscape, opportunities, threats and more.

The Board is accountable to shareholders for the discharge of its fiduciary function, while the Company's management is responsible for the implementation of the aforesaid strategies, goals and objectives in accordance with the policies and guidelines laid down by the Board of Directors. The day-to-day management of the Company's affairs is overseen by the Chief Executive (CE), whom the Board entrusts with the necessary powers and responsibilities for the execution of this role. The CE is in turn assisted by an Executive Management Team comprising the heads of Businesses and functions. The Board is also assisted by a number of sub-committees comprising mainly of independent/non-executive directors.

The Company's economic performance for 2016-17 remained robust. Net turnover of PKR 41,364 million for the year under review is 12% above net sales for the previous year (2015-16), which was recorded at PKR 36,954 million. The sales revenue growth is attributable to growth across all Businesses.

Net turnover in the Polyester Business grew by 7% on account of higher prices across the petrochemical chain, higher average Polyester Staple Fibre selling prices and higher sales of Black Fibre, whereas Soda Ash revenues grew by 2% on account of higher volumes. The Life Sciences Business recorded a 28% growth in sales on the back of new product launches, improved commercial execution, new partnerships and business expansion, while the Chemicals Business's net turnover grew by 20% against the same period last year (SPLY) owing to higher sales volumes and a larger customer base.

Operating profit for the year at PKR 4,044 million is 16% higher than the SPLY, with improved performances in the Polyester, Life Sciences and Chemicals Businesses. This compensated for the Soda Ash Business's marginally lower operating result compared to the SPLY, because of a higher depreciation expense due to capitalisation of the 18MW power plant. Growth in the Life Sciences and Chemicals Businesses was mainly driven through expansion of the product range, customer engagement programmes, as well as cost efficiencies achieved in the Chemicals Business.

Profit after tax (PAT) for the year ended June 30, 2017 at PKR 3,296 million is 16% higher than the SPLY due to higher operating profit, higher Dividend Income from NutriCo Pakistan (Private) Limited and lower exchange losses as compared to the SPLY. Earnings per share (EPS) at PKR 35.69 is 16% higher, compared to PKR 30.78 for the SPLY. The Company therefore continues to demonstrate its commitment to value creation and sustainable growth. Comprehensive information on economic performance for the year can be found in the Business Performance section of the Annual Report 2016-17, as well as the Company's financial statements.

As part of our management of economic performance related matters, at ICI Pakistan Limited we have in place systems whereby stakeholders can ask questions, seek information and voice concerns. Annual General Meetings are conducted whereby shareholder queries and concerns are addressed by members of the Board, the Chief Executive and the Company Secretary. Shareholders are invited to AGMs and are encouraged to share their concerns and queries.

We have in place a voluntary, Board-approved investor relations policy which ensures regular and timely dissemination of economic and financial information pertaining to the Company's operations to investors, analysts, shareholders and the general public.

Integrity **Management**

Key performance indicators

Integrity management		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Code of Conduct confirmed incidents	number	20	5	NR	1	1	0	**3**	0
Code of Conduct acceptance	% employees	100	100	100	100	100	100	**100**	100
Management audits including reassurance audits	number	9	7	6	6	0	6	**0**	6
Serious Incidents - Level 3	number	1	1	0	0	0	0	**1**	0
Serious Incidents - Level 1, 2	number	0	0	0	0	0	0	**4**	0
Serious loss of containment - Cat D	number	0	0	0	0	0	0	**0**	0
Regulatory action - Level 3	number	0	0	0	0	0	0	**0**	0

Overview 2016-17

To ensure all employees are well-versed with the Code, we include it in our induction training for new employees, as well as organising regular training and refresher sessions at all levels. Upon joining the Company, new employees are required to sign a declaration of compliance to the Code of Conduct after they have read and understood the Code.

This year, three Code of Conduct violation incidents were recorded. These were dealt with in accordance with the standard procedures and policies of ICI Pakistan Limited in this regard.

The HSE&S Management Audit is held to verify the Companywide implementation of, and compliance with, the ICI Pakistan Limited HSE&S Management System. The decision to conduct this audit is based on the assessment of hazards, and the recommendations from the previous audit. In 2015-16, this audit was conducted in the fourth quarter of the year, hence it was not feasible to conduct a new audit before the completion of all audit recommendations.

With regard to HSE&S performance, one Serious Incident (Level 3), and four Serious Incidents (Level 1 and 2) were reported in 2016-17. For details, please refer to the Occupational Health and Safety KPI overview section of this report.

Sourcing

Key performance indicators

Sourcing		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Vendor Policy signed by key suppliers	%	85	92	92	88	94	87	**91.3**	96
Vendor Policy signed by Central NPR Suppliers*	% employees	28**	28	28	38	63	40	**80.8**	-
Supportive Supplier Visits	number	31	59	35	99	92	-	**30**	146

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

** Monitoring started in 2011 by Polyester Business only.

The Company's supply chain network includes the respective supply chain managers of each Business, along with their teams. The supply chain network aims to enhance the effectiveness of procurement practices and material handling processes. This is done by actively seeking out and applying best practices, and by capitalising on opportunities for synergy between Businesses.

We believe in the cradle to grave approach, ensuring our products are compliant with the ICI Pakistan Limited HSE&S Management System at all stages of the life cycle. With respect to supplier evaluation and selection, we have stringent procedures in place to ensure that only high quality raw materials are purchased through our local and international suppliers.

Through our four Businesses (Polyester, Soda Ash, Life Sciences and Chemicals) we deal in a vast portfolio of products, including light and dense soda ash, refined sodium bicarbonate, polyester staple fibre, a wide range of general and specialty chemicals, pharmaceuticals, nutraceuticals, animal health products, and agricultural products. Our supply chain operations are therefore fairly complex and cover many suppliers, across the country as well as internationally.

With the acquisition of Cirin Pharmaceuticals (Private) Limited (Cirin), we have a manufacturing location in Hattar Industrial Estate which is a significant change from the previous year. The ICI Pakistan Limited HSE&S Management System now applies to the supply chain practices of Cirin, ensuring that best practices and standard procedures are implemented.

Overview 2016-17

We aim to achieve 100% adherence to our vendor policy. In 2016-17, the percentage of key suppliers who had signed our vendor policy increased by 4.3% as compared to the previous year. This is good progress, but leaves room for improvement.

On the other hand, there was a significant increase in 2016-17, over last year, in the percentage of vendor policies signed for non-product related (NPR) suppliers. With the growth and expansion of the Company, many new NPR supplier inductions were completed during the financial year, which resulted in the 40% increase shown in vendor policy signatories.

Supportive supplier visits have been disclosed this year after a hiatus. The Sustainability Council has planned to increase supplier engagement and development going forward, in order to align suppliers with the ICI Pakistan Limited HSE&S Management System, which complies with international standards. We have set ourselves an ambitious target for 2020-21 in this regard.

Environmental Performance Management Approach

Management approaches for the following material topics are covered in this section: Emissions, Water, Effluents and Waste, Energy. Other disclosures for these topics are presented in the GRI Content Index, or referenced therein if occurring elsewhere in the Annual and Sustainability Report.

As a manufacturing concern, we at ICI Pakistan Limited recognise that our operations have a significant impact on the environment. Monitoring and evaluation of environmental performance comes under the domain of the Corporate Health, Safety and Environment (HSE) department. Our enduring commitment to the highest standards of health and safety for our employees, customers and contractors, as well as to the protection of our environment, leads us to abide by a set of Health, Safety, Environment and Security (HSE&S) beliefs and principles. In line with these principles, we strive to constantly innovate and improve our HSE&S performance, which is the collective responsibility of every individual, from the Executive Management Team right down to each employee. Accordingly, we must all strive to apply the most stringent HSE&S standards to our work.

We have in place an integrated HSE&S policy that governs all HSE&S related matters, providing clear provisions for environmental performance management. The Corporate HSE Department is responsible for overseeing HSE&S as a whole for the Company. Along with this, each of the Company's Businesses have their own individual HSE departments which handle more Business-specific, localised environmental and other HSE&S-related matters. HSE&S is at the core of everything we do, and every employee is responsible for complying with HSE&S policies and procedures, and is held accountable accordingly.

Our HSE&S Management System serves as a guideline for all ICI Pakistan Limited operations, including existing projects and operations as well as new investments, and its scope extends to cover all Businesses and locations of the Company. The HSE&S Management System is in compliance with internationally recognised systems such as ISO 14001:2004 Environmental Management Systems Standard; OHSAS 18001:2007, Occupational Health and Safety Management Systems; and the Responsible Care Management System. Strict compliance with HSE&S standards is a requirement at both the corporate and individual levels. The calculation of KPIs given in this report is based on the HSE&S Management System, and the KPIs reported cover all four Businesses of ICI Pakistan Limited. Policies relating to HSE&S are approved by the Board of Directors, the ultimate governing body of the Company. The currently applicable HSE&S policy was issued in December 2013.

Management of vital environmental performance parameters is carried out in line with regulatory compliance requirements such as NEQS and the Company's belief in sustainable development and growth in line with its vision and brand promise. Environmental performance is monitored and reported on regularly (on a quarterly basis internally, and annual basis externally), through the use of the Company's state-of-the-art Environmental Performance Management (EPM) Database. The EPM Database is a purpose-built application that enables reporting on all HSE&S related parameters, and collates and analyses data against relevant sustainability parameters. This data is then studied and utilised in various ways to aid in the setting of goals and targets for sustainability performance.

The Company's multifunctional Sustainability Council is tasked with reviewing annual performance and setting voluntary targets for future performance. Targets are set for five years, with our current target for the financial year 2020-21 being based on the actual performance achieved in 2015-16. In line with our process, these were approved by Sustainability Council members. However, with upcoming expansions, acquisitions and other new projects, these targets may require subsequent review and revision.

With regard to grievance and reporting mechanisms, we have a guideline titled "Information Notes for Managers: HSE 003 Arrangements for Reporting Health Safety Environment and Safety performance to Corporate HSE." This is a reporting guideline for issues related to HSE, such as injury and illness reporting, motor vehicle and distribution incidents, occupational health performance reporting, environmental reporting, product stewardship reporting and community involvement reporting. It contains the correct procedure for reporting HSE&S violations, and is open to all internal stakeholders. The ownership of this mechanism lies with the Corporate HSE Department, and is intended for use by the HSE departments of individual Businesses. The reporting guidelines are revised regularly with the most recent revision being launched in June 2017.

The Company remains focused on assessing the effectiveness of existing regulatory HSE&S frameworks and approaches on an ongoing basis. This helps us ensure that our systems are sufficiently robust to safeguard both, people and the environment.

Sustainability Highlight

Environmental Performance Management (EPM) Database

Monitoring and reporting accurately on all relevant sustainability reporting parameters is a vital part of sustainability performance and management. At ICI Pakistan Limited, we have systems in place to help ensure we collect information accurately and regularly, across the Company, as this Sustainability Highlight illustrates.

During the year 2016-17, we relaunched our state-of-the-art Environmental Performance Management (EPM) Database. The EPM Database is a purpose-built application that enables reporting on all HSE&S related parameters.

Our continued focus on innovation means modernisation of existing procedures and protocols is a big part of what we do; the EPM Database makes it simpler for our Businesses to report their HSE&S data using three standardised monthly/quarterly datasheets for Health & Safety, Environment and Energy.

While simple and user-friendly on the user interface side, the EPM is actually a sophisticated tool on the back-end. Through it, our Corporate HSE Department is able to consolidate and analyse the gathered data comprehensively, making reporting data more effective. The EPM Database is sure to be an invaluable tool going forward; we anticipate that it will support our benchmarking efforts as well as give us an edge in terms of data gathering and availability that may enable us to enter global competitions and highlight our sustainability initiatives on a wider public platform.

Energy

Key performance indicators

Energy Usage		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Total energy consumption	1000Tj	4.3	4.3	2.1	4.9	5.7	6.5	**8.2**	7.4
Per ton production	GJ/te	10.1	10.4	11.62	11.84	13.03	13.86	**17.09**	15.38

Overview 2016-17

Over the years, the shortage of natural gas in Pakistan has compelled the Company to turn to coal-based technologies in order to generate steam and power. At ICI Pakistan Limited's manufacturing facilities for Polyester Staple Fibre and Soda Ash, significant investments have been made in coal fired boilers and steam turbines. Intrinsically, these power plants are energy intensive due to the use of coal, a relatively inefficient fuel in comparison with gas. In addition, the base parasitic loads of these plants are significantly higher than similar capacity units operating on natural gas. To counter the effects of coal on the environment, and to maintain emissions within global standards, limestone is used to reduce emissions. However, the increased energy consumption was reflected in higher per ton energy usage in 2016-17 as compared to the previous year.

We have continued to invest in energy saving initiatives across our sites and locations. Optimum utilisation of available natural gas, day-to-day process optimisation and strict monitoring of key energy parameters at manufacturing sites is in effect. Sustainability projects to meet energy consumption targets are given high priority across the Company.

Sustainability Highlight

Off-Grid Solar Power for Lillah Salt Mine Offices and **Staff Residences**

Our approach to sustainability at ICI Pakistan Limited encourages innovative thinking. This Sustainability Highlight is an example of exactly that; a solution that met the needs of the Company's operations while also taking into account environmental impact and resource conservation.

ICI Pakistan Limited acquired the rights to the Lillah salt mines in the recent past. Located in the remote village of Lillah, some 30 kilometres from Khewra, the area had no access to WAPDA or any other source of electricity. Prior to the commissioning of our road header salt mining project at the mines in August 2016, the offices and staff residences situated at the mines also subsequently had no access to electricity.

After significant research, the Roadheader E&I Commissioning team decided to make use of solar power to generate the electricity needed for operations at the site. The team designed, selected, and installed a complete, off-grid solar power system to provide power to the roadheader crew and mine staff. The system has an overall capacity of 6.5 kilowatts, and comprises of a total of thirty-six 150 watt mono-crystalline solar panels, along with eighteen sealed VRLA 165 amp-hour batteries. The camp now not only has a twenty-four hour supply of electricity, but as an added advantage, it is powered by a renewable source.

Water

Key performance indicators

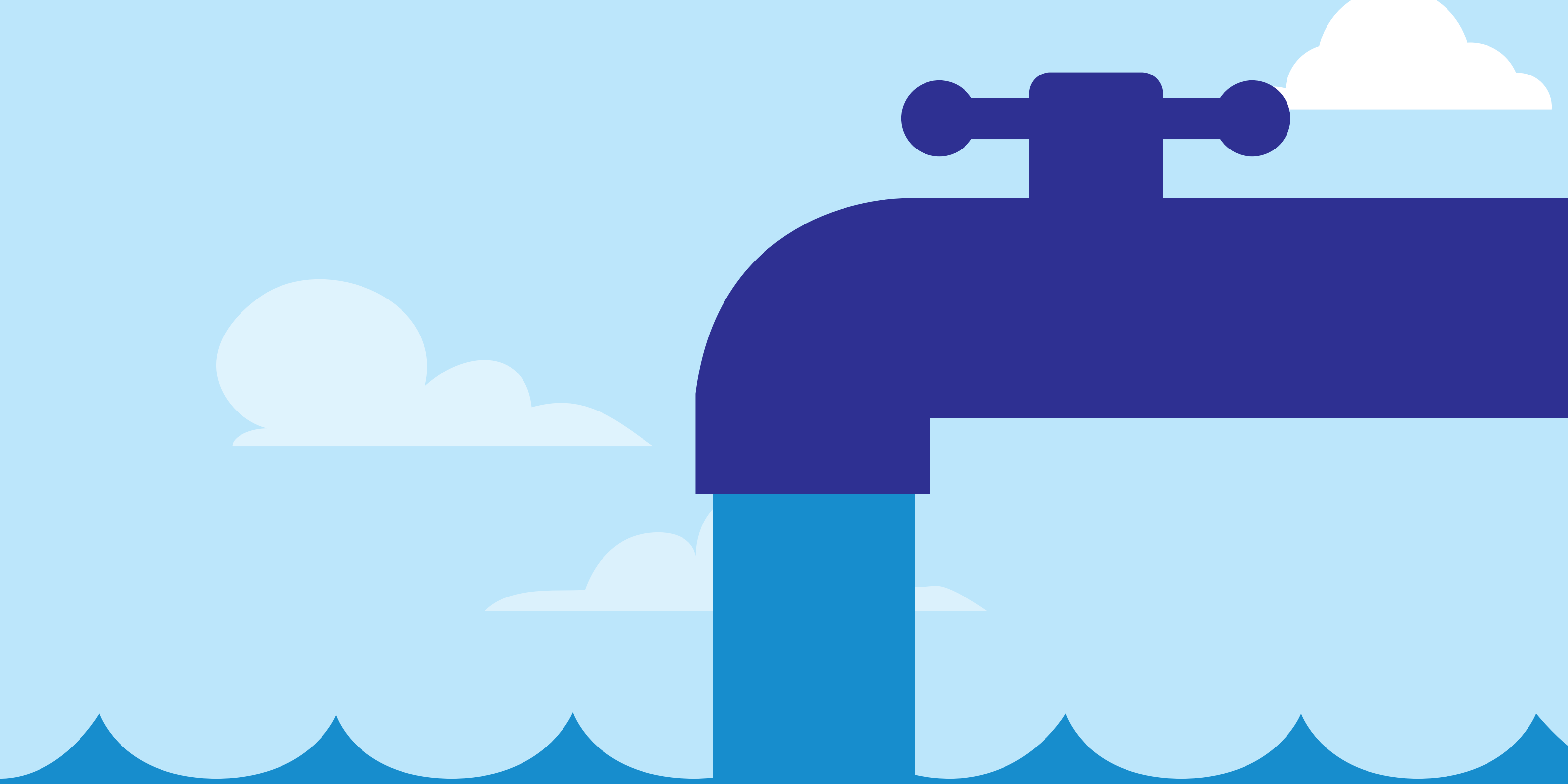
Water Usage		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Total fresh water use	million m3	4.12	3.48	1.57	3.49	3.73	4.22	**4.83**	4.35
Per ton production	kg/te	9.7	8.53	8.7	8.44	8.47	8.91	**10.01**	8.9
% of sites with sustainable fresh water	%	25	25	33	33	33	33	**33**	100

Overview 2016-17

Water consumption for 2016-17 increased due to major expansion projects undertaken at our Soda Ash site. This was compensated for, to some extent, by the fresh water usage reduction initiatives taken by all our manufacturing sites.

Significant amongst these initiatives was one taken by the Polyester Business, where 14 new water sprinklers were installed to reuse water from the site's effluent treatment plant, for horticultural use on-site. These sprinklers utilise 10 million litres of water annually from the wastewater treatment facility, which in return enables us to save enough fresh water to serve the drinking needs of 10,000 people for the whole year.

Additionally, the Chemicals Business recycles and reuses 10% of the total water supply used in the Business's manufacturing processes, also through an effluent treatment plant.



Sustainability Highlight

Conserving Resources at the **Polyester Business**

Steam is an important part of the manufacturing process of Polyester Staple Fibre. Accordingly, the efficient utilisation of steam is also a vital requirement. This Sustainability Highlight explains an initiative implemented by the Polyester Business to improve the utilisation of steam in the manufacturing process, saving energy and water.

After heat dissipates from steam, it converts back into liquid form; this left-over liquid is known as condensate. Condensate is a useful resource, as it can be reused to make more steam, thereby enabling us to use less energy and fresh water in the production of steam. Condensate is important for two reasons; firstly it is already treated and purified in line with the requirements of the process, and secondly, while it has cooled to quite an extent, it still contains a significant amount of energy, which would otherwise go to waste if the condensate were not reused.

This year, our Polyester Business initiated the Condensate Recovery Improvement Project, installing a flow transistor as part of the manufacturing process, to provide better monitoring of condensate. Through this system, we were able to track exactly how much condensate we are recovering. In addition, trends emerging from the gathered data helped us learn if there was any loss of condensate. Through monitoring, we have been able to record and capture multiple instances of condensate loss which would otherwise have gone unnoticed. Through this initiative, the Polyester Business has succeeded in saving not only 1.4 million litres of water, but also 400 GJ of energy. This energy saving is equivalent to a reduction of 27 tons in our CO2 footprint, while the saving of 1.4 million litres of water translates into enough water saved to fulfill the drinking needs of 1,500 people for an entire year.

Emissions

Key performance indicators

Emissions Control		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Total COD emissions	te	53.78	39.52	17.82	16.43	18.05	15.99	**20.04**	16
Per ton production	kg/te	0.13	0.1	0.1	0.04	0.04	0.03	**0.04**	0.03
Total VOC emissions	te	72.34	57.12	1.33	3.23	3.45	3.56	**3.52**	3.2
Per ton production	kg/te	0.17	0.14	0.01	0.01	0.01	0.01	**0.007**	0.007
Total NOx emissions	te	422.93	420.28	206.06	798.34	1209.18	1611	**2387.27**	2150
Per ton production	kg/te	0.99	1.03	1.14	1.93	2.75	3.4	**4.95**	4.4
Total SOx emissions	te	2672.9	2590.15	1402.4	4338.97	3091.74	3562.32	**4251.98**	3827
Per ton production	kg/te	6.29	6.35	7.75	10.5	7.02	7.53	**8.82**	7.91
Total Direct CO2 emissions (Scope 1)	million te	0.35	0.35	0.13	0.43	0.52	0.62	**0.89**	0.8
Per ton production	kg/te	829.5	847.95	737.5	1038.11	1196.13	1318.7	**1854.07**	1670
Total indirect CO2 emissions (Scope 2)	te	5642	3235.61	706.86	2413.32	2384.2	1501.56	**1275.63**	1123
Per ton production	kg/te	13.33	7.93	3.91	5.84	5.42	3.17	**2.64**	2.4

Overview 2016-17

During 2016-17, Operational Eco Efficiency KPI's on gaseous emissions have been affected by the use of coal as a fuel source. In comparison to last year, the Chemical Oxygen Demand (COD) level is higher in 2016-17, due to operation of our steam ejector-powered batch plant at the Polyester Business (the batch plant is a production line which was previously not in use).

A notable initiative was undertaken by the Polyester Business to prevent heat loss across the manufacturing site. This involved identifying surface temperatures of various systems including critical manufacturing equipment and pipelines, by carrying out a thermographic camera audit which enabled the identification of weak insulation points. Action was then taken to reinsulate these areas, resulting in a saving of 2.3 TJ of energy, which translates into a reduction of 150 tons in our CO2 footprint.

Effluents and Waste

Key performance indicators

Waste Management		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Total waste	kte	2.73	2.28	0.43	12.88	22.2	28.94	**8.86**	8
Per ton production	kg/te	6.44	5.6	2.35	31.18	50.44	61.13	**18.38**	16.4
Total hazardous waste	kte	0.52	0.53	0.001	0.0076	0.24	0.006	**0**	0
Per ton production	kg/te	1.22	1.3	0.003	0.001	0.001	0.013	**0**	0
Total non-reusable waste	kte	0.384	0.385	0.001	0.0076	0.24	4.03	**4.11**	3.8
Per ton production	kg/te	0.9	0.94	0	0.001	0.001	8.76	**8.53**	8
Total non-reusable hazardous waste	kte	0.327	0.323	0.001	0.008	0.24	0.006	**0**	0
Per ton production	kg/te	0.77	0.79	0	0	0.001	0.013	**0**	0
Total hazardous waste to landfill	kte	0	0	0	0	0	0	**0**	0
Per ton production	kg/te	0	0	0	0	0	0	**0**	0

Overview 2016-17

Waste at the Soda Ash plant has been reduced significantly after an initiative was put in place to reuse the by-products of the coal combustion process; fly ash and slag waste.

Due to economic reasons, the coal fired boiler (CFB) plant at the Polyester Business remained out of operation, thus a signification reduction in total waste was observed.

Social Performance
Management Approach

Management approaches for the following material topics are covered in this section: Local Communities, Occupational Health and Safety, Diversity and Equal Opportunity, Non-discrimination, Training and Education. Other disclosures for these topics are presented in the GRI Content Index, or referenced therein if occurring elsewhere in the Annual and Sustainability Report.

ICI Pakistan Limited is focussed on ensuring that our impact on society is positive and geared towards growth and development. Society in this context covers a broad range of people, but most significantly, the following identified stakeholder groups: our own employees and local communities.

As an employer of over 1,300 people across Pakistan, we have a significant impact on the livelihoods, opportunities and growth prospects of the people who work with us. As such, it is important for us to monitor and share information on these aspects. As a corporate entity that operates within the context of a wider community, we are aware of our effects on, and responsibilities to, the populations of communities that are situated near, or are otherwise affected by, our operations. These include people from local communities that are geographically close to our major manufacturing sites, for example.

Material topics relevant to the Company's social operations have been identified based on ongoing practice, on the basis of stakeholder consultation, influence of social impacts on stakeholder decisions, severity of impacts and business strategy. Social performance at the Company is the joint responsibility of three stakeholders, each responsible for their own specified area; HSE&S, Corporate Social Responsibility, and Human Resources.

The Company has well defined policies and procedures that govern health and safety, human resources, and community investment. The HSE&S Management system governs HSE&S performance within the Company, and complies with internationally recognised systems such as ISO 14001:2004 Environmental Management Systems Standard; OHSAS 18001:2007, Occupational Health and Safety Management Systems; and Responsible Care Management System. It serves as a guideline for all operations and investments as well as existing projects and operations, and covers all Businesses and locations of the Company. Strict compliance with HSE&S standards is required at both, Company and individual level. The calculation of KPIs given in this report is based on the HSE&S Management System. More detailed information on the functioning of the HSE department, including priorities, functioning and management of data and targets, is included in both; the Environmental Performance Management Approach as well as the Sustainability Strategy and Sustainability Council section of this report (Page 118).

Community investment and CSR at the Company is managed primarily by the Corporate Communications and Public Affairs Department, under the guidance and approval of the Board of Trustees of the ICI Pakistan Foundation. Additionally, multifunctional CSR teams situated within Businesses or at our locations also carry out and manage CSR projects. The ICI Pakistan Foundation is a trust registered under the Trusts Act 1882. All CSR initiatives undertaken by the Company, as well as all related major investments, are approved by the Board of Trustees, and monitored regularly. The Board of Trustees is empowered to approve commitments to support social investment initiatives; and manage, utilise and invest the assets of the Foundation. The Company makes an annual contribution of its profit after tax for the year to the Foundation, with the approval of the Board of Directors of ICI Pakistan Limited.

Guided by our CSR Policy, which was approved by the Board of Directors in January 2017, the Foundation's initiatives (under the umbrella of the Hamqadam Programme) focus primarily on the following broad areas: education, health, community and environment. Through the Foundation, we also support civic development through investment in community projects, disaster relief and rehabilitation activities as needed.

The Human Resources Department operates in accordance with the ICI Pakistan Limited Human Resource Policy, a comprehensive, Board-approved document which covers the principles and guidelines for efficient and effective Human Resource management at ICI Pakistan. The policy is designed to be flexible and dynamic to cater to a variety of circumstances and contexts, and its implementation is driven by sound judgement, Company policies, management systems and compliance with applicable laws.

The highest governing body relating to HR practices at the Company is the Human Resource & Remuneration Committee, which comprises members of the Board of Directors, the Chief Executive and the General Manager HR. This committee is responsible for recommending HR management policies to the Board of Directors, along with other responsibilities relating to the appointment, remuneration, succession-planning and reporting lines of key senior executives of the Company.

The Company aims to establish policies and practices to attract, develop, and retain highly motivated and professionally competent people, and to provide them with an enabling work environment and direction required to achieve sustainable business growth. Great emphasis is placed on adhering to, and living by, the Company values (Customer Centricity, Integrity & Responsibility, Innovation, Passion for People and Delivering Enduring Results) in all dealings, both internal and external. All individuals are also expected to act in accordance with the Code of Conduct; there is a zero tolerance policy in terms of any acts or practices which are in conflict with both, the values and the Code of Conduct. A robust whistleblowing process known as the Speak Up programme, is in place which provides a reliable and independent framework to highlight and raise any violations to our values and Code of Conduct.

Overall, voluntary targets for each of these areas of operation are set by the heads of the respective departments, in consultation and agreement with the Chief Executive, Executive Management Team, or Board of Directors, as and where applicable. In addition to these stakeholders, specific governing bodies/management teams (such as the Sustainability Council for HSE&S matters, or the Trustees of the ICI Pakistan Foundation for community and CSR matters) are also responsible for approving and setting targets in collaboration with other key stakeholders.

Clear grievance mechanisms exist in the Company to support ethical and fair social performance. Our whistleblowing programme, Speak Up, is open to all employees and is a provision made for the confidential reporting of Code of Conduct violations. Detailed information on the Code of Conduct can be found in the Corporate Governance and Compliance section of the Annual Report (page 58). Other complaints or issues can be raised and discussed directly with line managers.

Sustainability Highlight

HSE&S Champions Project, **Life Sciences Business**

The HSE&S Champions Project was an initiative of our Life Sciences Business that aimed to improve HSE&S awareness and compliance at all levels throughout the Business, which includes ten offices and eight sites. We have included it in this report as a Sustainability Highlight as this project was a great example of the management living and actively propagating our HSE&S values across Businesses and functions of the Company.

Led by the Business Executive Team, or BET, (which includes the Vice President, heads of the Business's three Divisions, as well as the supply chain manager, HR manager and finance manager), the initiative aimed not just to promote a safe and healthy working environment, but also to engage employees in ongoing learnings regarding health, safety and environmental issues. The seven-month long campaign focussed on a new HSE&S topic each month, with BET members taking turns to lead each month's efforts, which included awareness campaigns, trainings and other activities.

Each month's project was executed by a team, with assigned responsibilities for each team member. Frequent communication was supplemented by reviews and risk assessments which later led to action planning. The core objectives of the project included: defining KSIs that would potentially impact KPIs; and motivating and enabling teams across the Business to understand and own HSE&S policies and procedures, thereby creating a culture of Behaviour Based Safety in which individuals adopt good practices on a personal level.

Key Achievements

Road Safety Awareness Month (December 2016)

Awareness and training was carried out for over 700 employees on road safety in collaboration with the Motorway Police. The campaign was extended to the local public with road safety brochures and emergency stickers distributed in collaboration with the Motorway Police.

Fire Safety Awareness Month (January 2017)

Site inspections, basic first aid, fire safety management and firefighting trainings were carried out at various locations.

Plant and Warehouse Safety Awareness Month (February 2017)

Plant and warehouse safety training sessions were conducted at all Life Sciences Business sites to emphasise our aim of 'zero injuries by choice.' Risk assessments were conducted following these, and improvement areas were highlighted and communicated to the relevant teams for further action.

Health and Hygiene Awareness Month (March 2017)

Training of 460 employees was conducted during the Annual Business Conference 2017 in Thailand. Weekly fitness and hygiene challenges, along with online quizzes, helped employees achieve better health and motivation at work.

Office Safety Awareness Month (April 2017)

Employees were encouraged to own HSE&S by seeking out and remedying office safety hazards themselves. Some great insights into office safety were achieved, as well as fun activities such as a scavenger hunt, and quizzes, with prizes and mementoes presented to participants at the month's end.

	2016	2017					
HSE&S Project	Dec	Jan	Feb	Mar	Apr	May	Jun
Road Safety							
Fire Safety							
Plant Safety							
Health and Hygiene							
Office Safety							
Environment and Conservation							
Product Stewardship							

Environment and Conservation Awareness Month (May 2017)

The team converted 0.2 tons of used A4 paper from across the Business's locations into note pads, saving three trees, 10,000 litres of water, 130 kg of waste, 440 kg of CO_2, 3 gigajoules of energy and 0.5 kg of nitrous oxide. Employees also adopted about 150 plants, and attended a training session conducted in collaboration with the WWF Green Office initiative on environmental impact and resource conservation.

Product Stewardship Awareness Month (June 2017)

Customer awareness sessions were held, along with a product waste risk management exercise being completed, and relevant SOPs being updated. Quizzes and creative challenges were planned to encourage employee engagement.

Occupational Health and Safety

Key performance indicators

Health, Safety and Security		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Total reportable injury rate employees/ supervised contractors	\million hours	0.18	0.34	0	0.33	0.16	0	**0.44**	0
Occupational illness rate employees	\million hours	0	0	0	0	0	0	**0**	0
Total illness absence rate employees	%	1.76	1.72	1.83	1.51	1.23	1.17	**1.43**	1.15
Fatalities: employees, supervised and independent contractors	number	0	1	0	0	0	0	**1**	0
Total reportable injury rate independent contractors	\million hours	0	0	0	0.56	0	0	**0.33**	0
Lost time injury independent contractors	number	0	0	0	2	0	0	**0**	0
% of sites with BBS programme	%	100	100	100	100	100	100	**100**	100
Distribution incidents	number	1	0	0	0	0	0	**1**	0
Motor vehicle incident with injury	number	2	0	0	0	1	0	**2**	0

Overview 2016-17

The reportable injury rate for employees, and supervised and independent contractors was 0.44 and 0.33 respectively in 2016-17. During the year there were four reportable incidents involving employees and supervised contractors, and one injury involving an independent contractor. The Life Sciences Business reported two road incidents, one of which resulted in a fatality. The incident was thoroughly investigated, following which new protocols and risk assessment regimes were developed to avoid recurrence of such an unfortunate incident in the future.

In the Chemicals Business, we had an injury incident regarding handling of hazardous materials. Following this, an internal investigation was carried out, and based on the recommendations of the investigation, material-handling procedures were scrutinised and the system was improved to avoid any recurrences. The Head Office reported a food poisoning incident, which resulted in thorough investigation and review, and the subsequent transformation of food handling and canteen management practices at ICI Pakistan Limited.

The HSE&S performance of our Polyester, Soda Ash, Life Sciences and Chemicals Businesses stood at: 10.05, 12.3, 1.05, and 0.27 million man-hours without Lost Time Injury, respectively, in 2016-17.

A comprehensive site security review was undertaken for all Businesses and locations, including the newly acquired Cirin Pharmaceuticals (Private) Limited manufacturing site. In 2016-17, major focus was placed on employee training on various facets of HSE&S, including upgradation of existing procedures and protocols. A sharper focus on operational discipline and even stricter adherence to the Company's Health, Safety, Environment and Security Management System and investigation outcomes is being planned for 2017-18 to avoid any future mishaps. The focus on improving the Operational Eco Efficiency (OEE) footprint continues, with sustainability plans in place for implementation in all Businesses.

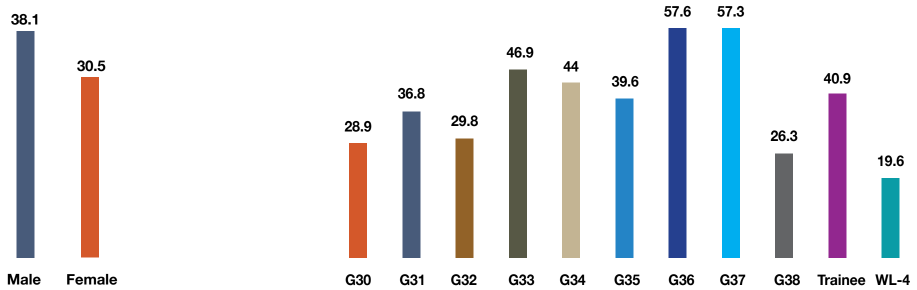
Training and Education

Key performance indicators

Training and Education		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Average hours of training per employee (gender and grade)								**Average per employee: 33.2; Male: 38.1; Female: 30.5**	4.35
On-line P&DD participation	%	83	NR	NR	98	98	98	**98.5**	100%
Management Development Programme	No. of Managers	211	NR	NR	NR	NR	572	**886**	90%
Employee Engagement Index*	% / percentile	82	87	NR	NR	35	58	**68**	75

*Numbers reported for 2011-12 are percentages of scores achieved on a five-point rating scale. From 2014-15 onwards, these numbers are a percentile of engagement score in terms of all participating organisations.

Average Hours of Training Per Employee (Gender and Grade)



Overview 2016-17

During 2016-17, a renewed focus on training and development prevailed. A total of 33,036 man-hours were invested in employee training, focussing on functional and leadership development, which translated to an increase of 17% over the same period last year.

A critical component for the successful training and development of employees is having a regular, ongoing performance evaluation and feedback system. Our Performance and Development Discussion (P&DD) process, accessed via an online application, continues to be an essential tool in providing constructive and regular feedback to employees at all levels. This comprehensive measurement system allows employees and their managers to assess performance against set targets and objectives, serving as a barometer for the Company's overall performance. We achieved a 98.5% participation rate for this process in 2016-17, and hope to raise this number even higher going forward.

Our popular Leadership Development Roadmap continues to be a key ingredient for training and development, providing a structured and integrated talent development framework. With customised training modules, executive coaching sessions and learning projects, more than 886 managers participated in the development journey throughout the year.

In order for line managers to bridge the gap on their HR roles, our flagship HR for Non HR Managers programme continued with an additional 69 managers participating this year. The Core Development Programme for engineers continued with a renewed focus, training 64 managers, while functional and managerial trainings progressed as per the training needs assessment.

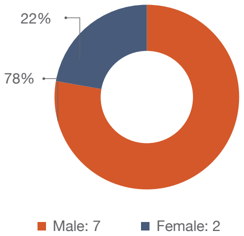
Along with well-structured training interventions, our employees are also exposed to exciting on the job learnings, challenging project work, networking opportunities and external professional forums to fast-track their career growth.

Diversity and
Equal Opportunity

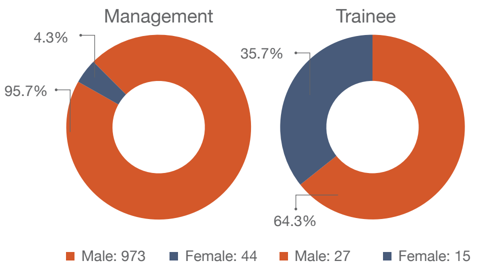
Key performance indicators

Diversity and Equal Opportunity	2016-17
Percentage of governance body by gender	Male: 7, Female: 2 (22% F, 78% M)
Percentage of employees by gender	Total: 94.4% Male, 5.6% Female Management: Male 973, Female 44 Trainees: Male 27, Female 15
Percentage of governance body by age	Under 30: 0, 30-50: 6 (55.5%), Above 50: 3 (44.4%)
Percentage of employees by age	Under 30: 302 (29.7%) . 30-50: 586 (57.6%) , Above 50: 129 (12.7%)

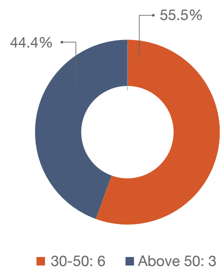
% of governance body by gender



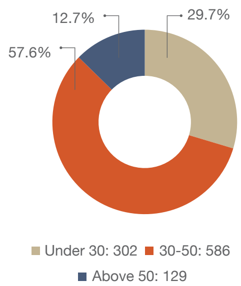
% of employees by gender



% of governance body by age



% of employees by age



Overview 2016-17

At ICI Pakistan Limited we are committed to promoting diversity in the workplace and equal opportunities for all, based on merit and suitability. Our Code of Conduct clearly spells out these principles and they are also supported by our core values (Passion for People; Integrity and Responsibility).

Gender diversity within our workforce is an area where we intend to make greater progress in the coming years. Today, women executives comprise twenty-two percent of our Executive Management Team, the body responsible for the management of the organisation on an ongoing basis. While the percentage of women in our overall workforce is still relatively low (at 5.6%) we are focussed on increasing this number going forward. Our gender diversity forum ‘iMPACT was created to support and promote gender diversity in the Company, and is the platform through which diversity-related initiatives are run.

Non-Discrimination

Key performance indicators

Non-Discrimination		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Total number of incidents of discrimination	No.	NR	NR	NR	NR	NR	NR	**0**	0

Overview 2016-17

As enshrined in our Code of Conduct, non-discrimination is an important part of our value system and cultural ethos at ICI Pakistan Limited. For example, the Code explicitly states that suitability of candidates for job opportunities will be determined solely on the basis of objective and non-discriminatory criteria.

We also have in place a whistleblowing programme known as Speak Up, which is open to all employees for the confidential reporting of any Code of Conduct violations. This ensures that checks and balances are in place with regard to not just discriminatory practices, but also any other violations of the Code.

In the year 2016-17, there were no reported incidents of discrimination at the Company. Our five-year target, determined during this year, is to maintain this status quo, which we will aim to bolster with our ongoing focus on ethical and responsible behaviour in all our operations.

Sustainability Highlight

Providing Accessible Healthcare with the **Hamqadam Community Clinic**

Investing in basic infrastructure and critical services in our communities is an important part of our sustainability approach as it allows us to impact communities near us in indirect, but profoundly important and life-affirming ways. This Sustainability Highlight illustrates the clearly demonstrated positive impact of a well-managed community investment project that is aligned with local community needs.

Despite its geographically remote location, Khewra is home to a local population of over 80,000 people. One of the main issues facing this population for many years has been that quality healthcare services can be hard to come by locally. This was of particular concern with regard to at-risk or vulnerable groups, such as women and children. Previously, pregnant women and young children had to travel long distances to access adequate healthcare facilities.

In 2016, ICI Pakistan Limited set up a mother and child healthcare community clinic in Khewra in response to this need. Funded by the ICI Pakistan Foundation and run in partnership with Marie Adelaide Leprosy Centre (MALC), the clinic has now been in operation for over a year, and is proving to be a valuable addition to Khewra's healthcare infrastructure.

The clinic is run by a lady doctor with the support of a lady health worker, along with a leprosy, ophthalmic and tuberculosis technician, and an ambulance driver. Within the first eighteen months of its operations, recorded numbers of patient visits to the clinic have demonstrated its clear value to the local community. Since the clinic's inception in February 2016, a total of 6,944 OPD cases have been catered to, with 346 pregnant women registered at the clinic, and 998 children under the age of five being monitored for immunisation and nutrition through the 'Road to Health' chart. These numbers translate into human stories of safer pregnancies and childbirth, improved early childhood development, and better overall mother and child health and wellbeing. Adequate medical care and nutrition during pregnancy and early childhood has been demonstrated to have impacts on the health of individuals later in life.

Recently, an ultrasound machine has also been provided to the clinic to aid in examination and diagnosis of patients. A state-of-the-art ambulance was also donated to the clinic at the time of inauguration to cater to emergencies in the local area. So far, the ambulance has been utilised for 74 trips and has addressed emergency needs to transfer patients from Khewra to Rawalpindi/Islamabad, Lahore, Pind Dadan Khan, Chakwal, Kalarkahar, Sargodha, Jhelum, and Mandi Bahauddin.

Local Communities

Key performance indicators

Local Communities		2011	2012	2013 H1	2013-14	2014-15	2015-16	2016-17	2020-21 Target
Community programme investment	PKR Million	24.3	6	7.45	17.45	20	20	**20**	30

Overview 2016-17

A percentage of the Company's annual after tax profits are allocated to the ICI Pakistan Foundation to fund approved community investment initiatives. While in 2016-17, there was no increase or decrease in our community investment commitment as compared to last year, going forward, with the growth and expansion of the Company, we anticipate the allocation of an increased amount to support community investment.

Currently, the community investment programme supports commitments to several ongoing projects, as well as collaborating with reputed partners on new projects as well. Detailed information on community investment initiatives is available in the Community Investment section of the Annual Report (page 53).

GRI Content Index

CORE DISCLOSURES		
Indicators		**Response/Section**
Organisational Profile		
Disclosure 102-1	Name of the organisation	**Section:** Company Information – Page 67, AR
Disclosure 102-2	Activities, brands, products and services Activities, brands, products and services	**Section:** ICI Pakistan Limited at a Glance – Page 2-5, AR **Section:** Soda Ash Business – Page 92-95, AR **Section:** Life Sciences Business – Page 96-103, AR **Section:** Chemicals – Page 104-107, AR **Section:** Polyester – Page 108-111, AR
Disclosure 102-3	Location of headquarters	**Section:** Company Information – Page 67, AR
Disclosure 102-4	Location of operations	**Section:** ICI Pakistan Limited at a Glance – Page 2-5, AR
Disclosure 102-5	Ownership and legal form	**Section:** ICI Pakistan Limited at a Glance – Page 2-5, AR **Section:** Corporate Governance and Compliance – Page 58-61, AR
Disclosure 102-6	Markets served	**Section:** ICI Pakistan Limited at a Glance – Page 2-5, AR
Disclosure 102-7	Scale of the organisation	**Section:** ICI Pakistan Limited at a Glance – Page 2-5, AR **Section:** Report of the Directors for the Year Ended June 30, 2017 – Page 74-86, AR **Section:** ICI Pakistan Limited Unconsolidated Financial Statements – Page F36-F37

Disclosure 102-8	Information on employees and other workers	**Section:** ICI Pakistan Limited Unconsolidated Financial Statements – Page F36-F37 **Section:** Diversity and Equal Opportunity – Page 144, AR Non-Management Staff – 382 (100% Male, 0% Female) Trainees (42) are employees on temporary employment contracts. Employees perform significant portion of ICI Pakistan Limited's activities. No variations in the numbers reported. Data was compiled by the Corporate HR Department as per actual and no assumptions are made. ICI Pakistan Limited will be reporting Region wise data in next year's report.
Disclosure 102-9	Supply chain	**Section:** Sourcing – Page 129, AR
Disclosure 102-10	Significant changes to the organisation and its supply chain	**Section:** Sourcing – Page 129, AR **Section:** ICI Pakistan Limited Consolidated Financial Statements – Page F68-F69
Disclosure 102-11	Precautionary principle or approach	**Section:** Corporate Governance and Compliance: Code of Conduct – Page 58, AR
Disclosure 102-12	External initiatives	**Response:** GRI Standards adopted for the 2016-17 Sustainability Report
Disclosure 102-13	Membership of associations	**Response:** Chamber of Commerce; Enivronmental Protection Agency (all provinces); Competition Commission of Pakistan; National Board of Boilers and Pressure Vessels; National Environmental Quality Standards; Pakistan Business Council (PBC); Pakistan Institute of Corporate Governance; Management Association of Pakistan (MAP); Overseas Islamic Chamber of Commerce and Industry (OICCI); WWF Green Office
Strategy		
Disclosure 102-14	Statement from senior decision-maker	**Section:** Message from the CE – Page 16-17, AR

Ethics and integrity		
Disclosure 102-16	Values, principles, standards and norms of behaviour	**Section:** Our Vision – Page 10, AR **Section:** Our Values – Page 11, AR Section: Our Code of Conduct – Page 14, AR **Section:** Sustainability Guiding Principle – Page 15, AR
Governance		
Disclosure 102-18	Governance structure	**Section:** Board and Management Committees – Page 66, AR **Section:** Company Information – Page 67, AR **Section:** ICI Pakistan Limited at a Glance – Page 2-5, AR **Section:** Sustainability Strategy & Sustainability Council – Page 118-119, AR
Stakeholder Engagement		
Disclosure 102-40	List of stakeholder groups	**Section:** Stakeholder Engagement – Page 123, AR
Disclosure 102-41	Collective bargaining agreements	**Response:** 382 employees, i.e., all non-management staff, covered by collective bargaining agreements (27% of employees) Total number of employees: management 1,017; non-management 382; trainees 42
Disclosure 102-42	Identifying and selecting stakeholders	**Section:** Stakeholder Engagement – Page 123, AR
Disclosure 102-43	Approach to stakeholder engagement	**Section:** Stakeholder Engagement – Page 123, AR
Disclosure 102-44	Key topics and concerns raised	**Section:** Stakeholder Engagement – Page 123, AR
Reporting Practice		
Disclosure 102-45	Entities included in the consolidated financial statements	**Section:** ICI Pakistan Limited at a Glance – Page 2-5, AR **Section:** ICI Pakistan Limited Consolidated Financial Statements – Page F68-F69 **Response:** The ICI Pakistan Group consists of: 1. ICI Pakistan Limited 2. ICI Pakistan PowerGen Limited 3. Cirin Pharmaceuticals (Private) Limited 4. NutriCo Morinaga (Private) Limited However the Sustainability Report 2016-17 only covers ICI Pakistan Limited
Disclosure 102-46	Defining report content and topic boundaries	**Section:** About the Report – Page 120, AR **Section:** Materiality Assessment – Page 121-122, AR
Disclosure 102-47	List of material topics	**Section:** Materiality Assessment – Page 121, AR

Disclosure 102-48	Restatements of information	**Response:** Not applicable – no restatements of information given
Disclosure 102-49	Changes in reporting	**Response:** ICI Pakistan Limited transitioned to GRI Standards for sustainability reporting, while also reporting the list of material topics and topic boundaries for the first time. **Section:** About the Report – Page 120, AR
Disclosure 102-50	Reporting period	**Section:** About the Report – Page 120, AR
Disclosure 102-51	Date of most recent report	**Response:** October 25, 2016 (Sustainability Report 2015-16)
Disclosure 102-52	Reporting cycle	**Section:** About the Report – Page 120, AR
Disclosure 102-53	Contact point for questions regarding the report	**Section:** About the Report – Page 120, AR
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	**Section:** About the Report – Page 120, AR
Disclosure 102-55	GRI Content Index	**Section:** About the Report – Page 120, AR GRI Content Index – Page 148-157
Disclosure 102-56	External Assurance	**Section:** About the Report – Page 120, AR **Section:** External Assurance – Page 158-159, AR

TOPIC SPECIFIC STANDARDS

Category: Economic

GRI 201 ECONOMIC PERFORMANCE

Disclosure 201-1	Direct economic value generated and distributed	**Section:** ICI Pakistan Limited Unconsolidated Financial Statements – Page F04-F09
Disclosure 201-2	Financial implications and other risks and opportunities due to climate change	**Response:** Information Unavailable. ICI Pakistan Limited employs a robust Enterprise Risk Management (ERM) framework, which is integrated across the organisation to identify and address risks. Impact of climate change will be assessed in the forthcoming year and will become part of next year's report.
Disclosure 201-3	Defined benefit plan obligations and other retirement plans	**Response:** Information unavailable. ICI Pakistan Limited has a benefit and retirement plan in place for its employees. The relevant department has been intimated of GRI requirements against this disclosure and will be a part of next year's report.
Disclosure 201-4	Financial assistance received from government	**Section:** ICI Pakistan Limited Unconsolidated Financial Statements – Page F36

GRI 202 MARKET PRESENCE		
Disclosure 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	**Response:** Confidentiality Constraints. ICI Pakistan Limited adheres to all local and federal laws with regards to minimum wage and ensures zero discrimination on the basis of gender
Disclosure 202-2	Proportion of senior management hired from the local community	**Response:** Karachi: 66%; Lahore: 100%; Sheikhupura: Nil; Khewra: Nil. Senior management is defined as employees atG37-plus-level, excluding EMT. Local community defined as those residing in and/or hailing from the significant location identified. Nil in Khewra and Sheikhupura due to lack of qualified local personnel.
GRI 203 INDIRECT ECONOMIC IMPACTS		
Disclosure 203-1	Infrastructure investments and services supported	**Section:** Local Communities – Page 147, AR **Section:** Community Investments: Giving back to our communities – Page 53-55, AR
Disclosure 203-2	Significant indirect economic impacts	**Section:** ICI Pakistan Limited Unconsolidated Financial Statements – Page F36
GRI 204 PROCUREMENT PRACTICES		
Disclosure 204-1	Proportion of spending on local suppliers	**Response:** Information Unavailable. The data related to this disclosure is not present as a consolidated quantifiable value. Will be made part of the report next year.
GRI 205 ANTI-CORRUPTION		
Disclosure 205-1	Operations assessed for risks related to corruption	**Response:** Information Unavailable. ICI Pakistan Limited does not assess Businesses/operations individually, but covers these through its Code of Conduct, which is signed by all employees and vendors upon engagement with the Company, and must be adhered to.
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	**Response:** Information Unavailable ICI Pakistan Limited does not assess Businesses/Operations individually, but covers it through the Code of Conduct that is signed by all employees and vendors upon engagement with the company.
Disclosure 205-3	Confirmed incidents of corruption and actions taken	**Response:** None
GRI 206 ANTI-COMPETITIVE BEHAVIOR		
Disclosure 206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	**Response:** None

Category: Environmental

GRI 302 Energy

Disclosure 302-1	Energy Consumption within the organisation	**Section:** Energy – Page 132, AR **Response:** Standard calorific values of fuels are used for conversion
Disclosure 302-2	Energy Consumption outside of the organisation	**Response:** None
Disclosure 302-3	Energy intensity	**Section:** Energy – Page 132, AR

GRI 303 Water

Disclosure 303-1	Water withdrawal by source	**Section:** Water – Page 134, AR **Response:** At the Polyester Business: Groundwater At the Soda Ash Business: Groundwater and river water Percentage of sites with sustainable fresh water: This percentage represents sites that have the capability to contain contaminated water within the plant premises.
Disclosure 303-2	Water sources significantly affected by withdrawal of water	**Response:** None
Disclosure 303-3	Water recycled and reused	**Section:** Water – Page 134, AR

GRI 305 Emissions

Disclosure 305-1	Direct (Scope 1) GHG emissions	**Section:** Emissions – Page 136, AR **Response:** ICI Pakistan Limited reporting is compliant with National Environment Quality Standards (NEQS) Factors used in the calculation of emissions are based on the current International Energy Agency
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	**Section:** Emissions – Page 136, AR **Response:** ICI Pakistan Limited reporting is compliant with National Environment Quality Standards (NEQS) Factors used in the calculation of emissions are based on the current International Energy Agency
Disclosure 305-4	GHG emissions intensity	**Section:** Emissions – Page 136, AR **Response:** ICI Pakistan Limited reporting is compliant with National Environment Quality Standards (NEQS)
Disclosure 305-5	Reduction of GHG emissions	**Section:** Emissions – Page 136, AR **Response:** ICI Pakistan Limited reporting is compliant with National Environment Quality Standards (NEQS)
Disclosure 305-6	Emissions of ozone-depleting substance (ODS)	**Response:** No chemical classified as an ODS is listed in the Chemical Substance Inventory of ICI Pakistan Limited

Disclosure 305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	**Section:** Emissions – Page 136, AR **Response:** ICI Pakistan Limited reporting is compliant with National Environment Quality Standards (NEQS)
GRI 306 Effluents and Waste		
Disclosure 306-1	Water discharge by quality and destination	**Response:** Information Unavailable. The total volume of water discharged to specific water bodies was not quantified, however, each Business maintains a record of all water discharge to municipal sewers and other in-house storage options. A proportion of water used is recycled for horticultural purposes.
Disclosure 306-2	Waste by type and disposal method	**Section:** Effluents and Waste – Page 137, AR
Disclosure 306-3	Significant spills	**Response:** None
Disclosure 306-4	Transport of hazardous waste	**Response:** None
Disclosure 306-5	Water bodies affected by water discharge and/or runoff	**Response:** None
GRI 307 Environmental Compliance		
Disclosure 307-1	Non-compliance with environmental laws and regulations	**Response:** ICI Pakistan Limited has not identified any non-compliance with environmental laws and/or regulations for the year 2016-17
Category: Social		
GRI 401 EMPLOYMENT		
Disclosure 401-1	New employee hires and employee turnover	**Response:** New Hires: Management 243; Trainee 29 Employee Turnover (Voluntary, Dismissal, Retirement, Death included) Total leavers (Management): 177 Rate: 17%
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	**Response:** Life insurance, healthcare, disability coverage, parental leave, and retirement provisions are all provided to ICI Pakistan Limited employees as per the Company's Policy. Significant locations of operation are all ICI Pakistan Limited manufacturing sites, offices and warehouses.
Disclosure 401-3	Parental leave	**Response:** Information Unavailable. ICI Pakistan Limited has a parental leave policy for all its employees. Quantified data will be reported in next year's report.
GRI 402 LABOR/MANAGEMENT RELATIONS		
Disclosure 402-1	Minimum notice periods regarding operational change	**Response:** Four weeks also mentioned in collective agreements

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

Disclosure 403-1	Workers representation in formal joint management–worker health and safety committees	**Response:** Our manufacturing sites have various systems in place to promote such programmes. Monthly joint management and worker safety meetings are one such process, steered by line managers and occasionally the section head of all functional departments. The agenda is set by the HSE Department and feedback is recorded. These meetings ensure 100% participation by the workforce
Disclosure 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	**Section:** Occupational Health & Safety – Page 142, AR
Disclosure 403-3	Workers with high incidence or high risk of diseases related to their occupation	**Response:** As per the ICI Pakistan Limited HSE&S Management System and the company's Occupational Health Policy, areas at all manufacturing sites have been assessed for health risks, and, accordingly, Health Monitoring Programmes have been developed for employees. For example, Laboratory employees are assessed for lung-related diseases that may rise due to fume inhalation. Employees working in high noise areas are annually checked for any depletion in hearing.
Disclosure 403-4	Health and safety topics covered in formal agreements with trade unions	**Response:** None

GRI 404 TRAINING AND EDUCATION

Disclosure 404-1	Average hours of training per year per employee	**Section:** Training & Education – Page 143, AR
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs Leadership Essentials:	**Response:** Code of Conduct, HSE Awareness, Performance Management System, HR for Non HR Managers, Discovering the Leadership Within, Behavioural Based Interviewing Skills. Leadership Development Roadmap: Leadership Development Journey, Leading Beyond, Leading and Developing Teams, Self-development Programme, Creative Thinking & Collaboration, Greater Self, Leading Teams for Impact. Functional skills development programs: Core Development Program for Engineers.
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	**Section:** Training & Education – Page 143, AR

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		
Disclosure 405-1	Diversity of governance bodies and employees	**Section:** Diversity & Equal Opportunity – Page 144, AR
Disclosure 405-2	Ratio of basic salary and remuneration of women to men	**Response:** Confidentiality Constraints. ICI Pakistan Limited is an equal opportunity employer and does not differentiate on the basis of gender in benefits, salary and remuneration.
GRI 406: NON-DISCRIMINATION		
Disclosure 406-1	Incidents of discrimination and corrective actions taken	**Section:** Non-Discrimination – Page 145, AR
GRI 410: SECURITY PRACTICES		
Disclosure 410-1	Security personnel trained in human rights policies or procedures	**Response:** 100% of security staff is on various security and safety procedures of ICI Pakistan Limited that cover human rights policies.
GRI 413: LOCAL COMMUNITIES		
Disclosure 413-1	Operations with local community engagement, impact assessments, and development programs	**Section:** Local Communities – Page 147, AR **Section:** Community Investment – Page 53-55, AR
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities	**Section:** Local Communities – Page 147, AR Community Investment – Page 53-55, AR
GRI 415: PUBLIC POLICY		
Disclosure 415-1	Political contributions	**Response**: None. ICI Pakistan Limited did not make any political contribution in 2016-17
GRI 416: CUSTOMER HEALTH AND SAFETY		
Disclosure 416-1	Assessment of the health and safety impacts of product and service categories	**Response:** ICI Pakistan Limited firmly believes in product stewardship and covers this through the ICI Pakistan Limited Standard on Product Management, Distribution and Use. **Response**: 100% of products and services are covered by, and assessed for compliance to the procedure.
Disclosure 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	**Response:** ICI Pakistan Limited did not identify any incidents of non-compliance with regulations and/or voluntary codes in 2016-17.

GRI 417: MARKETING AND LABELING		
Disclosure 417-1	Requirements for product and service information and labelling	**Response:** ICI Pakistan Limited covers the product and service information and labelling via its HSE&S Management System Standard – Guidelines for HSE Classification, Labelling and Documentation for Distribution, which ensures all information pertaining to sourcing of components, content, safe use and handling, disposal are covered. **Response:** 100% of our products and services are covered by and assessed for compliance with the procedures.
Disclosure 417-2	Incidents of non-compliance concerning product and service information and labelling	**Response:** ICI Pakistan Limited did not identify any incidents of non-compliance with regulations and/or voluntary codes 2016-17.
Disclosure 417-3	Incidents of non-compliance concerning marketing communications	**Response:** ICI Pakistan Limited did not identify any incidents of non-compliance with regulations and/or voluntary codes 2016-17.
GRI 418: CUSTOMER PRIVACY		
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	**Response:** ICI Pakistan Limited has not identified any substantiated complaints in 2016-17.
GRI 419: SOCIOECONOMIC COMPLIANCE		
Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	**Response:** None

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Independent Limited Assurance Report on the Sustainability Report of ICI Pakistan Limited for the Year Ended June 30, 2017

To the Board of Directors of ICI Pakistan Limited

1. Introduction and scope

We have undertaken a limited assurance engagement on the Sustainability performance contained on pages 112 to 157 of the Annual Report 2016-17 of ICI Pakistan Limited (the Company) for the year ended June 30, 2017 prepared by the management of the Company. The Company's Sustainability performance (the Sustainability Report) has been prepared by the management in accordance with the Core criteria of GRI Standards. The Company has defined the scope of the Report in the section "About the Report" on page 120 of the Annual Report 2016-17.

The scope of our limited assurance engagement included:

a) review of structure of the Sustainability Report; and
b) review that the subject matter and information (except for data/information verification and appropriateness thereof) presented in the Sustainability Report are in accordance with the Core Criteria of the GRI standards.

2. Criteria

The criteria used by the Company to prepare the Sustainability Report is the Core Criteria of the GRI Standards, as described on page 120 of the Annual Report 2016-17 (the Criteria).

3. Management's responsibility

The Company's management is responsible for the preparation of the Sustainability Report in accordance with the Criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

4. Limitations

Our scope excluded verification of the data reported for sustainability KPIs and verification of quantitative and qualitative data / information presented in the Sustainability Report.

5. Our independence and quality con-trol

We have complied with the independence and the other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The Firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

6. Our responsibility and summary of work performed

Our responsibility is to express a limited assurance conclusion on the Sustainability Report based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagement (ISAE) 3000, 'Assurance Engagements other than audits or reviews of historical financial statements' issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

A limited assurance engagement involves assessing the suitability in the circumstances of Company's use of the Criteria as the basis for the preparation of the Sustainability Report, assessing the risks of material misstatement of the Sustainability Report whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Sustainability Report. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, the procedures selected were based on our professional judgement. Within the scope of our work, we performed amongst other the following procedures:

- reviewed the Sustainability Report to check that it complies with the requirements of section 2 of GRI 101 (Foundation) including clauses 2.1 to 2.6;
- reviewed the Sustainability Report to check that it complies with the reporting requirements of GRI 102 (General Disclosures);
- reviewed the Sustainability Report to check that it complies with the reporting requirements of GRI 103 (Management Approach) for each material topic; and
- reviewed the Sustainability Report to check that it complies with the reporting requirements for at least one topic specific disclosure.

7. Limited assurance conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.
Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the Company's Sustainability Report for the year ended 30 June, 2017 is not prepared, in all material respects, in accordance with the Criteria.

8. Restriction on use

Our responsibility in performing our limited assurance activities is to the Board of Directors of ICI Pakistan Limited only and in accordance with the terms of engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance that any third party may place on the Sustainability Report is entirely at its own risk.

A.F.Ferguson & Co.
Chartered Accountants
(a member firm of the PwC network)*
Karachi, Pakistan

Date: August 16, 2017

Engagement Partner: Syed Fahim ul Hasan

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Financial Performance

When Innovation Meets **Performance**

Results matter. And when innovative thinking meets financial performance, the results speak for themselves.

This section provides a complete record of ICI Pakistan Limited's financials for 2016-17.


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ICI Pakistan Limited
Financial Statements

Auditors’ Report to the Members

We have audited the annexed unconsolidated balance sheet of **ICI Pakistan Limited** (the Company) as at **30 June 2017** and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

a) in our opinion, proper books of account have been kept by the Company as required by the repealed Companies Ordinance, 1984;

b) in our opinion:

   i) the unconsolidated balance sheet and unconsolidated profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for changes as stated in note 45 to the accompanying unconsolidated financial statements with which we concur;

   ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and

d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

EY Ford Rhodes

Date: 28 July, 2017

Karachi

EY Ford Rhodes
Chartered Accountants
Shariq Ali Zaidi

Unconsolidated Balance Sheet

As at June 30, 2017

Amounts in PKR '000

	Note	**June 30, 2017**	June 30, 2016
ASSETS			
Non-current assets			
Property, plant and equipment	3	**19,613,523**	17,040,334
Intangible assets	4	**19,273**	16,460
		19,632,796	17,056,794
Long-term investments	5	**2,954,276**	1,462,976
Long-term loans	6	**370,465**	356,330
Long-term deposits and prepayments	7	**38,627**	33,594
		3,363,368	1,852,900
		22,996,164	18,909,694
Current assets			
Stores, spares and consumables	8	**942,636**	811,963
Stock-in-trade	9	**5,746,647**	5,296,746
Trade debts	10	**2,547,340**	1,640,447
Loans and advances	11	**444,191**	391,342
Trade deposits and short-term prepayments	12	**564,385**	428,713
Other receivables	13	**1,515,528**	726,683
Taxation - net		**1,257,222**	2,236,155
Cash and bank balances	14	**141,748**	146,287
		13,159,697	11,678,336
Total assets		**36,155,861**	30,588,030

Amounts in PKR '000

	Note	**June 30, 2017**	June 30, 2016
EQUITY AND LIABILITIES			
Share capital and reserves			
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	15	**923,591**	923,591
Capital reserves	16	**309,643**	309,643
Unappropriated profit		**14,950,666**	13,183,294
Total equity		**16,183,900**	14,416,528
Surplus on revaluation of property, plant and equipment	17	**743,948**	829,645
Non-current liabilities			
Provisions for non-management staff gratuity	18	**102,289**	90,867
Long-term loans	19	**4,909,946**	3,652,586
Deferred tax liability - net	20	**1,231,011**	1,430,789
		6,243,246	5,174,242
Current liabilities			
Trade and other payables	21	**10,120,448**	7,731,736
Accrued mark-up		**102,155**	77,663
Short-term borrowings and running finance	22	**2,118,446**	1,964,433
Current portion of long-term loans	19	**643,718**	393,783
		12,984,767	10,167,615
Total equity and liabilities		**36,155,861**	30,588,030
Contingencies and commitments	23		

The annexed notes 1 to 48 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

Unconsolidated Profit and Loss Account

For the year ended June 30, 2017

Amounts in PKR '000

	Note	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Turnover	25.1	**47,548,639**	42,689,368
Sales tax, commission and discounts	24	**(6,184,944)**	(5,734,931)
Net turnover		**41,363,695**	36,954,437
Cost of sales	25.2	**(33,598,220)**	(30,475,911)
Gross profit		**7,765,475**	6,478,526
Selling and distribution expenses	27	**(2,607,114)**	(2,118,142)
Administration and general expenses	28	**(1,114,785)**	(881,677)
Operating result		**4,043,576**	3,478,707
Other charges	29	**(143,828)**	(284,840)
Finance costs	30	**(398,079)**	(383,298)
		(541,907)	(668,138)
Other income	31	**892,701**	687,697
Profit before taxation		**4,394,370**	3,498,266
Taxation	32	**(1,098,279)**	(655,080)
Profit after taxation		**3,296,091**	2,843,186
Basic and diluted earnings per share (PKR)	33	**35.69**	30.78

The annexed notes 1 to 48 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

Unconsolidated Statement of Comprehensive Income

For the year ended June 30, 2017

Amounts in PKR '000

	For the year ended June 30, 2017	For the year ended June 30, 2016
Profit after taxation	**3,296,091**	2,843,186
Items to be reclassified to profit or loss in subsequent periods:		
Loss on hedge during the year	-	(2,285)
Income tax relating to hedging reserve	-	731
	-	(1,554)
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress	-	1,554
	-	-
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial (loss) / gain on defined benefit plans	**(74,151)**	(18,030)
Income tax effect	**18,227**	4,070
	(55,924)	(13,960)
Total comprehensive income for the year	**3,240,167**	2,829,226

The annexed notes 1 to 48 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

Unconsolidated Cash Flow Statement

For the year ended June 30, 2017

Amounts in PKR '000

	For the year ended June 30, 2017	For the year ended June 30, 2016
Cash flows from operating activities		
Cash generated from operations - note 34	**5,569,176**	4,788,015
Payments for :		
Staff retirement benefit plans - note 18.1.2	**(66,528)**	(65,511)
Non-management staff gratuity and eligible retired employees medical scheme	**(27,855)**	(29,677)
Taxation	**(289,286)**	(709,498)
Interest	**(360,652)**	(303,223)
Net cash generated from operating activities	**4,824,855**	3,680,106
Cash flows from investing activities		
Capital expenditure	**(4,239,054)**	(4,518,496)
Proceeds from disposal of operating fixed assets	**5,366**	11,010
Interest received on bank deposits	**1,470**	795
Investment in subsidiaries / associate	**(1,491,300)**	(240,000)
Dividend received	**793,000**	608,375
Net cash used in investing activities	**(4,930,518)**	(4,138,316)
Cash flows from financing activities		
Long-term loans obtained	**1,896,186**	2,552,427
Long-term loans repaid	**(388,891)**	(955,556)
Dividends paid	**(1,560,184)**	(1,192,827)
Net cash (used in) / generated from financing activities	**(52,889)**	404,044
Net decrease in cash and cash equivalents	**(158,552)**	(54,166)
Cash and cash equivalents at the beginning of the year	**(1,818,146)**	(1,763,980)
Cash and cash equivalents at the end of the year	**(1,976,698)**	(1,818,146)
Cash and cash equivalents at the end of the year comprise of:		
Cash and bank balances - note 14	**141,748**	146,287
Short-term borrowings and running finance - note 22	**(2,118,446)**	(1,964,433)
	(1,976,698)	(1,818,146)

The annexed notes 1 to 48 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2017

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total
As at July 01, 2015	**923,591**	**309,643**	**11,483,846**	**12,717,080**
Final dividend for the year ended June 30, 2015 @ PKR 6.50 per share	-	-	(600,337)	(600,337)
Interim dividend for the year ended June 30, 2016 @ PKR 6.50 per share	-	-	(600,337)	(600,337)
	-	**-**	**(1,200,674)**	**(1,200,674)**
Profit for the year	-	-	2,843,186	2,843,186
Other comprehensive income for the year, net of tax	-	-	(13,960)	(13,960)
Total comprehensive income	**-**	**-**	**2,829,226**	**2,829,226**
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 17	-	-	70,896	70,896
	-	**-**	**70,896**	**70,896**
As at June 30, 2016	**923,591**	**309,643**	**13,183,294**	**14,416,528**
Final dividend for the year ended June 30, 2016 @ PKR 9.00 per share	-	-	(831,231)	(831,231)
Interim dividend for the year ended June 30, 2017 @ PKR 8.00 per share	-	-	(738,872)	(738,872)
	-	**-**	**(1,570,103)**	**(1,570,103)**
Profit for the year	-	-	3,296,091	3,296,091
Other comprehensive income for the year, net of tax			(55,924)	(55,924)
Total comprehensive income	**-**	**-**	**3,240,167**	**3,240,167**
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 17	-	-	97,308	97,308
	-	**-**	**97,308**	**97,308**
As at June 30, 2017	**923,591**	**309,643**	**14,950,666**	**16,183,900**

The annexed notes 1 to 48 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

1 Status and Nature of Business

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

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

2 Summary of Significant Accounting Policies

2.1 Statement of compliance

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan vide its circular no. 17 of 2017 dated July 20, 2017 communicated that the Commission has decided that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these unconsolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

2.2 Basis of preparation

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

a) Certain classes of property, plant and equipment (i.e. freehold land, buildings on freehold and leasehold land and plant and machinery) have been measured at revalued amounts; and

b) Provision for management staff gratuity and non-management staff gratuity are stated at present value.

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

Judgments and estimates made by the management that may have a significant risk of material adjustments to the unconsolidated financial statements in subsequent years are discussed in note 44.

2.3 Property, plant and equipment and depreciation

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

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

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

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

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

2.4 Intangible assets and amortisation

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

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

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

2.5 Investments

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

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

2.6 Stores, spares and consumables

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

2.7 Stock-in-trade

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

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

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

2.8 Trade debts and other receivables

Trade debts and other receivables are recognised at original invoice amount less provision for doubtful debts and other receivables, if any. A provision for doubtful debts and and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables (Refer note 41.6.1). Bad Debts are written off when identified.

2.9 Taxation

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

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2017

Current

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

Deferred

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

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

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

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

2.10 Cash and cash equivalents

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

2.11 Impairment

Financial assets

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

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

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

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

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

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

2.12 Surplus on revaluation of fixed assets

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

a) depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and

b) an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on revaluation of property, plant and equipment" account to accumulated profit / loss through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

2.13 Staff retirement benefits

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

Defined benefit plans

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

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

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

Defined contribution plans

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

Compensated absences

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

2.14 Operating leases / Ijarah contracts

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

2.15 Trade and other payables

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

2.16 Borrowings and their cost

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

2.17 Provisions

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

2.18 Financial liabilities

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

2.19 Foreign currency translation

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

2.20 Functional and presentation currency

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

2.21 Revenue recognition

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

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

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

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

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

Toll manufacturing income is recognised when services are rendered.

2.22 Financial expense and financial income

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

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

2.23 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved. However, if these are approved after the reporting period but before the financial statement are authorised for issue, disclosure is made in the financial statements.

2.24 Segment reporting

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

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

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

2.25 Derivative financial instruments

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

2.26 Off-setting

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

	As at June 30, 2017	As at June 30, 2016
3. Property, plant and equipment		
3.1 The following is a statement of property, plant and equipment:		
Operating fixed assets - note 3.2	**15,240,784**	15,878,014
Capital work-in-progress - note 3.7	**4,372,739**	1,162,320
	19,613,523	17,040,334

3.2 The following is a statement of operating fixed assets:

	Land		**Lime beds**	**Buildings**		**Plant and**	**Railway**	**Rolling**	**Furniture**	**Total**
	Freehold	**Leasehold**	**on freehold land**	**On freehold land**	**On leasehold land**	**machinery**	**sidings**	**stock and vehicles**	**and equipment**	
	Note 3.3			**Note 3.3**		**Note 3.3 & 3.4**				
					As at June 30, 2017					
Net carrying value basis										
Opening net book value (NBV)	**519,718**	**-**	**215,405**	**704,657**	**1,929,826**	**12,294,021**	**-**	**15,458**	**198,929**	**15,878,014**
Addition / transfer - note 3.2.1	**10,244**	**-**	**-**	**7,308**	**156,690**	**1,309,963**	**-**	**12,976**	**82,552**	**1,579,733**
Disposal (at NBV)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(455)**	**(39)**	**(494)**
Depreciation charge - note 3.5	**-**	**-**	**(16,600)**	**(52,425)**	**(161,123)**	**(1,910,836)**	**-**	**(4,275)**	**(71,210)**	**(2,216,469)**
Closing Net book value	**529,962**	**-**	**198,805**	**659,540**	**1,925,393**	**11,693,148**	**-**	**23,704**	**210,232**	**15,240,784**
Gross carrying value basis										
Cost / revaluation	**529,962**	**562,166**	**359,553**	**2,971,248**	**3,246,383**	**29,921,041**	**297**	**128,195**	**757,375**	**38,476,220**
Accumulated depreciation	**-**	**(562,166)**	**(160,748)**	**(2,311,708)**	**(1,320,990)**	**(18,227,893)**	**(297)**	**(104,491)**	**(547,143)**	**(23,235,436)**
Closing net book value	**529,962**	**-**	**198,805**	**659,540**	**1,925,393**	**11,693,148**	**-**	**23,704**	**210,232**	**15,240,784**
Depreciation rate % per annum	**-**	**2 to 4**	**5 to 25**	**5 to 25**	**3 to 33.33**	**3.33 to 50**	**3.33**	**10 to 33.33**	**10 to 50**	
					As at June 30, 2016					
Net carrying value basis										
Opening net book value	468,308	-	123,116	727,144	1,144,223	9,889,973	-	22,826	197,997	12,573,587
Addition / transfer - note 3.2.1	22,713	-	92,052	42,856	832,025	3,685,378	-	4,347	65,516	4,744,887
Revaluation	28,697	-	13,842	3,826	82,529	322,014	-	-	-	450,908
Disposal (at NBV)	-	-	(39)	-	(6,966)	(5,665)	-	(622)	(420)	(13,712)
Depreciation charge - note 3.5	-	-	(13,566)	(69,169)	(121,985)	(1,597,679)	-	(11,093)	(64,164)	(1,877,656)
Closing Net book value	519,718	-	215,405	704,657	1,929,826	12,294,021	-	15,458	198,929	15,878,014
Gross carrying value basis										
Cost / revaluation	519,718	562,166	359,553	2,963,939	3,088,418	28,630,882	297	127,629	708,058	36,960,660
Accumulated depreciation	-	(562,166)	(144,148)	(2,259,282)	(1,158,592)	(16,336,861)	(297)	(112,171)	(509,129)	(21,082,646)
Closing net book value	519,718	-	215,405	704,657	1,929,826	12,294,021	-	15,458	198,929	15,878,014
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 25	3 to 33.33	3.33 to 50	3.33	10 to 33.33	10 to 50	

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
3.2.1	Additions to plant and machinery include transfer from capital work-in-progress. It also includes borrowing cost for various projects determined using capitalization rate of nill (June 30, 2016: 6.00%) amounting to:	**-**	132,085

3.2.2 Operating fixed assets include the following major spare parts and stand by equipment:

	As at June 30, 2017	As at June 30, 2016
Cost	**416,188**	399,471
Net book value	**137,762**	160,745

3.3 Subsequent to revaluations on October 1, 1959, September 30, 2000, December 15, 2006 and December 31, 2011 which had resulted in a surplus of PKR 14.207 million, PKR 1,569.869 million, PKR 667.967 and PKR 712.431 million respectively as at June 30, 2016 further revaluation was conducted resulting in revaluation surplus net of deferred tax liability of PKR 320.701 million. The valuation was conducted by an independent valuer. Valuations for plant and machinery and building were based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence. Land was valued on the basis of fair market value. The fair value of the assets subject to revaluation model fall under level 2 of fair value hierarchy (i.e. significant observable inputs).

3.4 Plant and machinery including equipment held with Searle Pakistan Limited (toll manufacturer) is as follows:

	As at June 30, 2017	As at June 30, 2016
Cost	**9,242**	8,111
Net book value	**4,160**	4,168

	For the year ended June 30, 2017	For the year ended June 30, 2016
3.5 The depreciation charge for the year has been allocated as follows:		
Cost of sales	**2,154,696**	1,820,918
Selling and distribution expenses	**29,523**	20,862
Administration and general expenses	**32,250**	35,876
	2,216,469	1,877,656

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

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

	As at June 30, 2017	As at June 30, 2016
Net book value		
Freehold land	**201,985**	191,741
Buildings	**2,371,183**	2,420,733
Plant and machinery	**10,952,699**	11,553,572
	13,525,867	14,166,046

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
3.7	Capital work-in-progress comprises of:		
	Civil works and buildings	**715,276**	443,249
	Plant and machinery	**2,920,418**	528,556
	Miscellaneous equipment	**184,854**	28,825
	Advances to suppliers / contractors	**294,290**	70,571
	Designing, consultancy and engineering fee	**257,901**	91,119
		4,372,739	1,162,320
3.7.1	This includes interest charged in respect of long-term loans obtained for various projects determined using capitalization rate of 5.57% (June 30, 2016: 5.48%) amounting to:	**69,586**	5,498
3.7.2	The following is the movement in capital work-in-progress during the year:		
	Balance at the beginning of the year	**1,162,320**	1,662,776
	Addition during the year	**4,703,939**	4,183,925
		5,866,259	5,846,701
	Transferred to operating fixed assets during the year	**(1,493,520)**	(4,684,381)
	Balance at the end of the year	**4,372,739**	1,162,320

3.8 Details of operating fixed asset disposal having net book value in excess of PKR 50,000 are as follows:

As at June 30, 2017

	Mode of sale	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyers
Rolling Stock & Vehicles						
Loader - Cat 966 F-II	Scrap	2,733	2,277	456	45	Ghouri Scrap Dealer Mandi Bahauddin

As at June 30, 2016

	Mode of sale	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyers
Plant and machinery						
65 Ktpa plant, Sodium bicarbonate plant and commissioning cost	Scrap	27,813	23,967	3,846	644	Ghouri Scrap Dealer Mandi Bahauddin
Building on leasehold land						
Infrastructure refurbishment	Bidding	14,261	7,545	6,716	1,020	Awan Brothers Karimpura, Khewra and Ghouri Scrap Dealer Mandi Bahauddin
Furniture and equipments						
HP server for PIII and IBM	Scrap	5,824	5,534	290	320	M/s Sh. Auyoub, Sheikhupura
Rolling stock & vehicles						
Fleet car	Auction	622	-	622	4,615	Syed Nadeem Raza Ali, Karachi

Amounts in PKR '000

4 Intangible assets

	As at June 30, 2017		
	Software	**Licenses**	**Total**
Net carrying value basis			
Opening net book value (NBV)	**6,530**	**9,930**	**16,460**
Addition / transfer	**4,795**	**5,204**	**9,999**
Amortisation charge - note 4.1	**(2,014)**	**(5,172)**	**(7,186)**
Closing net book value	**9,311**	**9,962**	**19,273**
Gross carrying amount			
Cost	**184,202**	**205,157**	**389,359**
Accumulated amortisation	**(174,891)**	**(195,195)**	**(370,086)**
Closing net book value	**9,311**	**9,962**	**19,273**
Rate of amortisation % per annum	**20**	**20 to 50**	

	As at June 30, 2016		
Net carrying value basis			
Opening net book value (NBV)	1,980	26,338	28,318
Addition / transfer	6,096	3,628	9,724
Amortisation charge - note 4.1	(1,546)	(20,036)	(21,582)
Closing net book value	6,530	9,930	16,460
Gross carrying amount			
Cost	179,407	200,674	380,081
Accumulated amortisation	(172,877)	(190,744)	(363,621)
Closing net book value	6,530	9,930	16,460
Rate of amortisation % per annum	20	20 to 50	

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

	For the year ended June 30, 2017	For the year ended June 30, 2016
Cost of sales	**1,266**	4,491
Selling and distribution expenses	**463**	2,632
Administration and general expenses	**5,457**	14,459
	7,186	21,582

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
5.	**Long-term investments**		
	Unquoted - at cost		
	Subsidiaries		
	- ICI Pakistan PowerGen Limited (wholly owned)		
	7,100,000 ordinary shares (June 30, 2016: 7,100,000) of PKR 100 each - note 5.3	**710,000**	710,000
	Provision for impairment loss - note 5.4	**(209,524)**	(209,524)
		500,476	500,476
	- Cirin Pharmaceuticals (Private) Limited (wholly owned)		
	112,000 ordinary shares of PKR 100 each and premium of PKR 8661.61 per share - note 5.1	**981,300**	-
	- NutriCo Morinaga (Private) Limited		
	5,100,000 oridnary shares of PKR 100 each - note 5.2	**510,000**	-
	Associate		
	- NutriCo Pakistan (Private) Limited 40% ownership		
	200,000 ordinary shares of PKR 1,000 each and premium of PKR 3,800 per share	**960,000**	960,000
	Others - at cost		
	Equity security available-for-sale		
	- Arabian Sea Country Club Limited		
	'250,000 ordinary shares (June 30, 2016: 250,000) of PKR 10 each	**2,500**	2,500
		2,954,276	1,462,976
5.1	During the year, the Company acquired 100% voting shares of Cirin Pharmaceuticals (Private) Limited ("Cirin"). Cirin is a private limited company incorporated in Pakistan, which is involved in manufacturing and sale of pharmaceutical products. As of the balance sheet date, the value of the Company's investment on the basis of net assets of Cirin as disclosed in its audited financial statements was:	**150,522**	-
5.2	On 6th March 2017, the Company entered into a joint venture with Morinaga Milk Industry Company Limited ("Morinaga") of Japan and Unibrands (Private) Limited ("Unibrands") to set up a plant for manufacturing infant/growing up formula. To initiate this project, a new Company has been incorporated which is a subsidiary of ICI Pakistan Limited in which 51% shareholding is held by ICI Pakistan Limited. As of the balance sheet date, the value of the Company's investment on the basis of net assets as disclosed in its audited financial statements was:	**994,613**	-
5.3	As of the balance sheet date, the value of the Company's investment on the basis of net assets of ICI Pakistan PowerGen Limited (the Subsidiary) as disclosed in its audited financial statements for the year ended June 30, 2017:	**777,152**	831,156

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

6.	**Long-term loans**		
	Considered good		
	Due from executives and employees - note 6.1	**370,465**	356,330

6.1 Due from executives and employees

	Motor car	House building	Total	Total
Due from executives - note 6.2, 6.3 and 6.4	**279,759**	**66,045**	**345,804**	281,854
Receivable within one year	**(71,262)**	**(29,321)**	**(100,583)**	(68,631)
	208,497	**36,724**	**245,221**	213,223
Due from employees - note 6.3			**148,666**	177,367
Receivable within one year			**(23,422)**	(34,260)
			125,244	143,107
			370,465	356,330
Outstanding for period:				
- less than three years but over one year			**297,612**	274,688
- more than three years			**72,853**	81,642
			370,465	356,330

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
6.2	Reconciliation of the carrying amount of loans to executives:		
	Balance at the beginning of the year	**281,854**	245,006
	Disbursements during the year	**142,845**	124,213
	Received during the year	**(78,895)**	(87,365)
	Balance at the end of the year	**345,804**	281,854

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

6.4	The maximum aggregate amount of loans due from the executives at the end of any month during the year:	**249,520**	301,009

7. Long-term deposits and prepayments

Deposits	**30,057**	28,209
Prepayments	**8,570**	5,385
	38,627	33,594

8. Stores, spares and consumables

	Stores - note 8.1	**157,336**	99,618
	Spares - note 8.1	**793,771**	744,789
	Consumables	**113,814**	115,074
		1,064,921	959,481
	Provision for slow moving and obsolete stores and spares - note 8.2	**(122,285)**	(147,518)
		942,636	811,963
8.1	The above amounts include stores and spares in transit:	**129,921**	69,357
8.2	Movement of provision for slow moving and obsolete stores and spares is as follows:		
	Balance at the beginning of the year	**147,518**	168,547
	Charge for the year - note 28	**-**	4,060
	Write-off during the year	**(25,233)**	(25,089)
	Balance at the end of the year	**122,285**	147,518

9. Stock-in-trade

Raw and packing material includes in-transit PKR 862.180 million (June 30, 2016: PKR 814.638 million) - note 9.3	**2,468,016**	2,269,497
Work-in-process	**75,244**	140,179
Finished goods include in-transit PKR 6.318 million (June 30, 2016: PKR Nil)	**3,268,224**	3,019,011
	5,811,484	5,428,687
Provision for slow moving and obsolete stock-in-trade - note 9.1		
- Raw material	**(3,765)**	(11,381)
- Finished goods	**(61,072)**	(120,560)
	(64,837)	(131,941)
	5,746,647	5,296,746

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
9.1	Movement of provision for slow moving and obsolete stock-in-trade is as follows:		
	Balance at the beginning of the year	**131,941**	127,067
	Charge for the year - note 28	**63,506**	22,254
	Write-off during the year	**(130,610)**	(17,380)
	Balance at the end of the year	**64,837**	131,941

9.2 Stock amounting to PKR 734.965 million (June 30, 2016: PKR 338.822 million) is measured at net realisable value and reversal amounting to PKR 25.648 million (June 30, 2016: PKR 10.999 million expense) has been realized in cost of sales.

9.3 Raw and packing materials held with various toll manufacturers:

	2017	2016
Searle Pakistan Limited	**111,841**	183,246
Maple Pharmaceutical (Private) Limited	**984**	2,021
EPLA Laboratories (Private) Limited	**7,770**	-
Breeze Pharma (Private) Limited	**10,140**	25,133
Nova Med Pharmaceuticals	**11,685**	32,000
BioGenics	**115**	-
Other than above	**10,287**	-
	152,822	242,400

10. Trade debts

	2017	2016
Considered good		
- Secured	**392,527**	354,530
- Unsecured	**2,663,286**	1,579,697
	3,055,813	1,934,227
Considered doubtful	**82,801**	43,955
	3,138,614	1,978,182
Provision for:		
- Doubtful debts - note 41.4 and 41.6	**(82,801)**	(43,955)
- Discounts payable on sales	**(508,473)**	(293,780)
	(591,274)	(337,735)
	2,547,340	1,640,447

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

	2017	2016
Secured		
ICI Pakistan PowerGen Limited	**122**	265
Unsecured		
Yunus Textile Mills Limited	**1,847**	179
Lucky Textile Mills Limited	**1,861**	948
Lucky Foods (Private) Limited	**155**	-
Lucky Knits (Private) Limited	**528**	472
Oil & Gas Development Company Limited	**14**	14
NutriCo Pakistan (Private) Limited	**-**	2,393
Feroze 1888 Mills Limited	**-**	331
	4,527	4,602

11. Loans and advances

	2017	2016
Considered good		
Loans due from:		
Executives - note 11.1	**100,583**	82,097
Employees	**23,422**	34,260
	124,005	116,357
Advances to:		
Executives	**14,989**	10,604
Employees	**3,055**	411
Contractors and suppliers - note 11.2	**301,011**	261,572
Others	**1,131**	2,398
	320,186	274,985
	444,191	391,342

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
11.1	The maximum aggregate amount of loans due from the executives at the end of any month during the year:	**48,882**	68,691
11.2	The above balances inculde advances to related parties amounting to:		
	Pakistan Cables Limited	**20,853**	-
	Lucky Cement Limited	**1,617**	-
	Cirin Pharmaceuticals (Private) Limited	**7,600**	-
		30,070	-
12.	**Trade deposits and short-term prepayments**		
	Trade deposits	**147,097**	37,796
	Short-term prepayments	**417,288**	390,917
		564,385	428,713
13.	**Other receivables**		
	Considered good		
	Duties, sales tax and octroi refunds due	**943,727**	474,309
	Commission and discounts receivable	**42,834**	28,046
	Due from associate	**164,000**	-
	Receivable from principal - note 13.1	**209,114**	184,950
	Others	**155,853**	39,378
		1,515,528	726,683
	Considered doubtful	**5,055**	1,622
		1,520,583	728,305
	Provision for doubtful receivables - note 13.2	**(5,055)**	(1,622)
		1,515,528	726,683
13.1	This includes receivable from a foreign vendor in relation to margin support guarantee:	**128,527**	118,528
13.2	**Movement of provision for doubtful receivables**		
	Balance at the beginning of the year	**1,622**	1,622
	Charge for the year	**3,433**	-
	Balance at the end of the year	**5,055**	1,622
14.	**Cash and bank balances**		
	Cash at banks:		
	- Short-term deposits - note 14.1	**124,350**	135,878
	- Current accounts	**12,592**	4,696
	Cash in hand	**4,806**	5,713
		141,748	146,287

14.1 Represent security deposits from customers that are placed with various banks at pre-agreed rate maturing at various dates. These are interest based arrangements. The mark-up percentage on these deposits during the year was ranging from 5.50% to 6.50% (June 30, 2016: 6.00% to 7.00%) and these term deposits are readily encashable without any penalty.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

As at June 30, 2017 (Numbers)	As at June 30, 2016 (Numbers)		As at June 30, 2017	As at June 30, 2016
15.		**Issued, subscribed and paid-up capital**		
83,734,062	83,734,062	Ordinary shares of PKR 10 each fully paid in cash	**837,341**	837,341
211,925	211,925	Ordinary shares of PKR 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation (note 15.1)	**2,119**	2,119
16,786	16,786	Ordinary shares of PKR 10 each issued as fully paid bonus shares	**168**	168
8,396,277	8,396,277	Ordinary shares issued pursuant to the previous scheme as fully paid for consideration of investment in associate (note 15.2)	**83,963**	83,963
92,359,050	92,359,050		**923,591**	923,591

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

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

15.3 As at June 30, 2017, Lucky Holdings Limited together with Gadoon Textile Mills Limited and Lucky Textile Mills Limited held 86.14% (June 30, 2016: 86.67%) shares, while institutions held 5.73% (June 30, 2016: 8.25%) and individuals and others held the balance of 8.13% (June 30, 2016: 5.08%).

	As at June 30, 2017	As at June 30, 2016
16. Capital reserves		
Share premium - note 16.1	**309,057**	309,057
Capital receipts - note 16.2	**586**	586
	309,643	309,643

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

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

	As at June 30, 2017	As at June 30, 2016
17. Surplus on revaluation of property, plant and equipment		
Balance at the beginning of the year	**829,645**	576,458
Revaluation surplus - note 3.2 & 3.3	**-**	450,908
Deferred tax liability recognised on surplus - note 20	**-**	(130,207)
	-	320,701
Adjustment due to change in tax rate - note 20.1	**11,611**	3,382
Transferred to unappropriated profit in respect of incremental depreciation during the year - net of deferred tax	**(97,308)**	(70,896)
Balance at the end of the year	**743,948**	829,645

Amounts in PKR '000

	As at June 30, 2017	As at June 30, 2016
18. Provisions for non-management staff gratuity	**102,289**	90,867

18.1 Staff retirement benefits

	2017				2016			
	Funded			**Unfunded**	Funded			Unfunded
	Pension	**Gratuity**	**Total**		Pension	Gratuity	Total	
18.1.1 The amounts recognised in the profit and loss account against defined benefit schemes are as follows:								
Current service cost	**13,653**	**42,796**	**56,449**	**2,782**	16,554	38,673	55,227	3,389
Interest cost	**74,207**	**47,820**	**122,027**	**6,710**	85,424	52,368	137,792	7,661
Expected return on plan assets	**(106,856)**	**(42,640)**	**(149,496)**	**-**	(123,707)	(44,814)	(168,521)	-
Past service cost / (reversal)	**-**	**-**	**-**	**-**	-	1,427	1,427	(1,427)
Net (reversal) / charge for the year	**(18,996)**	**47,976**	**28,980**	**9,492**	(21,729)	47,654	25,925	9,623
Other comprehensive income:								
Loss / (gain) on obligation	**142,055**	**22,379**	**164,434**	**9,903**	54,496	28,629	83,125	1,579
(Gain) on plan assets	**(60,949)**	**(39,238)**	**(100,187)**	**-**	(43,712)	(22,962)	(66,674)	-
Net (gain) / loss	**81,106**	**(16,859)**	**64,247**	**9,903**	10,784	5,667	16,451	1,579
18.1.2 Movement in the net assets / (liability) recognised in the balance sheet are as follows:								
Opening balance	**421,273**	**(100,146)**	**321,127**	**(90,867)**	410,328	(112,336)	297,992	(87,422)
Net reversal / (charge) - note 18.1.1	**18,996**	**(47,976)**	**(28,980)**	**(9,492)**	21,729	(47,654)	(25,925)	(9,623)
Other comprehensive (income) / loss	**(81,106)**	**16,859**	**(64,247)**	**(9,903)**	(10,784)	(5,667)	(16,451)	(1,579)
Contributions / payments during the year	**-**	**66,528**	**66,528**	**7,973**	-	65,511	65,511	7,757
Closing balance	**359,163**	**(64,735)**	**294,428**	**(102,289)**	421,273	(100,146)	321,127	(90,867)
18.1.3 The amounts recognised in the balance sheet are as follows:								
Fair value of plan assets - note 18.1.5	**1,472,114**	**624,614**	**2,096,728**	**-**	1,453,265	555,929	2,009,194	-
Present value of defined benefit obligation - note 18.1.4	**(1,112,951)**	**(689,349)**	**(1,802,300)**	**(102,289)**	(1,031,992)	(656,075)	(1,688,067)	(90,867)
Net asset / (liability)	**359,163**	**(64,735)**	**294,428**	**(102,289)**	421,273	(100,146)	321,127	(90,867)

The recognized asset / liability of funded gratuity is netted off against recognized asset / liability of funded pension and recorded accordingly.

	2017				2016			
	Funded			**Unfunded**	Funded			Unfunded
	Pension	**Gratuity**	**Total**		Pension	Gratuity	Total	
18.1.4 Movement in the present value of defined benefit obligation:								
Opening balance	**1,031,992**	**656,075**	**1,688,067**	**90,867**	955,651	583,274	1,538,925	87,422
Current service cost	**13,653**	**42,796**	**56,449**	**2,782**	16,554	38,673	55,227	3,389
Interest cost	**74,207**	**47,820**	**122,027**	**6,710**	85,424	52,368	137,792	7,661
Benefits paid	**(148,956)**	**(79,721)**	**(228,677)**	**(7,973)**	(80,133)	(48,296)	(128,429)	(7,757)
Actuarial loss / (gain)	**142,055**	**22,379**	**164,434**	**9,903**	54,496	28,629	83,125	1,579
Past service cost / (reversal)	**-**	**-**	**-**	**-**	-	1,427	1,427	(1,427)
Closing balance	**1,112,951**	**689,349**	**1,802,300**	**102,289**	1,031,992	656,075	1,688,067	90,867
18.1.5 Movement in the fair value of plan assets:								
Opening balance	**1,453,265**	**555,929**	**2,009,194**	**-**	1,365,979	470,938	1,836,917	-
Expected return	**106,856**	**42,640**	**149,496**	**-**	123,707	44,814	168,521	-
Contributions	**-**	**66,528**	**66,528**	**-**	-	65,511	65,511	-
Benefits paid	**(148,956)**	**(79,721)**	**(228,677)**	**-**	(80,133)	(48,296)	(128,429)	-
Actuarial gain	**60,949**	**39,238**	**100,187**	**-**	43,712	22,962	66,674	-
Closing balance - note 18.1.7	**1,472,114**	**624,614**	**2,096,728**	**-**	1,453,265	555,929	2,009,194	-

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2017

18.1.6 Historical information

	June 30				
	2017	2016	2015	2014	2013
Present value of defined benefit obligation	**1,904,589**	1,778,934	1,626,347	1,627,301	1,699,987
Fair value of plan assets	**(2,096,728)**	(2,009,194)	(1,836,917)	(1,654,153)	(1,655,974)
Net (asset) / liability	**(192,139)**	(230,260)	(210,570)	(26,852)	44,013

18.1.7 Major categories / composition of plan assets are as follows:

	2017	2016
Debt instruments	**60.69%**	72.37%
Equity at market value	**32.49%**	21.99%
Cash / Others	**6.82%**	5.63%

Fair value of plan asset	**Pension**	**Gratuity**	Pension	Gratuity
	As at June 30, 2017		As at June 30, 2016	
Investment				
National savings deposits	**41,041**	**18,655**	256,738	17,051
Government bonds	**872,860**	**339,892**	852,610	327,732
Mutual funds - equity	**72,440**	**46,150**	60,873	38,750
Shares	**476,763**	**204,528**	274,215	167,694
Cash	**9,010**	**15,389**	8,829	11,590
Benefits due	**-**	**-**	-	(6,888)
Total	**1,472,114**	**624,614**	1,453,265	555,929

Mortality of active employees and pensioners is represented by the LIC (96-98) table. The table has been rated down three years for mortality of female pensioners and widows.

Actual return on plan assets during the year	**351,691**	239,346

	2017	2016
18.1.8 The principal actuarial assumptions at the reporting date were as follows:		
Discount rate	**7.25%**	**7.75%**
Future salary increases - Management	**5.00%**	**5.75%**
Future salary increases - Non-management	**2.75%**	**3.25%**
Future pension increases	**2.25%**	**2.50%**

18.1.9 Impact of changes in assumptions on defined benefit scheme is as follows:

Assumption	**1% Increase**	**1 % Decrease**
Discount rate	**(88,708)**	**103,908**
Salary increase	**70,404**	**(64,047)**
Pension increase	**35,914**	**(32,424)**

	As at June 30, 2017 (Unaudited)	As at June 30, 2016 (Audited)
18.1.10 During the year, the Company contributed in the fund as follows:		
Provident fund	**88,469**	78,419
Defined contribution superannuation fund	**76,528**	67,207
18.2 Provident fund		
Size of the fund (net assets)	**1,250,408**	1,169,750
Cost of investments made (actual investments made)	**1,125,222**	1,046,679
Percentage of investments made (cost of investments)	**90%**	89%
Fair value of investments	**1,152,476**	1,090,817

Amounts in PKR '000

18.2.1 Break-up of investments of provident fund

Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	As at June 30, 2017 (Unaudited)		As at June 30, 2016 (Audited)	
	Investments	**% of investment as size of the fund**	Investments	% of investment as size of the fund
On fair value				
Pakistan Investment Bonds	**640,456**	**56%**	559,264	51%
Regular Income Certificates	**21,713**	**2%**	19,767	2%
Mutual Funds	**57,398**	**5%**	147,454	14%
Shares	**432,909**	**38%**	364,332	33%
	1,152,476	**100%**	1,090,817	100%

Investments out of provident fund have been made in accordance with the provisions of section 227 of the repealed Companies Ordinance 1984 and the rules formulated for this purpose.

	As at June 30, 2017	As at June 30, 2016
19 Long-term loans	**4,909,946**	3,652,586
Loans from banking companies / financial institutions:		
Interest based arrangement - note 19.1		
Long-term finance facility		
United Bank Limited (UBL)	**1,353,444**	1,282,342
Faysal Bank Limited (FBL)	**74,717**	74,717
MCB Bank Limited	**532,170**	217,086
Other long-term loan		
Allied Bank Limited (ABL)	**83,333**	416,668
United Bank Limited (UBL)	**2,000,000**	2,000,000
Habib Bank Limited (HBL)	**510,000**	-
Shariah compliant		
Islamic term finance		
Habib Bank Limited (HBL)	**1,000,000**	-
Meezan Bank Limited (MBL)	**-**	55,556
	5,553,664	4,046,369
Current portion shown under current liabilities	**(643,718)**	(393,783)
	4,909,946	3,652,586

19.1 Terms and conditions of these borrowings are as follows:

Lenders	**Mark-up / Profit rate**	**Limit**	**Loan duration**	**Grace period**
FBL	SBP rate + 45bps	250,000	10 Years	2 Yrs
UBL	SBP rate + 50bps	1,500,000	10 Years	2 Yrs
MCB	SBP rate + 30 bps	1,500,000	10 Years	2 Yrs
HBL	6MK + 5bps	2,500,000	7 Years	2 Yrs
ABL	3MK + 25bps	1,000,000	4 Years	1 Yr
UBL	3MK + 25bps	2,000,000	5 Years	2 Yrs

These loans are secured against the fixed assets of Polyester and Soda Ash Business amounting to PKR 2,500 million and PKR 7,000 million respectively. Mark-up is payable on quarterly basis.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

	As at June 30, 2017			As at June 30, 2016			
	Opening	**Reversal**	**Closing**	Opening	Charge / (Reversal)	Recognized in surplus on revaluation	Closing
20 Deferred tax liability - net							
Deductible temporary differences							
Provisions for retirement benefits, doubtful debts and others	**(239,276)**	**(34,442)**	**(273,718)**	(230,018)	(9,258)	-	(239,276)
Retirement fund provisions	**(19,491)**	**(18,227)**	**(37,718)**	(15,421)	(4,070)	-	(19,491)
Taxable temporary differences							
Property, plant and equipment - note 20.1	**1,689,556**	**(147,109)**	**1,542,447**	1,426,606	132,743	130,207	1,689,556
	1,430,789	**(199,778)**	**1,231,011**	1,181,167	119,415	130,207	1,430,789

	As at June 30, 2017	As at June 30, 2016
20.1 Charge during the year includes amount adjusted in surplus on revaluation of property, plant and equipment on account of change in tax rate of:	**11,611**	3,382

21 Trade and other payables

Trade creditors - note 21.1	**2,158,246**	1,747,144
Bills payable	**3,301,165**	2,556,974
Accrued expenses	**2,500,967**	1,846,717
Technical service fee / royalty - note 21.2	**21,640**	19,778
Workers' profit participation fund - note 21.3	**237,441**	188,002
Workers' welfare fund	**51,684**	169,625
Distributors' security deposits - payable on termination of distributorship - note 21.4	**101,657**	101,113
Contractors' earnest / retention money	**10,572**	10,245
Running account with customers - note 21.5	**399,743**	301,656
Unclaimed dividends	**80,568**	70,648
Payable for capital expenditure	**1,108,733**	547,635
Accrual for compensated absences - note 21.6	**31,249**	31,249
Others	**118,359**	140,950
	10,120,448	7,731,736

21.1 This amount includes payable to ICI Pakistan PowerGen Limited, a related party on account of purchase of electricity:	**404,087**	454,082
21.2 This amount includes royalty payable to Lucky Holdings Limited, the Holding Company.	**21,640**	18,993

21.3 Workers' profit participation fund

Balance at the beginning of the year	**188,002**	148,200
Allocation for the year - note 29	**231,406**	184,314
	419,408	332,514
Interest on funds utilised in the Company's businesses at 48.25% (June 30, 2016: 86.25%) per annum - note 30	**2,346**	3,692
Payment to the fund	**(184,313)**	(148,204)
Balance at the end of the year	**237,441**	188,002

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
21.4	Interest on security deposits from certain distributors is payable at ranging from 5.50% to 6.50% (June 30, 2016: 6% to 7%) per annum as specified in the respective agreements.		
21.5	**Included herein are amounts due to the following associated undertakings:**		
	Fashion Textile Mills (Pvt.) Limited	**362**	-
	Yunus Textile Mills Limited	-	106
	Lucky Cement Limited	-	1,039
		362	1,145
21.6	This figure is based on actuarial valuation and estimation.		
22	**Short-term borrowings and running finance**	**2,118,446**	1,964,433

Short-term borrowings and running finance facility from various banks aggregated to Rs. 7,281 million (June 30, 2016: Rs. 7,281 million) and carry mark-up during the year ranging from relevant KIBOR negative 0.05% to positive 0.5% per annum with an average mark-up rate of relevant KIBOR + 0.12% on utilized limits (June 30, 2016: relevant KIBOR + 0.10% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.22% on utilized limits). These facilities are secured by hypothecation charge over the present and future stock-in-trade and book debts of the Company.

22.1	**Export refinance**	**50,000**	388,741

The Company has export refinance facility of upto Rs. 1200 million available from Faysal Bank Limited as at June 30, 2017 out of which Rs. 50 million was utilized (2016: Rs. 388.741 million). The above export refinance facility is secured by first pari passu hypothecation charge. The export refinance facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 2%) + 0.25% per annum (June 30, 2016: SBP rate 3.5% + 0.25% per annum).

22.2	**Money Market**	**550,000**	300,000

During the year the Company had obtained a money market loan of PKR 300 million from Standard Chartered Bank Limited for a term of 3 month at plain KIBOR, and of PKR 250 million from Natioanl Bank of Pakistan for a term of 3 month at relevant KIBOR minus 5 bps.

22.3	**Short-term running finance - secured**	**1,518,446**	1,275,692

23 Contingencies and Commitments

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

Local bodies	**1,400**	1,100
Others	**15,302**	28,529
	16,702	29,629

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

23.1.1 Collectorate of customs - classification issue in PCT heading

Customs raised a demand for PKR 51.5 million relating to classification issue of Titanium Di-Oxide during prior years. During the current year, Company received a positive outcome for its case filed with Customs Appellate Tribunal and the case was decided in Company's favor.

Collectorate of customs raised demand of PKR 17.4 million till 2015-16 against the Company on the ground that Company is classifying its imported product Wannate 8019 in wrong PCT Heading. During the current year also, consignments were withheld by Customs Appraisement due to classification issue. For clearance of these consignments, Company paid PKR 15.8 million as Security Deposit for getting Provisional clearance till the final decision of Classifcation Committee and Appellate forums, which is still awaited.

For one other product Wannate PM 2010/ 8221, consignments were again withheld by Customs Intelligence on Classification issue. Company paid PKR 94 million as Security Deposit for Provisional Clearance of these consignments till final decision. Classification committee through a Public notice dated 12th June, 2017 gave its view on classification of the product against the Company. Customs after the issuance of this Public Notice raised further demand relating to period prior to issuance of Public Notice, amounting to PKR 65 million. Company being dissatisfied with the verdict filed a Suit in Sindh High Court on certain grounds including that applicability of public notice cannot be done retrospectively. The court has granted a stay in favor of the Company till the next date of hearing. The Company is confident that it has a strong grounds to defend the case and is hopeful of positive outcome.

23.2 Tax related contingencies are disclosed in note 44 to these unconsolidated financial statements for income and sales tax contingencies.

		As at June 30, 2017	As at June 30, 2016
23.3	Commitments in respect of capital expenditure including various projects of the Soda Ash business:	**1,848,267**	2,193,478

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

Year		
2016-17	**-**	64,050
2017-18	**72,921**	44,247
2018-19	**60,110**	28,227
2019-20	**39,393**	6,550
2020-21	**18,186**	-
	190,610	143,074
Payable not later than one year	**72,921**	64,050
Payable later than one year but not later than five years	**117,689**	79,024
	190,610	143,074

Amounts in PKR '000

24. Operating segment results

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	
	For the year ended June 30, 2017	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Sales										
Afghanistan	-	-	59,967	34,502	-	-	1,247	8,711	61,214	43,213
India	-	-	584,537	704,327	-	-	-	-	584,537	704,327
United Kingdom	-	-	-	-	-	-	-	2,192	-	2,192
	-	-	644,504	738,829	-	-	1,247	10,903	645,751	749,732
Inter-segment	-	-	-	-	-	-	7,214	4,610	7,214	4,610
Local	14,647,604	14,235,639	13,159,554	12,653,113	13,536,431	10,265,352	5,504,214	4,739,851	46,847,803	41,893,955
	14,647,604	14,235,639	13,804,058	13,391,942	13,536,431	10,265,352	5,512,675	4,755,364	47,500,768	42,648,297
Commission / toll income	-	-	-	-	-	-	55,085	45,681	55,085	45,681
Turnover	14,647,604	14,235,639	13,804,058	13,391,942	13,536,431	10,265,352	5,567,760	4,801,045	47,555,853	42,693,978
Sales tax	-	(414,677)	(1,897,987)	(1,848,888)	(135,821)	(141,338)	(622,360)	(540,998)	(2,656,168)	(2,945,901)
Commission and discounts	(259,549)	(393,753)	(865,387)	(702,375)	(2,247,843)	(1,413,689)	(155,997)	(279,213)	(3,528,776)	(2,789,030)
	(259,549)	(808,430)	(2,763,374)	(2,551,263)	(2,383,664)	(1,555,027)	(778,357)	(820,211)	(6,184,944)	(5,734,931)
Net turnover	14,388,055	13,427,209	11,040,684	10,840,679	11,152,767	8,710,325	4,789,403	3,980,834	41,370,909	36,959,047
Cost of sales - note 26	(14,251,410)	(13,765,271)	(7,727,970)	(7,432,444)	(7,891,599)	(6,195,958)	(3,734,455)	(3,086,848)	(33,605,434)	(30,480,521)
Gross profit	136,645	(338,062)	3,312,714	3,408,235	3,261,168	2,514,367	1,054,948	893,986	7,765,475	6,478,526
Selling and distribution expenses - note 27	(242,348)	(243,280)	(296,027)	(310,371)	(1,729,708)	(1,266,174)	(339,031)	(298,317)	(2,607,114)	(2,118,142)
Administration and general expenses - note - 28	(332,202)	(274,325)	(287,018)	(241,827)	(348,276)	(232,148)	(147,289)	(133,377)	(1,114,785)	(881,677)
Operating result	(437,905)	(855,667)	2,729,669	2,856,037	1,183,184	1,016,045	568,628	462,292	4,043,576	3,478,707
24.1 Segment assets - note 24.5 and 25.3	9,682,810	8,085,224	20,853,429	16,782,250	7,787,519	7,011,907	4,082,046	3,152,394	31,944,363	26,888,899
24.2 Unallocated assets									4,211,498	3,699,131
									36,155,861	30,588,030
24.3 Segment liabilities note 24.5 and 25.4	13,710,932	12,368,868	3,925,255	2,034,908	3,068,721	2,187,208	1,129,713	734,635	11,373,180	9,182,744
24.4 Unallocated liabilities									7,854,833	6,159,113
									19,228,013	15,341,857

24.5 Inter unit current account balances of respective businesses have been eliminated from the total.

	Polyester 2017	Polyester 2016	Soda Ash 2017	Soda Ash 2016	Life Sciences 2017	Life Sciences 2016	Chemicals 2017	Chemicals 2016	Company 2017	Company 2016
24.6 Depreciation and amortization - note 3.5 and 4.1	791,828	819,631	1,357,068	1,016,718	35,940	29,723	38,819	33,166	2,223,655	1,899,238
24.7 Capital expenditure	253,982	222,744	4,376,082	3,937,224	81,314	47,953	88,773	46,234	4,800,151	4,254,155

24.8 Inter-segment pricing

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

24.9 There were no major customer of the Company which formed part of 10% or more of the Company's revenue.

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2017

Amounts in PKR '000

	For the year ended June 30, 2017	For the year ended June 30, 2016
25. Reconciliations of reportable segment turnover, cost of sales, assets and liabilities		
25.1 Turnover		
Total turnover for reportable segments - note 24	**47,555,853**	42,693,978
Elimination of inter-segment turnover - note 24	**(7,214)**	(4,610)
Total turnover	**47,548,639**	42,689,368
25.2 Cost of sales		
Total cost of sales for reportable segments - note 26	**33,605,434**	30,480,521
Elimination of inter-segment purchases - note 26	**(7,214)**	(4,610)
Total cost of sales	**33,598,220**	30,475,911

	As at June 30, 2017	As at June 30, 2016
25.3 Assets		
Total assets for reportable segments	**31,944,363**	26,888,899
Taxation recoverable	**1,257,222**	2,236,155
Long-term investments - note 5	**2,954,276**	1,462,976
Total assets	**36,155,861**	30,588,030
25.4 Liabilities		
Total liabilities for reportable segments	**11,373,180**	9,182,744
Short-term borrowing and running finance - note 22	**2,118,446**	1,964,433
Long-term loan - note 19	**5,553,664**	4,046,369
Accrued mark-up	**102,155**	77,663
Unclaimed dividends - note 21	**80,568**	70,648
Total liabilities	**19,228,013**	15,341,857

Amounts in PKR '000

26. Cost of sales

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	
	For the year ended June 30, 2017	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Raw and packing materials consumed										
Opening stock	**644,917**	665,385	**625,823**	405,275	**767,844**	690,608	**219,532**	295,456	**2,258,116**	2,056,724
Purchases										
Inter-segment	**5,532**	4,106	**-**	-	**1,682**	504	**-**	-	**7,214**	4,610
Others	**11,801,977**	10,982,051	**2,223,176**	2,506,983	**2,007,635**	2,030,953	**2,008,727**	1,427,390	**18,041,515**	16,947,377
	11,807,509	10,986,157	**2,223,176**	2,506,983	**2,009,317**	2,031,457	**2,008,727**	1,427,390	**18,048,729**	16,951,987
	12,452,426	11,651,542	**2,848,999**	2,912,258	**2,777,161**	2,722,065	**2,228,259**	1,722,846	**20,306,845**	19,008,711
Closing stock - note 9	**(742,941)**	(644,917)	**(645,261)**	(625,823)	(639,875)	(767,844)	**(436,174)**	(219,532)	**(2,464,251)**	(2,258,116)
Raw material consumed	**11,709,485**	11,006,625	**2,203,738**	2,286,435	**2,137,286**	1,954,221	**1,792,085**	1,503,314	**17,842,594**	16,750,595
Salaries, wages and benefits - note 26.1	**485,944**	436,141	**808,959**	751,389	**45,380**	25,203	**67,764**	58,076	**1,408,047**	1,270,809
Stores and spares consumed	**182,685**	188,411	**162,273**	144,872	**(5,645)**	(691)	**12,907**	11,304	**352,220**	343,896
Conversion fee paid to contract manufacturers	**-**	-	**-**	-	**385,683**	376,652	**14,269**	9,382	**399,952**	386,034
Oil, gas and electricity	**1,133,944**	1,029,957	**2,629,665**	2,825,500	**17**	-	**20,864**	18,023	**3,784,490**	3,873,480
Rent, rates and taxes	**1,698**	1,649	**1,371**	1,338	**14,605**	13,983	**41,632**	30,062	**59,306**	47,032
Insurance	**15,946**	19,194	**26,972**	27,232	**151**	34	**1,699**	1,306	**44,768**	47,766
Repairs and maintenance	**12,632**	11,812	**6,105**	1,463	**3,278**	3,281	**6,887**	5,380	**28,902**	21,936
Depreciation and amortisation charge - note 3.5 and 4.1	**779,835**	801,217	**1,344,567**	999,894	**8,145**	6,051	**23,415**	18,247	**2,155,962**	1,825,409
Technical fees	**-**	-	**-**	-	**3,416**	3,035	**591**	2,876	**4,007**	5,911
Royalty	**-**	-	**-**	-	**4,476**	3,605	**-**	-	**4,476**	3,605
General expenses	**199,663**	211,454	**228,257**	188,528	**22,176**	7,413	**40,133**	29,684	**490,229**	437,079
Opening stock of work-in-process	**96,152**	72,137	**-**	-	**36,743**	13,391	**7,284**	10,506	**140,179**	96,034
Closing stock of work-in-process - note 9	**(52,831)**	(96,152)	**-**	-	**(18,385)**	(36,743)	**(4,028)**	(7,284)	**(75,244)**	(140,179)
Cost of goods manufactured	**14,565,153**	13,682,445	**7,411,907**	7,226,651	**2,637,326**	2,369,435	**2,025,502**	1,690,876	**26,639,888**	24,969,407
Opening stock of finished goods	**401,556**	484,382	**133,957**	182,030	**1,922,505**	1,668,871	**440,433**	433,725	**2,898,451**	2,769,008
Finished goods purchased	**18,588**	-	**270,003**	157,720	**5,246,319**	4,090,211	**1,802,843**	1,414,880	**7,337,753**	5,662,811
	14,985,297	14,166,827	**7,815,867**	7,566,401	**9,806,150**	8,128,517	**4,268,778**	3,539,481	**36,876,092**	33,401,226
Closing stock of finished goods - note 9	**(733,887)**	(401,556)	**(87,897)**	(133,957)	**(1,852,815)**	(1,922,505)	**(532,553)**	(440,433)	**(3,207,152)**	(2,898,451)
Provision for slow moving and obsolete stocks - note 28	**-**	-	**-**	-	**(61,736)**	(10,054)	**(1,770)**	(12,200)	**(63,506)**	(22,254)
	14,251,410	13,765,271	**7,727,970**	7,432,444	**7,891,599**	6,195,958	**3,734,455**	3,086,848	**33,605,434**	30,480,521

26.1 Staff retirement benefits

	2017	2016
Salaries, wages and benefits includes amount in respect of staff retirement benefits:	**93,775**	89,692

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

27. Selling and distribution expenses

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	
	For the year ended June 30, 2017	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Salaries and benefits - note 27.1	**49,641**	44,052	**42,233**	42,058	**779,318**	609,675	**169,886**	142,537	**1,041,078**	838,322
Repairs and maintenance	**205**	149	**1,036**	1,241	**5,426**	4,783	**3,852**	2,771	**10,519**	8,944
Advertising and publicity expenses	**23,420**	25,100	**28,900**	10,902	**329,423**	207,042	**8,901**	10,677	**390,644**	253,721
Rent, rates and taxes	**552**	527	**2,781**	3,136	**20,704**	13,847	**1,616**	1,363	**25,653**	18,873
Insurance	**-**	-	**342**	312	**15,926**	10,887	**2,027**	3,245	**18,295**	14,444
Lighting, heating and cooling	**134**	125	**2,214**	2,328	**5,379**	4,482	**4,137**	4,772	**11,864**	11,707
Depreciation and amortisation charge - note 3.5 and 4.1	**-**	-	**86**	108	**21,100**	14,403	**8,800**	8,983	**29,986**	23,494
Outward freight and handling	**1,180**	18,287	**88,417**	127,031	**170,017**	106,930	**80,514**	72,058	**340,128**	324,306
Travelling expenses	**12,321**	9,486	**3,417**	3,806	**203,821**	167,703	**23,369**	21,638	**242,928**	202,633
Postage, telegram, telephone and telex	**1,216**	1,578	**2,009**	1,771	**21,756**	18,096	**3,724**	3,651	**28,705**	25,096
Royalty	**143,844**	134,272	**110,407**	108,407	-	-	-	-	**254,251**	242,679
General expenses	**9,835**	9,704	**14,185**	9,271	**156,838**	108,326	**32,205**	26,622	**213,063**	153,923
	242,348	243,280	**296,027**	310,371	**1,729,708**	1,266,174	**339,031**	298,317	**2,607,114**	2,118,142

27.1 Staff retirement benefits

Salaries and benefits includes amount in respect of staff retirement benefits:	**59,573**	51,830

28. Administration and general expenses

	Polyester		Soda Ash		Life Sciences		Chemicals		Company	
Salaries and benefits - note 28.1	**199,205**	169,001	**180,905**	150,715	**147,380**	121,191	**102,577**	85,988	**630,067**	526,895
Repairs and maintenance	**3,738**	3,341	**4,217**	3,889	**5,635**	5,935	**812**	763	**14,402**	13,928
Advertising and publicity expenses	**2,877**	1,454	**3,259**	1,730	**1,053**	564	**855**	419	**8,044**	4,167
Rent, rates and taxes	**6,383**	6,017	**3,113**	3,047	**2,034**	1,747	**673**	659	**12,203**	11,470
Insurance	**1,022**	1,058	**1,223**	1,265	**4,793**	4,220	**288**	399	**7,326**	6,942
Lighting, heating and cooling	**5,685**	6,573	**4,137**	4,526	**10,806**	12,654	**4,029**	4,525	**24,657**	28,278
Depreciation and amortisation charge - note 3.5 and 4.1	**11,993**	18,414	**12,415**	16,716	**6,695**	9,269	**6,604**	5,936	**37,707**	50,335
Provision for doubtful debts - note 41.6	**553**	548	**-**	-	**37,618**	6,752	**675**	2,890	**38,846**	10,190
Provision for slow moving and obsolete stock-in-trade- note 9.1	**-**	-	**-**	-	**61,736**	10,054	**1,770**	12,200	**63,506**	22,254
Provision for slow moving and obsolete stores and spares - note 8.2	**-**	-	**-**	4,060	**-**	-	**-**	-	**-**	4,060
Travelling expenses	**8,808**	7,834	**6,512**	5,518	**10,638**	8,491	**3,503**	2,318	**29,461**	24,161
Postage, telegram, telephone and telex	**3,648**	3,244	**2,833**	2,649	**4,550**	4,100	**1,739**	1,571	**12,770**	11,564
General expenses	**88,290**	56,841	**68,404**	47,712	**55,338**	47,171	**23,764**	15,709	**235,796**	167,433
	332,202	274,325	**287,018**	241,827	**348,276**	232,148	**147,289**	133,377	**1,114,785**	881,677

28.1 Staff retirement benefits

Salaries and benefits includes amounts in respect of staff retirement benefits:	**61,913**	64,898

Amounts in PKR '000

		For the year ended June 30, 2017	For the year ended June 30, 2016
29.	**Other charges**		
	Auditors' remuneration - note 29.1	**5,430**	4,932
	Donations - note 29.2	**20,000**	20,000
	Workers' profit participation fund - note 21.3	**231,406**	184,314
	Workers' welfare fund	**56,696**	71,393
	Workers' welfare fund - Reversal - note 29.3	**(174,638)**	-
	Loss on disposal of operating fixed assets	**-**	2,701
	Others	**4,934**	1,500
		143,828	284,840
29.1	**Auditors' remuneration**		
	Statutory audit fee	**3,031**	2,756
	Half yearly review and other certifications	**1,264**	1,271
	Out of pocket expenses	**1,135**	905
		5,430	4,932

29.2 Represents provision in respect of donation to ICI Pakistan Foundation (Head office, Karachi). Mr. Asif Jooma, Director of the Group, Mr. Suhail Aslam Khan, Mr. Arshaduddin Ahmed, Ms. Saima Kamila Khan and Ms. Fathema Zuberi, Executives of the Company are amongst the Trustees of the Foundation.

29.3 Through the Finance Acts of 2006 and 2008, certain amendments were brought in the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) including the levy of WWF which had been originally calculated at the rate of 2% of the total (taxable) income of the industrial establishment in a particular year, was amended to charge on higher of total (taxable) income or profit before tax as per account. During the year, the Honorable Supreme Court of Pakistan through its judgement dated 10 October 2016, in Civil Appeals No. 1049 to 1055/2011 decided that amendments in WWF Ordinance made through Finance Acts were unconstitutional. Accordingly, the Company has reversed the excess provision calculated on the basis of profit before tax as per accounts.

30.	**Finance costs**		
	Mark-up	**308,508**	260,200
	Interest on workers' profit participation fund - note 21.3	**2,346**	3,692
	Discounting charges on receivables	**70,388**	55,748
	Exchange losses	**12,935**	59,070
	Guarantee fee and others	**3,902**	4,588
		398,079	383,298
31.	**Other income**		
	Income from financial assets		
	Income from related party		
	Service fee from related party - note 31.1	**1,980**	1,980
	Income from other financial assets		
	Profit on short-term and call deposits - note 31.2	**198**	2,067
		2,178	4,047
	Income from non-financial assets		
	Scrap sales	**82,084**	60,309
	Sales from scrap raw materials	**1,164**	12,754
	Gain on disposal of property plant & equipment	**4,872**	-
	Provisions and accruals no longer required written back	**5,679**	369
	Dividend from associate	**668,000**	458,375
	Dividend from subsidiary	**125,000**	150,000
	Sundries	**3,724**	1,843
		892,701	687,697

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

	For the year ended June 30, 2017	For the year ended June 30, 2016

31.1 This represents amount charged by the Company for certain management and other services rendered to its wholly owned subsidiary, ICI Pakistan PowerGen Limited, in accordance with the service agreement.

31.2 These are interest-based arrangements.

32. Taxation

Current	**1,268,219**	528,213
Deferred	**(169,940)**	126,867
Net tax charged - note 32.1	**1,098,279**	655,080

32.1 Tax reconciliation

Profit before taxation	**4,394,370**	3,498,266
Tax @ 31% (June 30, 2016: 32%)	**1,362,254**	1,119,445
Effect of credit under section 65B	**(130,996)**	(355,500)
Effect of change in tax rate on beginning deferred tax liability	**(36,694)**	(41,612)
Effect of lower rate of dividend income	**(162,330)**	(137,383)
Others	**66,045**	70,130
Net tax charged	**1,098,279**	655,080
Average effective tax rate	**24.99%**	18.73%

33. Basic and diluted earnings per share (EPS)

33.1 Continuing operations

Profit after taxation for the year	**3,296,091**	2,843,186
	Number of shares	
Weighted average number of ordinary shares outstanding during the year	**92,359,050**	92,359,050
	PKR	
Basic and diluted earnings per share (EPS)	**35.69**	30.78

34 Cash flows from operating activities

Profit before taxation	**4,394,370**	3,498,266
Adjustments for:		
Depreciation and amortisation - note 3.5 and 4.1	**2,223,655**	1,899,238
Loss / (gain) on disposal of operating fixed assets - note 29 and 31	**(4,872)**	2,701
Provision for staff retirement benefit plan - note 18.1.1	**28,980**	25,925
Provision for non-management staff gratuity and eligible retired employees' medical scheme	**29,175**	32,450
Interest on short-term bank deposits	**(198)**	(2,067)
Dividend from subsidiary (PowerGen) - note 31	**(125,000)**	(150,000)
Dividend from associate - note 31	**(668,000)**	(458,375)
Interest expense	**385,144**	324,229
Provision for doubtful debts - note 41.6	**38,846**	10,190
Provision for slow moving and obsolete stock-in-trade - note 9.1	**63,506**	22,254
Provision for slow moving and obsolete stores and spares - note 8.2	**-**	4,060
Provisions and accruals no longer required written back - note 31	**(5,679)**	(369)
	6,359,927	5,208,502
Movement in:		
Working capital - note 34.1	**(771,585)**	(385,950)
Long-term loans	**(14,133)**	(31,720)
Long-term deposits and prepayments	**(5,033)**	(2,817)
	5,569,176	4,788,015

Amounts in PKR '000

	For the year ended June 30, 2017	For the year ended June 30, 2016
34.1 Movement in working capital		
(Increase) / decrease in current assets		
Stores, spares and consumables	**(130,673)**	(162,441)
Stock-in-trade	**(513,407)**	(397,236)
Trade debts	**(945,739)**	(219,270)
Loans and advances	**(47,170)**	(67,276)
Trade deposits and short-term prepayments	**(162,371)**	6,554
Other receivables	**(790,117)**	184,299
	(2,589,477)	(655,370)
Increase in current liabilities		
Trade and other payables	**1,817,892**	269,420
	(771,585)	(385,950)

35 Remuneration of chief executive, directors and executives

The amounts charged in the financial statements for the remuneration, including all benefits, to the chief executive, directors and executives of the Company were as follows:

	Chief Executive		**Directors**		**Executives**		**Total**	
	For the year ended June 30, 2017	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Managerial remuneration	**52,137**	49,844	**34,104**	32,117	**920,399**	807,571	**1,006,640**	889,532
Retirement benefits	**8,610**	8,197	**6,059**	5,712	**198,946**	177,700	**213,615**	191,609
Group insurance	**55**	45	**55**	45	**6,847**	5,605	**6,957**	5,695
Rent and house maintenance	**1,636**	1,096	**-**	-	**269,310**	235,874	**270,946**	236,970
Utilities	**1,033**	844	**-**	-	**68,106**	59,640	**69,139**	60,484
Medical expenses	**210**	85	**62**	335	**33,442**	48,165	**33,714**	48,585
	63,681	60,111	**40,280**	38,209	**1,497,050**	1,334,555	**1,601,011**	1,432,875
Number of persons as at the balance sheet date	**1**	1	**1**	1	**631**	574	**633**	576

35.1 The directors and certain executives are provided with free use of the Company leased cars in accordance with their entitlement. The chief executive is provided with free use of Company leased car, certain household equipment and maintenance when needed.

	For the year ended June 30, 2017	For the year ended June 30, 2016
35.2 Remuneration paid to Chairman during the year:	**-**	-
35.3 During the year fee paid to non-executive directors for attending board and other meetings, which is not part of remuneration amounts to:	**3,313**	2,813

	As at and for the year ended June 30, 2017	As at and for the year ended June 30, 2016
35.4 Total number of employees as at the balance sheet date	**1,386**	1,325
Average number of employees during the year	**1,375**	1,303

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36. 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 companies, directors of the Company, companies where directors also hold directorship, key employees (note 35) and staff retirement funds (note 18). Details of transactions with related parties other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

		For the year ended June 30, 2017	For the year ended June 30, 2016
Relationship with the company	**Nature of transaction**		
Holding Company	Dividend	**1,170,969**	896,952
	Royalty	**254,251**	242,679
Subsidiary Companies:			
PowerGen(Pvt.) Ltd.	Purchase of electricity	**527,052**	456,720
	Sale of goods and material	**221**	13,825
	Dividend income	**125,000**	150,000
Cirin Pharmaceuticals (Pvt.) Ltd.	Investment in subsidiary	**981,300**	-
NutriCo Morinaga (Pvt.) Ltd.	Investment in subsidiary	**510,000**	-
Associated companies	Purchase of goods, materials and services	**118,276**	101,833
	Sale of goods and materials	**1,424,859**	1,477,802
	Dividend received from associate	**668,000**	458,375
	Reimbursement of expenses	**88,272**	61,760
	Dividend paid to associates	**187,988**	143,755
	Donations paid	**20,000**	-
Key management personnel	Remuneration paid	**195,068**	182,620
	Post employment benefits	**31,159**	30,850

37. Plant capacity and annual production

- in metric tonnes except Nutraceuticals which is in packs:

	For the year ended June 30, 2017		For the year ended June 30, 2016	
	Annual Name Plate Capacity	**Production**	Annual Name Plate Capacity	Production
Polyester	**122,250**	**121,929**	122,250	118,859
Soda Ash	**350,000**	**342,416**	350,000	337,869
Chemicals - note 37.2	**-**	**14,210**	-	12,950
Sodium Bicarbonate	**40,000**	**31,660**	40,000	29,330
Nutraceuticals - note 37.2 and 37.3	**-**	**3,018,534**	-	836,332

37.1 Out of total production of 342,416 metric tonnes soda ash, 28,495 metric tonnes was transferred for production of 31,660 tonnes of Sodium Bicarbonate.

37.2 The capacity of Chemicals and Neutraceuticals is indeterminable because these are multi-product with multiple dosage and multiple pack size plants.

37.3 Last year includes six month production after commissioning of Nutra plant.

38. Fair value of financial assets and liabilities

The carrying amounts of the financial assets and financial liabilities as at the balance sheet date approximate their fair values.

Amounts in PKR '000

39. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

39.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

40. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk.

40.1 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instruments were:

	Carrying Amount	
	As at June 30, 2017	As at June 30, 2016
Fixed rate instruments		
Financial assets - note 14	**124,350**	135,878
Financial liabilities - note 19 and 21	**(1,529,818)**	(1,675,258)
	(1,405,468)	(1,539,380)
Variable rate instruments		
Financial liabilities - note 19 and 22	**(4,691,779)**	(4,436,656)
	(4,691,779)	(4,436,656)

Sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the balance sheet date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the year would have been PKR 46.910 million (June 30, 2016: PKR 44.367 million).

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

40.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company is exposed to foreign currency risk on sales and purchases which are entered in a currency other than Pak Rupees. When the management expects future depreciation of Pak Rupee, the Company enters into forward foreign exchange contracts in accordance with State Bank of Pakistan instructions and the Company's treasury policy. The policy allows the Company to take currency exposure within predefined limits while open exposures are rigorously monitored.

Following is the gross balance sheet exposure classified into separate foreign currencies:

	CNY	EURO	USD	GBP	JPY
			As at June 30, 2017		
Other receivables	**-**	**990**	**33,346**	**-**	**-**
	-	**990**	**33,346**	**-**	**-**
Trade and other payables	**(606,417)**	**(158,390)**	**(2,152,362)**	**(10,096)**	**(549)**
Gross balance sheet exposure	**(606,417)**	**(157,400)**	**(2,119,016)**	**(10,096)**	**(549)**
			As at June 30, 2016		
Other receivables	3,583	406	18,944	49	-
	3,583	406	18,944	49	-
Trade and other payables	-	(140,419)	(1,801,105)	(5,978)	-
Gross balance sheet exposure	3,583	(140,013)	(1,782,161)	(5,929)	-

Significant exchange rates applied during the year were as follows:

	Average rate		**Spot rate**	
	For the year ended June 30, 2017	For the year ended June 30, 2016	**As at June 30, 2017**	As at June 30, 2016
PKR per	**PKR**		**PKR**	
EURO	**114.22**	115.73	**119.63**	116.80
USD	**104.81**	104.35	**104.85**	104.83
GBP	**132.93**	155.15	**136.24**	141.43
CNY	**15.39**	16.22	**15.47**	15.78
JPY	**0.96**	0.89	**0.94**	1.02

Sensitivity analysis

Every 1% increase or decrease in exchange rate with all other variables held constant will decrease or increase profit before tax for the year by PKR 28.935 million (June 30, 2016: PKR 19.245 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2017, if Pak Rupee (PKR) had weakened / strengthened by 1% against other currencies, with all other variables held constant, the effect on the Company profit before tax at June 30, 2017 and June 30, 2016 would be as follows:

	Increase / decrease in exchange rates	Effect on Profit before tax (CNY)	Effect on Profit before tax (EURO)	Effect on Profit before tax (USD)	Effect on Profit before tax (GBP)	Effect on Profit before tax (JPY)
2017						
Pak Rupee	**+1%**	**6,064**	**1,574**	**21,190**	**101**	**5**
Pak Rupee	**-1%**	**(6,064)**	**(1,574)**	**(21,190)**	**(101)**	**(5)**
2016						
Pak Rupee	+1%	(36)	1,400	17,822	59	-
Pak Rupee	-1%	36	(1,400)	(17,822)	(59)	-

Amounts in PKR '000

41. Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

The Company's gross maximum exposure to credit risk at the balance sheet date is as follows:

	As at June 30, 2017	As at June 30, 2016
41.1 Financial assets		
Long-term investments - note 5	**2,453,800**	962,500
Long-term loans - note 6	**370,465**	356,330
Long-term deposits - note 7	**30,057**	28,209
Trade debts - note 10	**2,547,340**	1,640,447
Loans and advances - note 11	**444,191**	391,342
Trade deposits - note 12	**147,097**	37,796
Other receivables - note 13	**571,801**	252,374
Bank balances - note 14	**136,942**	140,574
	6,701,693	3,809,572

41.2 The Company has placed its funds with banks which are rated A1+ by PACRA and A-1+ by JCR-VIS

41.3 Financial assets		
- Secured	**905,041**	838,232
- Unsecured	**5,796,652**	2,971,340
	6,701,693	3,809,572

41.4 The ageing of trade debts and loans and advances at the balance sheet date is as follows:

Not past due	**2,534,770**	1,855,857
Past due but not impaired:		
Not more than three months	**462,100**	160,408
Past due and impaired:		
More than three months and not more than six months	**36,274**	8,805
More than six months and not more than nine months	**778**	734
More than nine months and not more than one year	**20,101**	22,545
More than one year	**20,309**	27,395
	539,562	219,887
Provision for:		
- Doubtful debts - note 10	**(82,801)**	(43,955)
- Doubtful loans and advances - note 11	**-**	-
	(82,801)	(43,955)
	2,991,531	2,031,789

41.4.1 There were no past due or impaired receivables from related parties.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

	As at June 30, 2017	As at June 30, 2016
41.5 The maximum exposure to credit risk for past due at the balance sheet date by type of counterparty was:		
Wholesale customers	**73,749**	10,962
Retail customers	**465,799**	172,969
End-user customers	**14**	35,956
	539,562	219,887
Provision for:		
- Doubtful debts - note 10	**(82,801)**	(43,955)
	456,761	175,932

41.6 Movement of provision for doubtful debts, loans and advances

	Trade debts	Loans and advances	Total	Total
Balance at the beginning of the year	**43,955**	**-**	**43,955**	40,987
Additional provision - note 28	**38,846**	**-**	**38,846**	10,190
Written off during the year	**-**	**-**	**-**	(7,222)
Balance at the end of the year	**82,801**	**-**	**82,801**	43,955

41.6.1 The recommended approach for provision is to assess the top layer (covering 50%) of trade receivables on an individual basis and apply a dynamic approach to the remainder of receivables. The procedure introduces a company-standard for dynamic provisioning:

- Provide an impairment loss for 50% of the outstanding receivable when overdue more than 90 days, and
- Provide an impairment loss for 100% when overdue more than 120 days.

41.7 Concentration risk

The sector wise analysis of receivables, comprising trade debts, loans and advances and bank balances are given below:

	As at June 30, 2017	As at June 30, 2016
Textile and Chemicals	**871,525**	475,256
Glass	**31,056**	63,940
Paper and Board	**10,348**	32,157
Pharmaceuticals	**341,033**	235,235
Paints	**47,785**	36,855
Banks	**141,748**	146,287
Loans, advances and others	**1,772,585**	1,232,301
	3,216,080	2,222,031
Provision for:		
- Doubtful debts - note 10	**(82,801)**	(43,955)
	3,133,279	2,178,076

41.8 Other price risk is the risk that the value of future cash flows of the financial instrument will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the balance sheet date, the Company is not materially exposed to other price risk except investment in subsidiary which is carried at cost against which provision for impairment has been provided in these unconsolidated financial statements.

Amounts in PKR '000

42. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the maturity date.

	Carrying amount	Contractual cash flows	Less than one year
		As at June 30, 2017	
Financial liabilities			
Trade creditors - note 21	**2,158,246**	**(2,158,246)**	**(2,158,246)**
Bills payable - note 21	**3,301,165**	**(3,301,165)**	**(3,301,165)**
Accrued mark-up	**102,155**	**(102,155)**	**(102,155)**
Accrued expenses - note 21	**2,500,967**	**(2,500,967)**	**(2,500,967)**
Technical service fee / royalty - note 21	**21,640**	**(21,640)**	**(21,640)**
Distributors' security deposits - payable on termination of distributorship - note 21	**101,657**	**(108,773)**	**(108,773)**
Contractors' earnest / retention money - note 21	**10,572**	**(10,572)**	**(10,572)**
Unclaimed dividends - note 21	**80,568**	**(80,568)**	**(80,568)**
Payable for capital expenditure - note 21	**1,108,733**	**(1,108,733)**	**(1,108,733)**
Others - note 21	**118,359**	**(118,359)**	**(118,359)**
Long-term loans - note 19	**5,553,664**	**(5,553,664)**	**(643,718)**
Short-term borrowings - note 22	**2,118,446**	**(2,118,446)**	**(2,118,446)**
	17,176,172	**(17,183,288)**	**(12,273,342)**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

		As at June 30, 2016	
Financial liabilities			
Trade creditors - note 21	1,747,144	(1,747,144)	(1,747,144)
Bills payable - note 21	2,556,974	(2,556,974)	(2,556,974)
Accrued mark-up	77,663	(77,663)	(77,663)
Accrued expenses - note 21	1,846,717	(1,846,717)	(1,846,717)
Technical service fee / royalty - note 21	19,778	(19,778)	(19,778)
Distributors' security deposits - payable on termination of distributorship - note 21 & 21.5	101,113	(108,191)	(108,191)
Contractors' earnest / retention money - note 21	10,245	(10,245)	(10,245)
Unclaimed dividends - note 21	70,648	(70,648)	(70,648)
Payable for capital expenditure - note 21	547,635	(547,635)	(547,635)
Others - note 21	140,950	(140,950)	(140,950)
Long-term loan	4,046,369	(4,046,369)	(393,783)
Short-term borrowings - note 22	1,964,433	(1,964,433)	(1,964,433)
	13,129,669	(13,136,747)	(9,484,161)

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2017

Amounts in PKR '000

43. Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt. The gearing ratio as at June 30, 2017 and June 30, 2016 is as follows:

	As at June 30, 2017	As at June 30, 2016
Long-term loans - note 19	**5,553,664**	4,046,369
Short-term borrowings and running finance - note 22	**2,118,446**	1,964,433
Total debt	**7,672,110**	6,010,802
Cash and bank balances - note 14	**(141,748)**	(146,287)
Net debt	**7,530,362**	5,864,515
Share capital	**923,591**	923,591
Capital reserves	**309,643**	309,643
Unappropriated profit	**14,950,666**	13,183,294
Equity	**16,183,900**	14,416,528
Capital	**23,714,262**	20,281,043
Gearing ratio	**31.75%**	28.92%

44. Accounting estimates and judgements

Income and sales tax

The Company takes into account the current income and sales tax law and decisions taken by appellate authorities. Instances where the Companys's view differs from the view taken by the authorities at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities (unless there is remote possibility of transfer of benefits). The details of the tax matters are as follows:

In the case of assessment year 1998-99, the Appellate Tribunal Inland Revenue (The Tribunal) on September 19, 2008 had set aside the assessments made by FBR. The re-assessment was finalized by the department on June 29, 2010 in which the issues pertaining to date of commissioning of PTA's plant & the tax depreciation claimed thereon, restriction of cost of capitalization of PTA plant and addition to income in respect of trial production stocks were decided against the Company. The Company had filed an appeal against the said order before the CIR (Appeals) which was decided on November 24, 2015 in which the issue of date of commissioning of PTA's plant & the tax depreciation claimed thereon and the issue of addition to income in respect of trial production stocks were decided in Company 's favour however the issue of restriction of cost of capitalization of PTA plant was decided against the Company. The Company and FBR have filed the appeals on respective matters decided against them in Tribunal the hearing of which is yet to be conducted.

In the case of assessment year 2002-2003, on receipt of notice under section 62 of the Income Tax Ordinance, 1979, the Company had filed a writ petition in the Supreme Court, after it being dismissed by the Sindh High Court on maintainability, challenging FBR's notice which stated that the effective date of PTA's demerger was August 6, 2001 (falling in assessment year 2002-03) rather than the effective date given in the Scheme of Arrangement as October 1, 2000 (which falls in assessment year 2001-02). The notice had raised certain issues relating to vesting of PTA assets by the Company. On March 18, 2015, the Supreme Court has passed an interim order stating that this case has nexus with the case of assessment year 2001-02 and hearing will take place once the High Court decides the case in assessment year 2001-02. The High Court decided the same in favor of the Company and stated that the assessment for AY 2001-2002 is time barred. The department filed an appeal in the Supreme Court against the order of the High Court. On March 13, 2017, the Supreme Court dismissed the appeal of the department pertaining to assessment year 2001-2002 and upheld the directions of the High Court and adjudged the case as being barred by limitation and thereby restoring the position in the original order whereby unabsorbed depreciation was allowed.

Further, the Supreme Court gave directions to the company vide its order dated March 14, 2017 to file its reply to the notice dated May 26, 2005 with respect to AY 2002-2003. Thereafter the Company submitted its response to the department in consultation with its external counsel. On May 15, 2017 the DCIR passed its assessment order disallowing depreciation relating to PTA assets, Capital Gain on Transfer of PTA Plant, Capital Gain on exchange of Shares, Financial charges on loans Subordinate to Pakistan PTA, Excess Perquisites, discounts, Interest paid to ICI Japan, Provisions and Write Offs. An appeal with the CIR has been filed by the company against the said order. This appeal is still pending. Further, the Company filed an appeal in the Sindh High Court against the said order which has granted stay against the said order.

Depreciation relating to PTA assets pertaining to AY 2001-02 was absorbed against tax payable in AY 2002-03 to 2010. As a result of order dated May 15, 2017 for the AY 2002-2003 whereby a certain portion of the said depreciation was disallowed, ACIR on June 15, 2017 issued orders for the Tax Years 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010 whereby the spillover impact of the disallowed depreciation was taken. This resulted in tax payable by the comapany for the Tax Years 2008, 2009 and 2010. An appeal with the CIR has been filed by the company against the said order. This appeal is still pending. Further, the Company filed an appeal in the Sindh High Court against the said order which has granted stay against the said order.

In the case of Tax Years 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010, FBR had made disallowances on the matters related to provisions charged under various heads, financial charges, gain on disposal of fixed assets, exchange loss, proration of expenses against capital gains and interest free loans offered to employees. The CIR (Appeals) has allowed all the issues in Tax Years 2003 to 2010 in Company's favor (except 2 issues in tax year 2003 and 2010) against which appeals have been filed by FBR in the Tribunal. Out of the 2 issues which were not decided in Company's favor, one relates to disallowance of financial charges in tax year 2003 which has now been decided in company's favor in the order dated June 15, 2017, whereby with respect to issue pertaining to tax year 2010, we have filed an appeal in the Tribunal against CIR (Appeals)'s decision.

The Additional Commissioner Inland Revenue (ACIR) through its order dated June 07, 2012 disallowed tax loss on disposal of fixed assets on the grounds that the same were sold through negotiations and not through auction as required by law. ICI filed an appeal against the said order with the Commissioner Inland Revenue (CIR), who decided the appeal in company's favor. Consequently the ACIR being dissatisfied with the CIR order filed an appeal with the ATIR. ATIR through his order dated December 01, 2016 decided the matter against ICI. ICI had filed an appeal in the High Court against the said order, the hearing of which is yet to be conducted

Availing the exemption as per clause 103 A, Part 1, 2nd Schedule of Income Tax Ordinance 2001 on inter-corporate dividend paid to Group Company entitled to Group Relief under section 59 B of the Income Tax Ordinance 2001, ICI disbursed the dividend without tax deduction to Lucky Holdings for dividends announced on 27th August, 2015 and on 19th February, 2016. However, Federal Board of Revenue not being satisfied, through an Order dated 2nd September, 2016, has called for the deposit of tax on such dividends along with penalties and additional tax. The Company filed an appeal against the said order in the High Court which has granted a stay against the said order. The Company is confident that there is no merit in this claim of FBR

"In course of conducting a sales tax audit for the period July 2012 to June 2013, DCIR of FBR raised certain issues with respect to exemption and zero-rating / reduced rate benefit available to the Company on its sales. On September 12, 2014 the Company received an order in which demand of PKR 952 million was raised. An appeal was filed with CIR(A) which was decided against the Company however directions were given to DCIR to amend the original order if the returns are revised by the Company subject to approval of FBR itself. The application for revision of return filed by the Company is pending with FBR. The Company being aggrieved has filed a suit in the Sindh High Court for relief in which the Court has granted ad-interim relief till the next date of hearing which is yet to take place. The Company is confident that there is no merit in this claim of FBR regarding revenue loss and hence, considering no probability that the case would be decided against the Company, no provision in respect of this has been made in these financial statements.

Pension and Gratuity

Certain actuarial assumptions have been adopted as disclosed in note 18 to the unconsolidated financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. The future cash flows used in the impairment testing of assets is based on management's best estimates which may change in future periods. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2017

45. Standards, amendments and interpretations adopted during the year

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year except as follows :

45.1 New standards

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)
IFRS 11 - Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)
IFRS 1 - Presentation of Financial Statements: Disclosure Initiative (Amendment)
IAS 16 - Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
IAS 16 - Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)
IAS27 - Separate Financial Statements: Equity Method in Separate 'Financial Statements (Amendment)

Annual improvements to IFRSs 2012-2014 Cycle

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
IFRS 7 - Financial Instruments: Disclosures - Servicing contracts
IFRS 7 - Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
IAS 19 - Employee Benefits - Discount rate: regional market issue
IAS 34 - Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above revised standards, amendments and improvements does not have any material effect on these financial statements.

Standards, amendments and improvements to approved accounting standards that are not yet effective

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

Standards or Interpretation		Effective date (annual periods beginning on or after)
IFRS 2 –	Classification and Measurement of Share Based Payment Transactions (Amendment)	January 01, 2018
IFRS 10 -	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Yet not finalised
IAS 7 -	Statement of Cash Flows: Disclosure Initiative (Amendment)	January 01, 2017
IAS 12 –	Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IFRS 4 -	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRIC 22 -	Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 -	Uncertainity over Income tax treatment	January 01, 2019

The Company expects that the adoption of the above standards and amendments will not have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard	**IASB effective date (annual periods beginning on or after)**
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2018
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019
IFRS 17 - Insurance Contracts	January 01, 2021

The Group expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

46 Post balance sheet events - dividends

The Directors in their meeting held on July 28, 2017 have recommended a final dividend of PKR 10.00 per share (June 30, 2016: PKR 9.00 per share) in respect of year ended June 30, 2017. This dividend is in addition to interim dividend paid of PKR 8.00 per share during the current year. The unconsolidated financial statements for the year ended June 30, 2017 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

47 Date of authorisation

These financial statements were authorised for issue in the Board of Directors meeting held on July 28, 2017.

48. General

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

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

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2017

	12 months		
	January - December		
	2008 Restated	2009	2010
Balance Sheet			
Equity	12,448,126	13,482,796	14,548,093
Revaluation Reserves	962,795	931,846	907,352
Equity and Revaluation Reserve	**13,410,921**	**14,414,642**	**15,455,445**
Non Current Liability	612,954	1,208,117	1,093,190
Current Liability	4,446,810	5,799,898	5,482,037
Total Equity and Liabilities	**18,470,685**	**21,422,657**	**22,030,672**
Non Current Assets	10,435,258	10,297,489	10,152,415
Current Assets	8,035,427	11,125,168	11,878,257
Total Assets	**18,470,685**	**21,422,657**	**22,030,672**
Profit and Loss Account			
Turnover	31,921,873	32,399,181	39,532,506
Net turnover	27,798,915	28,429,897	35,129,980
Cost of Sales	22,303,138	22,754,005	28,443,690
Gross profit	5,495,777	5,675,892	6,686,290
Operating Result	3,052,360	3,027,654	3,712,566
Profit before taxation	2,812,778	3,072,506	3,731,516
Profit after taxation	1,862,738	2,044,738	2,428,826
Summary of Cash Flows			
Cash generated from / (used in) operations	1,188,392	4,938,310	3,716,187
Net cash generated from / (used in) operating activities	969,809	4,476,231	2,334,428
Net cash used in investing activities	(1,780,969)	(938,043)	(752,830)
Net cash generated from / (used in) financing activities	(832,815)	(1,041,018)	(1,388,027)
Cash and cash equivalents at December 31 / June 30	1,971,081	4,468,251	4,661,822

Amounts in PKR '000

			12 months				
			July - June				
	2011 Restated	**2012** Restated	**2012-13** Restated	**2013-14**	**2014-15**	**2015-16**	**2016-17**
	9,066,723	9,024,890	9,788,989	11,237,427	12,717,080	14,416,528	16,183,900
	824,207	740,656	698,536	639,372	576,458	829,645	743,948
	9,890,930	**9,765,546**	**10,487,525**	**11,876,799**	**13,293,538**	**15,246,173**	**16,927,848**
	1,340,306	1,593,267	3,067,815	3,486,365	2,762,532	5,174,242	6,243,246
	9,280,988	9,355,282	7,389,365	7,574,254	10,613,713	10,167,615	12,984,767
	20,512,224	**20,714,095**	**20,944,705**	**22,937,418**	**26,669,783**	**30,588,030**	**36,155,861**
	9,154,438	10,898,077	11,330,538	12,500,614	15,843,044	18,909,694	22,996,164
	11,357,786	9,816,018	9,614,167	10,436,804	10,826,739	11,678,336	13,159,697
	20,512,224	**20,714,095**	**20,944,705**	**22,937,418**	**26,669,783**	**30,588,030**	**36,155,861**
	38,348,591	37,809,433	39,627,119	42,698,659	42,593,948	42,689,368	47,548,639
	35,516,114	34,681,563	36,267,761	38,233,477	37,515,328	36,954,437	41,363,695
	30,910,029	30,688,097	32,193,170	33,581,636	31,725,574	30,475,911	33,598,220
	4,606,085	3,993,466	4,074,592	4,651,841	5,789,754	6,478,526	7,765,475
	2,378,449	1,624,634	1,986,737	2,225,934	3,044,107	3,478,707	4,043,576
	2,294,653	1,496,223	1,749,207	1,980,964	2,703,494	3,498,266	4,394,370
	1,531,430	973,661	1,158,701	1,702,216	2,125,708	2,843,186	3,296,091
	4,127,104	(1,963,689)	(164,272)	4,818,897	5,015,304	4,788,015	5,569,176
	2,875,020	(3,176,714)	(971,364)	3,806,585	3,748,417	3,680,106	4,824,855
	(509,814)	(2,125,793)	(940,727)	(2,400,932)	(4,372,472)	(4,138,316)	(4,930,518)
	(2,151,436)	(796,407)	1,453,483	933,274	(1,554,652)	404,044	(52,889)
	4,633,322	(1,465,592)	(1,924,200)	414,727	(1,763,980)	(1,818,146)	(1,976,698)

Pattern of Shareholding

as at June 30, 2017

No. of Shareholders	Categories		No. of Shares
	From	To	
6227	1	100	209,000
2496	101	500	595,645
581	501	1,000	421,378
575	1001	5,000	1,265,887
96	5001	10,000	681,070
41	10001	15,000	506,032
9	15001	20,000	167,174
13	20001	25,000	299,195
5	25001	30,000	132,159
1	30001	35,000	33,569
4	35001	40,000	150,462
5	40001	45,000	212,587
7	45001	50,000	340,200
2	50001	55,000	105,020
3	55001	60,000	167,518
2	65001	70,000	134,550
1	75001	80,000	77,400
1	80001	85,000	84,700
1	100001	105,000	101,000
4	110001	115,000	447,265
1	115001	120,000	119,687
1	120001	125,000	120,116
2	125001	130,000	251,600
1	140001	145,000	143,350
1	150001	155,000	153,470
1	160001	165,000	162,523
1	175001	180,000	179,750
1	190001	195,000	194,650
1	210001	215,000	210,679
1	275001	280,000	275,116
1	305001	310,000	307,281
1	365001	370,000	369,100
1	450001	455,000	451,900
1	485001	490,000	486,920
1	1015001	1,020,000	1,017,775
1	2225001	2,230,000	2,229,188
1	5075001	5,080,000	5,077,180
1	5980001	5,985,000	5,980,917
1	68495001	68,500,000	68,496,037
10094			**92,359,050**

Pattern of Shareholding

as at June 30, 2017

S.No.	Categories of Shareholders	No. of Shareholders	No. of Shares	Percentage
1	Directors, Cheif Executive Officer, and their spouse and minor children	4	532,019	0.58
2	Associated Companies, Undertakings and Related Parties	3	79,554,134	86.14
3	NIT and ICP	0	0	0.00
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	25	401,298	0.43
5	Insurance Companies	16	2,811,280	3.04
6	Modarabas and Mutual Funds	50	3,674,786	3.98
7	Share holders holding 10%	1	68,496,037	74.16
8	General Public :			
	a. local	9,773	3,737,341	4.05
	b .Foreign	0	0	0.00
9	Others	223	1,648,192	1.78
	Total (excluding : shareholders holding 10%)	**10,094**	**92,359,050**	**100.00**

Pattern of Shareholding
as at June 30, 2017

	Shareholder's Category	Number of Shareholders / folios	Number of Shares Held	%
i.	**Associated Companies, Undertaking and Related Parties (name wise details)**			
	GADOON TEXTILE MILLS LIMITED	1	5,980,917	6.48
	LUCKY HOLDINGS LIMITED	1	68,496,037	74.16
	LUCKY TEXTILE MILLS LIMITED	1	5,077,180	5.50
		3	**79,554,134**	**86.14**
ii.	**Mutual Funds (name wise details)**			
	CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	1	5,800	0.01
	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	1	5,900	0.01
	CDC - TRUSTEE ABL STOCK FUND	1	369,100	0.40
	CDC - TRUSTEE AKD INDEX TRACKER FUND	1	3,038	0.00
	CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	1	275,116	0.30
	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	210,679	0.23
	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	1	56,700	0.06
	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1	194,650	0.21
	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	16,850	0.02
	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1	126,100	0.14
	CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	25,900	0.03
	CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	25,000	0.03
	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	1	24,900	0.03
	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	1	6,500	0.01
	CDC - TRUSTEE FAYSAL BALANCED GROWTH FUND	1	10,000	0.01
	CDC - TRUSTEE FAYSAL ISLAMIC ASSET ALLOCATION FUND	1	10,600	0.01
	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1	3,000	0.00
	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	1	4,800	0.01
	CDC - TRUSTEE HBL MULTI - ASSET FUND	1	8,900	0.01
	CDC - TRUSTEE HBL PF EQUITY SUB FUND	1	3,900	0.00
	CDC - TRUSTEE LAKSON EQUITY FUND	1	65,150	0.07
	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	1	1,308	0.00
	CDC - TRUSTEE LAKSON TACTICAL FUND	1	8,985	0.01
	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	1	110,800	0.12
	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1	55,800	0.06
	CDC - TRUSTEE MEEZAN BALANCED FUND	1	120,116	0.13
	CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	1,017,775	1.10
	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	1	153,470	0.17
	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	33,569	0.04
	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	1	7,500	0.01
	CDC - TRUSTEE PICIC GROWTH FUND	1	101,000	0.11
	CDC - TRUSTEE PICIC INVESTMENT FUND	1	43,900	0.05
	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	1	25,700	0.03
	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	1	38,500	0.04
	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1	179,750	0.19
	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	1	40,800	0.04
	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	1	12,000	0.01
	CONFIDENCE MUTUAL FUND LTD	1	7	0.00
	DOMINION STOCK FUND LIMITED	1	168	0.00
	GOLDEN ARROW SELECTED STOCKS FUND	1	7	0.00
	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	143,350	0.16
	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	1	113,500	0.12
	SAFEWAY MUTUAL FUND LIMITED	1	256	0.00
	SECURITY STOCK FUND LIMITED	1	36	0.00
		44	**3,660,880**	**3.96**
iii.	**Directors and their spouse (s) and minor children (name wise details)**			
	MR. ASIF JOOMA	2	506,920	0.55
	MR. KHAWAJA IQBAL HASSAN	1	12,500	0.01
	MR. KAMAL A CHINOY	1	12,599	0.01
		4	**532,019**	**0.58**
iv.	**Executives**	**13**	**3,424**	**0.00**
v	**Public Sector Companies and Corporations**	**3**	**2,536,748**	**2.75**
vi	**Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds**	**63**	**815,509**	**0.88**
vii	**Shareholder Holding five percent or more voting Rights in the Listed Company (name wise details)**			
	GADOON TEXTILE MILLS LIMITED	1	5,980,917	6.48
	LUCKY HOLDINGS LIMITED	1	68,496,037	74.16
	LUCKY TEXTILE MILLS LIMITED	1	5,077,180	5.50
		3	**79,554,134**	**86.14**
viii.	**Others & General Public**	**9,964**	**5,256,336**	**5.69**
	Total (excluding : shareholders holding 5%)	**10,094**	**92,359,050**	**100.00**

ix Details of trading in the shares by the Directors, CEO, CFO, Company Secretary and their spouses

During the year,Mr. Kamal A Chinoy, Director purchased 1,000 shares of the Company.The requisite returns in this respect were filed with the regulatory authorities in addition to informing the Board and Stock Exchange of the said transaction as required under CCG.Other than these, The Director, CEO, CFO, Company Secretary and their spouses and minor children did not carry out any transaction in the shares of the Company during the financial year.

Notice of 66th Annual General Meeting

Notice is hereby given that the Sixty-Sixth Annual General Meeting of ICI Pakistan Limited will be held on Tuesday, September 26, 2017 , at 10:30 a.m. at ICI House, 5 West Wharf, Karachi, to transact the following business;

1. To receive, consider and adopt the accounts of the Company for the year ended June 30, 2017, the report of the Auditors thereon and the report of the Directors.

2. To declare and approve Final Cash dividend @ 100% i.e. Rs. 10/- per ordinary share of Rs.10/- each for the year ended June 30, 2017, as recommended by the Directors, payable to the Members whose names appear in the Register of the Members as at Tuesday, September 19, 2017.

3. To appoint the Auditors of the Company and to fix their remuneration.

By Order of the Board

September 05, 2017
Karachi

Saima Kamila Khan
Company Secretary

1. Share Transfer Books of the Company will remain closed from September 20, 2017 to September 26, 2017(both days inclusive). Transfers received in order at the office of our Shares Registrar, FAMCO Associates (Pvt) Limited, 8-F, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi, by the close of business on Tuesday, September 19, 2017, will be considered in time, to entitle the transferees to the Final Cash dividend and to attend Annual General Meeting.

2. All Members are entitled to attend and vote at the Meeting. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote for him/her. A proxy must be a Member of the Company.

3. An instrument of proxy applicable for the Meeting is being provided with the notice sent to Members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: www.ici.com.pk.

4. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must, to be valid, be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.

5. Members are requested to submit a copy of their Computerized National Identity Card/Smart National Identity Card (CNIC/SNIC), if not already provided and notify immediately changes, if any, in their registered address to our Shares Registrar, FAMCO Associates (Pvt) Ltd.

6. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

A. For Attending the Meeting:

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original CNIC/SNIC or original passport at the time of attending the meeting.

(ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies:

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

(ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC/SNIC numbers shall be mentioned on the form.

(iii) Attested copies of CNIC/SNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

(iv) The proxy shall produce his original CNIC/SNIC or original passport at the time of the Meeting.

(v) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Notice of 66th Annual General Meeting

Circulation of Annual Audited Accounts via Email/CD/USB/DVD or Any Other Media

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 that have allowed the companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditor's and Director's Report) to its members through Email/CD/DVD/USB/ or any other Electronic Media at their registered Addresses.

Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the attached standard request form (also available on the company's website www.ici.com.pk) and send us to the Company address.

Request for Video Conference Facility

If the Company receives a request from member(s) holding an aggregate ten percent (10%) or more shareholding residing at another city, such member(s) may request a video conferencing facility for the purposes of participating in the meeting at such a location by sending a request to the Company at least 10 (ten) days prior to the date of meeting, subject to the availability of a video conferencing facility in that city. To avail such facility, please submit the following form with the requisite information at the registered office of the Company.

I/we ______________of _________being a member of ICI Pakistan Limited, holding ______ordinary shares as per register Folio / CDC Account No. ____________hereby opt for video conference facility at _______________.

________________ ______________________

Name and signature Date

The Company will intimate members regarding venue of video conference facility at least 7 days before the date of General Meeting along with complete information necessary to enable them to access such facility.

Submission of CNIC/SNIC/NTN (Mandatory)

Pursuant to the directives of the SECP, CNIC/SNIC or NTN (in case of corporate entities) numbers of shareholders are **MANDATORILY** required to be mentioned on dividend warrants. Shareholders are therefore, requested to submit a copy of their valid CNIC/SNIC (if not already provided) to the Company's Share Registrar, FAMCO Associates (Pvt.) Ltd. 8-F, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi. In the absence of a member's valid CNIC/SNIC, the Company will be constrained to withhold dispatch of dividend warrants to such members.

Dividend Mandate (Mandatory)

Pursuant to the requirement of Section 242 of the New Companies Act, 2017, shareholders are **MANDATORILY** required to provide their bank account detail to receive their cash dividend directly in to their bank accounts instead of receiving it through dividend warrants. In this regard and in pursuance of the directives of the SECP vide Circular No. 18 of 2017 dated August 01, 2017, shareholders are requested to submit their written request (if not already provided) to the Company's Share Registrar, giving particulars of their bank account detail. In the absence of a member's valid bank account detail by October 31, 2017, the Company will be constrained to withhold dispatch of dividend warrants to such members.

Revised Treatment of Withholding Tax

Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and pursuant to Finance Act 2017, effective July 1, 2017, a new criteria for withholding of tax has been introduced by Federal Board of Revenue ("FBR"). According to the revised criteria, tax is to be withheld based on 'Filer' and 'Non-Filer' status of shareholders @ 15% and 20% respectively where 'Filer' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (http://www.fbr.gov.pk/) or a holder of "Taxpayer's Card" and 'Non-Filer' means a person who is not a filer.

Furthermore, according to recent clarification provided by the FBR; in case a Folio/CDS Account is jointly held, each joint-holder is to be treated separately as Filer or Non-Filer. In terms of the said clarification; tax of each joint-holder has been deducted on the gross dividend amount determined by bifurcating the shareholding of each joint-holder on equal proportions, except where shareholding proportion of joint-holder(s) is pre-defined as per the records of the Company's Share Registrar and thus tax rates are applied in line with respective proportions.

Those shareholders who are holding Folio/CDS jointly; are requested to notify (in writing) any change in their shareholding proportions to Company's Share Registrar (in case of physical shareholding) or their Participants/CDC Investor Account Services so that their revised shareholding proportions are considered by the Company in all prospective dividend payouts of the Company, if any.

Exemption from Deduction of Income Tax / Zakat

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

Form of Proxy

66th Annual General Meeting

I / We ______________________________

of ______________________________

being member(s) of ICI Pakistan Limited holding ______________________________

ordinary shares hereby appoint ______________________________

of ______________________________ or failing him / her ______________________________

of ______________________________ who is / are also member(s) of ICI Pakistan Limited as my/our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the Sixty- Sixth Annual General Meeting of the Company to be held on September 26, 2017, and at any adjournment thereof.

As witness my / our hand / seal this ______________ day of ______________ 2017

Signed by the said ______________________________

in the presence of 1. ______________________________

____

2. ______________________________

____

Folio / CDC Account No.

Signature

This signature should agree with the specimen registered with the Company.

Important:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, ICI House, 5 West Wharf, Karachi, not less than 48 hours before the time of holding the meeting.
2. No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

In addition to the above the following requirements have to be met:

i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC / SNIC (Computerized National Identity Card / Smart National Identity Card) numbers shall be mentioned on the form.

ii) Attested copies of CNIC / SNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iii) The proxy shall produce his original CNIC / SNIC or original passport at the time of the meeting.

iv) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Affix
Correct
Postage

The Company Secretary
ICI Pakistan Limited
ICI House
5 West Wharf
Karachi-74000

ICI Pakistan Limited and its Subsidiary Companies

Consolidated Financial Statements

Report of the Directors
for the year Ended June 30, 2017

The Directors are pleased to present their report together with the audited Group results of ICI Pakistan Limited for the year ended June 30, 2017. The ICI Pakistan Group comprises of ICI Pakistan Limited, ICI Pakistan PowerGen Limited (PowerGen), and Cirin Pharmaceuticals (Private) Limited (Cirin) and NutriCo Morinaga (Private) Limited as its subsidiaries.

The Directors' Report, which provides a commentary on the performance of ICI Pakistan Limited for the year ended June 30, 2017, has been presented separately.

Net turnover of PowerGen for the year ended June 30, 2017 stood at PKR 450 million, being 16% higher as compared to last year due to an increase in electricity units sold to the Polyester Business by 4% and a rebound of furnace oil price by 39%. However, operating profit dipped by 19% (PKR 73 million versus PKR 91 million) on account of higher repair and maintenance cost.

Cirin completed its first six months of operations as a wholly owned subsidiary of ICI Pakistan Limited by posting a net turnover of PKR 408 million. During the post acquisition period, operating profits of Cirin were PKR 67 million.

Hy-Cortisone and Stanem were the major contributors to the performance. The Hattar Plant operated efficiently and as per plan during the post acquisition period. As institutional sales remained strong, the Business shifted its focus towards retails sales which are expected to open up new avenues. Cirin launched its first product post-acquisition, under the brand name Sovir (Sofosbuvir); a systemic antiviral for the treatment of Hepatitis C. This is in line with the Business's focus on building a sustainable retail prescription business going forward through restructuring and building up of the capacity of its sales force. The Company has also undertaken an organisational review with plans to optimise operations further.

Going forward, Cirin will also be exploring further export opportunities in the next financial year. The major focus will be to capitalise on the manufacturing capacity of the Business. Alongside this, the intent will also be to leverage the sales network and marketing capabilities of ICI Pakistan Limited to broaden the customer base for existing products, and to further enhance its product portfolios.

NutriCo Morinaga (Private) Limited is pursuing to set up a state-of-the-art manufacturing facility to manufacture Morinaga Infant formula along with its distribution and marketing network, as per plan. This project is progressing in a newly incorporated subsidiary namely NutriCo Morinaga (Private) Limited in which ICI Pakistan Limited has 51% shareholding with remaining shareholding being equally held by Morinaga Milk Industry Company Limited of Japan and UniBrands (Private) Limited.

On a consolidated basis (including the result of the Company's subsidiaries, ICI Pakistan PowerGen Limited, Cirin Pharmaceuticals (Private) Limited and NutriCo Morinaga (Private) Limited Profit after tax (PAT) for the year at PKR 3,280 million or PKR 35.54 EPS is 20% higher than the SPLY. During the year, the Company recognised PKR 671 million as share of profit from NutriCo Pakistan (Private) Limited.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Dated: July 28, 2017

Karachi

Auditors' Report to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **ICI Pakistan Limited** (the Holding Company) and its subsidiary companies namely **ICI Pakistan PowerGen Limited, NutriCo Morinaga (Private) Limited** and **Cirin Pharmaceuticals (Private) Limited** (together referred to as Group) as at **30 June 2017** and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of the Holding Company and its subsidiary companies. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Holding Company and its subsidiary companies as at **30 June 2017** and the results of their operations for the year then ended.

EY Ford Rhodes
Chartered Accountants
Shariq Ali Zaidi

Date: July 28, 2017

Karachi

Consolidated Balance Sheet
As at June 30, 2017

Amounts in PKR '000

	Note	**June 30, 2017**	June 30, 2016
ASSETS			
Non-current assets			
Property, plant and equipment	4	**19,958,615**	17,164,769
Intangible assets	5	**783,356**	16,460
		20,741,971	17,181,229
Long-term investment	6	**966,536**	963,667
Long-term loans	7	**382,421**	357,637
Long-term deposits and prepayments	8	**38,627**	33,594
		1,387,584	1,354,898
		22,129,555	18,536,127
Current assets			
Stores, spares and consumables	9	**1,011,381**	861,544
Stock-in-trade	10	**5,913,900**	5,317,357
Trade debts	11	**2,589,878**	1,640,067
Loans and advances	12	**441,985**	392,362
Trade deposits and short-term prepayments	13	**577,426**	430,649
Other receivables	14	**1,617,870**	804,400
Taxation - net		**1,253,468**	2,234,248
Cash and bank balances	15	**1,266,464**	258,962
		14,672,372	11,939,589
Total assets		**36,801,927**	30,475,716

Amounts in PKR '000

	Note	June 30, 2017	June 30, 2016
EQUITY AND LIABILITIES			
Share capital and reserves			
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	16	**923,591**	923,591
Capital reserves	17	**309,643**	309,643
Unappropriated profit		**15,102,390**	13,341,517
Attributable to the equity holders of the holding company		**16,335,624**	14,574,751
Non-controlling interests		**487,360**	-
Total equity		**16,822,984**	14,574,751
Surplus on revaluation of property, plant and equipment	18	**902,788**	995,330
Non-current liabilities			
Provisions for non-management staff gratuity	19	**115,030**	90,867
Long-term loans	20	**4,919,478**	3,652,586
Deferred tax liability - net	21	**1,225,082**	1,430,789
Liabilities subject to finance lease	22	**799**	-
		6,260,389	5,174,242
Current liabilities			
Trade and other payables	23	**9,933,712**	7,322,763
Accrued mark-up		**103,473**	77,663
Short-term borrowings and running finance	24	**2,128,905**	1,937,184
Current portion of long-term loans	20	**647,667**	393,783
Current portion of liabilities subject to finance lease	22	**2,009**	-
		12,815,766	9,731,393
Total equity and liabilities		**36,801,927**	30,475,716
Contingencies and commitments	25		

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

Consolidated Profit and Loss Account

For the year ended June 30, 2017

Amounts in PKR '000

	Note	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Turnover	27.1	**48,274,029**	42,755,505
Sales tax, commission and discounts	26	**(6,502,811)**	(5,801,068)
Net turnover		**41,771,218**	36,954,437
Cost of sales	27.2	**(33,755,438)**	(30,382,757)
Gross profit		**8,015,780**	6,571,680
Selling and distribution expenses	29	**(2,688,234)**	(2,118,142)
Administration and general expenses	30	**(1,141,126)**	(882,030)
Operating result		**4,186,420**	3,571,508
Other charges	31	**(174,168)**	(291,692)
Finance costs	32	**(403,206)**	(384,245)
		(577,374)	(675,937)
Other income	33	**115,040**	83,919
Share of profit from an associate	6	**670,869**	407,318
Profit before taxation		**4,394,955**	3,386,808
Taxation	34	**(1,114,848)**	(656,987)
Profit after taxation		**3,280,107**	2,729,821
Attributable to:			
Owners of the Holding Company		**3,282,747**	2,729,821
Non-controlling interests		**(2,640)**	-
		3,280,107	2,729,821
Basic and diluted earnings per share (PKR)	35	**35.54**	29.56

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2017

Amounts in PKR '000

	For the year ended June 30, 2017	For the year ended June 30, 2016
Profit for the year	**3,280,107**	2,729,821
Items to be reclassified to profit or loss in subsequent periods:		
Loss on hedge during the year	**-**	(2,285)
Income tax relating to hedging reserve	**-**	731
	-	(1,554)
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress	**-**	1,554
	-	-
Items not to be reclassified to profit or loss in subsequent periods:		
Actuarial loss on defined benefit plans	**(74,151)**	(18,030)
Income tax effect	**18,227**	4,070
	(55,924)	(13,960)
Total comprehensive income for the year	**3,224,183**	2,715,861
Attributable to:		
Owners of the Holding Company	**3,226,823**	2,715,861
Non-Controlling interests	**(2,640)**	-
	3,224,183	2,715,861

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

Consolidated Cash Flow Statement

For the year ended June 30, 2017

Amounts in PKR '000

	For the year ended June 30, 2017	For the year ended June 30, 2016
Cash generated from operations - note 36	**5,944,957**	5,028,366
Payments for :		
Staff retirement benefit plans - note 19.1.2	**(66,685)**	(65,683)
Non-management staff gratuity and eligible retired employees' medical scheme	**(30,000)**	(29,677)
Taxation	**(309,938)**	(709,498)
Interest	**(364,852)**	(303,234)
Net cash generated from operating activities	**5,173,482**	3,920,274
Cash flows from investing activities		
Capital expenditure	**(4,294,344)**	(4,525,879)
Proceeds from disposal of operating fixed assets	**9,789**	11,010
Interest received on bank deposits	**16,029**	6,754
Investment in Subsidiary / Associate	**(981,300)**	(240,000)
Dividend received	**504,000**	458,375
Net cash used in investing activities	**(4,745,826)**	(4,289,740)
Cash flows from financing activities		
Issuance of shares to non-controlling interests	**490,000**	-
Long-term loans obtained	**1,896,186**	2,552,427
Long-term loans repaid	**(391,692)**	(955,556)
Payment against finance lease liability	**(1,358)**	-
Dividends paid	**(1,560,184)**	(1,192,827)
Net cash generated from financing activities	**432,952**	404,044
Net increase in cash and cash equivalents	**860,608**	34,578
Cash and cash equivalents at the beginning of the year	**(1,678,222)**	(1,712,800)
Cash and cash equivalents acquired through business combination	**(44,827)**	-
Cash and cash equivalents at the end of the year	**(862,441)**	(1,678,222)
Cash and cash equivalents at the end of the year comprise of:		
Cash and bank balances - note 15	**1,266,464**	258,962
Short-term borrowings and running finance - note 24	**(2,128,905)**	(1,937,184)
	(862,441)	(1,678,222)

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended June 30, 2017

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total reserves	Non-controlling interests	Total equity
As at July 01, 2015	**923,591**	**309,643**	**11,755,187**	**12,064,830**	**-**	**12,988,421**
Final dividend for the year ended June 30, 2015 @ PKR 6.50 per share	-	-	(600,337)	(600,337)	-	(600,337)
Interim dividend for the year ended June 30, 2016 @ PKR 6.50 per share	-	-	(600,337)	(600,337)	-	(600,337)
	-	**-**	**(1,200,674)**	**(1,200,674)**	**-**	**(1,200,674)**
Profit for the year	-	-	2,729,821	2,729,821	-	2,729,821
Other comprehensive income for the year, net of tax	-	-	(13,960)	(13,960)	-	(13,960)
Total comprehensive income	**-**	**-**	**2,715,861**	**2,715,861**	**-**	**2,715,861**
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 18	-	-	71,143	71,143	-	71,143
	-	**-**	**71,143**	**71,143**	**-**	**71,143**
As at June 30, 2016	**923,591**	**309,643**	**13,341,517**	**13,651,160**	**-**	**14,574,751**
Final dividend for the year ended June 30, 2016 @ PKR 9.00 per share	-	-	(831,231)	(831,231)	-	(831,231)
Interim dividend for the year ended June 30, 2017 @ PKR 8.00 per share	-	-	(738,872)	(738,872)	-	(738,872)
	-	**-**	**(1,570,103)**	**(1,570,103)**	**-**	**(1,570,103)**
Shares issued to non-controlling interests	-	-	-	-	490,000	490,000
Loss attributable to non-controlling interest for the year	-	-	-	-	(2,640)	(2,640)
	-	**-**	**-**	**-**	**487,360**	**487,360**
Profit for the year	-	-	3,282,747	3,282,747	-	3,282,747
Other comprehensive income for the year, net of tax	-	-	(55,924)	(55,924)	-	(55,924)
Total comprehensive income	**-**	**-**	**3,226,823**	**3,226,823**	**-**	**3,226,823**
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 18	-	-	104,153	104,153	-	104,153
	-	**-**	**104,153**	**104,153**	**-**	**104,153**
As at June 30, 2017	**923,591**	**309,643**	**15,102,390**	**15,412,033**	**487,360**	**16,822,984**

The annexed notes 1 to 50 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

1 Status and Nature of Business

The Group consists of:

- ICI Pakistan Limited;
- ICI Pakistan PowerGen Limited;
- Cirin Pharmaceuticals (Private) Limited
- NurtiCo (Morinaga) Private Limited

ICI Pakistan Limited (“the Company”) is incorporated in Pakistan and is listed on The Pakistan Stock Exchange Limited.

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

Cirin Pharmaceuticals (Private) Limited (“Cirin”) is incorporated in Pakistan as a private limited company and is a wholly owned subsidiary company of ICI Pakistan Limited.

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

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

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

Cirin is engaged in manufacturing and sale of pharmaceutical products.

NutriCo Morinaga is engaged in manufacturing and distribution of infant nutrition formula products.

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

2 Summary of Significant Accounting Policies

Following are the details of significant accounting policies.

2.1 Statement of compliance

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan vide its circular no. 17 of 2017 dated July 20, 2017 communicated that the Commission has decided that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail.

2.2 Basis of preparation

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

a) certain classes of property, plant and equipment (i.e. freehold land, buildings on freehold and leasehold land and plant and machinery) have been measured at revalued amounts; and

b) Provision for management staff gratuity and non-management staff gratuity are stated at present value.

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

Judgments and estimates made by the management that may have a significant risk of material adjustments to the consolidated financial statements in subsequent years are discussed in note 46.

2.3 Basis of consolidation

Subsidiaries are those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

- exposure, or rights, to variable returns from its involvement with the investee; and

- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;

- rights arising from other contractual arrangements; and

- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit and loss account from the date the Group gains control until the date the Group ceases to control the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit and loss account.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in profit and loss account and is not reversed in future periods.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements.

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full.

Subsidiaries have same reporting period as that of the Holding Company. The accounting policies of subsidiaries have been changed to confirm with accounting policies of the Group, wherever needed.

2.4 Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method of accounting. Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised or separately tested for impairment.

The Group's share of its associate's post-acquisition profits and losses is recognised in the profit and loss account, and its share of profit of post-acquisition movements in reserve is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the investment. When the Group's share of losses in the associate equals or exceeds its interest

Notes to the Consolidated Financial Statements
For the year ended June 30, 2017

in associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.5 Property, plant and equipment and depreciation

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

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

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

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

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

2.6 Intangible assets and amortisation

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

Intangible assets with indefinite useful life such as brands are stated at cost less accumulated impairment losses, if any. These are tested for impairment annually at year end either individually or at the cash generating unit level, as appropriate when circumstances indicate the carrying value may be impaired.

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

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

2.7 Investments

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

2.8 Stores, spares and consumables

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

2.9 Stock-in-trade

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

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

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

2.10 Trade debts and other receivables

Trade debts and other receivables are recognised at original invoice amount less provision for doubtful debts and other receivables, if any. A provision for doubtful debts and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables (Refer note 43.6.1). Bad Debts are written off when identified.

2.11 Taxation

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

Current

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

PowerGen's profits and gains derived from power generation are exempt from tax under clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 and are also exempt from turnover tax under clause 11A of Part IV of the Second Schedule of the Income Tax Ordinance, 2001.

Deferred

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

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

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

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

2.12 Cash and cash equivalents

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

2.13 Impairment

Financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset,

Notes to the Consolidated Financial Statements
For the year ended June 30, 2017

and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

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

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

Non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

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

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

2.14 Surplus on revaluation of fixed assets

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

a) depreciation on assets which are revalued is determined with reference to the value assigned to such assets on revaluation and depreciation charge for the year is taken to the profit and loss account; and

b) an amount equal to incremental depreciation for the year net of deferred taxation is transferred from "Surplus on Revaluation of property plant and equipment" account to unappropriated profit / loss through Statement of Changes in Equity to record realization of surplus to the extent of the incremental depreciation charge for the year.

2.15 Staff retirement benefits

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

Defined benefit plans

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

An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income.

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

Defined contribution plans

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

Compensated absences

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

2.16 Operating leases / Ijarah contracts

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

2.17 Trade and other payables

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

2.18 Borrowings and their cost

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

2.19 Provisions

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

2.20 Financial liabilities

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

2.21 Foreign currency translation

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

2.22 Functional and presentation currency

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

2.23 Revenue recognition

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

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

Commission income is recognised on date of shipment from suppliers.

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

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

Toll manufacturing income is recognised when services are rendered.

2.24 Financial expense and financial income

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

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

2.25 Dividend

Dividend distribution to the Group's shareholders is recognised as a liability in the period in which the dividends are approved. However, if these are approved after the reporting period but before the financial statement are authorised for issue, disclosure is made in the financial statements.

2.26 Segment reporting

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

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

The business segments are engaged in providing products or services which are subject to risks and rewards which differ from the risk and rewards of other segments. Segments reported are Polyester, Soda Ash, Life Sciences (includes Cirin), Chemicals and others (PowerGen and NutriCo Morinaga), which also reflects the management structure of the Group.

2.27 Derivative financial instruments

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

2.28 Off-setting

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

Amounts in PKR '000

3 Business combination and joint venture

3.1 Acquisition of Cirin Phamraceuticals (Private) Limited

On 23rd December 2016, the Company acquired 100% shareholding of Cirin Pharmaceuticals (Private) Limited against a gross consideration of PKR 1,075 million.

At the acquisition date, the identifiable assets acquired and liabilities assumed are recognized at their carrying value which are approximately equal to to fair value, exept:

- Fair valuation of land, buildings and plant and machinery was carried out as at 23rd December 2016 by independent valuer on the basis of present market value. The fair value of assets fall under level 2 of fair value hierarchy (i.e. significant observable inputs).

- Fair value of intangible assets (brands) is determined at the acquisition date using relief from royalty method. The fair value of intangible assets fall under level 3 of fair value hierarchy (i.e. input for the asset or liability that are not based on observable market data).

The following summarizes the estimated fair values of consideration paid, non-controlling interests as well as the assets acquired and liabilities assumed at the date of acquistion:

	Fair value recognized on acquisition	Carrying value as at 23rd December 2016
Fair value of non-current tangible assets:		
Land	10,000	4,886
Building	57,117	23,810
Plant and machinery	96,493	29,951
	163,610	**58,647**
Carrying value of non-current tangible assets:		
Furniture and equipment	21,473	21,473
Vehicles	32,312	32,312
CWIP	305	305
	54,090	**54,090**
Total indicated value of non-current tangible assets	**217,700**	**112,737**
Net current assets:		
Stock-in-trade	125,067	125,067
Trade debts	24,875	24,875
Trade and other payables	(37,052)	(37,052)
Total net current assets	**112,890**	**112,890**
Lease liability	(19,673)	(19,673)
Brands	684,219	-
	664,546	(19,673)
Total indicated value of net assets	**995,136**	**205,954**
Goodwill	79,864	-
Total gross consideration	**1,075,000**	-

3.1.1 The management has decided to finalize the determination of valuation of assets acquired within one year from the acquisition date, which is allowed under IFRS 3 "Business Combinations" as measurement period, therefore provisional figures based on latest available information have been considered for the acquisition accounting.

3.2 Incorporation of NutriCo Morinaga (Private) Limited

On 6th March 2017, the Company entered into a joint venture with Morinaga Milk Industry Company Limited ("Morinaga") of Japan and Unibrands (Private) Limited ("Unibrands") to set up a plant for manufacturing infant/growing up formula. To initiate this project, a new Company has been incorporated which is a subsidiary of ICI Pakistan Limited in which 51% shareholding is held by ICI Pakistan Limited.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

	As at June 30, 2017	As at June 30, 2016
4 Property, plant and equipment		
4.1 The following is a statement of property, plant and equipment:		
Operating fixed assets - note 4.2	**15,534,162**	16,001,818
Capital work-in-progress - note 4.7	**4,424,453**	1,162,951
	19,958,615	17,164,769

4.2 The following is a statement of operating fixed assets:

	Land		Lime beds	Buildings		Plant and machinery	Railway sidings	Rolling stock and vehicles	Furniture and equipment	Total
	Freehold	Leasehold	on freehold land	On freehold land	On leasehold land					
	Note 4.3			Note 4.3		Note 4.3 & 4.4				
	As at June 30, 2017									
Net carrying value basis										
Opening net book value (NBV)	**519,718**	**-**	**215,405**	**715,423**	**1,929,826**	**12,407,061**	**-**	**15,458**	**198,927**	**16,001,818**
Addition / transfer - note 4.2.1	**10,244**	**-**	**-**	**7,308**	**156,690**	**1,312,785**	**-**	**12,976**	**85,180**	**1,585,183**
Acquisition through business combination	**10,000**	**-**	**-**	**57,117**	**-**	**96,493**	**-**	**32,312**	**21,473**	**217,395**
Revaluation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Disposal (at NBV)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,464)**	**(39)**	**(2,503)**
Depreciation charge - note 4.5	**-**	**-**	**(16,600)**	**(55,744)**	**(161,123)**	**(1,952,694)**	**-**	**(7,255)**	**(74,315)**	**(2,267,731)**
Closing net book value	**539,962**	**-**	**198,805**	**724,104**	**1,925,393**	**11,863,645**	**-**	**51,027**	**231,226**	**15,534,162**
Gross carrying value basis										
Cost / Revaluation	**539,962**	**562,166**	**359,553**	**3,101,469**	**3,246,384**	**30,923,952**	**297**	**187,976**	**798,323**	**39,720,082**
Accumulated depreciation	**-**	**(562,166)**	**(160,748)**	**(2,377,365)**	**(1,320,991)**	**(19,060,307)**	**(297)**	**(136,949)**	**(567,097)**	**(24,185,920)**
Closing net book value	**539,962**	**-**	**198,805**	**724,104**	**1,925,393**	**11,863,645**	**-**	**51,027**	**231,226**	**15,534,162**
Depreciation rate % per annum	**-**	**2 to 4**	**5 to 25**	**5 to 50**	**3 to 33.33**	**3.33 to 50**	**3.33**	**10 to 33.33**	**10 to 50**	
	As at June 30, 2016									
Net carrying value basis										
Opening net book value (NBV)	468,308	-	123,116	736,692	1,144,223	10,020,066	-	22,826	197,995	12,713,226
Addition / transfer - note 4.2.1	22,713	-	92,052	42,856	832,025	3,704,592	-	4,347	65,516	4,764,101
Revaluation	28,697	-	13,842	7,132	82,529	338,732	-	-	-	470,932
Disposal (at NBV)	-	-	(39)	-	(6,966)	(5,665)	-	(622)	(420)	(13,712)
Depreciation charge - note 4.5	-	-	(13,566)	(71,257)	(121,985)	(1,650,664)	-	(11,093)	(64,164)	(1,932,729)
Closing net book value	519,718	-	215,405	715,423	1,929,826	12,407,061	-	15,458	198,927	16,001,818
Gross carrying value basis										
Cost / Revaluation	519,718	562,166	359,553	3,037,044	3,088,418	29,535,206	297	127,628	708,073	37,938,103
Accumulated depreciation	-	(562,166)	(144,148)	(2,321,621)	(1,158,592)	(17,128,145)	(297)	(112,170)	(509,146)	(21,936,285)
Closing net book value	519,718	-	215,405	715,423	1,929,826	12,407,061	-	15,458	198,927	16,001,818
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 50	3 to 33.33	3.33 to 50	3.33	10 to 33.33	10 to 50	

4.2.1 Additions to plant and machinery include transfer from capital work-in-progress. It also includes borrowing cost for various projects determined using capitalization rate of nill (June 30, 2016: 6.00%) amounting to:	**-**	132,085

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
4.2.2	Operating fixed assets include the following major spare parts and stand by equipment:		
	Cost	**421,239**	403,142
	Net book value	**139,332**	161,208

4.3 Subsequent to revaluation on October 1, 1959, September 30, 2000, December 15, 2006 and December 31, 2011 which had resulted in a surplus of PKR 14.207 million, PKR 1,569.869 million, PKR 704.752 million and PKR 848.191 million respectively as at June 30, 2016 further revaluation was conducted resulting in revaluation surplus net of deferred tax liability of PKR 340.721 million. The valuation was conducted by an independent valuer. Valuations for plant and machinery and building were based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence. Land was valued on the basis of fair market value. The fair value of the assets subject to revaluation model fall under level 2 of fair value hierarchy (i.e. significant observable inputs).

4.4 Plant and machinery including equipment held with Searle Pakistan Limited (toll manufacturer) is as follows:

	As at June 30, 2017	As at June 30, 2016
Cost	**9,242**	8,111
Net book value	**4,160**	4,168

		For the year ended June 30, 2017	For the year ended June 30, 2016
4.5	The depreciation charge for the year has been allocated as follows:		
	Cost of sales	**2,204,798**	1,875,991
	Selling and distribution expenses	**29,665**	20,862
	Administration and general expenses	**33,268**	35,876
		2,267,731	1,932,729

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

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

	As at June 30, 2017	As at June 30, 2016
Net book value		
Freehold land	**201,985**	191,741
Buildings	**2,366,191**	2,419,060
Plant and machinery	**11,015,713**	11,655,622
	13,583,889	14,266,423

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
4.7	Capital work-in-progress comprises of:		
	Civil works and buildings	**715,276**	443,249
	Plant and machinery	**2,924,642**	529,187
	Miscellaneous equipment	**232,344**	28,825
	Advances to suppliers / contractors	**294,290**	70,571
	Designing, consultancy and engineering fee	**257,901**	91,119
		4,424,453	1,162,951
	This includes interest charged in respect of long-term loans obtained for various projects determined using capitalization rate of 5.57% (June 30, 2016: 5.48%) amounting to:	**69,586**	5,498
4.7.1	The following is the movement in capital work-in-progress during the year:		
	Balance at the beginning of the year	**1,162,951**	1,675,698
	Acquisition through business combination	**305**	-
	Addition during the year	**4,756,813**	4,183,927
		5,920,069	5,859,625
	Transferred to operating fixed assets during the year	**(1,495,616)**	(4,696,674)
	Balance at the end of the year	**4,424,453**	1,162,951

4.8 Details of operating fixed asset disposal having net book value in excess of PKR 50,000 are as follows:

As at June 30, 2017

	Mode of sale	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyers
Rolling Stock & Vehicles						
Loader - Cat 966 F-II	Scrap	2,733	2,277	456	45	Ghouri Scrap Dealer Mandi Bahauddin

As at June 30, 2016

	Mode of sale	Cost	Accumulated depreciation	Net book value	Sale proceeds	Particulars of buyers
Plant and machinery						
65 Ktpa plant, Sodium bicarbonate plant and commissioning cost	Scrap	27,813	23,967	3,846	644	Ghouri Scrap Dealer Mandi Bahauddin
Building on leasehold land						
Infrastructure refurbishment	Bidding	14,261	7,545	6,716	1,020	Awan Brothers Karimpura, Khewra and Ghouri Scrap Dealer Mandi Bahauddin
Furniture and equipments						
HP server for PIII and IBM	Scrap	5,824	5,534	290	320	M/s Sh. Auyoub, Sheikhupura
Rolling stock & vehicles						
Fleet car	Auction	622	-	622	4,615	Syed Nadeem Raza Ali, Karachi

Amounts in PKR '000

5 Intangible assets

As at June 30, 2017

	Goodwill	**Brands**	**Software**	**Licenses**	**Total**
Net carrying value basis					
Opening net book value (NBV)	**-**	**-**	**6,530**	**9,930**	**16,460**
Addition / transfer	**-**	**-**	**4,795**	**5,204**	**9,999**
Acquisition through business combination - note 5.1	**79,864**	**684,219**	**-**	**-**	**764,083**
Amortisation charge - note 5.2	**-**	**-**	**(2,014)**	**(5,172)**	**(7,186)**
Closing net book value	**79,864**	**684,219**	**9,311**	**9,962**	**783,356**
Gross carrying amount					
Cost	**79,864**	**684,219**	**184,202**	**205,157**	**1,153,442**
Accumulated impairment / amortisation	**-**	**-**	**(174,891)**	**(195,195)**	**(370,086)**
Closing net book value	**79,864**	**684,219**	**9,311**	**9,962**	**783,356**
Rate of amortisation % per annum			**20**	**20 to 50**	

As at June 30, 2016

	Goodwill	Brands	Software	Licenses	Total
Net carrying value basis					
Opening net book value (NBV)	-	-	1,980	26,338	28,318
Addition / transfer	-	-	6,096	3,628	9,724
Amortisation charge - note 5.2	-	-	(1,546)	(20,036)	(21,582)
Closing net book value	-	-	6,530	9,930	16,460
Gross carrying amount					
Cost	-	-	179,407	200,674	380,081
Accumulated amortisation	-	-	(172,877)	(190,744)	(363,621)
Closing net book value	-	-	6,530	9,930	16,460
Rate of amortisation % per annum			20	20 to 50	

5.1 These have been recognized on the acquisition of Cirin Pharmaceuticals (Private) Limited by the Company. These intangible assets have been treated as having an indefinite useful life because it is expected to contribute to net cash flows indefinitely based on the analysis of various economic factors prepared by management of the Group which indicated that there is no limit to the period these assets would contribute to the net cash inflows and, consequently, the said intangibles will not be amoritsed until their useful life is determined to be finite. However these intangible assets will be tested for impairment annually.

	For the year ended June 30, 2017	For the year ended June 30, 2016
5.2 The amortisation charge for the year has been allocated as follows:		
Cost of sales	**1,266**	4,491
Selling and distribution expenses	**463**	2,632
Administration and general expenses	**5,457**	14,459
	7,186	21,582

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

	As at June 30, 2017	As at June 30, 2016
6 Long-term investments		
Unquoted -at equity method		
Associate		
- NutriCo Pakistan (Private) Limited 40% ownership - note 6.1		
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	**1,167**	52,224
Share of profit for the year	**670,869**	407,318
Dividend received	**(668,000)**	(458,375)
Carrying Value of Associate	**964,036**	961,167
Others - at cost		
Equity security available-for-sale		
-Arabian Sea Country Club Limited		
250,000 ordinary shares (June 30, 2016: 250,000) of PKR 10 each	**2,500**	2,500
	966,536	963,667

6.1 The summary of financial information of associate as at the balance sheet date is as follows:

	2017	2016
Total assets	**4,118,366**	4,112,267
Total liabilities	**1,698,711**	1,699,784
Total equity and reserves	**2,419,655**	2,412,483
Total revenue	**7,909,462**	6,670,513
Profit for the year	**1,677,172**	1,193,752

7 Long-term loans

	2017	2016
Considered good		
Due from executives and employees - note 7.1	**382,421**	357,637

7.1 Due from executives and employees

	Motor car	**House building**	**Total**	Total
Due from executives - note 7.2, 7.3 and 7.4	**279,759**	**70,595**	**350,354**	282,294
Receivable within one year	**(71,262)**	**(30,021)**	**(101,283)**	(68,691)
	208,497	**40,574**	**249,071**	213,603
Due from employees - note 7.3			**158,436**	178,458
Receivable within one year			**(25,086)**	(34,424)
			133,350	144,034
			382,421	357,637
Outstanding for period:				
- less than three years but over one year			**301,517**	275,356
- more than three years			**80,904**	82,281
			382,421	357,637

7.2 Reconciliation of the carrying amount of loans to executives:

	2017	2016
Balance at the beginning of the year	**282,294**	245,541
Acquired through business combination	**6,150**	-
Disbursements during the year	**142,845**	124,213
Received during the year	**(80,935)**	(87,460)
Balance at the end of the year	**350,354**	282,294

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
7.3	Loans for purchase of motor cars and house building are repayable between two to ten years. These loans are interest free and granted to the employees, including executives of the Group, in accordance with their terms of employment.		
7.4	The maximum aggregate amount of loans due from the executives at the end of any month during the year:	**249,520**	301,495
8	**Long-term deposits and prepayments**		
	Deposits	**30,057**	28,209
	Prepayments	**8,570**	5,385
		38,627	33,594
9	**Stores, spares and consumables**		
	Stores - note 9.1	**158,788**	100,558
	Spares - note 9.1	**863,104**	807,960
	Consumables	**132,473**	121,244
		1,154,365	1,029,762
	Provision for slow moving and obsolete stores and spares - note 9.2	**(142,984)**	(168,218)
		1,011,381	861,544
9.1	The above amounts include stores and spares in transit:	**130,851**	70,287
9.2	Movement of provision for slow moving and obsolete stores and spares is as follows:		
	Balance at the beginning of the year	**168,218**	189,247
	Charge for the year - note 30	-	4,060
	Write off during the year	**(25,234)**	(25,089)
	Balance at the end of the year	**142,984**	168,218
10	**Stock-in-trade**		
	Raw and packing material include in-transit PKR 871.195 million (June 30, 2016: PKR 818.525 million) - note 10.3	**2,574,275**	2,290,108
	Work-in-process	**110,090**	140,179
	Finished goods include in-transit PKR 6.318 (June 30, 2016: PKR Nil)	**3,294,594**	3,019,011
		5,978,959	5,449,298
	Provision for slow moving and obsolete stock-in-trade - note 10.1		
	- Raw materials	**(3,988)**	(11,381)
	- Finished goods	**(61,071)**	(120,560)
		(65,059)	(131,941)
		5,913,900	5,317,357
10.1	Movement of provision for slow moving and obsolete stock-in-trade is as follows:		
	Balance at the beginning of the year	**131,941**	127,067
	Charge for the year - note 30	**63,729**	22,254
	Write-off for the year	**(130,611)**	(17,380)
	Balance at the end of the year	**65,059**	131,941

10.2 Stock amounting to PKR 734.965 million (June 30, 2016: PKR 338.822 million) is measured at net realisable value and reversal amounting to PKR 25.648 million (June 30, 2016: PKR 10.999 million expense) has been realized in cost of sales.

Notes to the Consolidated Financial Statements

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Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
10.3	Raw and packing materials held with various toll manufacturers:		
	Searle Pakistan Limited	**111,841**	183,246
	Maple Pharmaceutical (Private) Limited	**984**	2,021
	EPLA Laboratories (Private) Limited	**7,770**	-
	Breeze Pharma (Private) Limited	**10,140**	25,133
	Nova Med Pharmaceuticals	**11,685**	32,000
	BioGenics	**115**	-
	Other than above	**10,287**	-
		152,822	242,400
11	**Trade debts**		
	Considered good		
	- Secured	**392,527**	354,531
	- Unsecured	**2,710,985**	1,579,315
		3,103,512	1,933,846
	Considered doubtful	**88,944**	43,955
		3,192,456	1,977,801
	Provision for:		
	- Doubtful debts - note 43.4 and 43.6	**(88,944)**	(43,955)
	- Discounts payable on sales	**(513,634)**	(293,779)
		(602,578)	(337,734)
		2,589,878	1,640,067
11.1	The above balances include amounts due from the following associated undertakings which are neither past due nor impaired:		
	Unsecured		
	Yunus Textile Mills Limited	**1,847**	179
	Lucky Textile Mills Limited	**1,861**	948
	Lucky Foods (Private) Limited	**155**	-
	Lucky Knits (Private) Limited	**528**	472
	Oil & Gas Development Company Limited	**14**	14
	NutriCo Pakistan (Private) Limited	**-**	2,393
	Feroze 1888 Mills Limited	**-**	331
		4,405	4,337
12	**Loans and advances**		
	Considered good		
	Loans due from:		
	Executives - note 12.1	**101,283**	82,157
	Employees	**25,086**	34,424
		126,369	116,581
	Advances to:		
	Executives	**15,153**	10,768
	Employees	**4,207**	491
	Contractors and suppliers - note 12.2	**294,562**	261,572
	Others	**1,694**	2,950
		315,616	275,781
		441,985	392,362

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
12.1	The maximum aggregate amount of loans due from the executives at the end of any month during the year:	**48,882**	68,691
12.2	The above balances inculde advances to related parties amounting to:		
	Pakistan Cables Limited	**20,853**	-
	Lucky Cement Limited	**1,617**	-
		22,470	-
13	**Trade deposits and short-term prepayments**		
	Trade deposits	**148,718**	38,001
	Short-term prepayments	**428,708**	392,648
		577,426	430,649
14	**Other receivables**		
	Considered good		
	Duties, sales tax and octroi refunds due	**986,290**	520,981
	Commission receivable	**42,834**	28,046
	Due from associate	**164,000**	-
	Receivable from principal - note 14.1	**209,114**	184,950
	Others	**215,632**	70,423
		1,617,870	804,400
	Considered doubtful	**5,055**	1,622
		1,622,925	806,022
	Provision for doubtful receivables - note 14.2	**(5,055)**	(1,622)
		1,617,870	804,400
14.1	This includes receivable from a foreign vendor in relation to margin support guarantee:	**128,527**	118,528
14.2	**Movement of provision for doubtful receivables**		
	Balance at the beginning of the year	**1,622**	1,622
	Charge for the year	**3,433**	-
	Balance at the end of the year	**5,055**	1,622
15	**Cash and bank balances**		
	Cash at bank:		
	- Short-term deposits - note 15.1	**279,350**	247,878
	- Current accounts	**37,937**	4,696
	- Saving accounts - note 15.2	**943,518**	-
	Cash in hand	**5,659**	6,388
		1,266,464	258,962

15.1 Represent security deposits from customers that are placed with various banks at pre-agreed rate maturing at various dates. These are interest based arrangements. The mark-up percentage on these deposits during the year was ranging from 5.50% to 6.50% (June 30, 2016: 6.00% to 7.00%) and these term deposits are readily encashable without any penalty.

15.2 This amount pertains to the initial investment in NutriCo Morinaga which is held for the purpose of construction of plant.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2017

Amounts in PKR '000

As at June 30, 2017 (Numbers)	As at June 30, 2016 (Numbers)		As at June 30, 2017	As at June 30, 2016
		16 Issued, subscribed and paid-up capital		
83,734,062	83,734,062	Ordinary shares of PKR 10 each fully paid in cash	**837,341**	837,341
211,925	211,925	Ordinary shares of PKR 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation - (note 16.1)	**2,119**	2,119
16,786	16,786	Ordinary shares of PKR 10 each issued as fully paid bonus shares	**168**	168
8,396,277	8,396,277	Ordinary shares issued pursuant to the previous scheme as fully paid for consideration of investment in associate (note 16.2)	**83,963**	83,963
92,359,050	**92,359,050**		**923,591**	**923,591**

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

16.2 With effect from October 1, 2000 the Pure Terephthalic Acid (PTA) Business of the Company was demerged under a scheme of arrangement dated December 12, 2000 approved by the shareholders and sanctioned by the High Court of Sindh.

16.3 As at June 30, 2017, Lucky Holdings Limited together with Gadoon Textile Mills and Lucky Textile Mills Limited held 86.14% (June 30, 2016: 86.67%) shares, while institutions held 5.73% (June 30, 2016: 8.25%) and individuals and others held the balance of 8.13% (June 30, 2016: 5.08%).

17 Capital reserves

	2017	2016
Share premium - note 17.1	**309,057**	309,057
Capital receipts - note 17.2	**586**	586
	309,643	309,643

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

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

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
18	**Surplus on revaluation of property, plant and equipment**		
	Balance at the beginning of the year	**995,330**	722,369
	Revaluation surplus - note 4.2 & 4.3	**-**	470,929
	Deferred tax liability recognised on surplus - note 21	**-**	(130,207)
		-	340,722
	Adjustment due to change in tax rate - note 21.1	**11,611**	3,382
	Transferred to unappropriated profit in respect of incremental depreciation during the year - net of deferred tax	**(104,153)**	(71,143)
	Balance at the end of the year	**902,788**	995,330
19	**Provisions for non-management staff gratuity**	**115,030**	90,867

19.1 Staff retirement benefits

	2017				2016			
		Funded		**Unfunded**		Funded		Unfunded
	Pension	**Gratuity**	**Total**		Pension	Gratuity	Total	
19.1.1 The amounts recognised in the profit and loss account against defined benefit schemes are as follows:								
Current service cost	**13,653**	**42,966**	**56,619**	**4,503**	16,554	38,832	55,386	3,389
Interest cost	**74,207**	**47,820**	**122,027**	**7,116**	85,424	52,368	137,792	7,661
Expected return on plan assets	**(106,856)**	**(42,640)**	**(149,496)**	**-**	(123,707)	(44,814)	(168,521)	-
Past service cost / (reversal)	**-**	**-**	**-**	**-**	-	1,427	1,427	(1,427)
Net (reversal) / charge for the year	**(18,996)**	**48,146**	**29,150**	**11,619**	(21,729)	47,813	26,084	9,623
Other comprehensive income:								
Loss on obligation	**142,055**	**22,379**	**164,434**	**9,903**	54,496	28,629	83,125	1,579
Gain on plan assets	**(60,949)**	**(39,238)**	**(100,187)**	**-**	(43,712)	(22,962)	(66,674)	-
Net (gain) / loss	**81,106**	**(16,859)**	**64,247**	**9,903**	10,784	5,667	16,451	1,579
19.1.2 Movement in the net assets / (liability) recognised in the balance sheet are as follows:								
Opening balance	**421,273**	**(100,175)**	**321,098**	**(90,867)**	410,328	(112,378)	297,950	(87,422)
Acquired through business combination	**-**	**-**	**-**	**(12,759)**	-	-	-	-
Net reversal / (charge) - note 19.1.1	**18,996**	**(48,146)**	**(29,150)**	**(11,619)**	21,729	(47,813)	(26,084)	(9,623)
Other comprehensive income / (loss)	**(81,106)**	**16,859**	**(64,247)**	**(9,903)**	(10,784)	(5,667)	(16,451)	(1,579)
Contributions / payments during the year	**-**	**66,685**	**66,685**	**10,118**	-	65,683	65,683	7,757
Closing balance	**359,163**	**(64,777)**	**294,386**	**(115,030)**	421,273	(100,175)	321,098	(90,867)
19.1.3 The amounts recognised in the balance sheet are as follows:								
Fair value of plan assets - note 19.1.5	**1,472,114**	**625,476**	**2,097,590**	**-**	1,453,265	556,791	2,010,056	-
Present value of defined benefit obligation - note 19.1.4	**(1,112,951)**	**(690,253)**	**(1,803,204)**	**(115,030)**	(1,031,992)	(656,966)	(1,688,958)	(90,867)
Net asset / (liability)	**359,163**	**(64,777)**	**294,386**	**(115,030)**	421,273	(100,175)	321,098	(90,867)

The recognized asset / liability of funded gratuity is netted off against recognized asset / liability of funded pension and recorded accordingly.

	Pension	**Gratuity**	**Total**	**Unfunded**	Pension	Gratuity	Total	Unfunded
19.1.4 Movement in the present value of defined benefit obligation:								
Opening balance	**1,031,992**	**656,966**	**1,688,958**	**90,867**	955,651	584,006	1,539,657	87,422
Acquired through business combination	**-**	**-**	**-**	**12,759**	-	-	-	-
Current service cost	**13,653**	**42,966**	**56,619**	**4,503**	16,554	38,832	55,386	3,389
Interest cost	**74,207**	**47,820**	**122,027**	**7,116**	85,424	52,368	137,792	7,661
Benefits paid	**(148,956)**	**(79,878)**	**(228,834)**	**(10,118)**	(80,133)	(48,296)	(128,429)	(7,757)
Actuarial loss	**142,055**	**22,379**	**164,434**	**9,903**	54,496	28,629	83,125	1,579
Past service cost / (reversal)	**-**	**-**	**-**	**-**	-	1,427	1,427	(1,427)
Closing balance	**1,112,951**	**690,253**	**1,803,204**	**115,030**	1,031,992	656,966	1,688,958	90,867

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

		2017				2016			
		Funded			**Unfunded**	Funded			Unfunded
		Pension	**Gratuity**	**Total**		Pension	Gratuity	Total	
19.1.5	**Movement in the fair value of plan assets:**								
	Opening balance	**1,453,265**	**556,791**	**2,010,056**	**-**	1,365,979	471,628	1,837,607	-
	Expected return	**106,856**	**42,640**	**149,496**	**-**	123,707	44,814	168,521	-
	Contributions	**-**	**66,685**	**66,685**	**-**	-	65,683	65,683	-
	Benefits paid	**(148,956)**	**(79,878)**	**(228,834)**	**-**	(80,133)	(48,296)	(128,429)	-
	Actuarial gain	**60,949**	**39,238**	**100,187**	**-**	43,712	22,962	66,674	-
	Closing balance - note 19.1.7	**1,472,114**	**625,476**	**2,097,590**	**-**	1,453,265	556,791	2,010,056	-

19.1.6	**Historical information**			**June 30**		
		2017	2016	2015	2014	2013
	Present value of defined benefit obligation	**1,918,234**	1,779,825	1,627,079	1,627,920	1,700,226
	Fair value of plan assets	**(2,097,590)**	(2,010,056)	(1,837,607)	(1,654,533)	(1,655,974)
	Net (asset) / liability	**(179,356)**	(230,231)	(210,528)	(26,613)	44,252

19.1.7	**Major categories / composition of plan assets are as follows:**	**2017**	2016
	Debt instruments	**60.69%**	72.37%
	Equity at market value	**32.49%**	21.99%
	Cash / Others	**6.82%**	5.63%

Fair value of plan asset	**Pension**	**Gratuity**	Pension	Gratuity
	As at June 30, 2017		As at June 30, 2016	
Investment				
National savings deposits	**41,041**	**18,655**	256,738	17,051
Government bonds	**872,860**	**339,892**	852,610	327,732
Mutual Funds	**72,440**	**46,150**	60,873	38,750
Shares	**476,763**	**205,390**	274,215	167,694
Cash	**9,010**	**15,389**	8,829	12,452
Benefits due	**-**	**-**	-	(6,888)
Total	**1,472,114**	**625,476**	1,453,265	556,791

Mortality of active employees and pensioners is represented by the LIC (96-98) table. The table has been rated down three years for mortality of female pensioners and widows.

Actual return on plan assets during the year:	**351,691**	239,346

		2017	2016
19.1.8	**The principal actuarial assumptions at the reporting date were as follows:**		
	Discount rate	**7.25%**	7.75%
	Future salary increases - Management	**5.00%**	5.75%
	Future salary increases - Non - Management	**2.75%**	3.25%
	Future pension increases	**2.25%**	2.50%

19.1.9 Impact of changes in assumptions on defined benefit scheme Is as follows:

Assumption	**1% Increase**	**1% Decrease**
Discount rate	**(88,708)**	**103,908**
Salary increase	**70,404**	**(64,047)**
Pension increase	**35,914**	**(32,424)**

		As at June 30, 2017 (Unaudited)	As at June 30, 2016 (Audited)
19.1.10	**During the year, the Group contributed in the fund as follows:**		
	Provident fund	**88,659**	78,611
	Defined contribution superannuation fund	**76,728**	67,426
19.2	**Provident fund**		
	Size of the fund	**1,250,408**	1,169,750
	Cost of investments made	**1,125,222**	1,046,679
	Percentage of investments made	**90%**	89%
	Fair value of investments	**1,152,476**	1,090,817

Amounts in PKR '000

19.2.1 Break-up of investments of provident fund

Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	As at June 30, 2017 (Unaudited)		As at June 30, 2016 (Audited)	
	Investments	**% of investment as size of the fund**	Investments	% of investment as size of the fund
On fair value				
Pakistan Investment Bonds	**640,456**	**56%**	559,264	51%
Regular Income Certificates	**21,713**	**2%**	19,767	2%
Mutual Funds	**57,398**	**5%**	147,454	14%
Shares	**432,909**	**37%**	364,332	33%
	1,152,476	**100%**	1,090,817	100%

Investments out of provident fund have been made in accordance with the provisions of section 227 of the repealed Companies Ordinance, 1984 and the rules formulated for this purpose.

	As at June 30, 2017	As at June 30, 2016
20 Long-term loans	**4,919,478**	3,652,586
Loans from banking companies / financial institutions - note 20.1:		
Interest based arrangement		
Long-term finance facility		
United Bank Limited (UBL)	**1,353,444**	1,282,342
Faysal Bank Limited (FBL)	**74,717**	74,717
MCB Bank Limited	**532,170**	217,086
Other long-term loan		
Allied Bank Limited (ABL)	**83,333**	416,668
United Bank Limited (UBL)	**2,000,000**	2,000,000
Habib Bank Limited (HBL)	**510,000**	-
Shariah compliant		
Islamic term finance		
Habib Bank Limited (HBL)	**1,000,000**	-
First Habib Modarba	**13,481**	-
Meezan Bank Limited (MBL)	**-**	55,556
	5,567,145	4,046,369
Current portion shown under current liabilities	**(647,667)**	(393,783)
	4,919,478	3,652,586

20.1 Terms and conditions of these borrowings are as follows:

Lenders	**Mark-up / Profit rate**	**Limit**	**Loan duration**	**Grace period**
FBL	SBP rate + 45bps	250,000	10 Years	2 Yrs
UBL	SBP rate + 50bps	1,500,000	10 Years	2 Yrs
MCB	SBP rate + 30 bps	1,500,000	10 Years	2 Yrs
HBL	6MK + 5bps	2,500,000	7 Years	2 Yrs
ABL	3MK + 25bps	1,000,000	4 Years	1 Yr
UBL	3MK + 25bps	2,000,000	5 Years	2 Yrs
First Habib Modaraba	6MK + 225bps	17,757	3 to 5 Years	Nil

These loans are secured against the fixed assets of Polyester and Soda Ash Business amounting to PKR 2,500 million and PKR 7,000 million respectively. Mark-up is payable on quarterly basis.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2017

Amounts in PKR '000

	As at June 30, 2017			As at June 30, 2016			
	Opening	**Reversal**	**Closing**	Opening	Charge/ (Reversal)	Recognized in surplus on revaluation	Closing
21 Deferred tax liability - net							
Deductible temporary differences							
Provisions for retirement benefits, doubtful debts and others	**(239,276)**	**(34,442)**	**(273,718)**	(230,018)	(9,258)	-	(239,276)
Retirement funds provisions	**(19,491)**	**(18,227)**	**(37,718)**	(15,421)	(4,070)	-	(19,491)
Taxable temporary differences							
Property, plant and equipment - note 21.1	**1,689,556**	**(153,038)**	**1,536,518**	1,426,606	132,743	130,207	1,689,556
	1,430,789	**(205,707)**	**1,225,082**	1,181,167	119,415	130,207	1,430,789

21.1 Charge during the year includes amount adjusted in surplus on revaluation of property, plant and equipment on account of change in tax rate of:	**11,611**	3,382

22 Liabilities subject to finance lease

	As at June 30, 2017		As at June 30, 2016	
	Minimum lease payments	**Present value of minimum lease payments**	Minimum lease payments	Present value of minimum lease payments
Within one year	**2,198**	**2,009**	-	-
After one year but not more than five years	**826**	**799**		
Total minimum lease payments	**3,024**	**2,808**	-	-
Less: Finance charges allocated to future periods	**216**	**-**		
Present value of minimum lease payments - note 22.1	**2,808**	**2,808**	-	-
Less: Current maturity shown under current liability	**2,009**	**2,009**		
	799	**799**	-	-

22.1 Represents conventional obligation in respect of assets acquired under finance lease arrangements from various conventional financial institutions. Rentals are payable in equal monthly installments. Repairs and insurance costs are to be borne by lessee. Financing rate ranging from KIBOR plus 3.5 percent to 4 percent per annum has been used as discounting factor. Overdue rental payments are subject to additional charge upto 2% percent per month or part thereof on all sums not paid by the lessee when due and payable under the respective agreements. Purchase option can be exercised by the lessee by adjusting security deposit against residual value at the expiry of the leased period.

	As at June 30, 2017	As at June 30, 2016
23 Trade and other payables		
Trade creditors	**1,846,046**	1,309,635
Bills payable	**3,301,163**	2,557,323
Accrued expenses	**2,537,351**	1,857,509
Technical service fee / royalty - note 23.1	**21,640**	19,778
Workers' profit participation fund - note 23.2	**243,326**	191,680
Workers' welfare fund	**65,767**	181,209
Distributors' security deposits - payable on termination of distributorship - note 23.3	**101,657**	101,113
Contractors' earnest / retention money	**10,572**	10,245
Running account with customers - note 23.4	**426,174**	302,686
Unclaimed dividends	**80,568**	70,648
Payable for capital expenditure	**1,109,672**	547,635
Provision for compensated absences - note 23.5	**31,249**	31,249
Others	**158,527**	142,053
	9,933,712	7,322,763
23.1 This amount includes royalty payable to Lucky Holdings Limited, the Holding Company.	**21,640**	18,993

Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
23.2	**Workers' profit participation fund**		
	Balance at the beginning of the year	**191,680**	152,453
	Acquired through business combination	**3,141**	-
	Allocation for the year - note 31	**235,170**	189,030
		429,991	341,483
	Interest on funds utilised in the Group's businesses at 48.25% (June 30, 2016: 86.25%) per annum - note 32	**2,365**	3,704
	Payment to the fund	**(189,030)**	(153,507)
	Balance at the end of the year	**243,326**	191,680

23.3 Interest on security deposits from certain distributors is payable at ranging from 5.50% to 6.50% (June 30, 2016: 6% to 7%) per annum as specified in the respective agreements.

23.4 Included herein are amounts due to the following associated undertakings (related party):

Fashion Textile Mills (Pvt.) Limited	**362**	-
Yunus Textile Mills Limited	**-**	106
Lucky Cement Limited	**-**	1,039
	362	1,145

23.5 This figure is based on actuarial valuation and estimation.

24	**Short-term borrowings and running finance**	**2,128,905**	1,937,184

Short-term borrowings and running finance facility from various banks aggregated to PKR 7,341 million (June 30, 2016: PKR 7,281 million) and carry mark-up during the year ranging from relevant KIBOR negative 0.05% to positive 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.12% on utilized limits (June 30, 2016: relevant KIBOR + 0.10% to 1.00% per annum with an average mark-up rate of relevant KIBOR + 0.22% on utilized limits). These facilities are secured by immovable property and hypothecation charge over the present and future stock-in-trade and book debts of the Group.

24.1	**Export refinance**	**50,000**	388,741

The Company has export refinance facility of upto PKR 1200 million available from Faysal Bank Limited as at June 30, 2017 out of which PKR 50 million was utilized (2016: PKR 388.741 million). The above export refinance facility is secured by first pari passu hypothecation charge. The export refinance facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 2%) + 0.25% per annum (June 30, 2016: SBP rate 3.5% + 0.25% per annum).

24.2	**Money Market**	**550,000**	300,000

During the year the Company had obtained a money market loan of PKR 300 million from Standard Chartered Bank Limited for a term of 3 month at plain KIBOR, and of PKR 250 million from Natioanl Bank of Pakistan for a term of 3 month at relevant KIBOR minus 5 bps.

24.3	**Short-term running finance - secured**	**1,528,905**	1,248,443

Notes to the Consolidated Financial Statements

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Amounts in PKR '000

		As at June 30, 2017	As at June 30, 2016
25	**Contingencies and commitments**		
25.1	Claims against the Group not acknowledged as debts are as follows:		
	Local bodies - note 25.1.1	**1,400**	1,100
	Others	**15,302**	28,529
		16,702	29,629

25.1.1 Collectorate of customs - classification issue in PCT heading

Customs raised a demand for PKR 51.5 million relating to classification issue of Titanium Di-Oxide during prior years. During the current year, Company received a positive outcome for its case filed with Customs Appellate Tribunal and the case was decided in Company's favor.

Collectorate of customs raised demand of PKR 17.4 million till 2015-16 against the Company on the ground that Company is classifying its imported product Wannate 8019 in wrong PCT Heading. During the current year also, consignments were withheld by Customs Appraisement due to classification issue. For clearance of these consignments, Company paid PKR 15.8 million as Security Deposit for getting Provisional clearance till the final decision of Classifcation Committee and Appellate forums, which is still awaited.

For one other product Wannate PM 2010/ 8221, consignments were again withheld by Customs Intelligence on Classification issue. Company paid PKR 94 million as Security Deposit for Provisional Clearance of these consignments till final decision. Classification committee through a Public notice dated 12th June, 2017 gave its view on classification of the product against the Company. Customs after the issuance of this Public Notice raised further demand relating to period prior to issuance of Public Notice, amounting to PKR 65 million. Company being dissatisfied with the verdict filed a Suit in Sindh High Court on certain grounds including that applicability of public notice cannot be done retrospectively. The court has granted a stay in favor of the Company till the next date of hearing. The Company is confident that it has a strong grounds to defend the case and is hopeful of positive outcome.

25.1.2 Cirin Pharmaceuticals (Pvt.) Ltd has been manufacturing its own registered product Carnem (Meropenem) ("Product") and marketing it through a company named Laderly Bio-tech Pharma ('Laderly'). The agreement for such arrangement expired in the year 2015 and later completed its extended one-year term in the year 2016. Both companies agreed to manufacture final batches of the Product just before the acquisition by the Company. However post-acquisition, Laderly demanded to have the Product transferred in its name.

Thereafter, Laderly initiated legal proceedings against Cirin for getting the product transferred in its name. Cirin's stance is that since Laderly does not hold a drug manufacturing license, it is not legally permissible for Laderly to manufacture drugs, and therefore the Product cannot be transferred to Laderly. At present, the matter is pending adjudication in court and Cirin is strongly contesting the matter. The chances of a favorable outcome for Cirin are expected.

25.2 Tax related contingencies are disclosed in note 46 to these consolidated financial statements for income tax and sales tax contingencies.

25.3	Commitments in respect of capital expenditure including various projects of the Soda Ash business:	**1,888,030**	2,193,478

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

Year		
2016-17	**-**	64,050
2017-18	**72,921**	44,247
2018-19	**60,110**	28,227
2019-20	**39,393**	6,550
2020-21	**18,186**	-
	190,610	143,074
Payable not later than one year	**72,921**	64,050
Payable later than one year but not later than five years	**117,689**	79,024
	190,610	143,074

Amounts in PKR '000

26. Operating segment results

	Polyester		Soda Ash		Life Sciences		Chemicals		Others		Group	
	For the year ended June 30, 2017	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Sales												
Afghanistan	**-**	-	**59,967**	34,502	**-**	-	**1,247**	8,711	**-**	-	**61,214**	43,213
India	**-**	-	**584,537**	704,327	**-**	-	**-**	-	**-**	-	**584,537**	704,327
United Kingdom	**-**	-	**-**	-	**-**	-	**-**	2,192	**-**	-	**-**	2,192
Others	**-**	-	**-**	-	**1,980**	-	**-**	-	**-**	-	**1,980**	-
	-	-	**644,504**	738,829	**1,980**	-	**1,247**	10,903	**-**	-	**647,731**	749,732
Inter-segment	**-**	-	**-**	-	**-**	-	**7,214**	4,610	**527,052**	455,181	**534,266**	459,791
Local	**14,647,604**	14,235,639	**13,159,554**	12,653,113	**14,173,116**	10,265,352	**5,504,214**	4,739,851	**-**	-	**47,484,488**	41,893,955
	14,647,604	14,235,639	**13,804,058**	13,391,942	**14,175,096**	10,265,352	**5,512,675**	4,755,364	**527,052**	455,181	**48,666,485**	43,103,478
Commission / Toll income	-	-	**-**	-	**10,145**	-	**55,085**	45,681	**-**	-	**65,230**	45,681
Turnover	**14,647,604**	14,235,639	**13,804,058**	13,391,942	**14,185,241**	10,265,352	**5,567,760**	4,801,045	**527,052**	455,181	**48,731,715**	43,149,159
Sales tax	**-**	(414,677)	**(1,897,987)**	(1,848,888)	**(135,821)**	(141,338)	**(622,360)**	(540,998)	**(76,580)**	(66,137)	**(2,732,748)**	(3,012,038)
Commission and discounts	**(259,549)**	(393,753)	**(865,387)**	(702,375)	**(2,489,130)**	(1,413,689)	**(155,997)**	(279,213)	**-**	-	**(3,770,063)**	(2,789,030)
	(259,549)	(808,430)	**(2,763,374)**	(2,551,263)	**(2,624,951)**	(1,555,027)	**(778,357)**	(820,211)	**(76,580)**	(66,137)	**(6,502,811)**	(5,801,068)
Net turnover	**14,388,055**	13,427,209	**11,040,684**	10,840,679	**11,560,290**	8,710,325	**4,789,403**	3,980,834	**450,472**	389,044	**42,228,904**	37,348,091
Cost of sales - note 28	**(14,251,410)**	(13,765,271)	**(7,727,970)**	(7,432,444)	**(8,124,521)**	(6,195,958)	**(3,734,456)**	(3,086,848)	**(376,507)**	(297,630)	**(34,213,124)**	(30,776,411)
Gross profit	**136,645**	(338,062)	**3,312,714**	3,408,235	**3,435,769**	2,514,367	**1,054,947**	893,986	**73,965**	91,414	**8,015,780**	6,571,680
Selling and distribution expenses - note 29	**(242,348)**	(243,280)	**(296,027)**	(310,371)	**(1,810,828)**	(1,266,174)	**(339,031)**	(298,317)	**-**	-	**(2,688,234)**	(2,118,142)
Administration and general expenses - note 30	**(332,202)**	(274,325)	**(287,018)**	(241,827)	**(374,348)**	(232,148)	**(147,289)**	(133,377)	**(509)**	(593)	**(1,141,126)**	(882,030)
Operating result	**(437,905)**	(855,667)	**2,729,669**	2,856,037	**1,250,593**	1,016,045	**568,627**	462,292	**73,456**	90,821	**4,186,420**	3,571,508
26.1 Segment assets - note 26.5	**9,682,810**	8,085,224	**20,853,429**	16,782,250	**8,277,934**	7,011,907	**4,082,046**	3,152,394	**1,390,974**	388,906	**33,817,840**	27,277,801
26.2 Unallocated assets											**2,984,087**	3,197,915
											36,801,927	30,475,716
26.3 Segment liabilities - note 26.5	**13,710,932**	12,368,868	**3,925,251**	2,034,908	**3,232,079**	2,187,208	**1,129,720**	734,635	**71,522**	45,106	**11,196,064**	8,773,771
26.4 Unallocated liabilities											**7,880,091**	6,131,864
											19,076,155	14,905,635

26.5 Inter unit current account balances of respective businesses have been eliminated from the total

26.6 Depreciation and amortisation charge note 4.5 and 5.2	**791,828**	819,631	**1,357,068**	1,016,718	**43,856**	29,723	**38,819**	33,166	**43,346**	55,073	**2,274,917**	1,954,311
26.7 Capital expenditure	**253,982**	222,744	**4,376,082**	3,937,224	**84,669**	47,953	**88,776**	46,232	**52,870**	6,925	**4,856,379**	4,261,078

26.8 Inter-segment pricing

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

26.9 There were no major customer of the Group which formed part of 10% or more of the Group's revenue.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2017

Amounts in PKR '000

		For the year ended June 30, 2017	For the Year ended June 30, 2016
27	**Reconciliations of reportable segment revenues, cost of sales, assets and liabilities**		
27.1	**Turnover**		
	Total turnover for reportable segments - note 26	**48,731,715**	43,149,159
	Elimination of inter-segment turnover - note 26	**(7,214)**	(4,610)
	Elimination of inter-segment turnover from the subsidiary	**(450,472)**	(389,044)
	Total turnover	**48,274,029**	42,755,505
27.2	**Cost of sales**		
	Total cost of sales for reportable segments - note 28	**34,213,124**	30,776,411
	Elimination of inter-segment purchases - note 28	**(7,214)**	(4,610)
	Elimination of inter-segment purchases from the subsidiary	**(450,472)**	(389,044)
	Total cost of sales	**33,755,438**	30,382,757

		As at June 30, 2017	As at June 30, 2016
27.3	**Assets**		
	Total assets for reportable segments	**33,817,840**	27,277,801
	Taxation recoverable	**1,253,468**	2,234,248
	Intangibles - goodwill and brands	**764,083**	-
	Long-term investments - note 6	**966,536**	963,667
	Total assets	**36,801,927**	30,475,716
27.4	**Liabilities**		
	Total liabilities for reportable segments	**11,196,064**	8,773,771
	Short-term borrowings and running finance - note 24	**2,128,905**	1,937,184
	Long-term loan - note 20	**5,567,145**	4,046,369
	Accrued mark-up	**103,473**	77,663
	Unclaimed dividends - note 23	**80,568**	70,648
	Total Liabilities	**19,076,155**	14,905,635

Amounts in PKR '000

28. Cost of Sales

	Polyester		Soda Ash		Life Sciences		Chemicals		Others		Group	
	For the year ended June 30, 2017	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Raw and packing materials consumed												
Opening stock	**644,917**	665,385	**625,823**	405,275	**821,960**	690,608	**219,532**	295,456	**20,611**	21,643	**2,332,843**	2,078,367
Purchases												
Inter-segment	**5,532**	4,106	**-**	-	**1,682**	504	**-**	-	**-**	-	**7,214**	4,610
Others	**11,801,977**	10,982,051	**2,223,176**	2,506,983	**2,191,148**	2,030,953	**2,008,727**	1,427,390	**289,143**	194,507	**18,514,171**	17,141,884
	11,807,509	10,986,157	**2,223,176**	2,506,983	**2,192,830**	2,031,457	**2,008,727**	1,427,390	**289,143**	194,507	**18,521,385**	17,146,494
	12,452,426	11,651,542	**2,848,999**	2,912,258	**3,014,790**	2,722,065	**2,228,259**	1,722,846	**309,754**	216,150	**20,854,228**	19,224,861
Closing stock - note 10	**(742,941)**	(644,917)	**(645,261)**	(625,823)	**(724,286)**	(767,844)	**(436,174)**	(219,532)	**(21,625)**	(20,611)	**(2,570,287)**	(2,278,727)
Raw and packaging material consumed	**11,709,485**	11,006,625	**2,203,738**	2,286,435	**2,290,504**	1,954,221	**1,792,085**	1,503,314	**288,129**	195,539	**18,283,941**	16,946,134
Salaries, wages and benefits - note 28.1	**485,944**	436,141	**808,959**	751,389	**88,453**	25,203	**67,764**	58,076	**17,737**	17,603	**1,468,857**	1,288,412
Stores and spares consumed	**182,685**	188,411	**162,273**	144,872	**1,282**	(691)	**12,907**	11,304	**19,281**	20,617	**378,428**	364,513
Conversion fee paid to contract manufacturers	**-**	-	**-**	-	**385,683**	376,652	**14,269**	9,382	**-**	-	**399,952**	386,034
Oil, gas and electricity	**1,133,944**	1,029,957	**2,629,665**	2,825,500	**17**	-	**20,864**	18,023	**578**	1,768	**3,785,068**	3,875,248
Rent, rates and taxes	**1,698**	1,649	**1,371**	1,338	**14,605**	13,983	**41,632**	30,062	**450**	420	**59,756**	47,452
Insurance	**15,946**	19,194	**26,972**	27,232	**569**	34	**1,699**	1,306	**1,038**	1,255	**46,224**	49,021
Repairs and maintenance	**12,632**	11,812	**6,105**	1,463	**5,080**	3,281	**6,887**	5,380	**120**	130	**30,824**	22,066
Depreciation and amortisation charge - note 4.5 and 5.2	**779,835**	801,217	**1,344,567**	999,894	**14,901**	6,051	**23,415**	18,247	**43,346**	55,073	**2,206,064**	1,880,482
Excise duty	**-**	-	**-**	-	**-**	-	**-**	-	**4,587**	3,934	**4,587**	3,934
Technical fees	**-**	-	**-**	-	**3,416**	3,035	**591**	2,876	**-**	-	**4,007**	5,911
Royalty	**-**	-	**-**	-	**4,476**	3,605	**-**	-	**-**	-	**4,476**	3,605
General expenses	**199,663**	211,454	**228,257**	188,528	**38,524**	7,413	**40,133**	29,684	**1,241**	1,291	**506,078**	436,630
Opening stock of work-in-process	**96,152**	72,137	**-**	-	**77,208**	13,391	**7,284**	10,506	**-**	-	**180,644**	96,034
Closing stock of work-in-process - note 10	**(52,831)**	(96,152)	**-**	-	**(53,231)**	(36,743)	**(4,028)**	(7,284)	**-**	-	**(110,090)**	(140,179)
Cost of goods manufactured	**14,565,153**	13,682,445	**7,411,907**	7,226,651	**2,871,487**	2,369,435	**2,025,502**	1,690,876	**376,507**	297,630	**27,248,816**	25,265,297
Opening stock of finished goods	**401,556**	484,382	**133,957**	182,030	**1,947,861**	1,668,871	**440,433**	433,725	**-**	-	**2,923,807**	2,769,008
Finished goods purchased	**18,588**	-	**270,003**	157,720	**5,246,319**	4,090,211	**1,802,843**	1,414,880	**-**	-	**7,337,753**	5,662,811
	14,985,297	14,166,827	**7,815,867**	7,566,401	**10,065,667**	8,128,517	**4,268,778**	3,539,481	**376,507**	297,630	**37,510,376**	33,697,116
Closing stock of finished goods - note 10	**(733,887)**	(401,556)	**(87,897)**	(133,957)	**(1,879,187)**	(1,922,505)	**(532,552)**	(440,433)	**-**	-	**(3,233,523)**	(2,898,451)
Provision for slow moving and obsolete stock-in-trade - note 30	**-**	-	**-**	-	**(61,959)**	(10,054)	**(1,770)**	(12,200)	**-**	-	**(63,729)**	(22,254)
	14,251,410	13,765,271	**7,727,970**	7,432,444	**8,124,521**	6,195,958	**3,734,456**	3,086,848	**376,507**	297,630	**34,213,124**	30,776,411

28.1 Staff retirement benefits

	2017	2016
Salaries, wages and benefits include amounts in respect of staff retirement benefits:	**93,775**	89,692

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

29. Selling and distribution expenses

	Polyester		Soda Ash		Life Sciences		Chemicals		Others		Group	
	For the year ended June 30, 2017	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Salaries and benefits - note 29.1	**49,641**	44,052	**42,233**	42,058	**818,954**	609,675	**169,886**	142,537	**-**	-	**1,080,714**	838,322
Repairs and maintenance	**205**	149	**1,036**	1,241	**5,522**	4,783	**3,852**	2,771	**-**	-	**10,615**	8,944
Advertising and publicity expenses	**23,420**	25,100	**28,900**	10,902	**354,009**	207,042	**8,901**	10,677	**-**	-	**415,230**	253,721
Rent, rates and taxes	**552**	527	**2,781**	3,136	**22,311**	13,847	**1,616**	1,363	**-**	-	**27,260**	18,873
Insurance	**-**	-	**342**	312	**16,121**	10,887	**2,027**	3,245	**-**	-	**18,490**	14,444
Lighting, heating and cooling	**134**	125	**2,214**	2,328	**5,379**	4,482	**4,137**	4,772	**-**	-	**11,864**	11,707
Depreciation and amortisation charge - note 4.5 and 5.2	**-**	-	**86**	108	**21,242**	14,403	**8,800**	8,983	**-**	-	**30,128**	23,494
Write-offs	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Outward freight and handling	**1,180**	18,287	**88,417**	127,031	**172,681**	106,930	**80,514**	72,058	**-**	-	**342,792**	324,306
Travelling expenses	**12,321**	9,486	**3,417**	3,806	**209,587**	167,703	**23,369**	21,638	**-**	-	**248,694**	202,633
Postage, telegram, telephone and telex	**1,216**	1,578	**2,009**	1,771	**23,163**	18,096	**3,724**	3,651	**-**	-	**30,112**	25,096
Royalty	**143,844**	134,272	**110,407**	108,407	**-**	-	**-**	-	**-**	-	**254,251**	242,679
General expenses	**9,835**	9,704	**14,185**	9,271	**161,859**	108,326	**32,205**	26,622	**-**	-	**218,084**	153,923
	242,348	243,280	**296,027**	310,371	**1,810,828**	1,266,174	**339,031**	298,317	**-**	-	**2,688,234**	2,118,142

29.1 Staff retirement benefits

Salaries and benefits includes amount in respect of staff retirement benefits:	**59,573**	51,830

30. Administration and general expenses

	Polyester		Soda Ash		Life Sciences		Chemicals		Others		Group	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Salaries and benefits - note 30.1	**199,205**	169,001	**180,905**	150,715	**163,615**	121,191	**102,577**	85,988	**-**	(29)	**646,302**	526,866
Repairs and maintenance	**3,738**	3,341	**4,217**	3,889	**6,063**	5,935	**812**	763	**-**	-	**14,830**	13,928
Advertising and publicity expenses	**2,877**	1,454	**3,259**	1,730	**1,125**	564	**855**	419	**-**	-	**8,116**	4,167
Rent, rates and taxes	**6,383**	6,017	**3,113**	3,047	**6,225**	1,747	**673**	659	**-**	-	**16,394**	11,470
Insurance	**1,022**	1,058	**1,223**	1,265	**4,957**	4,220	**288**	399	**-**	-	**7,490**	6,942
Lighting, heating and cooling	**5,685**	6,573	**4,137**	4,526	**10,806**	12,654	**4,029**	4,525	**-**	-	**24,657**	28,278
Depreciation and amortisation charge - note 4.5 and 5.2	**11,993**	18,414	**12,415**	16,716	**7,713**	9,269	**6,604**	5,936	**-**	-	**38,725**	50,335
Provision for doubtful debts - note 43.6	**553**	548	**-**	-	**37,618**	6,752	**675**	2,890	**-**	-	**38,846**	10,190
Provision for slow moving and obsolete stock-in-trade - note 10.1	**-**	-	**-**	-	**61,959**	10,054	**1,770**	12,200	**-**	-	**63,729**	22,254
Provision for slow moving stores and spares - note 9.2	**-**	-	**-**	4,060	**-**	-	**-**	-	**-**	-	**-**	4,060
Travelling expenses	**8,808**	7,834	**6,512**	5,518	**11,367**	8,491	**3,503**	2,318	**-**	-	**30,190**	24,161
Postage, telegram, telephone and telex	**3,648**	3,244	**2,833**	2,649	**5,336**	4,100	**1,739**	1,571	**-**	-	**13,556**	11,564
General expenses	**88,290**	56,841	**68,404**	47,712	**57,564**	47,171	**23,764**	15,709	**509**	622	**238,291**	167,815
	332,202	274,325	**287,018**	241,827	**374,348**	232,148	**147,289**	133,377	**509**	593	**1,141,126**	882,030

30.1 Staff retirement benefits

Salaries and benefits includes amount in respect of staff retirement benefits:	**61,913**	22,073

Amounts in PKR '000

		For the year ended June 30, 2017	For the Year ended June 30, 2016
31	**Other charges**		
	Auditors' remuneration - note 31.1	**6,097**	5,239
	Donations - note 31.2	**20,000**	20,000
	Workers' profit participation fund - note 23.2	**235,170**	189,030
	Workers' welfare fund	**59,195**	73,222
	Workers' welfare fund - Reversal - note 31.3	**(174,638)**	-
	Loss on disposal of operating fixed assets	**-**	2,701
	Others	**28,344**	1,500
		174,168	291,692
31.1	**Auditors' remuneration**		
	Statutory audit fee	**3,671**	3,034
	Half yearly review and other certifications	**1,264**	1,271
	Out of pocket expenses	**1,162**	934
		6,097	5,239

31.2 Represent provision in respect of donation to ICI Pakistan Foundation (Head office, Karachi). Mr. Asif Jooma, Director of the Group, Mr. Suhail Aslam Khan, Mr. Arshaduddin Ahmed, Ms. Saima Kamila Khan and Ms. Fathema Zuberi, Executives of the Group are amongst the Trustees of the Foundation.

31.3 Through the Finance Acts of 2006 and 2008, certain amendments were brought in the Workers' Welfare Fund Ordinance, 1971 (WWF Ordinance) including the levy of WWF which had been originally calculated at the rate of 2% of the total (taxable) income of the industrial establishment in a particular year, was amended to charge on higher of total (taxable) income or profit before tax as per account. During the year, the Honorable Supreme Court of Pakistan through its judgement dated 10 October 2016, in Civil Appeals No. 1049 to 1055/2011 decided that amendments in WWF Ordinance made through Finance Acts were unconstitutional. Accordingly, the Company has reversed the excess provision calculated on the basis of profit before tax as per accounts.

32	**Finance costs**		
	Mark-up	**313,464**	260,200
	Interest on workers' profit participation fund - note 23.2	**2,365**	3,704
	Discounting charges on receivables	**70,388**	55,748
	Exchange losses	**13,087**	60,005
	Guarantee fee and others	**3,902**	4,588
		403,206	384,245

33	**Other income**		
	Income from financial assets		
	Profit on short-term and call deposits - note 33.1	**14,553**	8,151
	Income from non-financial assets		
	Scrap sales	**82,634**	60,803
	Sales from scrap raw materials	**1,164**	12,754
	Gain on disposal of operating fixed assets	**7,285**	-
	Provisions and accruals no longer required written back	**5,679**	369
	Sundries	**3,725**	1,842
		115,040	83,919

33.1 These are interest-based arrangements.

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For the year ended June 30, 2017

Amounts in PKR '000

		For the year ended June 30, 2017	For the Year ended June 30, 2016
34	**Taxation**		
	Current	**1,290,717**	530,120
	Deferred	**(175,869)**	126,867
	Net tax charged - note 34.1	**1,114,848**	656,987
34.1	**Tax reconciliation**		
	Profit before tax	**4,394,955**	3,386,808
	Tax @ 31% (June 30, 2016: 32%)	**1,362,436**	1,083,779
	Effect of profit of subsidiary	**(38,750)**	(28,673)
	Effect of share of profit from associate	**(123,580)**	(130,342)
	Effect of credit under section 65B	**(130,996)**	(355,500)
	Effect of change in tax rate on beginning deferred tax	**(36,694)**	(41,612)
	Others	**82,432**	129,335
	Net tax charged	**1,114,848**	656,987
	Average effective tax rate	**25.37%**	19.40%
35	**Basic and diluted earnings per share (EPS)**		
	Profit after taxation for the year	**3,282,747**	2,729,821
		Number of shares	
	Weighted average number of ordinary shares in issue during the year	**92,359,050**	92,359,050
		PKR	
	Basic and diluted earnings per share (EPS)	**35.54**	29.56
36	**Cash flows from operating activities**		
	Profit before taxation	**4,394,955**	3,386,808
	Adjustments for:		
	Depreciation and amortization - note 4.5 and 5.2	**2,274,917**	1,954,311
	Loss / (gain) on disposal of operating fixed assets - note 31 and 33	**(7,285)**	2,701
	Provision for staff retirement benefit plan - note 19.1.1	**29,150**	26,084
	Provisions for non-management staff gratuity and eligible retired employees' medical scheme	**31,302**	32,450
	Interest on short-term bank deposits	**(14,553)**	(8,151)
	Share of profit from associate	**(670,869)**	(407,318)
	Interest expense	**390,118**	324,240
	Provision for doubtful debts - note 43.6	**38,846**	10,190
	Provision for slow moving and obsolete stock-in-trade - note 10.1	**63,506**	22,254
	Provision for slow moving stores and spares - note 9.2	**-**	4,060
	Provisions and accruals no longer required written back	**(5,679)**	(369)
		6,524,408	5,347,260
	Movement in:		
	Working capital - note 36.1	**(555,791)**	(284,954)
	Long-term loans	**(18,626)**	(31,122)
	Long-term deposits and prepayments	**(5,034)**	(2,818)
		5,944,957	5,028,366

Amounts in PKR '000

	For the year ended June 30, 2017	For the Year ended June 30, 2016
36.1 Movement in working capital		
Increase in current assets		
Stores, spares and consumables	**(149,837)**	(156,406)
Stock-in-trade	**(547,425)**	(396,202)
Trade debts	**(964,096)**	(219,163)
Loans and advances	**(50,233)**	(66,734)
Trade deposits and short-term prepayments	**(169,824)**	5,747
Other receivables	**(638,504)**	181,269
	(2,519,919)	(651,489)
Increase in current liabilities		
Trade and other payables	**1,964,128**	366,535
	(555,791)	(284,954)

37 Remuneration of chief executive, directors and executives

The amounts charged in the financial statements for the remuneration, including all benefits, to the chief executive, directors and executives of the Group were as follows:

	Chief Executive		**Directors**		**Executives**		**Total**	
	For the year ended June 30, 2017	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Managerial remuneration	**52,137**	49,844	**34,104**	32,117	**920,399**	807,571	**1,006,640**	889,532
Retirement benefits	**8,610**	8,197	**6,059**	5,712	**199,622**	177,700	**214,291**	191,609
Group insurance	**55**	45	**55**	45	**7,009**	5,605	**7,119**	5,695
Rent and house maintenance	**1,636**	1,096	**-**	-	**269,318**	235,874	**270,954**	236,970
Utilities	**1,033**	844	**-**	-	**68,246**	59,640	**69,279**	60,484
Medical expenses	**210**	85	**62**	335	**33,498**	48,165	**33,770**	48,585
	63,681	60,111	**40,280**	38,209	**1,498,092**	1,334,555	**1,602,053**	1,432,875
Number of persons as at the balance sheet date	**1**	1	**1**	1	**632**	575	**634**	577

37.1 The directors and certain executives are provided with free use of cars (obtained on lease by Company) in accordance with their entitlement. The chief executive is provided with free use of the Company leased car, certain household equipment and maintenance when needed.

	For the year ended June 30, 2017	For the year ended June 30, 2016
37.2 Remuneration paid to Chairman during the year:	**-**	-
37.3 During the year fee paid to non-executive directors for attending board and other meetings, which is not part of remuneration amounts to:	**3,313**	2,813

	As at and for the year ended June 30, 2017	As at and for the year ended June 30, 2016
37.4 Total number of employees as at the balance sheet date	**1,805**	1,757
Average number of employees during the year	**1,809**	1,730

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

38. 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 companies, directors of the Company, companies where directors also hold directorship, key employees (note 37) and staff retirement funds (note 19). 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	**For the year ended June 30, 2017**	For the year ended June 30, 2016
Holding Company	Dividend	**1,170,969**	896,952
	Royalty	**254,251**	242,679
Associated companies	Purchase of goods, materials and services	**118,276**	101,833
	Sale of goods and materials	**1,424,859**	1,477,802
	Dividend received from associate	**668,000**	458,375
	Reimbursement of expenses	**88,272**	61,760
	Dividend paid to associates	**187,988**	143,755
	Donations paid	**20,000**	-
Key management personnel	Remuneration paid	**195,068**	182,620
	Post employment benefits	**31,159**	30,850

39. Plant capacity and annual production

- in metric tonnes except PowerGen which is in thousands of Megawatt hours and Nutraceuticals which is in packs:

	For the year ended June 30, 2017		For the year ended June 30, 2016	
	Annual Name Plate Capacity	**Production**	Annual Name Plate Capacity	Production
Polyester	**122,250**	**121,929**	122,250	118,859
Soda Ash	**350,000**	**342,416**	350,000	337,869
Chemicals - note 39.2	**-**	**14,210**	-	12,950
Sodium Bicarbonate	**40,000**	**31,660**	40,000	29,330
PowerGen - note 39.3	**122,640**	**30,412**	122,640	29,178
Nutraceuticals and Cirin - note 39.2 and 39.4	**-**	**3,018,534**	-	836,332

39.1 Production of Soda Ash as compared to last year was greater due to commissioning of Coal fired boilers 3 and 4, dense ash, and light ash projects. Annual name plate capacity of Sodium Bicarbonate also increased due to commissioning of RSB project. Out of total production of 342,416 metric tonnes Soda Ash, 28,495 metric tonnes was transferred for production of 31,660 tonnes of Sodium Bicarbonate.

39.2 The capacity Chemicals, Neutraceuticals and Cirin is indeterminable because these are multi-product with multiple dosage and multiple pack size plants.

39.3 Electricity by PowerGen is produced as per demand of the Polyester division of the Holding Company.

39.4 Last year includes six month production after commissioning of Nutra plant.

40 Fair value of financial assets and liabilities

The carrying amounts of the financial assets and financial liabilities as at the balance sheet date approximate their fair values.

Amounts in PKR '000

41 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

41.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

42 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk currency risk, interest rate risk and other price risk.

42.1 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances. At the balance sheet date the interest rate profile of Group's interest-bearing financial instruments were:

	Carrying Amount	
	As at June 30, 2017	As at June 30, 2016
Fixed rate instruments		
Financial assets - Note 15	**1,222,868**	247,878
Financial liabilities - Note 20 and 21	**(2,061,988)**	(1,675,258)
	(839,120)	(1,427,380)
Variable rate instruments		
Financial liabilities - note 20 and 24	**(4,212,238)**	(4,409,407)
	(4,212,238)	(4,409,407)

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the balance sheet date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the year would have been PKR 42.122 million (June 30, 2016: PKR 44.094 million).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2017

Amounts in PKR '000

42.2 Foreign currency risk

"Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Group is exposed to foreign currency risk on sales and purchases which are entered in a currency other than Pak Rupees. When the management expects future depreciation of Pak Rupees, the Group enters into forward foreign exchange contracts in accordance with State Bank of Pakistan instructions and the Group's treasury policy. The policy allows the Group to take currency exposure within predefined limits while open exposures are rigorously monitored.

Following is the gross balance sheet exposure classified into separate foreign currencies:

	CNY	EURO	USD	GBP	JPY
			As at June 30, 2017		
Other receivables	**-**	**990**	**33,346**	**-**	**-**
	-	**990**	**33,346**	**-**	**-**
Trade and other payables	**(606,417)**	**(158,390)**	**(2,152,362)**	**(10,096)**	**(549)**
Gross balance sheet exposure	**(606,417)**	**(157,400)**	**(2,119,016)**	**(10,096)**	**(549)**
			As at June 30, 2016		
Other receivables	3,583	406	18,944	49	-
	3,583	406	18,944	49	-
Trade and other payables	-	(140,419)	(1,801,105)	(5,978)	(348)
Gross balance sheet exposure	3,583	(140,013)	(1,782,161)	(5,929)	(348)

Significant exchange rates applied during the year were as follows:

	Average rate		**Spot rate**	
	For the year ended June 30, 2017	For the year ended June 30, 2016	**As at June 30, 2017**	As at June 30, 2016
PKR per	**PKR**		**PKR**	
EURO	**114.22**	115.73	**119.63**	116.80
USD	**104.81**	104.35	**104.85**	104.83
GBP	**132.93**	155.15	**136.24**	141.43
CNY	**15.39**	16.22	**15.47**	15.78
JPY	**0.96**	0.89	**0.94**	1.02

Sensitivity analysis

Every 1% increase or decrease in exchange rate with all other variables held constant will decrease or increase profit before tax for the year by PKR 28.935 million (June 30, 2016: PKR 19.249 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2017, if Pak Rupee (PKR) had weakened / strengthened by 1% against other currencies, with all other variables held constant, the effect on the Group's profit before tax at June 30, 2017 and June 30, 2016 would be as follows:

	Increase / decrease in exchange rates	**Effect on Profit before tax (CNY)**	**Effect on Profit before tax (EURO)**	**Effect on Profit before tax (USD)**	**Effect on Profit before tax (GBP)**	**Effect on Profit before tax (JPY)**
2017						
Pak Rupee	**+1%**	**6,064**	**1,574**	**21,190**	**101**	**5**
Pak Rupee	**-1%**	**(6,064)**	**(1,574)**	**(21,190)**	**(101)**	**(5)**
2016						
Pak Rupee	+1%	(36)	1,400	17,822	59	3
Pak Rupee	-1%	36	(1,400)	(17,822)	(59)	(3)

Amounts in PKR '000

43 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Group does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

The Group's gross maximum exposure to credit risk at the balance sheet date is as follows:

	As at June 30, 2017	As at June 30, 2016
43.1 Financial assets		
Long-term investment - note 6	**966,536**	963,667
Long-term loans - note 7	**382,421**	357,637
Long-term deposits - note 8	**30,057**	28,209
Trade debts - note 11	**2,589,878**	1,640,067
Loans and advances - note 12	**441,985**	392,362
Trade deposits - note 13	**148,718**	38,001
Other receivables - note 14	**631,580**	283,419
Bank balances - note 15	**1,260,805**	252,574
	6,451,980	3,955,936

43.2 The Group has placed its funds with banks which are rated A1+ by PACRA and A-1+ by JCR-VIS.

43.3 Financial assets		
- Secured	**920,677**	814,236
- Unsecured	**5,531,303**	3,141,700
	6,451,980	3,955,936

43.4 The ageing of trade debts and loans and advances at the balance sheet date is as follows:

Not past due	**2,581,245**	1,856,497
Past due but not impaired:		
Not more than three months	**462,100**	160,408
Past due and Impaired:		
More than three months and not more than six months	**36,274**	8,805
More than six months and not more than nine months	**778**	734
More than nine months and not more than one year	**20,101**	22,545
More than one year	**20,309**	27,395
	539,562	219,887
Provision for:		
- Doubtful debts - note 11	**(88,944)**	(43,955)
	3,031,863	2,032,429

43.4.1 There were no past due or impaired receivables from related parties.

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Amounts in PKR '000

	As at June 30, 2017	As at June 30, 2016

43.5 The maximum exposure to credit risk for past due at the reporting date by type of counterparty was:

Wholesale customers	**73,749**	10,962
Retail customers	**465,799**	172,969
End-user customers	**14**	35,956
	539,562	219,887
Provision for:		
- Doubtful debts - note 11	**(88,944)**	(43,955)
	450,618	175,932

43.6 Movement of provision for doubtful debts, loans and advances

	Trade debts	Loans and advances	Total	Total
Balance at the beginning of the year	**43,955**	**-**	**43,955**	40,987
Acquisition through business combination	**6,143**	**-**	**6,143**	-
Additional provision - note 30	**38,846**	**-**	**38,846**	10,190
Written off during the year	**-**	**-**	**-**	(7,222)
Balance at the end of the year	**88,944**	**-**	**88,944**	43,955

43.6.1 The recommended approach for provision is to assess the top layer (covering 50%) of trade receivables on an individual basis and apply a dynamic approach to the remainder of receivables. The procedure introduces a Group-standard for dynamic provisioning:

- Provide an impairment loss for 50% of the outstanding receivable when overdue more than 90 days, and
- Provide impairment loss for 100% when overdue more than 120 days.

43.7 Concentration risk

The sector wise analysis of receivables, comprising trade debts, loans and advances and bank balances are given below:

	As at June 30, 2017	As at June 30, 2016
Textile and chemicals	**871,525**	475,256
Glass	**31,056**	63,940
Paper and board	**10,348**	32,157
Pharmaceuticals	**384,245**	235,235
Paints	**47,785**	36,855
Banks	**1,266,464**	258,962
Loans and advances and others	**1,775,848**	1,226,553
	4,387,271	2,328,958
Provision for:		
- Doubtful debts - note 11	**(88,944)**	(43,955)
	4,298,327	2,285,003

43.8 Other price risk is the risk that the value of future cash flows of the financial instrument will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the balance sheet date, the Group is not materially exposed to other price risk.

Amounts in PKR '000

44 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyze the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the maturity date.

	Carrying amount	Contractual cash flows	Less than one year
		As at June 30, 2017	
Financial liabilities			
Trade creditors - note 23	**1,846,046**	**(1,846,046)**	**(1,846,046)**
Bills payable - note 23	**3,301,163**	**(3,301,163)**	**(3,301,163)**
Accrued mark-up	**103,473**	**(103,473)**	**(103,473)**
Accrued expenses - note 23	**2,537,351**	**(2,537,351)**	**(2,537,351)**
Technical service fee / Royalty - note 23	**21,640**	**(21,640)**	**(21,640)**
Distributors' security deposits - payable on termination of distributorship - note 23 and 23.3	**101,657**	**(108,773)**	**(108,773)**
Contractors' earnest / retention money - note 23	**10,572**	**(10,572)**	**(10,572)**
Unclaimed dividends - note 23	**80,568**	**(80,568)**	**(80,568)**
Payable for capital expenditure - note 23	**1,109,672**	**(1,109,672)**	**(1,109,672)**
Others - note 23	**158,527**	**(158,527)**	**(158,527)**
Long-term loans - note 20	**5,567,145**	**(5,567,145)**	**(647,667)**
Liabilities subject to finance lease - note 22	**2,808**	**(2,808)**	**(2,009)**
Short-term borrowings - note 24	**2,128,905**	**(2,128,905)**	**(2,128,905)**
	16,969,527	**(16,976,643)**	**(12,056,366)**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amount.

		As at June 30, 2016	
Financial liabilities			
Trade creditors - note 23	1,309,635	(1,309,635)	(1,309,635)
Bills payable - note 23	2,557,323	(2,557,323)	(2,557,323)
Accrued mark-up	77,663	(77,663)	(77,663)
Accrued expenses - note 23	1,857,509	(1,857,509)	(1,857,509)
Technical service fee / royalty - note 23	19,778	(19,778)	(19,778)
Distributors' security deposits - payable on termination of distributorship - note 23 and 23.3	101,113	(108,191)	(108,191)
Contractors' earnest / retention money - note 23	10,245	(10,245)	(10,245)
Unclaimed dividends - note 23	70,648	(70,648)	(70,648)
Payable for capital expenditure - note 23	547,635	(547,635)	(547,635)
Others - note 23	142,053	(142,053)	(142,053)
Long-term loan - note 20	4,046,369	4,046,369	(393,783)
Short-term borrowings - note 24	1,937,184	(1,937,184)	(1,937,184)
	12,677,155	(4,591,495)	(9,031,647)

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45 Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, trade and other payables, less cash and bank balances. Capital signifies equity as shown in the balance sheet plus net debt. The gearing ratio as at June 30, 2017 and June 30, 2016 is as follows:

	As at June 30, 2017	As at June 30, 2016
Long-term loans - note 20	**5,567,145**	4,046,369
Short-term borrowings and running finance - note 24	**2,128,905**	1,937,184
Total debt	**7,696,050**	5,983,553
Cash and bank balances - note 15	**(1,266,464)**	(258,962)
Net debt	**6,429,586**	5,724,591
Share capital	**923,591**	923,591
Capital reserves	**309,643**	309,643
Unappropriated profit	**15,102,390**	13,341,517
Equity	**16,335,624**	14,574,751
Capital	**22,765,210**	20,299,342
Gearing ratio	**28.24%**	28.20%

46 Accounting estimates and judgements

Income and sales taxes

The Company takes into account the current income and sales tax law and decisions taken by appellate authorities. Instances where the Companys's view differs from the view taken by the authorities at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities (unless there is remote possibility of transfer of benefits). The details of the tax matters are as follows:

In the case of assessment year 1998-99, the Appellate Tribunal Inland Revenue (The Tribunal) on September 19, 2008 had set aside the assessments made by FBR. The re-assessment was finalized by the department on June 29, 2010 in which the issues pertaining to date of commissioning of PTA's plant & the tax depreciation claimed thereon, restriction of cost of capitalization of PTA plant and addition to income in respect of trial production stocks were decided against the Company. The Company had filed an appeal against the said order before the CIR (Appeals) which was decided on November 24, 2015 in which the issue of date of commissioning of PTA's plant & the tax depreciation claimed thereon and the issue of addition to income in respect of trial production stocks were decided in Company 's favour however the issue of restriction of cost of capitalization of PTA plant was decided against the Company. The Company and FBR have filed the appeals on respective matters decided against them in Tribunal the hearing of which is yet to be conducted.

In the case of assessment year 2002-2003, on receipt of notice under section 62 of the Income Tax Ordinance, 1979, the Company had filed a writ petition in the Supreme Court, after it being dismissed by the Sindh High Court on maintainability, challenging FBR's notice which stated that the effective date of PTA's demerger was August 6, 2001 (falling in assessment year 2002-03) rather than the effective date given in the Scheme of Arrangement as October 1, 2000 (which falls in assessment year 2001-02). The notice had raised certain issues relating to vesting of PTA assets by the Company. On March 18, 2015, the Supreme Court has passed an interim order stating that this case has nexus with the case of assessment year 2001-02 and hearing will take place once the High Court decides the case in assessment year 2001-02. The High Court decided the same in favor of the Company and stated that the assessment for AY 2001-2002 is time barred. The department filed an appeal in the Supreme Court against the order of the High Court. On March 13, 2017, the Supreme Court dismissed the appeal of the department pertaining to assessment year 2001-2002 and upheld the directions of the High Court and adjudged the case as being barred by limitation and thereby restoring the position in the original order whereby unabsorbed depreciation was allowed. Further, the Supreme Court gave directions to the company vide its order dated March 14, 2017 to file its reply to the notice dated May 26, 2005 with respect to AY 2002-2003. Thereafter the Company submitted its response to the department in consultation with its external counsel. On May 15, 2017 the DCIR passed its assessment order disallowing depreciation relating to PTA assets, Capital Gain on Transfer of PTA Plant, Capital Gain on exchange of Shares, Financial charges on loans Subordinate to Pakistan PTA, Excess Perquisites, discounts, Interest paid to ICI Japan, Provisions and Write Offs. An appeal with the CIR has been filed by the company against the said order. This appeal is still pending. Further, the Company filed an appeal in the Sindh High Court against the said order which has granted stay against the said order.

In the case of Tax Years 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010, FBR had made disallowances on the matters related to provisions charged under various heads, financial charges, gain on disposal of fixed assets, exchange loss, proration of expenses against capital gains and interest free loans offered to employees. The CIR (Appeals) has allowed all the issues in Tax Years 2003 to 2010 in Company's favor (except 2 issues in tax year 2003 and 2010) against which appeals have been filed by FBR in the Tribunal. Out of the 2 issues which were not decided in Company's favor, one relates to disallowance of financial charges in tax year 2003 which has now been decided in company's favor in the order dated June 15, 2017, whereby with respect to issue pertaining to tax year 2010, we have filed an appeal in the Tribunal against CIR (Appeals)'s decision.

The Additional Commissioner Inland Revenue (ACIR) through its order dated June 07, 2012 disallowed tax loss on disposal of fixed assets on the grounds that the same were sold through negotiations and not through auction as required by law. ICI filed an appeal against the said order with the Commissioner Inland Revenue (CIR), who decided the appeal in company's favor. Consequently the ACIR being dissatisfied with the CIR order filed an appeal with the ATIR. ATIR through his order dated December 01, 2016 decided the matter against ICI. ICI had filed an appeal in the High Court against the said order, the hearing of which is yet to be conducted

Availing the exemption as per clause 103 A, Part 1, 2nd Schedule of Income Tax Ordinance 2001 on inter-corporate dividend paid to Group Company entitled to Group Relief under section 59 B of the Income Tax Ordinance 2001, ICI disbursed the dividend without tax deduction to Lucky Holdings for dividends announced on 27th August, 2015 and on 19th February, 2016. However, Federal Board of Revenue not being satisfied, through an Order dated 2nd September, 2016, has called for the deposit of tax on such dividends along with penalties and additional tax. The Company filed an appeal against the said order in the High Court which has granted a stay against the said order. The Company is confident that there is no merit in this claim of FBR

"In course of conducting a sales tax audit for the period July 2012 to June 2013, DCIR of FBR raised certain issues with respect to exemption and zero-rating / reduced rate benefit available to the Company on its sales. On September 12, 2014 the Company received an order in which demand of PKR 952 million was raised. An appeal was filed with CIR(A) which was decided against the Company however directions were given to DCIR to amend the original order if the returns are revised by the Company subject to approval of FBR itself. The application for revision of return filed by the Company is pending with FBR. The Company being aggrieved has filed a suit in the Sindh High Court for relief in which the Court has granted ad-interim relief till the next date of hearing which is yet to take place. The Company is confident that there is no merit in this claim of FBR regarding revenue loss and hence, considering no probability that the case would be decided against the Company, no provision in respect of this has been made in these financial statements.

Pension and Gratuity

Certain actuarial assumptions have been adopted as disclosed in note 18 to the consolidated financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Group. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Group reviews the value of the assets for possible impairment on an annual basis. The future cash flows used in the impairment testing of assets is based on management's best estimates which may change in future periods. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

47 Standards, amendments and interpretations adopted during the year

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except as follows :

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47.1 New and amended standards

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IFRS 10 - Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 - Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)

IFRS 1 - Presentation of Financial Statements: Disclosure Initiative (Amendment)

IAS 16 - Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 - Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS27 - Separate Financial Statements: Equity Method in Separate 'Financial Statements (Amendment)

Annual improvements to IFRSs 2012-2014 Cycle

IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 - Financial Instruments: Disclosures - Servicing contracts

IFRS 7 - Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 - Employee Benefits - Discount rate: regional market issue

IAS 34 - Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above revised standards, amendments and improvements does not have any material effect on these financial statements.

Standards, amendments and improvements to approved accounting standards that are not yet effective

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

Standard or Interpretation		**Effective date (annual periods beginning on or after)**
IFRS 2 –	Classification and Measurement of Share Based Payment Transactions (Amendment)	January 01, 2018
IFRS 10 -	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Yet not finalised
IAS 7 -	Statement of Cash Flows: Disclosure Initiative (Amendment)	January 01, 2017
IAS 12 –	Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IFRS 4 -	Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRIC 22 -	Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRIC 23 -	Uncertainity over Income tax treatment	January 01, 2019

The Company expects that the adoption of the above standards and amendments will not have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard	IASB effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 – Regulatory Deferral Accounts	January 01, 2018
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRS 16 – Leases	January 01, 2019
IFRS 17 - Insurance Contracts	January 01, 2021

The Group expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

48 Post balance sheet events - dividends

The Directors in their meeting held on July 28, 2017 have recommended a final dividend of PKR 10.00 per share (June 30, 2016: PKR 9.00 per share). This dividend is in addition to interim dividend paid of PKR 8.00 per share during the current year. The consolidated financial statements for the year ended June 30, 2017 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

49 Date of authorization

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on July 28, 2017.

50 General

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

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

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

Glossary

ADD	Anti Dumping Duties
AGM	Annual General Meeting
APCMA	All Pakistan Cement Manufacturing
AR	Annual Report
ATF	Aziz Tabba Foundation
BAC	Board Audit Committee
BBS	Behaviour Based Safety
BCR	Best Corporate Report
BSL	Business School Lausanne Switzerland
CAA	Civil Aviation Authority of Pakistan
CAGR	Compound Annual Growth Rate
CCG	Code of Corporate Governance
CCPA	Corporate Communication and Public Affairs
CDC	Central Depositary Company
CDP	Core Development Program
CEO	Chief Executive Officer
CFB	Coal Fired Boiler
CFO	Chief Financial Officer
CGU	Cash Generating Unit
CIR	Commissioner Inland Revenue
CM	Contribution Margin
CME	Continued Medical Education
Co.	Company
CO2	Carbon DiOxide
COD	Chemical Oxygen Demand
CPEC	China Pakistan Economic Corridor
CSR	Corporate Social Responsibility
DA	Dense Ash
DCIR	Deputy Commissioner Inland Revenue
DFI	Department of Financial Institutions
DGAD	Directorate General of Anti-Dumping and Allied Duties
DNA	De oxy ribo nucleic acid
DRAP	Drug Regulatory Authority of Pakistan
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest tax depreciation and amortization
EIA	Environment Impact Assessment
EMT	Executive Management Team
EoGM	Extra Ordianiary General Meeting
EPA	Environmental Protection Agency
EPM	Enterprise Performance Management
EPS	Earnings per share
ER	Endoplasmic reticulum
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
EVP	Employee Value Proposition
FFFP	Fellowship Fund for Pakistan
FTR	Final Tax Regime
FWO	Frontier Works Organization
FY	Financial Year
GC	General Chemicals
GDP	Gross Domestic Product
GIDC	Gas Infrastructure Development Cess
GJ/Te	Giga joule per ton
GM	General Manager
GPM	Gross Profit Margin
GR	Graduate Recruit
GRI	Global Reporting Initiative
HAPI	Health Assessment Performance Index
HFO	Heavy Furnace Oil
HR	Human Resources
HR&RC	Human Resource and Remuneration Committee
HS CODE	Harmonized System Codes
HSE	Health Safety and Environment
HSE&S	Health Safety Environment and Security
HTM	Heat Transfer Method
HYPI	Hygiene Performance Index
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IBFT	Inter Bank Fund Transfer
ICAP	Institute of Chartered Accountants of Pakistan
ICC	International Chamber of Commerce
ICMAP	Institute of Cost and Management Accountant of Pakistan
IFAC	International Federation of Accountants
IFAS	Islamic Financial Accounting Standards
IFRSs	International Financial Reporting Standards
INSEAD	Institut Européen d'Administration des Affaires
ISO	International Organization for Standardization
IT	Information Technology
IVSAA	Indus Valley School of Art and Architecture
JCR-VIS	Japan Credit Rating Vital Information Services
KIBOR	Karachi Inter Bank Offer Rate
KPI	Key Performance Indicators
KPK	Khyber PakhtunKhuwa
KSE	Karachi Stock Exchange Limited
KTPA	Kilotons per annum
L&D	Learning and Development
LA	Light ash
LDRM	Leadership Development Roadmap
LEDs	Light-emitting diode
LNG	Liquid Natural Gas
LOI	Loss of Ignition
LRBT	Layton Rahmatullah Benevolent Trust
LTFF	Long Term Financing Facility
LTI	Lost time injury
LUMS	Lahore University of Management Sciences
LWC	Ladies Welfare Centre
m3/te	Meter Cube per ton
MALC	Marie Adelaide Leprocy Centre
MAP	Management Association of Pakistan
MEG	Mono-Ethylene Glycol
MoA	Memorandum of Association
MOU	Memorandum of Understanding
MS	MicroSoft
MT	Metric Ton
MW	megawatt
NAFA	NBP Fullerton Asset Management Limited
NBFI	Non-bank Financial Instituitions
NBP	National Bank of Pakistan
NBV	Net Book Value
NEQS	National Environment Quality Standards
NGO	Non Government Organization
NIB	National Investment Bank
NOx	Nitrogen Oxide
NPR	Non-product related
NSI	Net Sales Income
NTC	National Tariff Commission
OEE	Operational Eco Efficiency
OHSAS	Occupational Health and Safety Administration Standards
OLM	Operating Loss Margin
OPD	Out Patient Department
OPEC	Organization of Petroleum Exporting Countries
OPM	Operating Profit Margin
OPV	Open pollinated variety
P&DD	Performance and Development Discussion
PAC	Pakistan Agricultural Collation
PACRA	Pakistan Credit Rating Agency
PAT	Profit After Tax
PBC	Pakistan Business Council
PBS	Patient Benefit Schemes
PBT	Profit Before Tax
PCP	The Pakistan Center for Philanthropy
PCT	Pakistan Customs Tariff
PHE	Plate Heat Exchanger
PIACL	Pakistan International Airline Corporation Limited
PICG	Pakistan Institute of Corporate Governance
PIJBC	Pakistan-India Joint Business Council
PKR	Pakistani Rupee
PPEs	Personal Protective Equipment
PPG	Polypropylene Glyco
PSF	Polyester Staple Fibre
PSX	Pakistan Stock Exchange
PTA	Pure Terephthalic Acid
PU	Polyurethanes
PwC	PricewaterhouseCoopers
PX	Paraxylene
Q	Quarter
R&D	Research and Development
RCMS	Responsible Care Management System
RISE	Reach Inspire Sustain Enable
ROCE	Return on Capital Employed
Rs	Rupees
RSB	Refined Sodium Bicarbonate
SAP	Systems Applications and Products
SBP	State Bank of Pakistan
SC	Specialty Chemicals
SCB	Standard Chartered Bank
SECP	Securities and Exchange Commission of Pakistan
SOGP	Society of Obs and Gynae Pakistan
SOP	Standard Operating Procedure
SOx	Sulphur Oxide
SPLY	Same period last year
SWOT	Strenghts Weaknesses Opportunites and Threats
TCF	The Citizens Foundation
TJ	Terajoule
TNA	Training Needs Assesment
TPD	Tons per day
TSR	Total Shereholder Return
UK	United Kingdom
UN	United Nations
UNCG	United Nations Global Compact
URS	United Registrar Systems
USA	United States of America
USAID	The United States Agency for International Development
USD	United States Dollar
VOC	Volatile Organic Compound
VP	Vice President
WEF	World Economic Forum
WOB	Women on Board
WWF	World Wildlife Fund
YBG	Yunus Brothers Group
YGL	Young Global Leader

ICI PAKISTAN LTD.

Admission Slip

The Sixty-Sixth Annual General Meeting of ICI Pakistan Limited will be held on September 26, 2017, at 10.30 a.m. at ICI House, 5 West Wharf, Karachi.

Kindly bring this slip duly signed by you for attending the Meeting.

Company Secretary

Name ______________________________ Holding ______________________

Shareholder No. ________________________ Signature ___________________

Note:

i) The signature of the shareholder must tally with the specimen signature on the Company's record.

ii) Shareholders are requested to hand over duly completed admission slips at the counter before entering the Meeting premises.

CDC Account Holders / Proxies / Corporate Entities:

a) The CDC Account Holder / Proxy shall authenticate his/her identity by showing his / her Identity by showing his / her original

b) Computerized National Identity Card / Smart National Identity Card (CNIC/ SNIC) or original passport at the time of attending the Meeting.

c) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the Meeting (unless it has been provided earlier).

This Admission Slip is Not Transferable

A Part of YBG

ICI PAKISTAN LTD.

DIVIDEND MANDATE (MANDATORY)

By virtue of the provisions of the Companies Act, 2017, shareholders are MANDATORILY required to provide their bank account details to receive their dividends by way of direct credit or electronic transfer to their bank account instead of receiving them through dividend warrants (crossed as A/c Payee only).

Bank Account Details of Shareholder for Payment of Cash Dividend through electronic mode

I hereby wish to communicate my desire to receive my future dividends directly in my bank account as detailed below:

Name of shareholder : ________________________________

Folio number : ________________________________

Contact number of shareholder : ________________________________

Bank Account No. :________________________________

Title of Account : ________________________________

Type of Account : ________________________________

Name of Bank : ________________________________

Bank branch & full mailing address : ________________________________

Contact No of bank : ________________________________

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the company informed in case of any changes in the said particulars in the future.

______________________	________________	________________________
Shareholder's signature	Date	CNIC / SNIC No. (copy attached)

Affix
Correct
Postage

The Company Secretary
ICI Pakistan Limited
ICI House
5 West Wharf
Karachi-74000

ICI PAKISTAN LTD.

Standard Request Form
Circulation of Annual Audited Accounts

The Company Secretary
ICI Pakistan Limited
ICI House, 5 West Wharf,
Karachi 74000

Subject: **Circulation of Annual Audited Accounts via Email/CD/USB/DVD or Any Other**

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 that have allowed the companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditor's and Director's Report) to its members through Email/CD/DVD/USB/ or any other Electronic Media at their registered Addresses.

Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the below form and send us to Company address.

I/We hereby consent Option 1 or Option 2 to the above said SROs for Audited Financial Statements and Notice of General Meeting(s) delivered to me hard form instead Email/CD/DVD/USB or any others Electronic Media.

☐ **Option 1 – Via Email**

Name of the Members/ Shareholders : ____________________

CNIC /SNIC # : ____________________

Folio / CDC Account Number : ____________________

Valid Email Address : ____________________
(to receive Financial Statements alongwith Notice of General Meeting(s) instead of hard copy, CD/DVD/USB.)

☐ **Option 2 – Hard copy**

Name of the Members/ Shareholders : ____________________

CNIC / SNIC # : ____________________

Folio / CDC Account Number : ____________________

Mailing Address : ____________________
(on which I wish receive Financial Statements alongwith Notice of General Meeting(s) instead of Email/CD/DVD/USB and any other Electronic Media.) ____________________

____

I/We hereby confirm that the above – mentioned information is correct and in case of any change therein, I/we will immediately intimate to the Company's Share Registrar. I/we further confirm that the transmission of Company's Annual Audited Financial Statements and Notice of General Meeting(s) through my/our above address would be taken as compliance with the Companies Ordinance, 1984.

____
Shareholder's signature

Affix
Correct
Postage

The Company Secretary
ICI Pakistan Limited
ICI House
5 West Wharf
Karachi-74000

ICI PAKISTAN LTD.

Revised Treatment of Withholding Tax

Please further note that under Section 150 of the Income Tax Ordinance 2001, and pursuant to Finance Act 2017, withholding tax on dividend income will be deducted for 'Filer' and 'Non-Filer' shareholders @ 15% and 20% respectively. According to clarification received from Federal Board of Revenue (FBR) withholding tax will be determined separately on 'Filer / Non-Filer' status of principal shareholders as well as Joint-Holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard, all shareholders who hold share with joint shareholders are requested to provide shareholding proportions of Principal shareholder and Joint-Holder(s) in respect of share held by them to our share registrar, FAMCO Associates (Pvt) Limited, 8-F, Block-6, P.E.C.H.S. Nursery, Next to Hotel Faran, Shahrah-e-Faisal, Karachi

Following are the details held by Principal / Joint-Holder of the shares of **ICI Pakistan Limited.**

<table>
<tr><th colspan="4">Principal shareholder</th><th colspan="2">Joint – Holder 1</th></tr>
<tr><td>Folio/CDS Account #</td><td>Total Shares</td><td>Name and CNIC #</td><td>No. of Shares</td><td>Name and CNIC #</td><td>No. of Shares</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><th colspan="4">Joint – Holder 2</th><th colspan="2">Joint – Holder 3</th></tr>
<tr><td colspan="3">Name and CNIC #</td><td>No. of Shares</td><td>Name and CNIC #</td><td>No. of Shares</td></tr>
<tr><td colspan="3"></td><td></td><td></td><td></td></tr>
</table>

It is stated that the above mentioned information is correct and that I will intimate the changes in the above-mentioned information to the company and its share registrar as soon as these occur.

Signature of Member : ________________

Signature of Joint-Holder 1: ________________

Name : ______________________________

[PLEASE WRITE NAME IN BLOCK LETTER]

Signature of Joint-Holder 2 :____________________

Name : __________________________________

[PLEASE WRITE NAME IN BLOCK LETTER]

Signature of Joint-Holder 3: ________________

Name : ______________________________

[PLEASE WRITE NAME IN BLOCK LETTER]

Affix
Correct
Postage

Share Registrar,
FAMCO Associates (Pvt) Limited,
8-F, Block-6, P.E.C.H.S. Nursery,
Next to Hotel Faran,
Shahrah-e-Faisal,
Karachi.

ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2017

ڈائریکٹرز اپنی رپورٹ برائے سال ختم شدہ 30 جون 2017 بشمول کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

جائزہ

زیرِ جائزہ سال کا مجموعی کاروبار 12 فیصد مجموعی سیلز میں اضافہ کے ساتھ 41,346 ملین روپے ہے جو 30 جون 2016 کو ختم شدہ مالی سال پر 36,954 ملین روپے تھا۔ سیلز آمدنی میں یہ اضافہ مجموعی کاروبار میں ترقی کے مرہونِ منت ہے۔

پولیسٹر بزنس کو پیٹروکیمیکل چین، پولیسٹر اسٹیپل فائبر کی قیمتوں اور بلیک فائبر کی اضافی سیلز کی بدولت مجموعی کاروبار میں 7 فیصد اضافہ ہوا جبکہ ہمارے سوڈا ایش بزنس کی سیلز 2 فیصد بڑھی۔ لائف سائنسز بزنس کو نئی پروڈکٹس کے اجرا، زبردست تجارتی انتظام، پارٹنرشپس اور توسیعی منصوبوں کی بدولت سیلز میں 28 فیصد اضافہ ہوا ہے دوسری جانب ہمارے کیمیکلز بزنس نے سیلز میں اضافے اور کسٹمر تک اپنی رسائی میں بہتری سے گزشتہ سال کے مقابلے میں اپنے مجموعی کاروبار میں 20 فیصد اضافہ اپنے نام کیا ہے۔

اس سال کا آپریٹنگ منافع پولیسٹر، لائف سائنسز اور کیمیکلز بزنسز کی اعلیٰ کارکردگی سے 4,044 ملین روپے رہا جو گزشتہ سال کے اسی عرصہ کے مقابلے میں 16 فیصد زیادہ ہے۔ اس بہتر کارکردگی سے سوڈا ایش کاروبار کے لئے 18 میگاواٹ پاور پلانٹ پر ہونے والی سرمایہ کاری کے تناؤ، اخراجات کے سبب نسبتاً کم آپریٹنگ رزلٹ کی بہت حد تک تلافی ہوئی۔ پروڈکٹ رینج میں توسیع، صارف سے تعلق بڑھانے کے پروگرامز اور کیمیکلز بزنس کے اخراجات میں کمی لانے کے اقدامات کی بدولت ہی لائف سائنسز اور کیمیکلز بزنس میں ترقی کا حصول ممکن ہوا۔

30 جون 2017 کو ختم شدہ سال کیلئے بعد از ٹیکس منافع گزشتہ مالی سال کے مقابلے میں 16 فیصد اضافے کے ساتھ 3,296 ملین روپے رہا۔ جس کی بنیادی وجہ آپریٹنگ منافع میں اضافہ، نیوٹریکو پاکستان (پرائیوٹ) لمیٹڈ کی جانب سے بہترین منافع (ڈیویڈنڈ) اور زرِ مبادلہ کی ادائیگیوں میں کم نقصان ہے۔ اس سال ہر ایک شیئر پر منافع 35.69 روپے ہے جو گزشتہ سال کے 30.78 روپے کے مقابلے میں 16 فیصد زیادہ ہے۔

مجموعی طور پر، کمپنی نے اپنے ذیلی اداروں، آئی سی آئی پاکستان پاورجن لمیٹڈ، سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ اور نیوٹریکو مورینا گا (پرائیویٹ) لمیٹڈ سمیت سال کے لئے بعد از ٹیکس منافع 3,280 ملین روپے یا ہر ایک شیئر پر آمدنی 35.54 روپے رہی جو گزشتہ سال کے اسی عرصے کے مقابلے میں 20 فیصد زائد ہے۔ جبکہ دوران سال کمپنی کو نیوٹریکو پاکستان (پرائیویٹ) لمیٹڈ کی جانب سے 671 ملین روپے بطور منافع کا حصہ وصول ہوئے۔

کمپنی نے اپنی ترقی کی رفتار کو قائم رکھتے ہوئے زیرِ جائزہ عرصے کے دوران کئی توسیعی منصوبے شروع کئے اور انہیں کامیابی کے ساتھ پایہ تکمیل تک پہنچایا، ان میں شامل ہیں:

1۔ سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ کا حصول، یہ ایک مقامی فارماسیوٹیکلز کمپنی ہے جو مختلف النوع پروڈکٹس کے وسیع پورٹ فولیو اور مینوفیکچرنگ کی صلاحیت کی بدولت لائف سائنسز بزنس کو مزید مستحکم کرے گی۔

2۔ مورینا گا انفنٹ فارمولا کی تیاری کے لئے ایک اعلیٰ معیاری سہولت کے قیام، اس کی ڈسٹری بیوشن، مارکیٹنگ اور فروخت کے لئے شیئر ہولڈرز معاہدہ طے ہوا ہے۔ یہ منصوبہ جس پر ابھی عمل درآمد جاری ہے، اسے نیوٹریکو مورینا گا (پرائیویٹ) لمیٹڈ کے نام سے ایک نئے ذیلی ادارے کے قیام کے تحت چلایا جا رہا ہے اس میں آئی سی آئی پاکستان لمیٹڈ کے پاس 51 فیصد اکثریتی شیئر ہولڈنگ ہوگی۔ باقی ماندہ شیئر ہولڈنگ مورینا گا ملک انڈسٹری کمپنی لمیٹڈ آف جاپان اور یونی برانڈز (پرائیویٹ) لمیٹڈ کے درمیان یکساں طور پر تقسیم کی جا رہی ہے۔

3۔ وائتھ پاکستان لمیٹڈ کی ملکیت میں شامل مینوفیکچرنگ سہولت بشمول وائتھ پاکستان لمیٹڈ اور پی فائزر پاکستان لمیٹڈ کے کچھ برانڈز کی رجسٹریشنز حاصل کرنے کے لئے بورڈ آف ڈائریکٹرز کی منظوری تاکہ لائف سائنسز بزنس کی پیداواری صلاحیت اور پروڈکٹس کی مزید رینج میں اضافہ کیا جا سکے۔ اس معاملے میں قانونی ضابطوں کو پورا کیا جا رہا ہے۔

ڈیویڈنڈ (منافع منقسمہ)

کمپنی کی آمدنی کے پیشِ نظر، بورڈ آف ڈائریکٹرز نے 30 جون 2017 کو ختم شدہ مالی سال کے لئے حتمی نقد منافع منقسمہ 100 فیصد کے تناسب سے ہر 10 روپے کے شیئر پر 10 روپے دینے کی تجویز دی ہے اور اس کی ادائیگی آنے والے سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔ واضح رہے کہ یہ منافع عبوری منافع منقسمہ 8 روپے فی شیئر کے علاوہ ہے جو کہ پہلے ہی ادا کیا جا چکا ہے، اس طرح مجموعی منافع منقسمہ 18 روپے فی شیئر بنتا ہے۔

ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2017

ہیلتھ، سیفٹی، انوائرنمنٹ اور سیکیورٹی (HSE&S)

آئی سی آئی پاکستان لمیٹڈ اپنے ملازمین، صارفین اور کنٹریکٹرز بشمول ماحول کی حفاظت کے لئے HSE&S کے اصول وضوابط پر عمل درآمد کے ذریعے ہیلتھ اور سیفٹی کے اعلیٰ معیاروں کو برقرار رکھنے پر یقین رکھتی ہے۔ ان اصولوں پر عمل پیرا رہنے کے لئے کمپنی میں ہر جگہ کئی قسم کے نئے اقدامات کا اجرا کیا گیا۔ دوران سال ملازمین اور زیرنگرانی کنٹریکٹرز کو چار قابل ذکر حادثات پیش آئے جبکہ آزاد کنٹریکٹرز کو ایک حادثہ پیش آیا۔ کمپنی کی طرف سے مختلف قسم کے صحت کے جائزے اور کام کے ماحول کی نگرانی کے پروگراموں کی بدولت کام کے باعث بیماری کا کوئی واقعہ پیش نہیں آیا۔ انتظامی قواعد پر بھرپور توجہ، ہیلتھ، سیفٹی، انوائرنمنٹ اور سیکیورٹی کے انتظام میں کوئی کسر چھوڑے بغیر یہ کارکردگی حاصل کی گئی جس میں رویوں کی بنیاد پر سیفٹی (BBS) پروگرام سے بھی مدد ملی۔ یہ اقدامات اس بات کا واضح ثبوت ہیں کہ کمپنی HSE&S پر عمل درآمد کو یقینی بنانا اپنی اولین ترجیح سمجھتی ہے۔

ہمارے بزنسز کی HSE&S کارکردگی مستقل بنیادوں پر بڑھ رہی ہے جس کی بدولت پولیسٹر، سوڈا ایش، لائف سائنسز اور کیمیکلز بزنسز کے ملازمین اور زیرنگرانی کنٹریکٹرز نے بغیر کسی قابل ذکر حادثے کے بالترتیب 1.05، 12.3، 10.02 اور 0.27 ملین مین آور پورے کئے ہیں۔

انوائرنمنٹل پرفارمنس مینجمنٹ ڈیٹا بیس (EMP) کو اپ گریڈ کیا گیا اور ایپلی کیشن کے کامیاب آغاز سے پہلے تمام ممکنہ مسائل کو حل کیا گیا۔ آئی سی آئی پاکستان لمیٹڈ کے تمام بزنسز کے یوزرز کے لئے ٹریننگ کا اہتمام کیا گیا اور مالیاتی سال 2016-17 کے لئے رپورٹنگ بھی اسی ایپلی کیشن کے ذریعے مکمل کی گئی۔ لرننگ ایونٹ (LE) پورٹل، جو خطرات کی فوری نشاندہی کا ایک معاون ٹول ہے، اسے ہر مقام پر بڑے خطرات کی نشاندہی کے لئے استعمال کیا گیا اور ان خطرات سے نبرد آزما ہونے کے لئے ایک پروگرام بھی تشکیل دیا گیا۔

انتظامی تبدیلیوں کے پیش نظر HSE&S مینجمنٹ کمیٹی، کارپوریٹ کرائسز مینجمنٹ ٹیم اور سسٹین ایبلٹی کونسل کا دوبارہ قیام عمل میں لایا گیا۔ کرائسز مینجمنٹ ٹیم میں تبدیلیوں کی بدولت کرائسز مینجمنٹ پلان بھی اپ ڈیٹ کیا گیا۔ سسٹین ایبلٹی کونسل کی میٹنگ ہوئی تاکہ آئی سی آئی پاکستان لمیٹڈ کے تمام ڈسکلوزرز اور رپورٹنگ پیرامیٹرز کے لئے پانچ سالہ اہداف (ٹارگٹ 2020-21) طے کیئے جاسکیں۔

کارپوریٹ انجینئرنگ پروسیجرز کے کامیاب اجرا سے، چیف ایگزیکٹو نے ریسپانسبل ایگزیکٹوز (REs) منتخب کیئے اور ہر بزنس کا RE مخصوص ایریاز کے لئے ذمہ دار انجینئر منتخب ہوا تاکہ نظام کے معیار اور سالمیت کو یقینی بنایا جاسکے۔ زیرجائزہ سال میں کمپنی نے اپنے تمام بزنسز میں سسٹین ایبلٹی کے منصوبوں پر عمل درآمد کے ذریعے اپنی بھرپور توجہ توانائی کے استعمال، کچرے میں کمی لانے، NEQS پر عمل درآمد اور آپریشنل ایکو ایفیشنسی (OEE) کے اثرات میں کمی پر مرکوز رکھی۔

پوری کمپنی میں جاری ترقیاتی منصوبوں میں کوئلے اور بائیوماس سے چلنے والے بوائلرز اور ہیٹنگ سسٹم کا استعمال بھی شامل ہے۔ ان میں ہوا کے اخراج، کچرے اور پانی کی نکاسی، توانائی کے استعمال اور اخراج کے مقررہ اہداف پہلے سے بہتر طور پر حاصل کئے گئے، اس کے باوجود تمام مینوفیکچرنگ سائٹس پانی اور ہوا کے اخراج سے متعلق ملکی قوانین پر بھی عمل پیرا ہیں۔

کمپنی کی HSE&S اور سسٹین ایبلٹی کارکردگی سے متعلق تفصیلی رپورٹ کے لئے سالانہ رپورٹ کا سسٹین ایبلٹی سیکشن ملاحظہ کریں۔

سماجی سرمایہ کاری (کارپوریٹ سوشل ریسپانسبلٹی)

آئی سی آئی پاکستان لمیٹڈ سماجی سرمایہ کاری پر بھرپور یقین رکھتی ہے جبکہ کمپنی اپنی زیادہ تر سماجی ذمہ داری کے اقدامات آئی سی آئی پاکستان فاؤنڈیشن کے تحت سرانجام دیتی ہے، جو ایک رجسٹرڈ ٹرسٹ ہے اور فاؤنڈیشن کے بورڈ آف ٹرسٹیز اسے چلاتے ہیں۔ اس کے علاوہ بہت سارے دیگر سماجی بہبود کے کام کمپنی اپنے طور پر بھی انجام دیتی ہے۔ کمپنی کی کارپوریٹ سوشل ریسپانسبلٹی پالیسی کے تحت آئی سی آئی پاکستان فاؤنڈیشن بنیادی طور پر تعلیم، صحت، سماج اور ماحول پر اپنی توجہ مرکوز رکھے ہوئے ہے۔ جبکہ کمپنی شہری ترقی کے لئے بھی کمیونٹی پروجیکٹس اور قدرتی آفات کے موقعوں پر امدادی کاموں اور بحالی کے کاموں میں سرمایہ کاری کرتی ہے۔ سال 2016-17 میں آئی سی آئی پاکستان فاؤنڈیشن کے تعاون سے چلنے والے بڑے اقدامات میں شامل ہیں:-

تعلیم

ووکیشنل ٹریننگ

لیڈیز ویلفیئر کا قیام 1973ء میں عمل میں آیا۔ اس کا مقصد کھیوڑہ کی خواتین کو ووکیشنل ٹریننگ کے ذریعے ہنرمند بنایا جائے تاکہ وہ بااختیار بن سکیں۔ اب تک 1200

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طالبات اس سینٹر سے ووکیشنل ٹریننگ حاصل کر چکی ہیں۔ سینٹر کی نئی عمارت میں جاری کلاسسز میں خواتین اور لڑکیوں کو سلائی، بنائی، کڑھائی اور کھانا پکانے جیسے ایک سال دورانیہ کے کورسسز کرائے جاتے ہیں۔ دسمبر 2016ء میں حالیہ بیچ کی 14 طالبات نے اپنی تربیت مکمل کی اور انہیں اسناد سے نوازا گیا۔ یہ لیڈیز ویلفیئر سینٹر انٹرن شپ اور ٹیچر ٹریننگ پروگرام بھی پیش کرتا ہے۔ اس وقت سینٹر میں پانچ انسٹرکٹرز ہیں جو طالبات کو ہنر سکھا رہی ہیں۔ یہ سب اسی سینٹر کی سابقہ اسٹوڈنٹ ہیں۔ نئے بیچ میں 13 اسٹوڈنٹس کو شامل کیا گیا ہے۔

سال 2016-17 میں پولیسٹر بزنس کے ٹریننگ سینٹر میں شروع کئے جانے والے گھریلو الیکٹریکل وائرمین کورس کو ترقی دیتے ہوئے جدید انڈسٹریل الیکٹریکل وائرمین کورس پیش کیا گیا تاکہ اسٹوڈنٹس کو انڈسٹریل اور کمرشل شعبوں میں ملازمت کے مواقع میسر ہوں۔ پہلے بیچ میں 12 اسٹوڈنٹس نے یہ کورس کامیابی سے مکمل کیا ہے۔ اب تک، تقریباً 45 اسٹوڈنٹس نے بنیادی وائرنگ کورس مکمل کیا ہے۔

پرائمری تعلیم میں تعاون

گورنمنٹ بوائز اینڈ گرلز پرائمری اسکول ٹبی ہریہ، شیخوپورہ کو پہلے پولیسٹر بزنس کی سی ایس آر ٹیم مقامی این جی او کے ساتھ مل کر چلاتی تھی اور 110 بچے داخل تھے۔ سال 2016-17 سے تعلیمی معیار میں بہتری اور دیگر سہولیات میں اضافے کے پیش نظر کیئر فاؤنڈیشن سے انتظامی امور چلانے کا معاہدہ طے ہوا ہے، یہ ایک ممتاز این جی او ہے جو اس وقت ملک بھر میں 716 اسکولز کے 230,000 بچوں کو 4,000 اساتذہ کے ساتھ تعلیمی خدمات انجام دے رہی ہے۔

کراچی کی ساحلی پٹی پر مچھیروں کے گاؤں کا پیر کے گورنمنٹ بوائز اور گرلز پرائمری اسکول میں بھی آئی سی آئی پاکستان فاؤنڈیشن، لٹریٹ پاکستان فاؤنڈیشن کے اشتراک سے سال 2016-17 میں چھٹی جماعت کی کلاسز کا بھی آغاز کر چکی ہے تاکہ علاقے کی لڑکیوں کو اپنے ہی گاؤں میں مڈل تک تعلیم کی سہولت میسر ہو، کیونکہ یہاں کی روایتی سوچ کے مطابق انہیں قریبی مخلوط سیکنڈری اسکول میں پڑھنے کی اجازت نہیں دی جاتی، اس اقدام سے 12 لڑکیاں اپنی مڈل کی تعلیم کا پیر اسکول میں جاری رکھ سکیں گی۔

ثانوی تعلیم میں تعاون

آئی سی آئی پاکستان فاؤنڈیشن نے 2005 کے زلزلے میں تباہ ہونے والے برار کوٹ، خیبر پختونخوا کے پرائمری اسکول کی عمارت 2007 میں تعمیر کرائی تھی، بعد میں اسکول کو مقامی حکومت کے حوالے کیا گیا تھا بعدازاں وہاں پر اس اسکول میں طالبات کے لیے ثانوی تعلیم کی کلاسز بھی شروع کی گئیں لیکن سائنس لیب کی ضرورت پوری نہیں کی گئی، اس ضرورت کو پورا کرتے ہوئے فاؤنڈیشن نے مکمل طور پر سامان سے بھرپور ایک سائنس لیب کے قیام کے لئے مدد کی اور ساتھ دو اساتذہ کی تنخواہ بھی دی جارہی ہے۔ اس لیب کا باقاعدہ افتتاح مئی 2017 میں کیا گیا جس سے سیکنڈری سطح کی طالبات کو سائنس کی تعلیم میں بھرپور مدد ملے گی۔

اسی طرح، اپریل 2017 میں آئی سی آئی پاکستان لمیٹڈ نے یو ایس ایڈ کے تعاون سے چلنے والے سندھ بیسک ایجوکیشن پروگرام کے ایک حصہ سندھ کمیونٹی موبلائزیشن پروگرام میں شراکت داری کا معاہدہ کیا ہے۔ اس معاہدے کے تحت کمپنی نے 780 طالبات پر مشتمل گورنمنٹ گرلز سیکنڈری اسکول ولی محمد حاجی یعقوب لیاری میں ایک سائنس لیب کے قیام میں تعاون کا ارادہ کیا ہے۔

اعلیٰ تعلیم میں تعاون:

آئی سی آئی پاکستان فاؤنڈیشن نے مرشد اسپتال کراچی کے نرسنگ اسکول کو کالج بنانے کے لئے فنڈز فراہم کئے ہیں جس کی بدولت یہ ادارہ چار سالہ ڈگری پروگرام پیش کرنے کے قابل ہوا ہے جس سے ملازمت کے مواقع بھی بڑھیں گے۔ فراہم کردہ فنڈز سے اسکول نے اپنی لائبریری کو اپ گریڈ کرنے کے ساتھ اسکلز لیب میں اہم تربیتی سامان حاصل کیا ہے تاکہ زندگی بچانے والی میڈیکل ٹیکنیکس کا ان طلباء کو تجربہ کرایا جاسکے۔

اس کے علاوہ آئی سی آئی پاکستان فاؤنڈیشن، پاکستان ایگریکلچرل کولیشن (PAC) کے ساتھ ایگریکلچرل ٹیکنیکل انسٹیٹیوٹ کے قیام میں تعاون جاری رکھے ہوئے ہے۔ اس سے ملکی کسانوں کو معیاری تعلیم اور زرعی تحقیق میں قابل قدر معلومات میسر ہوگی۔

ہیلتھ (صحت):

کمیونٹی ہیلتھ کیئر میں تعاون: 2016 میں کھیوڑہ میں ہمقدم کمیونٹی کلینک کے نام سے ایک کلینک کا قیام عمل میں لایا گیا، چونکہ کھیوڑہ ایک پسماندہ علاقہ ہے چنانچہ وہاں کی ضروریات کے پیش نظر یہ کلینک قائم کیا گیا۔ یہ کلینک میری ایڈیلیڈ لیپروسی سینٹر (MALC) کے اشتراک سے چلایا جارہا ہے اس کلینک کو شروع کئے ہوئے 17 مہینے ہو چکے ہیں جو کھیوڑہ میں صحت عامہ کے لیے ایک بہترین اضافہ ثابت ہوا ہے۔ کلینک میں

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ایسی خواتین اور بچوں کی بڑی تعداد کو علاج معالجہ کی سہولت حاصل ہو رہی ہے جنہیں معیاری علاج کے لئے بہت دور جانا پڑتا تھا۔ فروری 2016 میں اس کلینک کے قیام سے اب تک 6944 مریضوں کو او پی ڈی میں دیکھا جا چکا ہے اور 346 حاملہ خواتین کی رجسٹریشن ہو چکی ہے جبکہ پانچ سال سے کم عمر کے 998 بچوں کی "روڈ ٹو ہیلتھ چارٹ" کے تحت امیونائزیشن اور نیوٹریشن کے حوالے سے دیکھ بھال کی جا رہی ہے۔ مرض کی تشخیص میں مطلوب ایک الٹرا ساؤنڈ مشین بھی حال ہی میں کلینک کو فراہم کی گئی ہے۔ فاؤنڈیشن نے اس کمیونٹی کلینک کے آغاز پر ایک جدید سہولتوں سے آراستہ ایمبولینس بھی فراہم کی تھی جو کہ اس پسماندہ علاقے میں ایمرجنسی میں مریضوں کے کام آ رہی ہے۔

آئی کیئر پروگرام

آئی سی آئی پاکستان لمیٹڈ کے بہت پرانے آئی کیئر پروگرام نے لیٹن رحمت اللہ بینوولینٹ ٹرسٹ کے تعاون سے کھیوڑہ میں اپنا کام جاری رکھا ہوا ہے جہاں ماہ رمضان کے علاوہ ہر مہینے آنکھوں کے دہ روزہ کیمپ کا اہتمام کیا جاتا ہے۔ گزشتہ سال اس پروگرام نے اپنی سلور جوبلی مکمل کی، یہ پروگرام گزشتہ 25 سال سے کھیوڑہ میں آنکھوں کے ہزاروں مریضوں کو مفت طبی سہولیات فراہم کر چکا ہے۔ LRBT آئی کیئر پروگرام کے تحت اب تک 284 کیمپ منعقد کئے جا چکے ہیں جن میں 148,846 مریضوں کو دیکھا گیا، 16,513 مریضوں کے آپریشن ہوئے اور 28,750 ریفریکشن کئے جا چکے ہیں۔

اداروں سے تعاون:

آئی سی آئی پاکستان فاؤنڈیشن، چائلڈ لائف فاؤنڈیشن کے ساتھ تین سالہ تعاون کا دوسرا سال مکمل کر چکی ہے، فلاحی کام کرنے والی یہ فاؤنڈیشن سول ہسپتال، کراچی اور نیشنل انسٹیٹیوٹ آف چائلڈ ہیلتھ کراچی کے بچوں کے ایمرجنسی وارڈز کو چلا رہی ہے۔ حال ہی میں چائلڈ لائف فاؤنڈیشن کے نیٹ ورک میں سندھ گورنمنٹ ہسپتال کورنگی نمبر 5 کا تیسرا پیڈیاٹرک ایمرجنسی روم شامل کیا گیا اس طرح یہ پاکستان کی سب سے بڑی پیڈیاٹرک ایمرجنسی سہولت فراہم کرنے والی فاؤنڈیشن بن گئی ہے جہاں اب تک ایک ملین سے زائد بچے ان ایمرجنسی رومز سے مستفید ہو چکے ہیں۔

کمپنی کی CSR اور کمیونٹی سرمایہ کاری سے متعلق تفصیلی معلومات کے لئے سالانہ رپورٹ کا صفحہ نمبر 53 ملاحظہ کریں۔

ہیومن ریسورسز

آئی سی آئی پاکستان لمیٹڈ مستقبل کی ترقی اور سرمایہ کاری کے اپنے غیر متزلزل جذبے پر توجہ مرکوز رکھے ہوئے ہے۔ ترقی کے اس سفر میں ہمارے ملازمین کا کردار نظر انداز نہیں کیا جا سکتا کہ ان کی لگن اور کوششوں کا نتیجہ ہے کہ ترقی کو تسلسل ملا ہوا ہے۔

آگے بڑھنے کے اس عمل کو برقرار رکھنے کے لئے، کمپنی اپنے ملازمین کو بہترین ماحول کی فراہمی پر یقین رکھتی ہے۔ ایسا ماحول کہ جس میں ملازم اپنی صلاحیتوں کا بھرپور مظاہرہ کر سکے اور مستقبل کے لیڈرز میں خود کو شامل کرا لے۔

ہمارے بزنسز اور ان کی ڈویژنز کی وسعت ملازمین کو سیکھنے اور ترقی کرنے کے ممتاز مواقع فراہم کرتی ہے۔ مختلف کاموں اور مختلف بزنسز میں کام سے ملازمین کی صلاحیتوں میں نکھار لانا کمپنی کی ترجیحات میں شامل ہے جس کا واضح ثبوت یہ ہے کہ دوران سال ہم نے اپنے ملازمین کی نقل و حرکت کو 21 فیصد کی مایہ ناز سطح پر پہنچایا ہے۔

اپنے ملازمین کو مصروف عمل رکھنے پر توجہ کے سلسلے میں آئی سی آئی پاکستان لمیٹڈ نے گیلپ سے ''iMPOWER'' ایمپلائی انگیجمنٹ سروے کے لئے شراکت داری کی۔ 2015 میں 35 ویں پرسنٹائل کے ساتھ انگیجمنٹ اسکور 5 پوائنٹ والے اسکیل پر 3.87 سے شروع ہونے والا یہ اسکور 2017 میں 68 ویں پرسنٹائل کے ساتھ 4.30 کے متاثر کن اسکور تک پہنچ چکا ہے۔ عالمی سطح کا یہ اسکور گزشتہ سال کے مقابلے میں ہماری اور ہمارے ملازمین کی متاثر کن کارکردگی کا منہ بولتا ثبوت ہے۔

ملازمین کی صلاحیتوں میں نکھار لانے کے لئے لیڈرشپ ڈیولپمنٹ روڈ میپ اہم کردار ادا کر رہا ہے۔ آئی سی آئی پاکستان لمیٹڈ کے لئے منظم اور مکمل ٹیلنٹ ڈیولپمنٹ فریم ورک سے متعلقہ ٹریننگ ماڈیولز، ایگزیکٹو کوچنگ سیشن اور لرننگ پروجیکٹس فراہم کئے جا رہے ہیں۔ اس اقدام میں 886 سے زائد مینیجرز نے شرکت کی ہے۔

ہمارا ''HR for Non HR Manager'' پروگرام اس سال بھی جاری ہے اور مزید 69 مینیجرز نے اس میں حصہ لیا۔ یہ پروگرام مینیجرز کے لئے بہت اہم ہے کیونکہ متعلقہ مینیجر کے کردار میں انہیں ملازمین کے حقوق کو سمجھنے میں مدد ملتی ہے۔ انجینئرز کے لئے "core development" پروگرام کو ایک نئے عزم کے ساتھ جاری کیا گیا ہے جس میں 64 مینیجرز نے حصہ لیا اس پروگرام کے تحت کام اور انتظام سے متعلق ضرورت کے مطابق تربیت کروائی جاتی رہتی ہے۔ اس سال بھی ملازمین کی تربیت، ان کے کام اور

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انتظام کی صلاحیت میں ترقی لانے کے لئے 33,036 "Man Hours" کی سرمایہ کاری کی گئی جو گزشتہ سال کے اسی عرصہ کے مقابلے میں 17 فیصد زائد ہے۔

ملازمت کے حصول کے لئے منفرد اور بہتر گریجویٹ ریکروٹمنٹ مہم کا مقصد ایک ممتاز ایمپلائی ویلیو پروپوزیشن (EVP) کا حصول ہے تا کہ آئی سی آئی پاکستان لمیٹڈ کو ایک اعلیٰ درجے کے ایمپلائر کا مقام حاصل ہو۔ نئی نسل کی بھرتی پر توجہ مرکوز رکھتے ہوئے یہ مہم کامیاب رہی جس میں 11 گریجویٹس کو بھرتی کیا گیا۔ دوران سال کمپنی کی جانب سے باصلاحیت افراد کے حصول کی کوششیں جاری رکھتے ہوئے ممتاز اداروں کے 29 گریجویٹس (بشمول 11 گریجویٹ ریکروٹس) اور 243 تجربہ کار افراد کو ملازمت دی گئی۔

پرفارمنس اینڈ ڈیولپمنٹ ڈسکشن (کارکردگی اور ترقی سے متعلق تبادلہ خیال) (P&DD) کا عمل جاری ہے تا کہ ملازمین کی کارکردگی سے متعلق مینیجرز کا فیڈ بیک مل سکے۔ اس سے ملازمین کو اپنی کارکردگی اور ترقی کو متعلقہ کام یا بزنس کی ضروریات کے عین مطابق ڈھالنے میں مدد ملتی ہے۔ P&DD کا عمل قواعد وضوابط کے مطابق اور اس بات کو یقینی بناتے ہوئے مکمل کیا گیا کہ ملازمین کو صاف وشفاف جائزے کے نظام سے فائدہ پہنچایا جائے۔

پسند کے شراکت دار کے طور پر آئی سی آئی پاکستان لمیٹڈ صنفی فرق کو قدر کی نگاہ سے دیکھتی ہے کیونکہ اس سے مقابلے کا رجحان پیدا کرنے میں مدد ملتی ہے۔ کمپنی کا 'iMPACT'' کے نام سے جینڈر ڈائیورسٹی فورم اپنی کوششیں جاری رکھے ہوئے ہے کہ ادارے میں خواتین کی تعداد میں اضافہ کیا جائے۔

آئی سی آئی پاکستان لمیٹڈ جدت پسندی کو ترجیح دیتی ہے کیونکہ اس سے نظام اور کام میں دن بدن ترقی اور سہولت میسر آتی ہے۔ اس مقصد کے تحت SAP سکسیس فیکٹرز ٹیلنٹ مینجمنٹ سوئٹ پر عمل درآمد کیا جا رہا ہے تا کہ HR کے امور بشمول ریکروٹمنٹ، آن بورڈنگ، تربیت، کارکردگی کی جانچ، کامیابی کا حصول اور تنخواہ اور مراعات کے نظام کو ڈیجیٹائز کیا جائے اور HR امور کو مزید بہتر اور آسان کیا جا سکے۔

کمپنی کی ہیومن ریسورسز سے متعلق تفصیلی معلومات کے لئے رپورٹ کے صفحہ نمبر 42 پر ملاحظہ کریں۔

رسک مینجمنٹ فریم ورک

خطرات پر قابو پانے کا نظام مشکل سے بچنے کا اہم جز ہے۔ آئی سی آئی پاکستان لمیٹڈ میں بورڈ آف ڈائریکٹرز کو خطرات سے نمٹنے کے نظام کی نگرانی سونپی ہوئی ہے، جس میں خطرات سے نبرد آزما ہونا اور اندرونی قواعد وضوابط کے طریقے دونوں ہی آ جاتے ہیں۔

کمپنی میں خطرات سے نمٹنے کے امور مرتب کردہ ہیں تا کہ ہمارے اثاثے محفوظ رہیں اور کاروباری تسلسل کو لاحق ممکنہ خطرات پر بھی نظر ہو۔ مرتب کردہ ان امور کو مستقل جائزے کی ضرورت ہوتی ہے اسی طرح کاروباری، انتظامی، مالیاتی یا عملدرآمد کے مقاصد میں ممکنہ طور پر خلل ڈالنے والے عوامل سے متعلق بورڈ اور اعلیٰ انتظامیہ کو اطلاع دی جاتی ہے تا کہ بروقت ایکشن لیا جا سکے اور کمپنی کے آپریشن کا تسلسل برقرار رہے۔

آئی سی آئی پاکستان لمیٹڈ اختیارات کے حوالے سے ایک صاف وشفاف اور واضح انتظامی نظام کی حامل ہے۔ کمپنی کی سینئر مینجمنٹ عمل درآمد کے امور چلانے، خطرات پر نظر رکھنے اور مختلف ضابطوں کے اثر کو جانچنے کی ذمہ دار ہے۔

کمپنی ایک مربوط انٹرپرائز رسک مینجمنٹ (ERM) فریم ورک رکھتی ہے جو ادارے کو لاحق خطرات کی نشاندہی اور ان سے بروقت نبرد آزما ہونا یقینی بناتا ہے۔ یہ فریم ورک امور کے مابین استعمال کیا جاتا ہے تا کہ کمپنی کو ایک نظام کے تحت خطرات کو پہچاننے، جائزہ لینے اور مناسب انداز میں ان کا سد باب کرنے میں مدد ملے۔ نشاندہی کردہ خطرات کو ان کے اثرات کے پیش نظر ترجیحی بنیادوں پر حل کرنے کے اقدامات کئے جاتے ہیں۔

خطرات پر قابو پانا ایک ہمہ وقتی ضرورت ہے، اس لئے خطرات، ان کے حل اور درست اقدامات پر مشتمل اس سالانہ عمل میں یہ عبوری اپ ڈیٹس شامل ہیں۔
آئی سی آئی پاکستان لمیٹڈ کا یہ ERM فریم ورک درج ذیل عوامل پر مشتمل ہے:

- ایک شفاف عمل کے تحت کمپنی کو لاحق خطرات سے متعلق ضروری ثبوتوں کی فراہمی
- خطرے اور اس سے متعلق امور کے لئے ایک سادہ سی زبان کا استعمال، اس سے تبادلہ خیال میں آسانی اور ہر ایک کو سمجھنے میں فیصلہ کرنے میں آسانی ہوتی ہے۔
- خطرات پر قابو پانے کے انتظام میں شفاف احتساب اور انتظام کا نفاذ

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پولیسٹر اسٹیپل فائبر بزنس (PSF)

عالمی اقتصادی حالات زیر جائزہ سال کے دوران بھی غیر یقینی کا شکار رہے۔ برطانیہ کا یورپی یونین سے نکل جانا، امریکی صدارتی انتخابات اور مشرق وسطی کی بگڑتی صورتحال حالات کے بگاڑ میں اہمیت کے حامل ہیں۔ تین سال سے تیل کی بھرمار کو روکنے کی کوشش کے طور پر اوپیک اور کئی غیر اوپیک ممبرز نے پیداوار میں کمی لانے کے فیصلے پر نظرثانی کا فیصلہ کیا، جو یکم جنوری 2017 سے مارچ 2018 تک قابل عمل ہے۔ نتیجے کے طور پر کروڈ آئل کی قیمتوں میں کچھ بہتری نظر آرہی ہے جو گزشتہ سال کے مقابلے میں 16 فیصد زائد ہے۔ اور اس سے تمام پیٹرولیم مصنوعات کی قیمتیں اوپر آئی ہیں۔ پولیسٹر اسٹیپل فائبر کے خام مال کے اہم جز PTA اور MEG کی قیمتیں گزشتہ سال کے مقابلے میں بالترتیب 4 فیصد اور 13 فیصد بڑھ چکی ہیں۔ اس صورتحال میں علاقائی پولیسٹر اسٹیپل فائبر کی قیمتوں میں بھی 5 فیصد اضافہ ہوا جس میں چائنہ سے امپورٹ ہونے والے مال پر اینٹی ڈمپنگ ڈیوٹی کے نفاذ نے بھی اہم کردار ادا کیا۔ اس کے باوجود دو اہم وجوہات کی بنا پر قیمتوں میں اضافے سے کوئی خاص فائدہ نہیں ہوا۔ ایک یہ کہ نافذ کی جانے والی اینٹی ڈمپنگ ڈیوٹی بہت ہی کم تھی کہ اس کے اثرات مرتب ہوں دوسرا یہ کہ چین کے علاوہ دیگر ذرائع سے امپورٹ کرنے والے بڑھ گئے۔

دوران سال، بزنس نے سیلز میں ایک فیصد اضافے کے ساتھ PSF کی قیمتوں میں اضافے کے سبب گزشتہ سال کے مقابلے میں 7 فیصد ترقی کی۔ صارفین کی ضروریات کے عین مطابق پیداواری سطح کو مناسب انداز میں برقرار رکھا گیا نتیجہ میں گزشتہ سال کے مقابلے میں اس سال 3 فیصد ترقی ہوئی۔ کمپنی کی حال ہی میں متعارف کردہ پروڈکٹ بلیک فائبر نے بہت داد وصول کرتے ہوئے مقامی مارکیٹ کا 47 فیصد اپنے نام کیا۔

ملکی گیس نیٹ ورک میں مہنگی RLNG کے آغاز سے اور تیل کی قیمتوں میں اضافے کے باعث توانائی کے اخراجات بڑھ گئے ہیں۔

علاقائی PSF انڈسٹری میں ضرورت سے زائد سپلائی، خاص طور پر چائنہ سے درآمد کے بڑھتے ہوئے چیلنج نے منافع پر دباؤ برقرار رکھا ہوا ہے۔ اس صورتحال کا سامنا کرنے کے لئے بزنس نے اندرونی طور پر اخراجات پر قابو پانے کے اقدامات اٹھائے جس سے انتظامی اخراجات کو 2 فیصد تک محدود کیا گیا۔ اس طرح گزشتہ سال کے مقابلے میں انتظامی نتائج میں 49 فیصد بہتری لائی گئی۔

مالیاتی سال کے دوران، بزنس نے چائنیز امپورٹرز پر اینٹی ڈمپنگ ڈیوٹی کے نفاذ کا کامیابی سے دفاع کیا۔ دوسری جانب چین، ترکی اور تھائی لینڈ کے ساتھ فری ٹریڈ ایگریمنٹ کے حوالے سے اس صنعت نے PSF کو "کوئی رعایت نہیں" والی لسٹ میں شامل کرنے پر اپنی توجہ مرکوز کر رکھی اور وزارت تجارت کے زیر اہتمام ہونے والے کئی فورمز پر اس معاملے کو اٹھایا گیا ہے۔

چونکہ عالمی PSF مارکیٹس میں ضرورت سے زائد سپلائی کی جاری صورتحال قائم رہنے کا امکان ہے۔ ایسی صورتحال میں قیمتوں کے اتار چڑھاؤ کا دارومدار کروڈ آئل کی قیمتوں میں تبدیلی (اس کا مدار امریکی کروڈ پروڈکشن اور OPEC کی جانب سے پیداواری کمی بیشی پر ہے) مارکیٹ میں خام مال کی صورتحال پر ہے۔

سوڈا ایش بزنس

اس سال مقامی سوڈا ایش مارکیٹ میں سیلز میں اضافے کے باعث گزشتہ سال کے مقابلے میں مجموعی کاروبار میں 2 فیصد اضافہ ہوا۔ سوڈا ایش بزنس نے جنوب ایشیائی مارکیٹ میں اپنی وسعت کو برقرار رکھتے ہوئے بھارت اور افغانستان کو مستقل طور پر اپنی برآمدات جاری رکھیں۔

گزشتہ سال کے مقابلے میں برانڈڈ ڈٹرجنٹ کی طلب میں اضافہ کے پیش نظر ہماری سوڈا ایش مارکیٹ نے 4 فیصد ترقی کی۔ صارفین کی جانب سے ڈٹرجنٹ سوپ اور روایتی ڈٹرجنٹ کے مقابلے میں برانڈڈ ڈٹرجنٹ کی طلب میں اضافہ دیکھنے میں آیا۔ دیگر شعبوں میں ہمارے ریفائنڈ سوڈیم بائی کاربونیٹ اور کیمیکلز نے توقع کے عین مطابق ترقی کی۔ جبکہ پولٹری اور بیکری کے شعبوں نے بھی شہری مارکیٹس میں طلب میں اضافے کے باعث خاطر خواہ اضافہ اپنے نام کیا۔

سال کے دوران ہمارا تجارتی نتیجہ گزشتہ سال کے مقابلے میں زائد ڈیپریسیئشن چارجز کے سبب 4 فیصد کمی کے ساتھ 2,730 ملین روپے رہا۔ سال 2016 کے اختتام تک بزنس نے دو نئے اسٹیم اور پاور جنریشن پروجیکٹ پر سرمایہ لگانے کے ساتھ ریفائنڈ سوڈیم بائی کاربونیٹ کے توسیعی منصوبے میں بھی سرمایہ لگایا، جس کے نتیجے میں گزشتہ سال کے مقابلے میں ڈیپریسیئشن چارجز میں 340 ملین روپے اضافہ ہوگیا۔

کاروباری استحکام اور پیداواری صلاحیت کو بڑھانے کے پیش نظر سوڈا ایش پلانٹ کی پیداواری صلاحیت کو بڑھایا گیا ہے، گزشتہ سال کے مقابلے میں اس سال کی پیداواری

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مقدار ایک فیصد اضافے کے ساتھ 345,581 ٹن رہی ۔اسٹیم ٹربائن کی کامیاب تنصیب کے باعث ہمارا سوڈا ایش پلانٹ اپنی تاریخ میں پہلی بار توانائی کے ایک ہی ذریعے سے چلنے کا سنگ میل عبور کر چکا ہے۔

اس وقت سوڈا ایش کے توسیعی منصوبے کے پہلے مرحلے پر کام جاری ہے جس سے 75,000 ٹن سالانہ پیداواری صلاحیت میں اضافہ ہوگا اور توقع کی جارہی ہے کہ مالیاتی سال 18-2017 کی تیسری سہ ماہی کے دوران یہ منصوبہ اپنا کام شروع کر دے گا۔ پلانٹ کا 150,000 ٹن توسیعی منصوبہ دو مراحلوں میں پایہ تکمیل کو پہنچے گا۔

قانونی اعتبار سے ڈائریکٹوریٹ جنرل آف اینٹی ڈمپنگ اور الائیڈ ڈیوٹیز (DGAD) نے بھارت میں سوڈا ایش کی درآمدات پر نافذ اینٹی ڈمپنگ ڈیوٹیز کو منسوخ کرنے کا حکم جاری کیا تھا جسے الکلی مینوفیکچررز ایسوسی ایشن آف انڈیا کی جانب سے گجرات کی ہائی کورٹ میں چیلنج کیا گیا۔ جس کے نتیجے میں ہائی کورٹ نے ایک عبوری حکم نامے سے کسٹم حکام کو اس معاملے پر کسی بھی نوٹیفکیشن کے اجرا سے روک دیا۔ جبکہ اینٹی ڈمپنگ ڈیوٹیز کے اطلاق کی مدت ختم ہونے پر DGAD نے تمام اسٹیک ہولڈرز کو سن سیٹ ریویو کی تیاری کے لئے نوٹیفکیشن جاری کرتے ہوئے ان ڈیوٹیز کی مدت کو اس ریویو کی تکمیل تک بڑھا دیا حالانکہ یہ 2018 تک قابل اطلاق ہیں۔ اس وقت بزنس بھارت میں اپنے کونسل کے ساتھ سن سیٹ ریویو کے سلسلے میں اجازت ناموں کے لئے سرگرم ہے۔

اس کے ساتھ یہ بھی توقع کی جارہی ہے کہ علاقائی طور پر سوڈا ایش کی قیمتیں زیر دباؤ رہیں گی کیونکہ اگست 2017 میں ترکی میں قدرتی سوڈا ایش پلانٹ کی شروعات سے اس کی پیداوار میں خاطر خواہ اضافہ (تقریباً 3 ملین ٹن سالانہ) ہو جائے گا۔ دوسری جانب کوئلے کی مستحکم ہوتی قیمتوں اور مستقبل قریب میں میٹرلرجیکل کوک کی قیمتوں میں متوقع تیزی آئندہ سال منافع کو زیر دباؤ میں رکھیں گی۔

لائف سائنسز بزنس

ہمارے لائف سائنسز کے کاروبار نے 30 جون 2017 کو ختم شدہ سال کے لئے 1,183 ملین روپے کا آپریٹنگ رزلٹ حاصل کیا جو گزشتہ سال کے مقابلے میں 16 فیصد بہتر ہے۔ ہمارے اس بزنس نے 11,153 ملین روپے کا مجموعی کاروبار کیا جس میں تمام ڈویژنز نے اس سال دو عددی ترقی گروتھ کے ساتھ سب سے زیادہ مجموعی کاروبار کیا۔

بزنس کی فارماسیوٹیکلز ڈویژن نے اپنی پروڈکٹس کی رینج میں مزید اضافہ کے لئے Ferrer and Smith & Nephew کے ساتھ شراکت داری کی ہے۔ اس کے ساتھ ہمارے نیوٹرا سیوٹیکلز شعبے نے کچھ نئی پروڈکٹس بھی شروع کی ہیں۔

ہمارے اینمل ہیلتھ ڈویژن نے دوران سال ڈیری فارمرز کے مشہور برانڈ فارمرز چوائس اور سوماٹیک میں بہترین کارکردگی دکھائی۔

اس سال زرعی شعبے میں مشکل حالات کے باوجود ہمارے ایگری بزنس نے ایگرو کیمیکلز اور ویجیٹیبل سیڈز کے شعبوں میں بہترین کارکردگی دکھائی۔

آئی سی آئی پاکستان لمیٹڈ نے سرن فارماسیوٹیکلز پرائیویٹ لمیٹڈ کا اپنے کل ملکیتی ذیلی ادارے کے طور پر 23 دسمبر 2016 کو حصول اور انضمام مکمل کیا۔ اس حصول سے کمپنی اس مینوفیکچرنگ سہولت سے بھرپور فائدہ لینے کی توقع رکھتی ہے۔ حصول کے بعد سرن نے اپنی پہلی پروڈکٹ بھی کامیابی کے ساتھ متعارف کرادی ہے جس کا برانڈ نام Sovir (Sofosbuvir) ہے اور یہ ہیپاٹائٹس سی کے علاج میں سسٹمک اینٹی وائرل ہے۔ سرن نے عالمی مارکیٹ میں ہائی کارٹی زون کی رجسٹریشن لینے میں بھی کامیابی حاصل کی ہے۔ سرن کا آئی سی آئی پاکستان لمیٹڈ میں انضمام خوش اسلوبی سے ہو رہا ہے اور بہت جلد تکمیل کی توقع ہے۔ ترجیح اس بات کو دی جارہی ہے کہ سرن کی مینوفیکچرنگ صلاحیت کو بھرپور انداز میں بروئے کار لایا جائے۔ اس کے ساتھ آئی سی آئی پاکستان کی مارکیٹنگ اور سیلز نیٹ ورک کو بروئے کار لاتے ہوئے سرن کے کسٹمرز میں اور اس کی پروڈکٹس میں اضافہ کیا جائے۔

بورڈ آف ڈائریکٹرز سے وائتھ پاکستان لمیٹڈ کے برانڈز اور مخصوص اثاثہ جات کے حصول کی منظوری کے بعد کمپنی نے قانونی ضابطوں کی تکمیل کا کام شروع کر دیا ہے اور اس وقت کمپنی کمپٹیشن کمیشن آف پاکستان سے مطلوبہ منظوریاں حاصل کرنے کی کوششوں میں مصروف ہے۔ آئی سی آئی پاکستان وائتھ پاکستان لمیٹڈ کے جو اثاثے حاصل کر رہا ہے ان میں کراچی کے سائٹ ایریا میں ہاکس بے روڈ پر فارماسیوٹیکلز مینوفیکچرنگ سہولت کے ساتھ درج ذیل ممتاز برانڈز کی پروڈکٹس اور رجسٹریشن شامل ہے: ,Entox-P Lederplex, Lederrif, Mucaine, Nilstat, TriHEMIC and Wymox۔ مزید براں فائزر پاکستان لمیٹڈ کی دو پروڈکٹس سٹرالکا اور کمبین ٹرن کی رجسٹریشن بھی حصول میں شامل ہیں۔

ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2017

تمام ڈویژن میں نئی پروڈکٹس کے اجرا، پیداواری صلاحیتوں میں اضافے اور موجودہ پورٹ فولیو کو تقویت دینے کی مزید کوششوں کی بدولت اس کاروبار کا مستقبل بہت تابناک ہے۔

کیمیکلز بزنس

کیمیکلز بزنس کا مجموعی کاروبار 4,789 ملین روپے رہا جو گزشتہ سال کے مقابلے میں 20 فیصد زائد ہے، بنیادی طور پر تمام ڈویژنوں کی کارکردگی بہترین رہی۔ پولی یوریتھن ڈویژن نے زیادہ سیلز کی بدولت اس ترقی میں اہم کردار ادا کیا۔ جنرل کیمیکلز ڈویژن کے انڈسٹریل کیمیکلز کے شعبے میں بہتر کارکردگی دیکھی گئی جبکہ اسپیشلٹی کیمیکلز ڈویژن نے کراپس اور ایڈہیسو کے شعبوں میں بہتر کارکردگی سے یہ نتائج حاصل کئے۔

زیر جائزہ سال کے دوران بزنس نے اب تک کا سب سے زائد منافع (آپریٹنگ رزلٹ) 569 ملین روپے اپنے نام کیا ہے جو گزشتہ سال کے مقابلے میں 23 فیصد زائد ہے۔ منافع میں اضافہ کی وجہ مجموعی کاروبار میں بہتری کے ساتھ زائد سیلز، نئے کسٹمرز کا اضافہ، اخراجات میں کمی کے فوائد کا سامنے آنا ہے۔

کاروبار اپنی مثبت پیش رفت کے سبب بہترین مستقبل رکھتا ہے اور اپنے تمام اسٹیک ہولڈرز کے لئے مزید منافع کے لئے کوششیں جاری رکھنے کی توقع کی جاتی ہے۔

فنانس

کمپنی کی بیلنس شیٹ 30 جون 2017 پر بہترین پوزیشن میں تھی کیونکہ ہم نے اپنا کرنٹ ریشو 1.01 (2016: 1.15) اور کوئیک ریشو 0.50 (2016: 0.55) برقرار رکھا ہوا ہے۔ ان ریشوز میں کچھ کمی کی وجہ سوڈا ایش کے توسیعی منصوبے پر سرمایہ جاتی اخراجات ہیں۔

زیر جائزہ سال کا مجموعی کاروبار 41,364 ملین روپے رہا جو گزشتہ سال کے مقابلے میں 12 فیصد زائد ہے، جس کی وجہ اقتصادی حالات میں بہتری سے ہمارے تمام بزنسز کے ریونیو، پروڈکٹس کا وسیع پورٹ فولیو اور صارفین کی بڑھتی ہوئی تعداد ہے۔

اس سال کا مجموعی منافع گزشتہ سال کے مقابلے میں 20 فیصد زائد ہے۔ اس کی وجہ پیداوار میں اضافہ، انتظامات میں بہتری اور خام مال کی قیمتوں میں کمی اور ان کا استحکام ہے۔

متذکرہ سال کے دوران ہمارے سیلز اور ڈسٹری بیوشن کے اخراجات گزشتہ سال کے مقابلے میں 23 فیصد زیادہ ہیں، خاص طور پر ملازمین کی تنخواہوں میں اضافہ، بزنسز کی ترقی کے لئے ایڈورٹائزنگ اور تشہیری اخراجات اور بیرونی مال برداری کے اخراجات میں اضافہ ہونا ہے۔ کمپنی کی توسیع کے پیش نظر انتظامی اور عمومی اخراجات گزشتہ سال کے مقابلے میں 26 فیصد زائد رہے۔

دوران سال کمپنی نے کئی بینکس سے طویل المدتی اور قلیل المدتی مالیاتی سہولیات حاصل کیں تاکہ امور کی انجام دہی کے لئے ضروری اخراجات اور کاروباری توسیع کی ضروریات کو پورا کیا جاسکے۔ مالیاتی اخراجات گزشتہ سال کے مقابلے میں 4 فیصد زیادہ رہے۔ حالانکہ بھاری سرمایہ کاری کی گئی جس میں سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ، نیوٹریکو مورینا گا (پرائیویٹ) لمیٹڈ اور مجموعی طور پر تمام بزنسز میں توسیعی منصوبے شامل ہیں۔ اس کی ایک اور وجہ سود کی شرح میں کمی کے ساتھ گزشتہ سال کے مقابلے میں ایکسچینج نقصانات میں کمی بھی ہے۔

اس کے علاوہ دیگر آمدنی گزشتہ سال کے مقابلے میں 30 فیصد زیادہ ہے جس کی وجہ اس سال ایسوسی ایٹ کمپنی کی جانب سے منافع منقسمہ کی آمدنی میں اضافہ ہے۔

بعد از ٹیکس منافع (PAT) گزشتہ سال کے مقابلے میں 16 فیصد اضافے کے ساتھ 3,296 ملین روپے رہا۔

ہر شیئر پر منافع (EPS) گزشتہ سال کے مقابلے میں 16 فیصد اضافے کے ساتھ 35.69 روپے رہا۔

مستقبل پر نظر

ملک میں سرمایہ کاری کے فروغ کے لئے اٹھائے گئے کئی مثبت اقدامات سے اس میں ترقی کی امید کی جاتی ہے۔

چائنا پاکستان اکنامک کوریڈور (CPEC) کے منصوبے سے اقتصادی ترقی، سیکیورٹی کی بہتر ہوتی صورتحال، مہنگائی اور سود کی شرح میں کمی، بجلی کی فراہمی میں مسلسل بہتری اور تیل کی قیمتوں میں کمی؛ LNG کا توانائی ذرائع میں شامل ہونا ایسے عوامل ہیں جو ملک میں سرمایہ کاری کے بڑھنے کا ماحول پیدا کررہے ہیں۔ اس سے پرائیویٹ سیکٹر کے سرمایہ کار بھی اپنے کاروبار کی توسیع اور اپنی صلاحیتوں کے زیادہ سے زیادہ استعمال پر توجہ دیں گے۔

ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2017

عالمی طور پر اقتصادی حالات کی بگڑتی صورتحال میں کروڈ آئل کی مارکیٹ نئے توازن کی تلاش میں ہے اور قیمتیں بھی غیر یقینی کا شکار رہنے کا امکان ہے۔ گیس کے ملکی نیٹ ورک میں RLNG جیسی مناسب توانائی کی سپلائی نے کوئلے اور فرنیس آئل کی قیمتیں بڑھادی ہیں۔ RLNG کی فراہمی سے پولیسٹر بزنس کے منافع میں استحکام کی توقع ہے۔ سوڈا ایش میں پیداواری صلاحیت کو بڑھانے والے توسیعی منصوبوں سے مستقبل میں کاروباری کارکردگی پر مثبت اثرات مرتب ہوں گے۔ لائف سائنسز اور کیمیکلز بزنس بھی اپنی مثبت پیش رفت کے باعث مستقبل میں مزید ترقی کے لئے پرامید ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز نے Masterbatch تیار کرنے کے لئے عمارت کے قیام کی منظوری دی ہے، یہ ایک روغن ہے جو کئی طرح کی پلاسٹک (PE, PVC, PP) کی تیاری میں ایڈیٹو کنسنٹریٹ کے طور پر استعمال ہوتا ہے۔ اس منصوبے کی تخمینی لاگت 590 ملین روپے ہے۔ یہ پیش رفت کمپنی کے ترقیاتی مقاصد کی تکمیل کرتے ہوئے اپنے کیمیکلز بزنس کی پروڈکٹس میں مزید توسیع کرنا ہے۔ توقع کی جاتی ہے کہ یہ منصوبہ 2019 کی پہلی سہ ماہی کے دوران اپنا کام شروع کردے گا اور اس کی عمارت آئی سی آئی پاکستان لمیٹڈ کی 5 ویسٹ وہارف، کراچی کی حدود میں قائم کی جائے گی۔

کمپنی اپنے صارف کی ضروریات کو پورا کرنے، کسٹمرز اور سپلائرز سے تعلقات میں استحکام لانے، اپنی پروڈکٹس میں توسیع اور آرگینک وان آرگینک ترقی کے لئے نئے مواقع تلاش کرنے پر اپنی بھرپور توجہ مرکوز کئے ہوئے ہے۔ اس لئے کہ ہمارے برانڈ کا وعدہ ہی یہ ہے کلٹیویٹنگ گروتھ (ترقی کیلئے کوشاں)۔

اظہار تشکر

ہمارے یہ نتائج ملازمین کی انتھک محنت اور لگن، صارفین، سپلائرز، سروس فراہم کرنے والوں اور شیئر ہولڈرز کے کمپنی پر اعتماد کا واضح ثبوت ہیں۔

آڈیٹرز

موجودہ آڈیٹرز میسرز EY فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہلیت کی بنیاد پر آنے والے مالیاتی سال کے لئے خود کو دوبارہ انتخاب کے لئے پیش کیا ہے۔

آڈٹ کمیٹی کی تجویز پر بورڈ نے میسرز EY فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے باضابطہ آڈیٹرز کے طور پر منظوری دی ہے، یہ انتخاب کمپنی کے آنے والے سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

کوڈ آف کارپوریٹ گورننس سے ہم آہنگی

پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) کے رول بک میں شامل کئے گئے کوڈ آف کارپوریٹ گورننس کے عین مطابق، ڈائریکٹرز درج ذیل کے اظہار پر مسرت محسوس کرتے ہیں۔

- کمپنی انتظامیہ کی جانب سے تیار کئے گئے مالیاتی گوشواروں میں معاملات کی واضح صورت، اس کے انتظامی نتائج، کیش فلوز اور ایکویٹی کی تبدیلیوں کو واضح انداز میں پیش کیا گیا ہے۔
- کمپنی کے اکاؤنٹ بکس درست انداز میں برقرار رکھے گئے ہیں۔
- مالیاتی گوشواروں اور اکاؤنٹنگ بیانات کی تیاری مناسب اور محتاط انداز کی بنیاد پر متعلقہ اکاؤنٹنگ پالیسیز کے تحت کی گئی ہے۔
- فنانشل اسٹیٹمنٹس کی تیاری پاکستان میں لاگو انٹرنیشنل اکاؤنٹنگ کے معیاروں کے مطابق کی گئی ہے اور اس سے کسی طرح کے انحراف کو باقاعدہ واضح کیا گیا ہے۔
- انٹرنل کنٹرول کا سسٹم بہترین ہے اور اس پر بہترین انداز میں عمل درآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے استحکام اور آگے بڑھنے کی صلاحیت پر کسی بھی شک وشبے کی کوئی گنجائش نہیں۔
- PSX کے رول بک میں مفصل کارپوریٹ گورننس پر بہترین انداز میں عمل درآمد سے کسی طرح کا بھی انحراف دیکھنے میں نہیں آیا۔
- انتظام اور مالیات سے متعلق گزشتہ 10 سال کی اہم معلومات صفحہ نمبر 24-25 پر درج کی گئی ہے۔
- بقایا ٹیکسز اور محاصل کی معلومات فنانشل اسٹیٹمنٹس کے نوٹس میں دی گئی ہے۔

ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2017

- کمپنی کی انتظامیہ بہتر کارپوریٹ گورننس کے لیے مستعد ہے اور بہترین تجربات پر عمل درآمد کے لئے مناسب اقدامات اٹھارہی ہے۔

ریٹائرمنٹ فوائد میں سرمایہ کاری

ملازمین کے ریٹائرمنٹ فنڈ سے متعلق مجموعی اثاثوں کی قدر پر موجود فوائد کا انتظام فنڈز کے ٹرسٹیز کرتے ہیں۔ان کے فنانشل اسٹیٹمنٹ (آڈٹ شدہ) کے مطابق 30 جون 2016 کو ان کی تفصیل درج ذیل تھی:

	30 جون 2016	30 جون 2015
	قدر (PKR '000)	قدر (PKR '000)
1۔ آئی سی آئی پاکستان مینجمنٹ اسٹاف پینشن فنڈ	1,330,217	1,249,597
2۔ آئی سی آئی پاکستان مینجمنٹ اسٹاف گریجویٹی فنڈ	525,697	427,507
3۔ آئی سی آئی پاکستان مینجمنٹ اسٹاف ڈیفائنڈ کنٹری بیوشن سپرانیوایشن فنڈ	643,727	531,243
4۔ آئی سی آئی پاکستان مینجمنٹ اسٹاف پراویڈنٹ فنڈ	1,169,750	1,012,617
5۔ آئی سی آئی پاکستان نان مینجمنٹ اسٹاف پراویڈنٹ فنڈ	430,848	404,870

ڈائریکٹرز کی حاضری

زیر جائزہ عرصے کے دوران ،سات (07) بورڈ میٹنگز، پانچ (05) آڈٹ کمیٹی میٹنگز اور تین (3) ہیومن ریسورس ریمونریشن کمیٹی (HR&RC) کی میٹنگز کا اہتمام کیا گیا۔ ہرڈائریکٹر/ ممبر/ CFO/ کمپنی سیکریٹری، متعلقہ بورڈ/ سب کمیٹی کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام اور سیکریٹری	بورڈ آف ڈائریکٹرز کی میٹنگز	آڈٹ کمیٹی کی میٹنگز	ہیومن ریسورس اینڈ ریمونریشن کمیٹی
جناب محمد سہیل ٹبا	7	-	3
جناب محمد علی ٹبا	7	5	2
جناب جاوید یونس ٹبا	7	5	3
مسز امینہ اے عزیز باوانی	4	-	-
جناب آصف جمعہ	7	-	3
جناب خواجہ اقبال حسن	5	4	3
جناب محمد عابد گناترا ڈائریکٹر اینڈ سی ایف او	6	5	-
جناب کمال اے چنائے	6	-	-
مس صائمہ کاملہ خان کمپنی سیکریٹری	7	-	-
فاطمہ زبیری سیکریٹری HR&RC	-	-	3
جناب محمد علی مرزا سیکریٹری BAC	-	5	-

ڈائریکٹرز کی ٹریننگ

بورڈ ممبران کی اکثریت، کوڈ آف کارپوریٹ گورننس (CCG) کے شق نمبر 5.19.7 (چیپٹر 5 آف دی PSX رول بک) کے مطابق ڈائریکٹرز کے ٹریننگ پروگرام کے استثنٰی کے لئے مطلوب تجربہ اور تعلیم کی حامل ہے۔تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کی حیثیت سے اپنی ذمہ داریوں سے بخوبی واقف ہیں۔بورڈ نے اپنے ڈائریکٹرز کی گزشتہ سالوں میں ان کے کردار اور ذمہ داریوں سے وضاحت کے لئے CCG کے آگہی کورسز کا اہتمام کرایا تھا۔

پیٹرن آف شیئر ہولڈنگ

کمپنی میں شیئر رکھنے کے طریقہ کار کا اسٹیٹمنٹ بشمول مزید معلومات برائے سال ختم شدہ 30 جون، 2017 صفحہ نمبر 50 سے 52 تک ملاحظہ کریں۔

ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2017

30 جون 2017 کے مطابق، لکی ہولڈنگز لمیٹڈ بشمول گدون ٹیکسٹائل ملز اور لکی ٹیکسٹائل ملز لمیٹڈ نے 86.14% شیئرز اپنے نام رکھے ہوئے تھے جبکہ کاروباری اداروں نے 5.73%، افراد اور دیگر نے باقی 8.13% شیئر رکھے ہوئے تھے۔

آئی سی آئی پاکستان لمیٹڈ کے شیئرز کی سال 17-2016 کے دوران کم از کم اور زیادہ سے زیادہ مارکیٹ پرائس درج ذیل تھی:

زیادہ سے زیادہ	26 مئی 2017	1,219.70
کم از کم	4 جولائی 2016	447.92

سال کے دوران جناب کمال اے چنائے ، ڈائریکٹر، نے کمپنی کے 1,000 شیئرز خریدے۔ اس حوالے سے ریگولیٹری اتھارٹیز میں مشروط ریٹرن فائل کرنے کے ساتھ CCG کے تحت بورڈ اور اسٹاک ایکسچینج کو مذکورہ ٹرانزیکشن کے بارے میں اطلاع بھی دی گئی۔ اس کے علاوہ ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کے شریک حیات اور چھوٹے بچوں نے کمپنی کے شیئرز میں کوئی لین دین نہیں کی ہے۔

گروپ کے مالیاتی گوشوارے

سال ختم شدہ 30 جون، 2017 کے لئے آئی سی آئی پاکستان لمیٹڈ کے آڈٹ شدہ مالیاتی گوشوارے منسلک ہیں۔ آئی سی آئی پاکستان گروپ کے ساتھ اس کے ذیلی اداروں میں آئی سی آئی پاکستان پاورجن لمیٹڈ، سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ اور نیوٹریکو مورینا گا (پرائیویٹ) لمیٹڈ بھی شامل ہیں۔

محمد سہیل ٹبا
چیئرمین

آصف جمعہ
چیف ایگزیکٹو

بتاریخ 28 جولائی 2017

کراچی۔

ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2017

ڈائریکٹرز آئی سی آئی پاکستان لمیٹڈ کے آڈٹ شدہ گروپ نتائج برائے سال ختم شدہ 30 جون 2017 پیش کرتے ہوئے مسرت محسوس کررہے ہیں۔ آئی سی آئی پاکستان گروپ، آئی سی آئی پاکستان لمیٹڈ، آئی سی آئی پاکستان پاورجن لمیٹڈ (PowerGen)، سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ (سرن) اور نیوٹریکو مورینا گا (پرائیویٹ) لمیٹڈ کے نام سے ذیلی اداروں پر مشتمل ہے۔

سال ختم شدہ 30 جون 2017 کیلئے آئی سی آئی پاکستان لمیٹڈ کی کارکردگی کی وضاحت پر مشتمل ڈائریکٹرز رپورٹ علیحدہ سے پیش کی جاچکی ہے۔

پاورجن کا مجموعی کاروبار سال ختم شدہ 30 جون 2017 کے لئے 450 ملین روپے بنتا ہے جوکہ گزشتہ سال کے مقابلے میں 16 فیصد زائد ہے۔ جس کی اہم وجہ پولیسٹر بزنس کو بجلی کی فروخت میں 4 فیصد اضافہ اور فرنیس آئل کی قیمتوں میں 39 فیصد تک اضافہ ہونا ہے۔ جبکہ دوران سال بڑے پیمانے پر بحالی اور مرمت کے اخراجات کی بدولت آپریٹنگ منافع 19 فیصد (73 ملین روپے بمقابلہ 91 ملین روپے) کم رہا۔

سرن نے آئی سی آئی پاکستان لمیٹڈ کے ذیلی ادارے کے طور پر اپنے 6 ماہ مکمل کرتے ہوئے 408 ملین روپے کا مجموعی کاروبار اپنے نام کیا۔ کمپنی کے حصول کے بعد اس کا آپریٹنگ منافع 67 ملین روپے تھا۔

کمپنی کی اس کارکردگی میں ہائی کارٹی زون اور اسٹیمم کا اہم کردار رہا۔ کمپنی کے حصول کے بعد سے حطار پلانٹ نے موثر انداز میں کام شروع کردیا ہے۔ جیسا کہ اداروں کو ہونے والی سیلز بہت مضبوط رہی اور بزنس نے اپنی توجہ ریٹیل سیلز پر مرکوز کردی ہے جس سے نئے مواقع میسر ہونے کی توقع کی جارہی ہے۔ سرن نے حصول کے بعد اپنی پہلی پروڈکٹ Sovir کامیابی کے ساتھ متعارف کرائی یہ Sofosbuvir ایک سسٹمک اینٹی وائرل ہے جو ہیپاٹائٹس سی کے علاج میں دی جاتی ہے۔ اس طرح سے بزنس کی یہ کوشش ہے کہ ایک مستحکم ریٹیل کاروبار سے اپنے سیلز کی قوت کو مزید تقویت دی جائے۔ کمپنی نے مزید بہتری کے منصوبوں پر اداراتی سطح کے جائزے بھی شروع کررکھے ہیں۔

مزید براں، سرن آئندہ مالیاتی سال سے ایکسپورٹ میں اضافے کے لئے نئے مواقع کی تلاش میں ہے۔ اس حوالے سے بزنس کی پیداواری صلاحیت کو زیادہ سے زیادہ بروئے کار لانے کی کوشش کی جائے گی۔ اس کے ساتھ ارادہ یہ ہے کہ آئی سی آئی پاکستان لمیٹڈ کے سیلز نیٹ ورک اور مارکیٹنگ صلاحیتوں کو بروئے کار لاتے ہوئے موجودہ پروڈکٹس کا کسٹمر بیس بڑھایا جائے اور اس کے پروڈکٹ پورٹ فولیو میں مزید اضافہ کیا جائے۔

نیوٹریکو مورینا گا (پرائیویٹ) لمیٹڈ، مورینا گا انفنٹ ملک فارمولا کی تیاری کے لئے ایک اعلیٰ معیاری پیداواری سہولت کے قیام، اس کی ڈسٹری بیوشن، مارکیٹنگ کا منصوبہ بنا رہا ہے۔ یہ منصوبہ جس پر ابھی عمل درآمد جاری ہے، اسے نیوٹریکو مورینا گا (پرائیویٹ) لمیٹڈ کے نام سے ایک نئے ذیلی ادارے کے قیام کے تحت چلایا جارہا ہے اس میں آئی سی آئی پاکستان لمیٹڈ کے پاس 51 فیصد اکثریتی شیئر ہولڈنگ ہوگی۔ باقی ماندہ شیئر ہولڈنگ مورینا گا ملک انڈسٹری کمپنی لمیٹڈ آف جاپان اور یونی برانڈز (پرائیویٹ) لمیٹڈ کے درمیان یکساں طور پر تقسیم کی جارہی ہے۔

مجموعی بنیادوں پر (بشمول کمپنی کے ذیلی اداروں آئی سی آئی پاکستان پاورجن لمیٹڈ، سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ اور نیوٹریکو مورینا گا (پرائیویٹ) لمیٹڈ) کا بعد از ٹیکس منافع برائے زیر جائزہ سال 3,280 ملین روپے یا 35.54 روپے ہر ایک شیئر رہا جو گزشتہ سال کے اس عرصہ کے مقابلے میں 20 فیصد زائد ہے۔ دوران سال کمپنی نے نیوٹریکو (پرائیویٹ) لمیٹڈ کی جانب سے منافع کے حصے کے طور پر 671 ملین روپے اپنے نام کئے ہیں۔

محمد سہیل ٹبا
چیئرمین

آصف جمعہ
چیف ایگزیکٹو

بتاریخ 28 جولائی 2017
کراچی۔

فارم برائے پراکسی (Form of Proxy)

66واں سالانہ اجلاس عام

میں / ہم-----------------------------کا (مکمل پتہ)---

بحیثیت آئی سی آئی پاکستان لمیٹڈ کے ممبر / ممبران----------------------------------حصص کے مالک، بذریعہ ہذا کا (مکمل پتہ)------------------

--یا ان کی عدم موجودگی کی صورت میں--

کا (مکمل پتہ)---جو کمپنی کا / کے ممبر / ممبرز بھی ہے / ہیں، ۲۶ ستمبر ۲۰۱۷ کو منعقد

ہونے والے اور / یا ملتوی ہونے والے کمپنی کے سالانہ اجلاس عام میں میری / ہماری جانب سے ووٹ دینے کے لئے میری / ہماری پراکسی مقرر کرتا ہوں / کرتی ہوں / کرتے ہیں۔

بطور گواہ میں / ہم نے بروز-------بتاریخ--------2017 کو میرے / ہمارے ہاتھ سے مہر لگائی۔

مذکورہ کی جانب سے دستخط شدہ ____________________

مندرجہ ذیل گواہان کی موجودگی میں

گواہ:

1- دستخط:--	2- دستخط--
نام:--	نام:--
پتہ:--	پتہ:--
--	--
کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر:------------	کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر:------------

فولیو / سی ڈی سی اکاؤنٹ نمبر

دستخط

دستخط کمپنی کے رجسٹر میں درج شدہ نمونے کے دستخط کے مطابق ہونے چاہئیں۔

نوٹ:

ا۔ یہ پراکسی فارم ہر طرح سے مکمل صورت اور دستخط شدہ لازماً کمپنی کے رجسٹرڈ آفس آئی سی آئی ہاؤس، 5 ویسٹ وہارف، کراچی پر سالانہ اجلاس عام کے انعقاد کے وقت سے 48 گھنٹے قبل موصول ہو جائیں۔

۲۔ کسی فرد کو بطور پراکسی شرکت کی اجازت نہیں دی جائیگی تاوقتیکہ وہ کمپنی کا / کی ممبر نہ ہو۔ ماسوائے یہ کہ ایک کارپوریشن کسی ایسے فرد کا تقرر کرسکتی ہے جو ممبر نہ ہو۔

۳۔ اگر کسی ممبر نے ایک سے زائد پراکسی کا تقرر کیا اور کمپنی کے کسی ممبر کی جانب سے پراکسی کی ایک سے زائد دستاویز جمع کرائی گئیں تو پراکسی کی ایسی تمام دستاویزات غیر مؤثر تصور کی جائیں گی۔

برائے سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ ادارے

مذکورہ بالا کے علاوہ مندرجہ ذیل شرائط بھی پوری کرنا ہوں گی:

ا۔ پراکسی فارم دو افراد کی جانب سے گواہی کے ساتھ ہونا چاہئے جن کے نام، پتے اور سی این آئی سی نمبرز فارم پر درج ہوں۔

ب۔ بینی فیشل اونرز کے سی این آئی سی یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ پیش کرنا ہوگی۔

ج۔ پراکسی کا اجلاس کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ فراہم کرنا ہوگا۔

د۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع نمونہ دستخط (اگر پہلے فراہم نہیں کئے گئے) پراکسی فارم کے ساتھ کمپنی کے پاس جمع کرانے ہوں گے۔

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