

A magenta graphic element consisting of two overlapping triangles, one pointing left and one pointing right, creating a central white space.

# One Team Many Possibilities

Quarterly Report  
July - September 2020

**ICI PAKISTAN LTD.**



# Contents

## **ICI Pakistan Limited**

Company Information	2
Review of the Directors (English / اردو)	3
Condensed Interim Unconsolidated Statement of Financial Position	16
Condensed Interim Unconsolidated Statement of Profit or Loss	17
Condensed Interim Unconsolidated Statement of Other Comprehensive Income	18
Condensed Interim Unconsolidated Statement of Changes in Equity	19
Condensed Interim Unconsolidated Statement of Cash Flows	20
Notes to the Condensed Interim Unconsolidated Financial Statements	21

## **Condensed Interim Consolidated Financial Information**

Review of the Directors for ICI Pakistan Group (English / اردو)	28
Condensed Interim Consolidated Statement of Financial Position	30
Condensed Interim Consolidated Statement of Profit or Loss	31
Condensed Interim Consolidated Statement of Other Comprehensive Income	32
Condensed Interim Consolidated Statement of Changes in Equity	33
Condensed Interim Consolidated Statement of Cash Flows	34
Notes to the Condensed Interim Consolidated Financial Statements	35

# Company Information

## Board of Directors

<b>Muhammad Sohail Tabba</b>	Chairman (Non-Executive)	<b>Asif Jooma</b>	Chief Executive
<b>Muhammad Ali Tabba</b>	Vice Chairman (Non-Executive)	<b>Khawaja Iqbal Hassan</b>	Independent
<b>Jawed Yunus Tabba</b>	Non-Executive	<b>Muhammad Abid Ganatra</b>	Executive
<b>Amina A Aziz Bawany</b>	Non-Executive	<b>Syed M. Shabbar Zaidi</b>	Independent

## Audit Committee

<b>Syed M. Shabbar Zaidi</b>	Chairman
<b>Khawaja Iqbal Hassan</b>	Member
<b>Muhammad Ali Tabba</b>	Member
<b>Jawed Yunus Tabba</b>	Member

## HR & Remuneration Committee

<b>Khawaja Iqbal Hassan</b>	Chairman
<b>Muhammad Sohail Tabba</b>	Member
<b>Muhammad Ali Tabba</b>	Member
<b>Jawed Yunus Tabba</b>	Member
<b>Asif Jooma</b>	Member

## Chief Financial Officer

**Muhammad Abid Ganatra**

## Company Secretary

**Nausheen Ahmad**

## Head of Internal Audit

**Muhammad Ali Mirza**

## Executive Management Team

<b>Asif Jooma</b>	Chief Executive
<b>Nauman Shahid Afzal*</b>	Vice President, Polyester Business
<b>Nausheen Ahmad</b>	General Counsel, Company Secretary and Head of Corporate Communications & Public Affairs
<b>Arshaduddin Ahmed</b>	Vice President, Chemicals and Agri Sciences Business
<b>Muhammad Abid Ganatra</b>	Chief Financial Officer
<b>Suhail Aslam Khan</b>	Senior Business Consultant & Vice President, Soda Ash Business
<b>Eqan Ali Khan</b>	General Manager, Strategy, Business Development & Innovation
<b>Aamer Mahmud Malik</b>	Vice President, Pharmaceuticals Business
<b>Fariha Salahuddin</b>	General Manager, Human Resources & Administration

*\*Alphabetised by last name*

## Bankers

Allied Bank Limited  
Allied Bank Limited-Islamic Banking Group  
Askari Bank Limited  
Askari Ikhlas Islamic Banking  
Bank Al Habib Limited  
Bank Al Habib Islamic Banking  
Bank Alfalah Limited  
Bank Alfalah Limited – Islamic Banking Group  
Bank of Khyber  
Bank of Punjab  
Citibank N.A.  
Faysal Bank  
Faysal Bank - Islamic Banking  
Habib Bank Limited  
Habib Bank Limited - Islamic Banking  
Habib Metropolitan Bank Limited  
Habib Metropolitan Bank Sirat Islamic  
Industrial and Commercial Bank of

China Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Samba Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Standard Chartered Bank (Pakistan) Limited-Saadiq  
United Bank Limited  
UBL Ameen

## 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) 34380101-5  
Fax: (021) 34380106

## Legal Advisor

Imran Mushtaq & Company  
78-B, Mozang Road (opp. British  
Council), Lahore  
Tel: (042) 36298184-5  
Fax: (042) 36298186

## **Review of the Directors for the Quarter Ended September 30, 2020**

The Directors are pleased to present their review, together with the unaudited financial statements of the Company, for the quarter ended September 30, 2020.

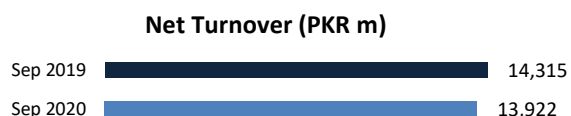
Net turnover for the quarter at PKR 13,922 million is 3% lower as compared to the same period last year (SPLY) primarily due to lower revenues in Polyester, Soda Ash and Chemicals & Agri Sciences Businesses by 6%, 5% and 9% respectively, which was largely offset by higher revenues in Pharma and Animal Health Businesses by 16% each.

The Operating result for the quarter at PKR 1,589 million is 1% lower as compared to the SPLY, due to lower operating results in Soda Ash, Animal Health and Chemicals & Agri Sciences by 19%, 2% and 13% respectively, which were offset by higher operating results in Polyester and Pharma businesses by 89% and 16% respectively. The strong performance achieved by the Polyester Business was attributable to higher sales volume and improved unit margins as compared to the SPLY while the Pharma Business delivered improved performance on the back of new product launches, better sales mix and favourable manufacturing efficiencies.

As a result of lower finance cost following reduction in interest rates and lower debt and no dividend income from Associate, Profit after Tax (PAT) for the quarter at PKR 934 million is 1% higher than the SPLY.

Earnings per share (EPS) for the quarter at PKR 10.11 is 1% higher than the SPLY.

	Quarter ended Sep'20	Quarter ended Sep'19
<b>Net turnover</b> (PKR million)	13,922	14,315
<b>Profit before taxation</b> (PKR million)	1,311	1,318
<b>Profit after taxation</b> (PKR million)	934	926
<b>Earnings per share</b> (PKR)	10.11	10.03



## **Polyester Staple Fibre Business (PSF)**



The period under review was marked with uncertainty as resurgence of COVID-19 was reported in most parts of the world. The global markets displayed slower recovery than anticipated. Owing to this, Saudi Arabia, to revive the buying interest in the crude oil markets, lowered its future crude oil contract prices.

The average crude oil price during the period under review was down by 30% as compared to the SPLY. In line with feedstock prices and addition of new capacities, both Paraxylene (PX) and Pure Terephthalic Acid (PTA) average prices witnessed a downward trend. PX average price was down by 33% and PTA by 36% as compared to the SPLY. The Mono Ethylene Glycol (MEG) market reported shortage of supply amid improved demand owing to seasonal winter impact. Hence, despite 30% decline in crude oil prices, the average MEG price was down by 18% as compared to the SPLY.

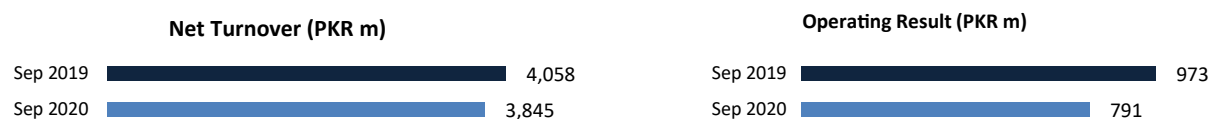
Fuel prices followed the downward trajectory whereby a dip of 4%, 7% and 17% was observed in coal, gas/RLNG, and furnace oil prices, respectively. Consequently, energy cost was lower by 23% against the SPLY. In line with feedstock prices and high inventories amid slow volume offtake, the regional PSF prices declined by 27% as compared to the SPLY.

Unlike its regional counterparts, the Government of Pakistan's timely decision to revive the business activity by lifting the nationwide lockdown assisted the Country to minimise the impact of COVID-19 on the economy. The textile industry being export oriented, benefitted from this as Pakistan's textile exports surged by 14.4% in July 2020 as compared to the SPLY. Despite the pandemic, the exports during the quarter were almost similar to the SPLY.

However, owing to the regional market dynamics, the domestic industry was not able to fully capitalise on this opportunity. As the domestic demand for most of the regional PSF players remained soft, hence there was a high exportable surplus in the region which was directed towards countries with lower tariff protection. The PSF imports into Pakistan increased by 220% compared to SPLY on account of significant price differential between domestic and imported PSF.

Going forward, the textile markets are expected to remain subdued. With the second wave of COVID-19 pandemic in USA and Europe, the region will remain under pressure with slow PSF offtake and high inventories. This may have an impact on the PSF margins that are already on the lower side. On the other hand, new capacities of PX and PTA are expected to come online in the upcoming months. With weakened demand and surplus capacity, feedstock prices will also remain under pressure.

## Soda Ash Business



The period under review saw the economy recovering from the effects of the lockdown. Although the market is slowly gaining momentum and heading towards pre-COVID normalcy levels, a complete recovery will be gradual. Consequently, the total sales volume including exports, during the period under review, were 4% lower than the SPLY.

During the quarter under review, sales to the Glass and Paper segments remained below the SPLY. Glass segment is still recovering from the build-up of stock and receivables during last quarter of Financial year (FY) 2019-20. Construction activities in the country showed robust growth during the period under review, however, the effect of this will become evident for the float glass manufactures in third quarter of FY 2020-21 as float glass is one of the last items consumed to complete a construction project. Paper segment was negatively impacted due to closure of educational institutes. As there was increased focus towards hygiene during the pandemic, the sales to Detergent segment were at a record high. Similarly, sales of Refined Sodium Bicarbonate (RSB) remained high due to improved demand from poultry and confectionary segments.

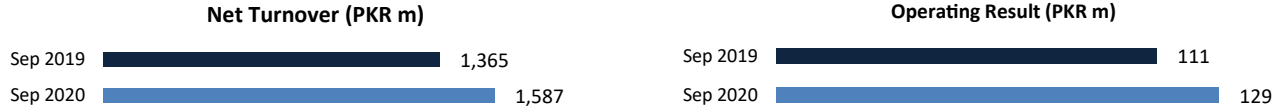
Operating result at PKR 791 million is 19% lower than the SPLY, as sales volume remained lower than the SPLY. However, the impact was partially offset by improved margins on account of optimization in energy cost through effective plant operations coupled with lower RM and energy prices during the period under review.

During the quarter, the Business was able to capitalise on the opportunities in the export market and continued its exports to Afghanistan, Bangladesh, Sri Lanka, and United Arab Emirates. The Business has emerged as a trusted regional supplier for power brands in glass and detergent segments and has been agile in terms of fulfilling the customers' requirements of providing customized packaging and variants.

Going forward, the market conditions are expected to improve but growth is dependent on the control of COVID-19. While the governments around the globe are embracing the second wave of the virus, this time round complete lockdowns have been ruled out and most likely strategy would be the adoption of SOPs. In the domestic market, the activity in the construction industry is expected to receive a boost due to announcement of mega packages by the Government. This will help improve sales of the glass segment. Similarly, increased focus on hygiene will positively impact sales to silicate and detergent segments. Additionally, with educational institutions opening up, sales to the paper segment are expected to improve. RSB sales are expected to continue the growth momentum due to improved demand from poultry and confectionary segments.

However, the threat posed by import of significantly lower priced soda ash continues. The Business will continue to keep a close watch on the developments in this regard.

**Pharmaceuticals**



The Pharmaceuticals Industry continued to be negatively affected by COVID-19, significantly impacting the end-to-end supply chains. Majority of the OPDs remained closed throughout the quarter, thus severely limiting the patient flow and hence sales of pharmaceutical products. Raw material arrivals faced delays due to the challenges in imports from existing sources of supply. Unprecedented rains in Karachi added to the challenges and led to disruption of operations for several days.

Despite these challenges, the Business delivered net sales of PKR 1,587 million, 16% higher than the SPLY, aided by new product launches over the last one year. Operating profit for the period was PKR 129 million, posting growth of 16% against the SPLY, on the back of significantly improved plant efficiencies and better product mix, which more than offset the negative impact of Rupee devaluation and other inflationary cost increases.

Although the month of September showed considerable recovery in the market with lockdowns being gradually eased throughout the country, the last ten days of September witnessed an increasing trend in COVID cases, which may adversely impact the sales in the upcoming months.

The Pharmaceuticals Industry in Pakistan is working to develop multiple sources for import of APIs and excipients to reduce its dependency on few countries. Additionally, any delay in implementing an inflationary price increase earlier allowed by the Drug Regulator, would negatively impact gross margins.

## **Animal Health Business**



During the quarter under review, the Business delivered net turnover of PKR 1,007 million, 16% higher than the SPLY with the livestock and poultry segments delivering growth of 21% and 4% respectively. The operating result at PKR 77 million was, however, 2% lower than the SPLY.

With the opening of marriage halls, educational institutions and resumption of social activities, demand of both chicken meat and milk has picked up. The high demand for milk with limited supply due to dry period caused milk prices to increase. During the period under review, majority of the customers especially traders, corporate dairies and broiler farmers were reluctant to invest and try new products. However, extensive field activities helped in creating awareness and eventually resulted in increased sales.

Extensive drenching campaigns were carried out across the Country, especially in Thar region, where heavy rainfall had caused flora in the region preventing farmers to avoid migrating to greener areas. The campaigns were successful in creating awareness and interest from local farmers who actively sought De-wormers in large quantities.

With the depletion of bunker silage produced by commercial dairy farmers, retail sale of Silage picked up during the month of September. High demand is expected in the coming months as availability of green fodder will further reduce from second quarter onwards.

Poultry team's consistent efforts to shift the trade on cash and dealer finance has started to bear results. The disease challenges in areas of Punjab and Sindh aided in liquidation of stocks. Due to less housing of new breeder and layer flocks, the demand for killed vaccine remained normal.

Feed production was significantly lower due to reduction in broiler flocks and consequently, utilization of feed premix, AGP's, organic acids and enzymes remained low. Feed millers remained under pressure due to higher prices of Corn and Soybean. The impact of correction in broiler breeder population is expected to be visualized in the second quarter, as reduction in placement of day-old chick would impact the availability of marketable chicken and ultimately result in price increase. This is expected to improve the profitability and liquidity of farmers.



**Chemicals & Agri Sciences Business**



Following the ease off in lock down due to COVID-19, consumer demand showed some recovery during the quarter under review. The Business achieved a net turnover of PKR 2,000 million and operating profit of PKR 208 million, being lower by 9% and 13% respectively, in comparison to the SPLY.

The Chemicals division was supported by recovering consumer demand particularly in Polyurethanes segment. Agri Sciences division was, however, impacted by import ban from India, aggravated pest attacks and adverse weather conditions. The effect was partially mitigated through introduction of alternate products and margin management initiatives.

During the quarter under review, the Masterbatches division was supported by new customer acquisitions, successful repeat orders and new technical developments which helped build positive momentum.

Going forward, the Business will continue to create enduring value for existing and new customers, by attaining operational excellence and embracing innovation, whilst remaining focused on robust Business results. Normalizing consumer demand post lockdown and minimizing uncertainty in the market will also provide a boost to the overall business performance in the coming months.

## **Future Outlook**

The COVID-19 pandemic has entirely changed the dynamics of the global economic environment, with countries adjusting to the new normal. Although large parts of the global economy have now been reopened the outlook, however, remains clouded as the risks of new waves of contagion, capital flow reversals, and a further decline in global trade still loom large on the horizon.

Pakistan, on the other hand, is amongst one of the fortunate countries to have fewer cases as compared to countries with similar demographics, and has thus achieved notable success in containing the health and economic challenges, with the current economic situation showing signs of resilience and recovery.

Exports have bounced back after witnessing a decline in the last quarter of FY 2019-20, with the textile sector being the top performer. Following the setting up of “Naya Pakistan Housing and Development Authority and announcement of special construction package, the construction industry has also picked up pace and is expected to continue the momentum, which eventually will be crucial for the revival and consistent growth of the economy. However, despite the signs of economic recovery, the challenges of rising debt, high inflation, increased cost of living, and unstable political conditions coupled with geopolitical tensions cloud the outlook.

The Company, however, remains confident and committed to deliver enduring value for all its stakeholders by strengthening and building relationships, leveraging its diversified product portfolio, and proactively exploring opportunities for both organic and inorganic growth in line with its brand promise of Cultivating Growth.

## **Composition of the Board**

In line with the requirements of the Code of Corporate Governance 2019, the Company encourages representation of Independent and Non-Executive directors, as well as gender diversity, on its Board.

The current composition of the Board is as follows:

### **Total number of Directors:**

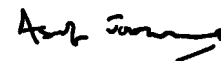
- (a) Male: 7
- (b) Female: 1

### **Composition:**

- (i) Independent Directors :2
- (ii) Non-executive Directors:4
- (iii) Executive Directors :2



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive

Dated: October 21, 2020  
Karachi

## مستقبل پر نظر

Covid-19 کی وبا نے عالمی معاشی صورتحال کو یکسر تبدیل کر کے رکھ دیا ہے اور مختلف ممالک نئی صورتحال میں اپنے آپ کو ڈھالنے کے لیے سرگرداں ہیں۔ حالانکہ عالمی معیشت کے بڑے شراکت دار اپنی سرگرمیاں ایک بار پھر شروع کر چکے ہیں تاہم مستقبل کے حوالے سے اب بھی شکوک و شبہات پائے جاتے ہیں کیونکہ عالمی وبا کی نئی لہر، معیشت کی سرد مہری، عالمی تجارت میں مزید کمی جیسے خطرات پوری دنیا پر منڈلا رہے ہیں۔

دوسری جانب پاکستان ان خوش نصیب ممالک میں شامل ہے جہاں ایک جیسے حالات کے باوجود دیگر ممالک کے مقابلے میں بہت کم افراد اس عالمی وبا کا شکار ہوئے ہیں، اور اسی طرح ملک نے صحت اور معیشت کے مسائل کے خلاف قابل قدر کامیابی حاصل کی ہے اور اس وقت معیشت بحالی کی جانب گامزن ہے۔

درآمدات میں بھی مالی سال 2019-20 کی آخری سہ ماہی کے دوران کمی کے بعد اب واپس بحالی اور ترقی دیکھی جا رہی ہے اور اس میں ٹیکسٹائل کا شعبہ بہترین کارکردگی دکھا رہا ہے۔ ”نیپا پاکستان ہاؤسنگ اینڈ یوٹیلٹی اتھارٹی“ کے قیام اور تعمیراتی شعبے کے لیے خصوصی پیکیج کے اعلان کے بعد، تعمیراتی شعبہ بحال ہو رہا ہے اور اس میں تیزی کی توقع کی جا رہی ہے جو معیشت کی بحالی اور ترقی کے تسلسل کے لیے بہت اہمیت کا حامل ہے۔ تاہم، معیشت کی بحالی کے اشاروں کے باوجود، بڑھتا ہوا ملکی قرض، مہنگائی اور گھریلو اخراجات میں اضافہ اور غیر مستحکم سیاسی صورتحال کے ساتھ علاقائی سیاسی و عسکری تنازعات مستقبل پر منفی اثرات مرتب کر سکتے ہیں۔

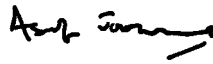
ان سب کے باوجود کمپنی اپنے تمام اسٹیک ہولڈرز کے ساتھ تعلقات میں استحکام لانے، اپنی پروڈکٹس میں توسیع اور آرگینک و ان آرگینک ترقی کے لئے نئے مواقع تلاش کرنے کے لیے کوشاں ہے۔ کیونکہ ہمارے برانڈ کا وعدہ ہی ”ترقی کے لیے کوشاں“ ہے۔

## بورڈ کی تشکیل

کوڈ آف کارپوریٹ گورننس 2019 کی تعمیل میں، کمپنی اپنے بورڈ میں آزاد اور نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کے ساتھ خواتین کی شمولیت کے لیے بھی پرعزم ہے۔ بورڈ کی موجودہ تشکیل درج ذیل ہے:

### تشکیل:

(i) آزاد ڈائریکٹرز: 2	ڈائریکٹرز کی کل تعداد
(ii) نان ایگزیکٹو ڈائریکٹرز: 4	(الف) مرد: 7
(iii) ایگزیکٹو ڈائریکٹرز: 2	(ب) خواتین: 1



آصف جمعہ  
چیف ایگزیکٹو



محمد سہیل ٹٹا  
چیرمین / ڈائریکٹر

21 اکتوبر 2020

کراچی

ملک بھر میں اور خاص طور پر تھر کے علاقے میں ڈرینجنگ سے متعلق شاندار مہمات چلائی گئیں جہاں شدید بارشوں کے بعد سبزہ زار بنے ہوئے ہیں اور اس بار کسان دیگر علاقوں کی طرف ہجرت کرنے کی تکلیف سے محفوظ رہے ہیں۔ یہ مہمات آگہی پیدا کرنے میں بہت کامیاب رہیں اور مقامی کسانوں میں بڑے پیمانے پر جراثیم کش ادویات میں دلچسپی دیکھی گئی۔

کمرشل ڈیری فارمرز کے ذخیرہ شہد بنگر سائیک کی قلت سے ستمبر کے دوران سائیک کی ریٹیل فروخت میں اضافہ دیکھنے میں آیا۔ آنے والے مہینوں میں گرین فوڈز کی مزید کمی کے امکانات ہیں اور دوسرے سماہی اور اس کے بعد طلب میں بہت زیادہ اضافے کا امکان ہے۔

پولٹری ٹیم کی جانب سے نقد لین دین اور ڈیلر فنانس کی مسلسل کوششوں نے اپنے نتائج دینا شروع کئے ہیں۔ پنجاب اور سندھ میں بیماری کے مسائل نے بھی اسٹاکس کی فراہمی میں معاونت کی ہے۔ نئی بریڈ اور لیٹر فلاکس کی ہاؤسنگ میں کمی کے سبب killed ویکسین کی طلب مناسب رہی ہے۔

برائلر فلاکس میں کمی کے سبب فیڈ کی پیداوار میں واضح کمی دیکھی گئی، اور نتیجے میں فیڈ پری کس، AGP's، آرگینک ایسڈز اور انزائم کا استعمال کم رہا۔ فیڈ ملرز بھی کمٹی اور سویا بین کی زائد قیمتوں کے سبب دباؤ کا شکار رہے۔ برائلر بریڈر کی آبادی میں توازن کے اثرات دوسری سماہی میں سامنے آنے کے امکانات ہیں، جب ایک دن کے چوزوں کی کمی مارکیٹ کے قابل مرغی کی فراہمی پر اثرات مرتب کرے گی اور نتیجے میں قیمتوں میں اضافہ ہوگا۔ اس صورتحال میں منافع میں اضافے اور فارمرز کی فروخت بہتر ہونے کی توقع کی جا رہی ہے۔

## کیمیکلز اینڈ ایگری سائنسز بزنس

آپریٹنگ رزلٹ (ملین روپے)		مجموعی کاروبار (ملین روپے)	
239	ستمبر 2019	2,207	ستمبر 2019
208	ستمبر 2020	2,000	ستمبر 2020

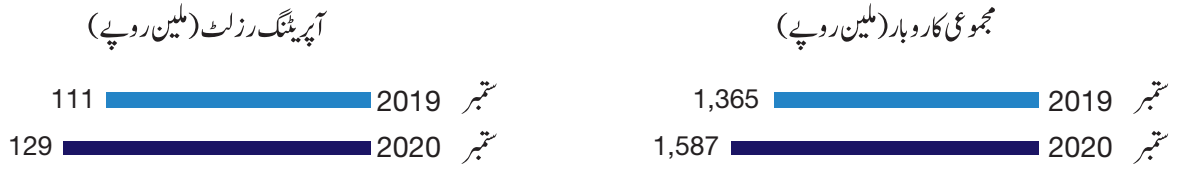
Covid-19 کے سبب نافذ ہونے والے لاک ڈاؤن میں نرمی کے بعد، زیر جائزہ سماہی کے دوران صارفین کی طلب میں کچھ بحالی دیکھنے میں آئی۔ بزنس کا مجموعی کاروبار 2,000 ملین روپے اور کاروباری منافع 208 ملین روپے ریکارڈ کیا گیا جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں بالترتیب 9 فیصد اور 13 فیصد کم ہے۔

کیمیکلز ڈویژن کو پولی یوریتھن شعبے میں خاص طور پر کنزیومر کی طلب بڑھنے سے بحالی میں مدد ملی۔ تاہم ایگری سائنسز ڈویژن پر بھارت سے درآمد پر پابندی، بدترین وبائی حملوں اور شدید موسمی حالات کے سبب منفی اثرات مرتب ہوئے۔ ان منفی اثرات کو متبادل پروڈکٹس کے تعارف اور منافع سے متعلق بہتر اقدامات کے ذریعے بڑی حد تک کم کیا گیا۔

زیر جائزہ سماہی کے دوران، ماسٹر پیچر ڈویژن کو نئے صارفین کے حصول، کامیابی کے ساتھ دوبارہ آرڈرز کا حصول اور نئی تکنیکی صلاحیتوں سے مدد کی گئی جس سے اس ڈویژن میں مثبت رجحان کو جاری رکھنے میں مدد ملی۔

مزید برآں، بزنس آپریشنل مہارت اور جدت کے حصول سے، موجودہ اور نئے کسٹمرز کے لیے قدر میں اضافے کے پیش نظر شاندار کاروباری نتائج حاصل کرنے پر بھرپور توجہ مرکوز کئے ہوئے ہے۔ لاک ڈاؤن کے بعد صارفین کی طلب کی بحالی اور مارکیٹ کی غیر یقینی صورتحال کم ہونے سے بھی آنے والے مہینوں میں کاروبار کو مجموعی طور پر قابل قدر تقویت ملے گی۔

## فارماسیوٹیکلز



Covid-19 کی عالمی وباء سے فارماسیوٹیکلز انڈسٹری پر منفی اثرات مرتب ہوئے، خاص طور پر سپلائی چین کے تسلسل میں مسائل رہے۔ پوری سہ ماہی میں زیادہ تر اوپنی ڈیز بند رہیں، اس لئے مریضوں کی آمد محدود ہوئی اور نتیجے میں فارماسیوٹیکلز کی سیلز پر منفی اثر پڑا۔ سابقہ ذرائع سے خام مال کی آمد میں چیلنجز کے سبب تاخیر ہوئی۔ اس کے ساتھ کراچی میں تاریخی بارشوں نے مسائل میں اضافہ کر دیا اور کئی دنوں تک آپریشنز کو متاثر کئے رکھا۔

ان مسائل کے باوجود، بزنس 1,587 ملین روپے کا کاروبار کرنے میں کامیاب رہا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 16 فیصد زائد ہے۔ سہ ماہی کا کاروباری منافع 129 ملین روپے ہے جو کہ گزشتہ سال کے اسی عرصے کے مقابلے میں 16 فیصد زائد ہے۔ یہ کارکردگی پلانٹ کی صلاحیتوں کے بہتر استعمال اور بہتر پروڈکٹ مکس سے حاصل ہوئی اور اسی سے روپے کی ناقدری کے منفی اثر اور مہنگائی کے سبب بڑھتے ہوئے اخراجات کی تلافی کی گئی۔

حالانکہ ملک بھر میں لاک ڈاؤن تقریباً ختم ہونے سے ستمبر کے مہینے میں مارکیٹ بڑی حد تک بحال ہوتی دیکھی گئی لیکن ستمبر کے آخری 10 روز میں کرونا کیسز میں اضافہ سامنے آیا ہے جس سے آنے والے مہینوں میں کاروبار پر منفی اثرات مرتب ہو سکتے ہیں۔

پاکستان کی فارماسیوٹیکلز انڈسٹری اس وقت APIs کی امپورٹ کیلئے متعدد ذرائع تیار کرنے کیلئے کام کر رہی ہے تاکہ امپورٹ کے مخصوص انحصار کو کم سے کم کیا جاسکے۔ البتہ مہنگائی کے سبب قیمتوں میں ڈرگ ریگولیٹری کی جانب سے قبول کردہ اضافے پر تاخیر سے مجموعی منافع پر منفی اثرات مرتب ہوں گے۔

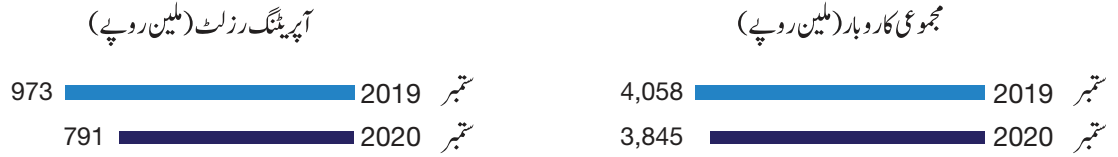
## اسنممل ہیلتھ بزنس



زیر جائزہ سہ ماہی کے دوران، بزنس نے 1,007 ملین روپے کا مجموعی کاروبار کیا جو کہ لائیو اسٹاک اور پولٹری کے شعبہ جات میں بالترتیب 21 فیصد اور 4 فیصد ترقی کی بدولت گزشتہ سال کی اسی مدت کے مقابلے میں 16 فیصد زائد ہے۔ تاہم بزنس کا آپریٹنگ رزلٹ 77 ملین روپے رہا جو گزشتہ سال کی اسی مدت کے مقابلے میں 2 فیصد کم ہے۔

شادی ہالز، تعلیمی اداروں اور معاشرتی سرگرمیوں کی بحالی سے، مرغی کے گوشت اور دودھ کی طلب میں اضافہ ہوا ہے۔ محدود سپلائی کے ساتھ دودھ کی طلب میں اضافے نے دودھ کی قیمتوں میں اضافہ کر دیا ہے۔ زیر جائزہ مدت کے دوران، زیادہ تر صارفین خاص طور پر ٹریڈرز، کارپوریٹ ڈیریز اور برائلر فارمز سے مایہ کاری کرنے اور نئی پروڈکٹس کو اپنانے میں ہچکچاہٹ کا شکار رہے۔ تاہم شاندار فیلڈ سرگرمیوں سے آگہی نے سیلز بڑھانے میں مدد دی۔

## سوڈالیش بزنس



زیرہ جائزہ مدت کے دوران معیشت لاک ڈاؤن کے اثرات سے واپس بحال ہوتی دیکھی گئی۔ تاہم مارکیٹ آہستہ آہستہ بحال ہو رہی ہے اور Covid-19 سے پہلے کی حالت حاصل کرنے کی کوشش کر رہی ہے لیکن مکمل بحالی میں وقت لگے گا۔ نتیجتاً زیر جائزہ مدت کے دوران ایکسپورٹ سمیت ٹوٹل سیلز کی مقدار گزشتہ سال کے اسی عرصہ کے مقابلے میں 4 فیصد کم رہی۔

زیر جائزہ مدت کے دوران گلاس اور پیپر کے شعبہ جات کی سیلز گزشتہ سال سے کم رہی۔ گلاس کا شعبہ مالی سال 2019-20 کی آخری سہ ماہی کے اسٹاک اور وصولیوں کی صورتحال سے بحال ہو رہا ہے۔ زیر جائزہ مدت کے دوران ملک کے تعمیراتی شعبے میں تیزی کا رجحان رہا، تاہم فلوٹ گلاس مینوفیکچررز پر اس کا اثر مالی سال 2020-21 کی تیسری سہ ماہی تک پڑے گا کیونکہ فلوٹ گلاس کی ضرورت کسی بھی تعمیراتی پروجیکٹ کے تکمیلی مراحل میں ہوتی ہے۔ پیپر کا شعبہ تعلیمی اداروں کی بندش کے سبب بہت زیادہ متاثر ہوا ہے۔ جیسا کہ عالمی وباء کے دوران صفائی و ستھرائی پر زیادہ توجہ تھی اس لیے ڈسٹریبنٹ کے شعبے کی سیلز بہتر رہی۔ اسی طرح ریفاائنڈ سوڈیم بانی کاربونیٹ (RSB) کی سیلز بھی پولٹری اور کنفیکشنری کے شعبہ جات میں طلب بڑھنے سے بہتر رہی۔

بزنس کا آپریٹنگ رزلٹ گزشتہ سال کی اسی مدت کے مقابلے میں 19 فیصد کمی کے ساتھ 791 ملین روپے رہا کیونکہ گزشتہ سال کی اسی مدت کے مقابلے میں سیلز کم رہی۔ تاہم پلانٹ کے موثر آپریشن کو بحال رکھنے سے توانائی کے اخراجات پر کنٹرول کے ساتھ خام مال اور توانائی کی قیمتوں میں کمی سے اس منفی اثر کی تلافی کی گئی۔

اس سہ ماہی کے دوران، بزنس نے ایکسپورٹ مارکیٹ میں موجود مواقع سے فائدہ اٹھانے پر توجہ دیتے ہوئے افغانستان، بنگلادیش، سری لنکا، اور متحدہ عرب امارات کی مارکیٹ میں ایکسپورٹ جاری رکھا۔ انہی کوششوں کی بدولت بزنس گلاس اور ڈسٹریبنٹ کے شعبہ جات کے لیے ایک بااعتماد علاقائی سپلائر بن کر ابھرا ہے اور کسٹمرز کی ضروریات کی تکمیل کے پیش نظر کسٹمائزڈ پیکیجنگ اور دیگر ویرینٹس کی فراہمی کے لیے کوشاں ہے۔

مزید برآں، مارکیٹ کی صورتحال بہتر ہونے کی توقعات ہیں۔ تاہم بہتری Covid-19 پر ضابطے سے مشروط ہے۔ جبکہ دنیا بھر کی حکومتیں وائرس کی دوسری لہر سے متاثر ہو رہی ہیں، لیکن اس بار مکمل لاک ڈاؤن کے امکان کو رد کیا جا رہا ہے اور زیادہ تر مالک SOPs پر عمل درآمد کرنے کی منصوبہ بندی کریں گے۔ مقامی مارکیٹ میں، حکومت کی جانب سے بڑے پیکجز کے اعلانات کی بدولت تعمیراتی شعبے کی سرگرمیاں بحال ہونے کا امکان ہے۔ اس سے گلاس کے شعبے کی سیلز میں بہتری آئے گی۔ اسی طرح صفائی و ستھرائی پر زائد توجہ سے سلیکیٹ اور ڈسٹریبنٹ کے شعبہ جات کی سیلز پر مثبت اثرات مرتب ہوں گے۔ اس کے ساتھ، تعلیمی ادارے کھل رہے ہیں اور نتیجے میں پیپر کے شعبے کی سیلز میں بھی اضافے کا امکان ہے۔ پولٹری اور کنفیکشنری کے شعبہ جات میں طلب کے بڑھنے سے RSB کی سیلز میں قابل قدر اضافے کی توقع کی جا رہی ہے۔

تاہم، نسبتاً سستے سوڈالیش کی امپورٹس کے خطرات لاحق ہیں۔ اس حوالے سے بزنس کو مستعد رہتے ہوئے صورتحال کا بغور جائزہ لیتے رہنے کی پالیسی پر عمل کرنا ہوگا۔

## پولیسٹرا سٹیپل فائبر بزنس (PSF)

مجموعی کاروبار (ملین روپے)	آپریٹنگ رزلٹ (ملین روپے)
ستمبر 2019 5,817	ستمبر 2019 204
ستمبر 2020 5,484	ستمبر 2020 385

زیر جائزہ مدت کے دوران دنیا کے اکثر ممالک میں Covid-19 پھیلنے کے سبب غیر یقینی صورتحال رہی۔ جس سے عالمی مارکیٹوں کی بحالی امیدوں کے برخلاف سست روی کا شکار ہے۔ اسی صورتحال کے پیش نظر، سعودی عرب نے کروڈ آئل مارکیٹوں میں اپنی خریداری کو بحال رکھنے کے لیے، مستقبل کے لیے اپنے کروڈ آئل معاہدوں میں قیمتیں کم کی ہیں۔

زیر جائزہ مدت کے دوران کروڈ آئل کی اوسط قیمتیں گزشتہ سال کے اسی عرصہ کے مقابلے میں 30 فیصد کم رہیں۔ فیڈ اسٹاک کی قیمتوں اور پیداواری صلاحیت میں نئے اضافے کے پیش نظر، پیرازائلین (PX) اور پیورٹیکس ایسڈ (PTA) کی اوسط قیمتوں میں کمی کا رجحان رہا۔ گزشتہ سال کی اسی مدت کے مقابلے میں PX کی اوسط قیمت 33 فیصد کم ہوئی جبکہ PTA کی قیمت میں 36 فیصد کمی دیکھی گئی۔ دوسری جانب، مونو انہٹھائلین گلائیکول (MEG) مارکیٹ میں موسم سرما کے سبب بڑھتی ہوئی طلب سے سپلائی میں کمی دیکھی جا رہی ہے۔ تاہم، کروڈ آئل کی قیمتوں میں 30 فیصد کمی کے باوجود، MEG کی اوسط قیمت گزشتہ سال کی اسی مدت کے مقابلے میں 18 فیصد کم ہوئی۔

فیول کی قیمتوں میں کمی کا رجحان جاری رہا جس کی بدولت کوئلے، گیس، RLNG، فرنیس آئل کی قیمتوں میں بالترتیب 4 فیصد، 7 فیصد اور 17 فیصد کمی واقع ہوئی۔ نتیجتاً گزشتہ سال کے اسی عرصے کے مقابلے میں توانائی کے اخراجات 23 فیصد کم ہوئے۔ فیڈ اسٹاک کی قیمتوں اور زائد انوینٹریز سے علاقائی PSF کی قیمتوں میں گزشتہ سال کی اسی مدت کے مقابلے میں 27 فیصد کمی واقع ہوئی۔

دیگر ہمسایہ ممالک کے برخلاف، حکومت پاکستان کے ملکی لاک ڈاؤن ختم کرتے ہوئے کاروباری بحالی کے بروقت فیصلے نے ملکی معیشت پر Covid-19 کے اثرات کو کم کیا۔ نتیجتاً ایکسپورٹ پر مشتمل ٹیکسٹائل کی صنعت کو فائدہ ہوا، اور جولائی 2020 میں پاکستان کی ٹیکسٹائل ایکسپورٹس میں گزشتہ سال کے مقابلے میں 14.4 فیصد اضافہ ہوا۔ اس عالمی وبا کے باوجود، سہ ماہی کے دوران ایکسپورٹس تقریباً گزشتہ سال کی اسی مدت کے برابر رہیں۔

البتہ، مقامی انڈسٹری علاقائی مارکیٹ کی صورتحال کے پیش نظر اس موقع سے فائدہ نہ اٹھا سکی۔ چونکہ زیادہ تر علاقائی PSF پلیٹرز کی مقامی طلب بہت سست رہی، اس لئے علاقے میں ایکسپورٹ کے قابل سرپلس ہو گیا۔ اسی وجہ سے پاکستان میں PSF کی ایکسپورٹس گزشتہ سال کی اسی مدت کے مقابلے میں 220 فیصد گھٹ گئیں کیونکہ مقامی اور امپورٹڈ PSF کی قیمتوں میں ایک واضح فرق دیکھنے میں آیا۔

مزید برآں، ٹیکسٹائل کی مارکیٹ دباؤ کا شکار رہنے کی توقع کی جا رہی ہے۔ امریکہ اور یورپ میں Covid-19 کی دوسری لہر کے آنے سے، PSF کی فراہمی اور زائد انوینٹریز کے سبب علاقائی کاروبار دباؤ کا شکار رہے گا۔ اس کے PSF منافع پر بھی منفی اثرات مرتب ہوں گے جو کہ پہلے ہی کم سطح پر پہنچے ہوئے ہیں۔ دوسری جانب، آنے والے مہینوں میں PX اور PTA کی نئی سہولتیں بھی شروع ہو جائیں گی۔ طلب میں کمی اور صلاحیت میں اضافے کے ساتھ فیڈ اسٹاک کی قیمتیں دباؤ کا شکار رہنے کا امکان ہے۔

## ڈائریکٹرز کا جائزہ برائے سہ ماہی ختم شدہ 30 ستمبر 2020

ڈائریکٹرز اپنا جائزہ برائے سہ ماہی ختم شدہ 30 ستمبر 2020 بشمول کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

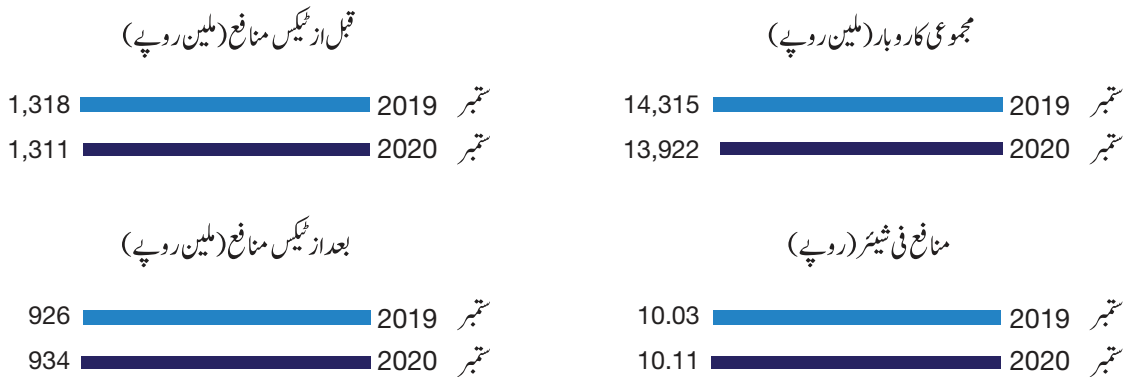
متذکرہ سہ ماہی کے دوران مجموعی کاروبار 13,922 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے مجموعی کاروبار کے مقابلے میں 3 فیصد کم ہے۔ مجموعی کاروبار میں کمی، پولیٹریٹر، سوڈائش اور کیمیکلز اینڈ ایگری سائنسز بزنسز میں بالترتیب 6 فیصد، 5 فیصد اور 9 فیصد کم آمدنی کا حاصل ہونا ہے، جس کی فارما سیویٹیکلز اور اینیمل ہیلتھ بزنس میں سے ہر ایک کی 16 فیصد تک آمدنی میں اضافے کی وجہ سے بڑی حد تک تلافی ہوئی۔

سہ ماہی کا آپریٹنگ رزلٹ گزشتہ سال کے اسی عرصہ کے مقابلے میں 1 فیصد کمی کے ساتھ 1,589 ملین روپے رہا۔ جس کی اہم وجہ سوڈائش، اینیمل ہیلتھ اور کیمیکلز اینڈ ایگری سائنسز بزنسز میں بالترتیب 19 فیصد، 2 فیصد اور 13 فیصد کمی ہونا ہے، جس کی تلافی پولیٹریٹر اور فارما سیویٹیکلز میں بالترتیب 89 فیصد اور 16 فیصد زائد آپریٹنگ رزلٹ سے ہوئی۔ پولیٹریٹر بزنسز میں گزشتہ سال کی اسی مدت کے مقابلے میں بہترین سلیز اور اضافی یونٹ مارجن کی بدولت شاندار منافع حاصل ہوا جبکہ فارما بزنسز نے گزشتہ سال میں متعارف کی گئیں پروڈکٹس، بہتر سلیز کمس اور منافع بخش مینیوفیکچرنگ صلاحیتوں کی وجہ سے بہتر کارکردگی کا مظاہرہ کیا۔

زیر غور سہ ماہی کا بعد از ٹیکس منافع کم سود کے باوجود گزشتہ سال کی اسی مدت کے مقابلے میں 1 فیصد اضافہ کے ساتھ 934 ملین روپے ہے جس کی اہم وجہ ذیلی ادارے سے ڈیویڈنڈ کی آمدنی کا نہ ملنا ہے۔

سہ ماہی کے دوران فی شیئر منافع 10.11 روپے ہے جو گزشتہ سال کی اسی مدت کے مقابلے میں 1 فیصد زائد ہے۔

سہ ماہی ختم شدہ ستمبر 2020	سہ ماہی ختم شدہ ستمبر 2019	
13,922	14,315	مجموعی کاروبار (ملین روپے)
1,311	1,318	قبل از ٹیکس منافع (ملین روپے)
934	926	بعد از ٹیکس منافع (ملین روپے)
10.11	10.03	منافع فی شیئر (روپے)





**ICI Pakistan Limited**  
**Condensed Interim Unconsolidated Statement of Financial Position**  
**As at September 30, 2020**

		Amounts in PKR '000		
Note	<b>September 30, 2020 (Unaudited)</b>	June 30, 2020 (Audited)		
<b>ASSETS</b>				
<b>Non-current assets</b>				
	Property, plant and equipment	4	19,255,234	19,521,939
	Intangible assets	5	1,686,176	1,689,611
	Right-of-use assets	6	297,141	318,278
			<b>21,238,551</b>	<b>21,529,828</b>
	Long-term investments	7	3,441,776	3,186,776
	Long-term loans	8	535,109	510,683
	Long-term deposits and prepayments		37,777	37,885
			<b>4,014,662</b>	<b>3,735,344</b>
			<b>25,253,213</b>	<b>25,265,172</b>
<b>Current assets</b>				
	Stores, spares and consumables		1,020,182	988,580
	Stock-in-trade	9	8,517,243	9,327,845
	Trade debts		2,075,331	2,288,996
	Loans and advances		633,286	595,180
	Trade deposits and short-term prepayments		536,365	408,056
	Other receivables		664,360	1,013,061
	Taxation - net		1,710,328	1,990,113
	Cash and bank balances		278,462	246,383
			<b>15,435,557</b>	<b>16,858,214</b>
			<b>40,688,770</b>	<b>42,123,386</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Share capital and reserves</b>				
	Authorised capital		15,000,000	15,000,000
	1,500,000,000 (June 30, 2020: 1,500,000,000) ordinary shares of PKR 10 each			
	Issued, subscribed and paid-up capital		923,591	923,591
	92,359,050 (June 30, 2020: 92,359,050) ordinary shares of PKR 10 each			
	Capital reserves		309,643	309,643
	Surplus on revaluation of property, plant and equipment - net of tax		527,721	531,249
	Revenue reserve - unappropriated profit		19,474,025	18,998,572
			<b>21,234,980</b>	<b>20,763,055</b>
<b>Non-current liabilities</b>				
	Provisions for non-management staff gratuity		116,276	112,493
	Long-term loans	10	6,079,787	6,092,804
	Lease liabilities	11	238,393	253,591
	Government grant	12	24,942	14,230
	Deferred tax liability - net	13	1,497,812	1,611,661
			<b>7,957,210</b>	<b>8,084,779</b>
<b>Current liabilities</b>				
	Trade and other payables		8,043,326	8,231,439
	Accrued mark-up		176,331	227,281
	Short-term financing	14	1,174,234	3,399,161
	Current portion of long-term loans		1,876,599	1,227,787
	Current portion of lease liabilities		68,179	79,256
	Current portion of government grant		70,324	22,306
	Unclaimed dividend		87,587	88,322
			<b>11,496,580</b>	<b>13,275,552</b>
			<b>40,688,770</b>	<b>42,123,386</b>
<b>Contingencies and commitments</b>				
		15		

The annexed notes from 1 to 25 form an integral part of the condensed interim unconsolidated financial statements.

**Muhammad Sohail Tabba**  
Chairman / Director

**Asif Jooma**  
Chief Executive

**Muhammad Abid Ganatra**  
Chief Financial Officer

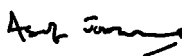
**ICI Pakistan Limited**  
**Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)**  
**For the Quarter Ended September 30, 2020**

	Amounts in PKR '000	
	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019
<b>Net turnover - note 16</b>	<b>13,922,211</b>	14,315,266
Cost of sales - note 16 and 17	<b>(11,092,322)</b>	(11,548,340)
<b>Gross profit</b>	<b>2,829,889</b>	2,766,926
Selling and distribution expenses	<b>(879,876)</b>	(843,796)
Administration and general expenses	<b>(360,796)</b>	(317,654)
<b>Operating result - note 16</b>	<b>1,589,217</b>	1,605,476
Finance costs	<b>(203,925)</b>	(488,624)
Exchange (loss) / gain	<b>(5,116)</b>	22,542
Workers' profit participation fund	<b>(69,010)</b>	(69,878)
Workers' welfare fund	<b>(34,084)</b>	(24,518)
Other charges	<b>(9,639)</b>	(10,861)
	<b>(321,774)</b>	(571,339)
Dividend income	-	260,000
Other income	<b>43,753</b>	23,432
<b>Profit before taxation</b>	<b>1,311,196</b>	1,317,569
Taxation - note 18	<b>(377,476)</b>	(391,195)
<b>Profit after taxation</b>	<b>933,720</b>	926,374
	<b>(PKR)</b>	
<b>Basic and diluted earnings per share</b>	<b>10.11</b>	10.03

The annexed notes from 1 to 25 form an integral part of the condensed interim unconsolidated financial statements.



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

**ICI Pakistan Limited**  
**Condensed Interim Unconsolidated Statement of Other Comprehensive Income (Unaudited)**  
**For the Quarter Ended September 30, 2020**

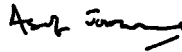
	Amounts in PKR '000	
	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019
<b>Profit after taxation</b>	<b>933,720</b>	926,374
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>933,720</b>	926,374

The annexed notes from 1 to 25 form an integral part of the condensed interim unconsolidated financial statements.




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**Muhammad Sohail Tabba**  
Chairman / Director




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**Asif Jooma**  
Chief Executive




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**Muhammad Abid Ganatra**  
Chief Financial Officer

**ICI Pakistan Limited**  
**Condensed Interim Unconsolidated Statement of Changes in Equity**  
**For the Quarter Ended September 30, 2020**

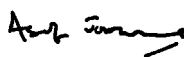
Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Surplus on Revaluation of property, plant and equipment	Revenue reserve - unappropriated profit	Total
<b>As at July 1, 2019 (Audited)</b>	<b>923,591</b>	<b>309,643</b>	<b>598,103</b>	<b>17,375,706</b>	<b>19,207,043</b>
Final dividend of PKR 4.50 per share for the year ended June 30,2019				(415,616)	(415,616)
Profit for the period	-	-	-	926,374	926,374
Other comprehensive income for the period - net of tax	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>926,374</b>	<b>926,374</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(4,837)	4,837	-
<b>As at September 30, 2019 (Unaudited)</b>	<b>923,591</b>	<b>309,643</b>	<b>593,266</b>	<b>17,891,301</b>	<b>19,717,801</b>
Interim dividend for the year ended June 30, 2020 @ PKR 11.00 per share	-	-	-	(1,015,950)	(1,015,950)
Profit for the period	-	-	-	2,102,629	2,102,629
Other comprehensive loss for the period - net of tax	-	-	-	(41,425)	(41,425)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,061,204</b>	<b>2,061,204</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(62,017)	62,017	-
<b>As at June 30, 2020 (Audited)</b>	<b>923,591</b>	<b>309,643</b>	<b>531,249</b>	<b>18,998,572</b>	<b>20,763,055</b>
Final dividend of PKR 5.00 per share for the year ended June 30,2020	-	-	-	(461,795)	(461,795)
Profit for the period	-	-	-	933,720	933,720
Other comprehensive income for the period - net of tax	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>933,720</b>	<b>933,720</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(3,528)	3,528	-
<b>As at September 30, 2020 (Unaudited)</b>	<b>923,591</b>	<b>309,643</b>	<b>527,721</b>	<b>19,474,025</b>	<b>21,234,980</b>

The annexed notes from 1 to 25 form an integral part of the condensed interim unconsolidated financial statements.



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

**ICI Pakistan Limited**  
**Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)**  
**For the Quarter Ended September 30, 2020**

Amounts in PKR '000

September 30, 2020	September 30, 2019
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**Cash flows from operating activities**

Cash generated from operations - note 19	2,652,763	2,686,071
Payments for:		
Non-management staff gratuity and eligible retired employees' medical scheme	(3,972)	(4,422)
Staff retirement benefit plans	(10,438)	(10,339)
Taxation	(207,381)	(206,318)
Interest	(245,801)	(397,633)
<b>Net cash generated from operating activities</b>	<b>2,185,171</b>	<b>2,067,359</b>

**Cash flows from investing activities**

Capital expenditure	(343,894)	(525,926)
Proceeds from disposal of operating fixed assets	2,785	25
Dividend from associate	-	260,000
Interest received on bank deposits	9,502	4,786
Investment in subsidiary	(255,000)	-
<b>Net cash used in investing activities</b>	<b>(586,607)</b>	<b>(261,115)</b>

**Cash flows from financing activities**

Payment against finance lease liability *	(35,348)	-
Long-term loans obtained *	879,579	-
Long-term loans repaid *	(185,054)	(252,311)
Dividends paid	(735)	(3,700)
<b>Net cash generated / (used) from financing activities</b>	<b>658,442</b>	<b>(256,011)</b>

**Net cash generated / (used) from financing activities**

Net increase in cash and cash equivalents	2,257,006	1,550,233
Cash and cash equivalents at the beginning of the period	(3,152,778)	(6,818,999)
<b>Cash and cash equivalents at the end of period (Ref. 1)</b>	<b>(895,772)</b>	<b>(5,268,766)</b>

**Ref. 1: Cash and cash equivalents at the end of period comprise of:**

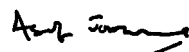
Cash and bank balances	278,462	232,346
Short-term financing	(1,174,234)	(5,501,112)
	<b>(895,772)</b>	<b>(5,268,766)</b>

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

The annexed notes from 1 to 25 form an integral part of the condensed interim unconsolidated financial statements.



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

**ICI Pakistan Limited**  
**Notes to the Condensed Interim unconsolidated Financial Statements**  
**For the Quarter Ended September 30, 2020**

Amounts in PKR '000

**1 Status and nature of business**

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

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

**2 Statement of compliance**

These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

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

**3 Significant accounting policies**

The accounting policies and methods of computation adopted for the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the the annual unconsolidated audited financial statements as at and for the year ended June 30, 2020, except for the adoption of IAS 20 'Government Grants'.

**4 Property, plant and equipment**

Operating fixed assets - at net book value  
 Capital work-in-progress - at cost - Note 4.2  
     Civil works and buildings  
     Plant and machinery  
     Advances to suppliers / contractors

<b>September 30, 2020 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
<b>17,740,833</b>	18,290,752
<b>118,946</b>	135,072
<b>1,277,231</b>	1,073,892
<b>118,224</b>	22,223
<b>1,514,401</b>	1,231,187
<b>19,255,234</b>	19,521,939

**Total property, plant and equipment**

**4.1** Following is the cost of operating fixed assets that have been added / disposed off during the quarter ended September 30, 2020:

	<b>Additions / Transfers</b>		<b>Disposals at net book value</b>	
	<b>September 30, 2020 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>	<b>September 30, 2020 (Unaudited)</b>	<b>June 30, 2020 (Audited)</b>
Lime beds on freehold land	-	76,146	-	-
Buildings on freehold land	-	1,177	-	-
Buildings on leasehold land	5,412	132,440	-	-
Plant and machinery	70,337	1,101,115	1,849	9,864
Rolling stock and vehicles	-	3,684	-	-
Furniture and equipment	6,977	53,519	42	479
	<b>82,726</b>	<b>1,368,081</b>	<b>1,891</b>	<b>10,343</b>

**4.2** Following is the movement in capital work-in-progress during the period / year:

Opening balance	<b>1,231,187</b>	1,058,214
Transfer upon amalgamation	-	2,958
Addition during the period / year	<b>357,345</b>	1,521,884
	<b>1,588,532</b>	2,583,056
Transferred to operating fixed assets	<b>(74,131)</b>	(1,351,869)
<b>Closing balance</b>	<b>1,514,401</b>	1,231,187

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
<b>5 Intangible assets</b>		
Intangible assets - at net book value - note 5.1	<b>1,686,176</b>	1,689,611
<b>5.1</b> Following is the detail of intangible assets:		
Brands	1,437,679	1,437,679
Goodwill	206,374	206,374
Others	42,123	45,558
	<b>1,686,176</b>	1,689,611
<b>5.2</b> Addition to intangible assets:	<b>452</b>	9,577
<b>6 Right-of-use assets</b>		
Opening net book value	318,278	397,575
Depreciation charged during the period	(21,137)	(79,297)
Closing net book value	<b>297,141</b>	<b>318,278</b>
<b>7 Long-term investments</b>		
<b>Unquoted</b>		
Subsidiary		
- ICI Pakistan PowerGen Limited (wholly owned) 7,100,000 ordinary shares (June 30, 2020: 7,100,000) of PKR 100 each	<b>710,000</b>	710,000
Provision of impairment loss	<b>(209,524)</b>	(209,524)
	<b>500,476</b>	500,476
- NutriCo Morinaga (Private) Limited (51% ownership) 19,788,000 ordinary shares (June 30, 2020: 17,238,000) of PKR 100 each	<b>1,978,800</b>	1,723,800
Associate		
- NutriCo Pakistan (Private) Limited (40% ownership) 200,000 ordinary shares (June 30, 2020: 200,000) of PKR 1,000 each and premium of PKR 3,800 (June 30, 2020: 3,800) per share	<b>960,000</b>	960,000
<b>Others</b>		
Equity		
- Arabian Sea Country Club Limited 250,000 ordinary shares (June 30, 2020: 250,000) of PKR 10 each	<b>2,500</b>	2,500
	<b>3,441,776</b>	3,186,776
<b>8 Long-term loans</b>		
<b>Considered Good</b>		
Due from executives and employees	687,166	674,013
Current portion shown under loans and advances (Current assets)	<b>(152,057)</b>	(163,330)
	<b>535,109</b>	510,683
<b>9 Stock-in-trade</b>		
It includes items carried at net realisable value of PKR 566.221 million (June 30, 2020: PKR 777.761 million) on which reversal of PKR 24.930 million (June 30, 2020: expense of PKR 75.381 million) was recognized during the period / year.		
<b>10 Long-term loans</b>		
Long-term loans - note 10.1	<b>7,956,386</b>	7,320,591
Current portion shown under current liabilities	<b>(1,876,599)</b>	(1,227,787)
	<b>6,079,787</b>	6,092,804
<b>10.1</b> Following is the movement in long-term loans during the period / year:		
Opening balance	<b>7,320,591</b>	8,454,203
Obtained during the period / year	<b>820,849</b>	405,403
Repaid during the period / year	<b>(185,054)</b>	(1,539,015)
<b>Closing balance</b>	<b>7,956,386</b>	7,320,591

There is no material change in the terms and conditions of the long-term loans as disclosed in the company's annual unconsolidated financial statements as at and for the year ended June 30, 2020 except that the Company has obtained further SBP Refinancing Facility from a scheduled bank, in order to finance salaries and wages, under the SBP COVID scheme of payroll financing for businesses at a markup of 0.5% - 1% per annum.

Amounts in PKR '000

	<b>September 30, 2020 (Unaudited)</b>	June 30, 2020 (Audited)
<b>11 Lease liabilities</b>		
Long-term lease liability	<b>306,572</b>	332,847
Current portion shown under current liabilities	<b>(68,179)</b>	(79,256)
	<b>238,393</b>	253,591
<b>12 Government grant</b>		
Government grant	<b>95,266</b>	36,536
Current portion of government grant	<b>(70,324)</b>	(22,306)
	<b>24,942</b>	14,230
<b>12.1</b> Following is the movement in government grant during the period / year:		
Opening balance	<b>36,536</b>	-
Obtained during the period / year	<b>70,608</b>	38,837
Released to PnI during the period / year	<b>(11,878)</b>	(2,301)
<b>Closing balance</b>	<b>95,266</b>	36,536
<b>13 Deferred tax liability - net</b>		
<b>Deductible temporary differences</b>		
Provisions for retirement benefits, doubtful debts and others	<b>(331,715)</b>	(309,061)
Retirement funds provision	<b>(114,197)</b>	(115,669)
<b>Taxable temporary differences</b>		
Property, plant and equipment	<b>1,943,724</b>	2,036,391
	<b>1,497,812</b>	1,611,661
<b>14 Short-term financing</b>		
FE 25 Facility	-	958,564
Short-term financing - secured	<b>1,174,234</b>	2,440,597
	<b>1,174,234</b>	3,399,161
There is no material change in the terms and conditions of the short-term borrowings and running finance as disclosed in the company's annual audited financial statements as at and for the year ended June 30, 2020.		
<b>15 Contingencies and commitments</b>		
<b>15.1</b> Claims against the Company not acknowledged as debts are as follows:		
Local bodies	<b>81,500</b>	81,500
Others	<b>22,979</b>	22,979
	<b>104,479</b>	104,479
<b>15.2</b> The Company had challenged the levy of super tax for tax years 2015 to 2018 before the Honourable High Court of Sindh, who, vide judgement dated July 21, 2020, has upheld such levy. This decision has been challenged by the Company before the Supreme Court of Pakistan hearing of which is yet to be fixed.		
Except for the above, there are no material changes in the status of custom duty, income tax and sales tax contingencies as reported in the annual unconsolidated audited financial statements as at and for the year ended June 30, 2020.		
<b>15.3</b> Commitments in respect of capital expenditure (including Light Ash and RSB project of Soda Ash division)	<b>198,650</b>	395,192
<b>15.4</b> Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:		
<b>Year</b>		
<b>2020-21</b>	<b>421</b>	646
<b>2021-22</b>	<b>187</b>	287
	<b>608</b>	933
Payable not later than one year	<b>421</b>	646
Payable later than one year but not later than five years	<b>187</b>	287
	<b>608</b>	933
<b>15.5</b> Outstanding letter of credit (Unutilized PKR 13,245.206 million, June 30, 2020: 11,259.882 million)	<b>2,647,587</b>	3,834,449
<b>15.6</b> Commitments in respect of Post dated cheques	<b>890,671</b>	1,164,290



16 Operating Segment results (Unaudited)

	Polyester						Soda Ash			Pharma			Animal Health			Chemicals and Agri Sciences			Company	
	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019
<b>Turnover - note 16.1 &amp; 16.2</b>	6,575,685	6,850,461	4,719,947	4,952,463	2,063,581	1,539,661	1,303,461	2,493,101	1,091,944	2,788,591	17,155,005	17,222,363								
Sales tax	(937,353)	(957,476)	(645,931)	(683,685)	(9,612)	(8,814)	(2,559)	(221,359)	(2,045)	(221,678)	(1,816,814)	(1,873,698)								
Commission and discounts / price adjustment	(154,515)	(76,199)	(228,779)	(210,772)	(466,553)	(166,129)	(294,096)	(272,037)	(220,830)	(359,489)	(1,415,980)	(1,033,419)								
	(1,091,868)	(1,033,675)	(874,710)	(894,457)	(476,165)	(174,943)	(296,655)	(493,396)	(222,875)	(581,167)	(3,232,794)	(2,907,117)								
Net turnover	5,483,817	5,816,786	3,845,237	4,058,006	1,587,416	1,364,718	1,006,806	1,998,705	868,069	2,207,424	13,922,211	14,315,266								
Cost of sales - note 16.1 and 17	(4,967,493)	(5,490,708)	(2,721,242)	(2,798,456)	(1,115,560)	(932,938)	(752,230)	(1,536,547)	(638,396)	(1,688,579)	(11,092,322)	(11,548,340)								
<b>Gross profit</b>	516,324	326,078	1,123,995	1,259,550	471,856	431,780	254,576	463,158	230,673	518,845	2,829,889	2,766,926								
Selling and distribution expenses	(105,282)	(99,440)	(127,240)	(112,299)	(280,515)	(286,454)	(146,337)	(220,502)	(132,655)	(232,948)	(879,876)	(843,796)								
Administration and general expenses	(26,185)	(22,732)	(205,773)	(174,163)	(62,502)	(54,575)	(31,429)	(34,907)	(19,738)	(46,446)	(360,796)	(317,654)								
<b>Operating result</b>	384,857	203,906	790,982	973,088	128,819	110,751	76,810	207,748	78,280	239,451	1,589,217	1,605,476								

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals and Agri Sciences		Company	
	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)
Segment Assets	8,821,092	9,364,128	24,033,613	24,917,545	6,000,461	6,037,209	4,092,669	4,167,580	8,938,995	36,037,142	37,446,973	
Unallocated Assets										4,651,628	4,676,413	
Segment Liabilities	14,163,769	14,632,440	2,745,001	3,102,176	5,959,336	5,841,748	2,256,634	1,961,237	1,898,406	9,963,986	10,288,441	
Unallocated Liabilities										9,489,804	11,071,890	
										19,453,790	21,360,331	

Note: Inter unit current account balances of respective businesses have been eliminated from the total.

Amounts in PKR '000

For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019
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(Unaudited)

### 16.1 Turnover

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

16.2 Turnover includes export sales made to various countries amounting to:

### 17 Cost of sales

Opening stock of raw and packing materials

Purchases

Closing stock of raw and packing materials

Raw and packing materials consumption

Manufacturing costs

Opening stock of work-in-process

Closing stock of work-in-process

Cost of goods manufactured

Opening stock of finished goods

Finished goods purchased

Closing stock of finished goods

### 18 Taxation

Current

Deferred

### 19 Cash flows from operations

Profit before taxation

Adjustments for:

Depreciation and amortisation

Gain on disposal of operating fixed assets

Provision for non-management staff gratuity and eligible retired employees' medical scheme

Provision for staff retirement benefit plan

Dividend from associate

Interest expense

Provision for doubtful trade debts

Provision for slow moving and obsolete stock-in-trade

Provision for slow moving and obsolete stores, spares and consumables

Interest on bank deposits

Movement in:

Working capital - note 19.1

Long-term loans

Long-term deposits and prepayments

**Cash generated from operations**

### 19.1 Movement in working capital

#### **Decrease / (Increase) in current assets**

Stores, spares and consumables

Stock-in-trade

Trade debts

Loans and advances

Trade deposits and short-term prepayments

Other receivables

#### **(Decrease) / Increase in current liabilities**

Trade and other payables

	770	737
	<b>173,586</b>	390,601
Opening stock of raw and packing materials	5,370,154	5,482,391
Purchases	6,112,033	6,940,178
	<b>11,482,187</b>	12,422,569
Closing stock of raw and packing materials	<b>(4,990,106)</b>	(4,803,149)
Raw and packing materials consumption	<b>6,492,081</b>	7,619,420
Manufacturing costs	<b>3,201,320</b>	3,286,011
	<b>9,693,401</b>	10,905,431
Opening stock of work-in-process	<b>250,271</b>	216,709
	<b>9,943,672</b>	11,122,140
Closing stock of work-in-process	<b>(152,453)</b>	(320,639)
Cost of goods manufactured	<b>9,791,219</b>	10,801,501
Opening stock of finished goods	<b>3,707,420</b>	4,142,065
Finished goods purchased	<b>968,367</b>	1,380,990
	<b>14,467,006</b>	16,324,556
Closing stock of finished goods	<b>(3,374,684)</b>	(4,776,216)
	<b>11,092,322</b>	11,548,340
Current	<b>487,166</b>	492,034
Deferred	<b>(109,690)</b>	(100,839)
	<b>377,476</b>	391,195
Profit before taxation	<b>1,311,196</b>	1,317,569
Adjustments for:		
Depreciation and amortisation	<b>655,781</b>	647,697
Gain on disposal of operating fixed assets	<b>(894)</b>	(8)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	<b>9,479</b>	8,943
Provision for staff retirement benefit plan	<b>10,801</b>	14,467
Dividend from associate	-	(260,000)
Interest expense	<b>203,925</b>	488,624
Provision for doubtful trade debts	<b>2,517</b>	(10,040)
Provision for slow moving and obsolete stock-in-trade	<b>8,446</b>	10,284
Provision for slow moving and obsolete stores, spares and consumables	<b>784</b>	-
Interest on bank deposits	<b>(9,502)</b>	(4,786)
	<b>2,192,533</b>	2,212,750
Movement in:		
Working capital - note 19.1	<b>484,548</b>	448,608
Long-term loans	<b>(24,426)</b>	24,246
Long-term deposits and prepayments	<b>108</b>	467
<b>Cash generated from operations</b>	<b>2,652,763</b>	2,686,071
Stores, spares and consumables	<b>(32,386)</b>	(41,709)
Stock-in-trade	<b>802,156</b>	(69,123)
Trade debts	<b>211,148</b>	66,487
Loans and advances	<b>(38,106)</b>	19,634
Trade deposits and short-term prepayments	<b>(127,686)</b>	(205,246)
Other receivables	<b>348,702</b>	192,286
	<b>1,163,828</b>	(37,671)
Trade and other payables	<b>(679,280)</b>	486,279
	<b>484,548</b>	448,608

Amounts in PKR '000

For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019
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## 20 Transactions with related parties

(Unaudited)

The related parties comprise the holding company (Lucky Cement Holding Limited) and related group companies, associated company, subsidiary companies, directors of the Company, companies where directors also hold directorship, key employees and staff retirement funds. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

Relationship with the company	Nature of Transaction		
Parent Company	Dividend	253,990	227,458
	Sale of goods and material	310	4,670
	Purchase of goods, materials and services	7,665	769
Subsidiary Company	Purchase of electricity	299,456	191,356
	Provision of services and other receipts	495	495
	Sale of goods and material	42	1,084
	Purchase of goods, materials and services	-	2,826
	Investment in Subsidiary	255,000	-
	Loan to Subsidiary	-	35,000
	Interest Income on Loan	-	1,086
Reimbursement of expenses	1,342	1,694	
Associated Companies	Royalty	105,418	111,585
	Purchase of goods, materials and services	196,112	436,438
	Sale of goods and materials	489,910	634,021
	Reimbursement of expenses	-	19,585
	Dividend income from associate	-	260,000
Dividend	88,659	125,581	
Others	Staff retirement benefits	85,612	76,812
Key management personnel	Remuneration paid	72,616	68,549
	Post employment benefits	9,932	9,404
	Director meeting fee	1,050	975
	Dividends	2,369	2,180

## 21 Estimates

Judgments and estimates made by the management in the preparation of the condensed interim unconsolidated financial statements were the same as those that were applied to the annual unconsolidated audited financial statements as at and for the year ended June 30, 2020.

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

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

## 23 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the annual unconsolidated audited financial statements as at and for the year ended June 30, 2020.

## 24 Date of authorisation

The condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on 21st October, 2020.

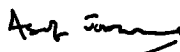
## 25 General

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

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



Muhammad Sohail Tabba  
Chairman / Director



Asif Jooma  
Chief Executive



Muhammad Abid Ganatra  
Chief Financial Officer



**ICI PAKISTAN LTD.**



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

## **Review of the Directors for the Quarter Ended September 30, 2020**

The Directors are pleased to present their review together with the unaudited Group results of ICI Pakistan Limited for the quarter ended September 30, 2020. The ICI Pakistan Group comprises ICI Pakistan Limited, and its subsidiaries namely ICI Pakistan PowerGen Limited (PowerGen) and NutriCo Morinaga (Private) Limited (NutriCo Morinaga).

The Directors report, which provides a commentary on the performance of ICI Pakistan Limited for the quarter ended September 30, 2020, has been presented separately.

Net turnover of PowerGen for the quarter under review stood at PKR 275 million, being 36% higher as compared to the SPLY mainly due to higher sale of electricity units by 69% to polyester business and its associate concern, NutriCo Morinaga (Pvt) Limited. Operating profit of PKR 52 million is 86% higher against the SPLY.

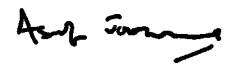
During the quarter ended September 30, 2020, NutriCo Moringa continued the production of two products namely BF-Grow 3 and BF Chil School and plans to launch additional products to fully leverage the plant capacity. Net turnover of the Company for the quarter under review was PKR 543 million (SPLY: Nil) whereas operating loss for the quarter was PKR 186 million (SPLY: PKR 3 million).

On a consolidated basis (including the results of the Company's subsidiaries: PowerGen and NutriCo Morinaga), net turnover for the quarter under review at PKR 14,465 million, was almost in line with the SPLY. However, given the recent start-up of the NutriCo Morinaga project, operating result at PKR 1,456 million was lower by 11% in comparison to the SPLY.

Despite the lower operating results, PAT for the quarter under review at PKR 886 million was 6% higher than the SPLY whereas EPS attributable to the owners of the holding company at PKR 10.66 was 18% higher than the SPLY, mainly on the back of lower finance cost (due to lower interest rates and lower debt) along with stable exchange rate. The Company recognised PKR 103 million as share of profit from its Associate NutriCo Pakistan (Private) Limited.



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive

Dated: October 21, 2020  
Karachi

## ڈائریکٹرز کا جائزہ برائے سہ ماہی ختم شدہ 30 ستمبر 2020

ڈائریکٹرز آئی سی آئی پاکستان لمیٹڈ کے غیر آڈٹ شدہ گروپ رزلٹس برائے سہ ماہی ختم شدہ 30 ستمبر 2020 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ آئی سی آئی پاکستان گروپ، آئی سی آئی پاکستان لمیٹڈ اور اس کے ذیلی اداروں میں آئی سی آئی پاکستان پاورجن لمیٹڈ (پاورجن) اور نیوٹری کومورینا گا (پرائیویٹ) لمیٹڈ (نیوٹری کومورینا گا) پر مشتمل ہے۔

30 ستمبر 2020 کو ختم شدہ سہ ماہی کیلئے آئی سی آئی پاکستان لمیٹڈ کی کارکردگی کی وضاحت پر مشتمل ڈائریکٹرز رپورٹ علیحدہ سے پیش کی جا چکی ہے۔

پاورجن کا مجموعی کاروبار سہ ماہی کے لئے 275 ملین روپے بنتا ہے جو پولیسٹر برنس اور کمپنی کے ذیلی ادارے نیوٹری کومورینا گا (پرائیویٹ) لمیٹڈ کو 69 فیصد تک بجلی کی فروخت کے سبب گزشتہ سال کی اسی مدت کے مقابلے میں 36 فیصد زائد ہے۔ مجموعی طور پر گزشتہ سال کی اسی مدت کے مقابلے میں کاروباری منافع 86 فیصد اضافے کے ساتھ 52 ملین روپے بنتا ہے۔

30 ستمبر 2020 کو ختم ہونے والی سہ ماہی کے دوران نیوٹری کومورینا گا نے BF-Grow 3 اور BF Chil School کے نام سے دو پروڈکٹ کی پروڈکشن جاری رکھی اور مزید پروڈکٹس شروع کرنے کی منصوبہ بندی ہے تاکہ پلانٹ کی صلاحیت سے بھر پور فائدہ اٹھایا جائے۔ زیر جائزہ سہ ماہی کے دوران کمپنی نے 543 ملین روپے کا مجموعی کاروبار کیا جبکہ سہ ماہی کے لیے کاروباری نقصان 186 ملین روپے بنتا ہے۔

مجموعی بنیادوں پر کمپنی نے (اپنے ذیلی اداروں پاورجن اور نیوٹری کومورینا گا کے ساتھ) 14,465 ملین روپے کا مجموعی کاروبار کیا جو کہ گزشتہ سال کے اسی عرصے کے مقابلے میں تقریباً برابر ہے۔ جبکہ 1,456 ملین روپے کا کاروباری منافع گزشتہ سال کی اسی مدت کے مقابلے میں 11 فیصد کم ہے۔ جس کی اہم وجہ حال ہی میں ہوئے مورینا گا پلانٹ کا افتتاح ہے۔

کاروباری منافع میں کمی کے باوجود، زیر جائزہ سہ ماہی کے لیے بعد از ٹیکس منافع 886 ملین روپے بنتا ہے جو گزشتہ سال کی اسی مدت کے مقابلے میں 6 فیصد زائد ہے، جبکہ ہولڈنگ کمپنی کے مالکان کا فی شیئر منافع 10.66 روپے بنتا ہے جو کہ گزشتہ سال کے اسی عرصے کے مقابلے میں 18 فیصد زائد ہے۔ ان نتائج کی اہم وجہ مستحکم آپیکس ریٹ کے ساتھ کم مالیاتی اخراجات ہیں۔ کمپنی نے نیوٹریکو پاکستان (پرائیویٹ) لمیٹڈ سے اپنے منافع کے حصے کے طور پر 103 ملین روپے اپنے نام کئے۔

محمد سہیل شاہ

آصف جمعہ

چیف ایگزیکٹو

محمد سہیل شاہ

چیئر مین / ڈائریکٹر

21 اکتوبر 2020

کراچی

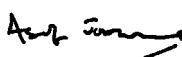
**ICI Pakistan Limited**  
**Condensed Interim Consolidated Statement of Financial Position**  
**As at September 30, 2020**

		Amounts in PKR '000	
		September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
	Property, plant and equipment	24,963,450	25,312,799
	Intangible assets	1,701,310	1,704,435
	Right-of-use assets	297,141	318,279
		<b>26,961,901</b>	<b>27,335,513</b>
	Long-term investments	1,212,331	1,109,287
	Long-term loans	558,505	530,122
	Long-term deposits and prepayments	37,937	38,045
		<b>1,808,773</b>	<b>1,677,454</b>
		<b>28,770,674</b>	<b>29,012,967</b>
<b>Current assets</b>			
	Stores, spares and consumables	1,076,923	1,053,481
	Stock-in-trade	9,514,163	10,224,760
	Trade debts	2,266,730	2,386,116
	Loans and advances	874,610	637,072
	Trade deposits and short-term prepayments	543,055	413,875
	Other receivables	1,661,346	1,977,327
	Taxation - net	1,860,912	2,129,847
	Cash and bank balances	401,938	549,559
		<b>18,199,677</b>	<b>19,372,037</b>
	<b>Total assets</b>	<b>46,970,351</b>	<b>48,385,004</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
	Authorised capital		
	1,500,000,000 (June 30, 2020: 1,500,000,000) ordinary shares of PKR 10 each	<b>15,000,000</b>	15,000,000
	Issued, subscribed and paid-up capital		
	92,359,050 (June 30, 2020: 92,359,050) ordinary shares of PKR 10 each	923,591	923,591
	Capital reserves	309,643	309,643
	Surplus on revaluation of property, plant and equipment net of tax	669,119	673,116
	Revenue reserve - unappropriated profit	19,628,271	19,101,349
	Attributable to the equity holders of the holding company	21,530,624	21,007,699
	Non-controlling interests	1,662,133	1,516,175
	<b>Total equity</b>	<b>23,192,757</b>	<b>22,523,874</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
	Provisions for non-management staff gratuity	118,487	114,703
	Long-term loans	8,599,484	8,678,910
	Lease liabilities	238,393	253,591
	Government grant	24,942	14,230
	Deferred tax liability - net	1,286,454	1,480,473
		<b>10,267,760</b>	<b>10,541,907</b>
<b>Current liabilities</b>			
	Trade and other payables	8,374,604	8,638,939
	Accrued mark-up	235,653	297,754
	Short-term financing	2,664,292	4,898,672
	Current portion of long-term loans	2,009,195	1,293,974
	Current portion of lease liabilities	68,179	79,256
	Current portion of government grant	70,324	22,306
	Unclaimed dividend	87,587	88,322
		<b>13,509,834</b>	<b>15,319,223</b>
	<b>Total equity and liabilities</b>	<b>46,970,351</b>	<b>48,385,004</b>

**Contingencies and commitments** 15  
The annexed notes 1 to 25 form an integral part of the condensed interim consolidated financial statements.



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

**ICI Pakistan Limited**  
**Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)**  
**For the Quarter Ended September 30, 2020**

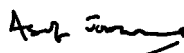
Amounts in PKR '000

	<b>For the 3 months ended September 30, 2020</b>	<b>For the 3 months ended September 30, 2019</b>
Net turnover - note 16	<b>14,465,480</b>	14,516,209
Cost of sales - note 16 and 17	<b>(11,654,831)</b>	(11,668,244)
<b>Gross profit</b>	<b>2,810,649</b>	2,847,965
Selling and distribution expenses	<b>(965,975)</b>	(879,285)
Administration and general expenses	<b>(388,355)</b>	(329,754)
<b>Operating result - note 16</b>	<b>1,456,319</b>	1,638,926
Finance costs	<b>(284,075)</b>	(496,663)
Exchange (loss) / gain	<b>(12,208)</b>	20,782
Workers' profit participation fund	<b>(71,725)</b>	(71,285)
Workers' welfare fund	<b>(34,122)</b>	(24,523)
Other charges	<b>(10,616)</b>	(12,077)
	<b>(412,746)</b>	(583,766)
Other income	<b>46,002</b>	24,602
Share of profit from associate	<b>103,044</b>	147,348
<b>Profit before taxation</b>	<b>1,192,619</b>	1,227,110
Taxation - note 18	<b>(306,941)</b>	(391,584)
<b>Profit after taxation</b>	<b>885,678</b>	835,526
<b>Attributable to:</b>		
Owners of the Holding Company	<b>984,720</b>	836,095
Non-controlling interests	<b>(99,042)</b>	(569)
	<b>885,678</b>	835,526
	<b>(PKR)</b>	
<b>Basic and diluted earnings per share</b>	<b>10.66</b>	9.05

The annexed notes 1 to 25 form an integral part of the condensed interim consolidated financial statements.



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer



**ICI Pakistan Limited**  
**Condensed Interim Consolidated Statement of Other Comprehensive Income (Unaudited)**  
**For the Quarter Ended September 30, 2020**

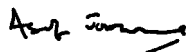
Amounts in PKR '000

	<b>For the 3 months ended September 30, 2020</b>	<b>For the 3 months ended September 30, 2019</b>
<b>Profit after taxation</b>	<b>885,678</b>	835,526
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>885,678</b>	<b>835,526</b>
<b>Attributable to:</b>		
Owners of the Holding Company	<b>984,720</b>	836,095
Non-Controlling interests	<b>(99,042)</b>	(569)
	<b>885,678</b>	<b>835,526</b>

The annexed notes 1 to 25 form an integral part of the condensed interim consolidated financial statements.



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

**ICI Pakistan Limited**  
**Condensed Interim Consolidated Statement of Changes in Equity**  
**For the Quarter Ended September 30, 2020**

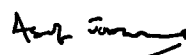
Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Surplus on Revaluation of property, plant and equipment	Revenue reserve - unappropriated profit	Total reserves	Non-controlling interests	Total
<b>As at July 1, 2019 (Audited)</b>	<b>923,591</b>	<b>309,643</b>	<b>744,266</b>	<b>17,977,449</b>	<b>19,031,358</b>	<b>1,437,617</b>	<b>21,392,566</b>
Final dividend of PKR 4.50 per share for the year ended June 30, 2019	-	-	-	(415,616)	(415,616)	-	(415,616)
Profit for the period	-	-	-	836,095	836,095	(569)	835,526
Other comprehensive income for the period - net of tax	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	<b>836,095</b>	<b>836,095</b>	<b>(569)</b>	<b>835,526</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(6,413)	6,413	-	-	-
<b>As at September 30, 2019 (Unaudited)</b>	<b>923,591</b>	<b>309,643</b>	<b>737,853</b>	<b>18,404,341</b>	<b>19,451,837</b>	<b>1,437,048</b>	<b>21,812,476</b>
Interim dividend of PKR 11.00 per share for the year ended June 30, 2020	-	-	-	(1,015,950)	(1,015,950)	-	(1,015,950)
Shares issued to non-controlling interest	-	-	-	-	-	245,000	245,000
Profit for the period	-	-	-	1,689,646	1,689,646	(165,873)	1,523,773
Other comprehensive loss for the period - net of tax	-	-	-	(41,425)	(41,425)	-	(41,425)
<b>Total comprehensive income</b>	-	-	-	<b>1,648,221</b>	<b>1,648,221</b>	<b>(165,873)</b>	<b>1,482,348</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(64,737)	64,737	-	-	-
<b>As at June 30, 2020</b>	<b>923,591</b>	<b>309,643</b>	<b>673,116</b>	<b>19,101,349</b>	<b>20,084,108</b>	<b>1,516,175</b>	<b>22,523,874</b>
Final dividend of PKR 5.00 per share for the year ended June 30, 2020	-	-	-	(461,795)	(461,795)	-	(461,795)
Shares issued to non-controlling interest	-	-	-	-	-	245,000	245,000
Profit for the period	-	-	-	984,720	984,720	(99,042)	885,678
Other comprehensive income for the period - net of tax	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	<b>984,720</b>	<b>984,720</b>	<b>(99,042)</b>	<b>885,678</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(3,997)	3,997	-	-	-
<b>As at September 30, 2020 (Unaudited)</b>	<b>923,591</b>	<b>309,643</b>	<b>669,119</b>	<b>19,628,271</b>	<b>20,607,033</b>	<b>1,662,133</b>	<b>23,192,757</b>

The annexed notes 1 to 25 form an integral part of the condensed interim consolidated financial statements.



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

**ICI Pakistan Limited**  
**Condensed Interim Consolidated Statement of Cash Flows (Unaudited)**  
**For the Quarter Ended September 30, 2020**

Amounts in PKR '000

September 30, 2020	September 30, 2019
-----------------------	-----------------------

**Cash flows from operating activities**

Cash generated from operations - note 19	<b>2,098,437</b>	2,631,535
Payments for:		
Non-management staff gratuity and eligible retired employees medical scheme	<b>(3,972)</b>	(5,379)
Staff retirement benefit plans	<b>(10,447)</b>	(10,358)
Taxation	<b>(226,925)</b>	(216,947)
Interest	<b>(337,102)</b>	(441,524)
<b>Net cash generated from operating activities</b>	<b>1,519,991</b>	1,957,327

**Cash flows from investing activities**

Capital expenditure	<b>(351,536)</b>	(810,146)
Proceeds from disposal of operating fixed assets	<b>2,785</b>	25
Dividend received from associate	-	260,000
Interest received on bank deposits	<b>12,077</b>	7,120
<b>Net cash used in investing activities</b>	<b>(336,674)</b>	(543,001)

**Cash flows from financing activities**

Issuance of shares to non-controlling interest *	<b>245,000</b>	-
Long-term loans obtained *	<b>879,579</b>	-
Long-term loans repaid *	<b>(185,054)</b>	(253,337)
Payment against finance lease liability *	<b>(35,348)</b>	(946)
Dividends paid	<b>(735)</b>	(3,700)
<b>Net cash generated / (used) from financing activities</b>	<b>903,442</b>	(257,983)

Net increase in cash and cash equivalents	<b>2,086,759</b>	1,156,343
<b>Cash and cash equivalents at the start of the period</b>	<b>(4,349,113)</b>	(6,932,254)
<b>Cash and cash equivalents at the end of the period (Ref. 1)</b>	<b>(2,262,354)</b>	(5,775,911)

**Ref 1: Cash and cash equivalents at the end of period comprise of:**

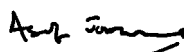
Cash and bank balances	<b>401,938</b>	262,366
Short-term financing	<b>(2,664,292)</b>	(6,038,277)
	<b>(2,262,354)</b>	(5,775,911)

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

The annexed notes 1 to 25 form an integral part of the condensed interim consolidated financial statements.



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

# ICI Pakistan Limited

## Notes to the Condensed Interim Consolidated Financial Statements

### For the Quarter Ended September 30, 2020

#### 1 Status and nature of business

The Group consists of:

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

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

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

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

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

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

NutriCo Morinaga is engaged in manufacturing of infant milk powder.

The Holding Company's registered office is situated at 5 West Wharf, Karachi. The condensed interim consolidated financial statements comprise the consolidated statement of financial position of ICI Pakistan Limited and its subsidiary companies, ICI Pakistan PowerGen Limited and NutriCo Morinaga (Private) Limited as at September 30, 2020 and the related consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity together with the notes forming part thereof.

#### 2 Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

#### 3 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the annual consolidated audited financial statements as at and for the year ended June 30, 2020, except for the adoption of IAS 20 'Government Grants'.

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
<b>4 Property, plant and equipment</b>		
Operating assets - at net book value	23,407,208	24,044,009
Capital work-in-progress - at cost - Note 4.2		
Civil works and buildings	118,946	135,072
Plant and machinery	1,319,072	917,880
Advances to suppliers / contractors	118,224	215,838
	<u>1,556,242</u>	<u>1,268,790</u>
<b>Total property, plant and equipment</b>	<b><u>24,963,450</u></b>	<b><u>25,312,799</u></b>

4.1 Following is the cost of operating fixed assets that have been added / disposed off during the quarter ended September 30, 2020:

	Additions / Transfers		Disposals at net book value	
	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
Lime beds on freehold land	-	76,146	-	-
Buildings on freehold land	-	2,046,600	-	-
Buildings on leasehold land	5,412	132,440	-	-
Plant and machinery	72,757	4,587,391	1,849	9,864
Rolling stock and vehicles	-	4,174	-	-
Furniture and equipment	6,977	106,003	42	479
	<u>85,146</u>	<u>6,952,754</u>	<u>1,891</u>	<u>10,343</u>

	September 30, 2020 (Unaudited)	June 30, 2020 (Audited)
<b>4.2</b> The following is the movement in capital work-in-progress during the period / year:		
Opening balance	1,268,790	5,967,524
Addition during the period / year	361,583	2,228,168
	<u>1,630,373</u>	<u>8,195,692</u>
Transferred to operating fixed assets	(74,131)	(6,926,902)
<b>Closing balance</b>	<b><u>1,556,243</u></b>	<b><u>1,268,790</u></b>

<b>5 Intangible assets</b>		
Intangible assets - at net book value - note 5.1	<u>1,701,310</u>	<u>1,704,435</u>

<b>5.1</b> Following is the detail of intangible assets:		
Brands	1,437,679	1,437,679
Goodwill	206,374	206,374
Others	57,257	60,382
	<u>1,701,310</u>	<u>1,704,435</u>

<b>5.2</b> Additions to intangible assets:	<u>762</u>	<u>24,401</u>
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<b>6 Right-of-use assets</b>		
Cost	318,278	402,827
Depreciation charged during the period	(21,137)	(84,548)
Closing net book value	<u>297,141</u>	<u>318,279</u>

<b>7 Long-term investments</b>		
<b>Unquoted - at equity method</b>		
Associate - NutriCo Pakistan (Private) Limited		
Cost of investment - 200,000 ordinary shares (June 30, 2020: 200,000 shares) of PKR 1,000 each and premium of PKR 3,800 (June 30, 2020: 3,800) per share	960,000	960,000
Post acquisition profits at the beginning	146,787	515,773
Share of profit for the period / year	103,044	431,014
Dividend received during the period / year	-	(800,000)
Carrying value of associate	<u>1,209,831</u>	<u>1,106,787</u>

**Others**

Equity		
- Arabian Sea Country Club Limited		
250,000 ordinary shares (June 30, 2020: 250,000) of PKR 10 each	2,500	2,500
	<u>1,212,331</u>	<u>1,109,287</u>

	<b>September 30, 2020 (Unaudited)</b>	June 30, 2020 (Audited)
<b>7.1</b>	The summary of financial information of associate as at the balance sheet date is as follows:	
	<b>5,840,438</b>	5,807,174
	<b>2,847,099</b>	3,030,643
	<b>2,993,339</b>	2,776,531
	<b>2,549,559</b>	9,523,528
	<b>257,610</b>	1,077,534
<b>8</b>	<b>Long-term loans</b>	
	<i>Considered good</i>	
	<b>715,074</b>	697,138
	<b>(156,569)</b>	(167,016)
	<b>558,505</b>	530,122
<b>9</b>	<b>Stock-in-trade</b>	
	It includes items carried at net realisable value of PKR 566.221 million (June 30, 2020: PKR 777.761 million) on which reversal of PKR 24.930 million (June 30, 2020: expense of PKR 75.381 million) was recognized during the period / year.	
<b>10</b>	<b>Long-term loans</b>	
	<b>10,608,679</b>	9,972,884
	<b>(2,009,195)</b>	(1,293,974)
	<b>8,599,484</b>	8,678,910
<b>10.1</b>	Following is the movement in Long-term loans during the period / year:	
	<b>9,972,884</b>	11,142,822
	<b>820,849</b>	431,101
	<b>(185,054)</b>	(1,601,039)
	<b>10,608,679</b>	9,972,884
	There is no material change in the terms and conditions of the long-term loans as disclosed in the company's annual consolidated financial statements as at and for the year ended June 30, 2020 except that the Company has obtained further SBP Refinancing Facility from a scheduled bank, in order to finance salaries and wages, under the SBP COVID scheme of payroll financing for businesses at a markup of 0.5% - 1% per annum.	
<b>11</b>	<b>Lease liabilities</b>	
	<b>306,572</b>	332,847
	<b>(68,179)</b>	(79,256)
	<b>238,393</b>	253,591
<b>12</b>	<b>Government grant</b>	
	<b>95,266</b>	36,536
	<b>(70,324)</b>	(22,306)
	<b>24,942</b>	14,230
<b>12.1</b>	Following is the movement in government grant during the period / year:	
	<b>36,536</b>	-
	<b>70,608</b>	38,837
	<b>(11,878)</b>	(2,301)
	<b>95,266</b>	36,536
<b>13</b>	<b>Deferred tax liability - net</b>	
	<b>Deductible temporary differences</b>	
	<b>(331,715)</b>	(304,646)
	<b>(114,197)</b>	(115,712)
	<b>(599,745)</b>	(511,641)
	<b>Taxable temporary differences</b>	
	<b>2,332,111</b>	2,412,472
	<b>1,286,454</b>	1,480,473

	<b>September 30, 2020 (Unaudited)</b>	June 30, 2020 (Audited)
<b>14 Short-term financing</b>		
FE 25 Facility	-	958,564
Money market	<b>100,000</b>	100,000
Short-term financing - secured	<b>2,564,292</b>	3,840,108
	<b>2,664,292</b>	4,898,672
<p>There is no material change in the terms and conditions of the short-term borrowings and running finance as disclosed in the group's annual audited financial statements as at and for the year ended June 30, 2020.</p>		
<b>15 Contingencies and commitments</b>		
<b>15.1</b> Claims against the Group not acknowledged as debts are as follows:		
Local bodies	<b>81,500</b>	81,500
Others	<b>22,979</b>	22,979
	<b>104,479</b>	<b>104,479</b>
<b>15.2</b> The Group had challenged the levy of super tax for tax years 2015 to 2018 before the Honourable High Court of Sindh, who, vide judgement dated July 21, 2020, has upheld such levy. This decision has been challenged by the Group before the Supreme Court of Pakistan hearing of which is yet to be fixed.		
<p>Except for the above, there are no material changes in the status of custom duty, income tax and sales tax contingencies as reported in the annual consolidated audited financial statements as at and for the year ended June 30, 2020.</p>		
<b>15.3</b> Commitments in respect of capital expenditure (including Light Ash and RSB project of Soda Ash division)	<b>226,311</b>	537,860
<b>15.4</b> Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:		
<b>Year</b>		
<b>2020-21</b>	<b>421</b>	646
<b>2021-22</b>	<b>187</b>	287
	<b>608</b>	933
Payable not later than one year	<b>421</b>	646
Payable later than one year but not later than five years	<b>187</b>	287
	<b>608</b>	933
<b>15.5</b> Outstanding letter of credit (Unutilized PKR 13,429.254 million, June 30, 2020: 11,364,538 million)	<b>2,957,270</b>	4,223,441
<b>15.6</b> Commitments in respect of Post dated cheques	<b>890,671</b>	1,152,646

16 Operating Segment results - Unaudited

Amounts in PKR '000

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals and Agri Sciences		Nutraco Nutrition		Others		Group	
	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019	For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019
<b>Turnover - note 16.1 &amp; 16.2</b>	6,575,685	6,850,461	4,719,947	4,952,463	2,063,581	2,015,143	1,303,461	1,091,944	2,493,101	2,788,591	543,268	-	321,875	236,331	17,745,042	17,694,056
Sales tax	(937,353)	(857,476)	(645,931)	(683,685)	(9,612)	(8,814)	(2,589)	(2,045)	(221,359)	(221,678)	-	-	(46,768)	(34,339)	(1,863,562)	(1,873,696)
Excise duty	(154,515)	(76,199)	(228,779)	(210,773)	(466,553)	(436,858)	(294,096)	(220,830)	(272,037)	(359,489)	-	-	-	-	(1,415,980)	(1,304,149)
Commission and discounts / price adjustment	(1,091,868)	(1,033,675)	(874,710)	(894,458)	(476,165)	(445,672)	(296,655)	(222,875)	(483,396)	(581,167)	-	-	(46,768)	(34,339)	(3,279,562)	(3,177,847)
Net turnover	5,483,817	5,816,786	3,845,237	4,058,005	1,587,416	1,569,471	1,006,806	869,069	1,999,705	2,207,424	543,268	-	275,107	201,892	14,465,480	14,516,209
Cost of sales - note 16.1 and 17	(4,957,493)	(5,490,708)	(2,721,242)	(2,798,456)	(1,115,580)	(1,095,853)	(752,230)	(638,396)	(1,536,547)	(1,688,579)	(615,603)	-	(222,448)	(173,224)	(11,654,831)	(11,668,244)
<b>Gross profit</b>	516,324	326,078	1,123,995	1,259,549	471,836	483,618	254,576	230,673	463,158	518,845	(72,335)	-	52,659	28,768	2,810,649	2,847,965
Selling and distribution expenses	(105,282)	(99,440)	(127,240)	(112,298)	(280,515)	(301,944)	(146,337)	(132,655)	(220,502)	(232,948)	(66,099)	-	-	-	(965,975)	(879,285)
Administration and general expenses	(25,185)	(22,732)	(205,773)	(174,163)	(62,502)	(62,917)	(31,429)	(19,738)	(34,907)	(46,446)	(27,349)	(3,251)	(270)	(667)	(388,355)	(329,754)
<b>Operating result</b>	384,857	203,906	790,982	973,088	128,819	118,757	76,810	78,280	207,749	239,451	(185,783)	(3,251)	52,389	28,201	1,456,319	1,638,926

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals and Agri Sciences		Nutraco Nutrition		Others		Group	
	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)	As at September 30, 2020 (Unaudited)	As at June 30, 2020 (Audited)
Segment Assets	8,821,092	9,364,128	24,033,613	24,917,545	6,000,461	6,037,209	4,092,669	4,167,580	8,757,790	8,938,995	8,241,998	7,828,074	834,988	809,842	44,047,692	45,285,604
Unallocated Assets															2,922,659	3,089,400
Segment Liabilities	14,163,769	14,632,440	2,745,001	3,102,176	5,959,336	5,841,748	2,256,634	1,961,237	1,980,668	1,898,406	4,849,851	4,733,801	33,870	59,745	14,287,790	14,789,239
Unallocated Liabilities															9,489,804	11,071,891
															23,777,594	25,861,130

Note: Inter unit current account balances of respective businesses have been eliminated from the total.



	<b>For the 3 months ended September 30, 2020</b>	For the 3 months ended September 30, 2019
	(Unaudited)	
<b>16.1 Turnover</b>		
Inter-segment sales and purchases have been eliminated from the total	<b>275,876</b>	240,877
<b>16.2</b> Turnover includes export sales made to various countries amounting to:	<b>173,586</b>	390,601
<b>17 Cost of sales</b>		
Opening stock of raw and packing materials	<b>5,992,417</b>	5,661,616
Purchases	<b>6,521,852</b>	7,012,382
	<b>12,514,269</b>	12,673,998
Closing stock of raw and packing materials	<b>(5,603,155)</b>	(4,965,296)
Raw and packing materials consumption	<b>6,911,114</b>	7,708,702
Manufacturing costs	<b>3,454,015</b>	3,316,377
	<b>10,365,129</b>	11,025,079
Opening stock of work-in-process	<b>250,271</b>	242,921
	<b>10,615,400</b>	11,268,000
Closing stock of work-in-process	<b>(152,453)</b>	(349,265)
Cost of goods manufactured	<b>10,462,947</b>	10,918,735
Opening stock of finished goods	<b>3,982,072</b>	4,222,193
Finished goods purchased	<b>968,367</b>	1,393,492
	<b>15,413,386</b>	16,534,420
Closing stock of finished goods	<b>(3,758,555)</b>	(4,866,176)
	<b>11,654,831</b>	11,668,244
<b>18 Taxation</b>		
Current	<b>495,860</b>	495,382
Deferred	<b>(188,919)</b>	(103,798)
	<b>306,941</b>	391,584
<b>19 Cash flows from operations</b>		
Profit before taxation	<b>1,192,619</b>	1,227,110
Adjustments for:		
Depreciation and amortisation	<b>745,086</b>	664,238
Gain on disposal of operating fixed assets	<b>(894)</b>	(8)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	<b>9,479</b>	9,666
Provision for staff retirement benefit plan	<b>10,809</b>	14,467
Share of profit from associate	<b>(103,044)</b>	(147,348)
Interest on bank deposits	<b>(12,077)</b>	(7,120)
Interest expense	<b>284,075</b>	496,663
Provision for doubtful debts	<b>2,517</b>	(18,803)
Provision for slow moving and obsolete stock-in-trade	<b>8,446</b>	13,095
Provision for slow moving stores and spares	<b>784</b>	-
	<b>2,137,800</b>	2,251,960
Movement in:		
Working capital - note 19.1	<b>(11,088)</b>	360,795
Long-term loans	<b>(28,383)</b>	20,618
Long-term deposits and prepayments	<b>108</b>	(1,838)
Cash generated from operating activities	<b>2,098,437</b>	2,631,535
<b>19.1 Movement in working capital</b>		
<b><i>Decrease/ (Increase) in current assets</i></b>		
Stores, spares and consumables	<b>(23,442)</b>	(60,954)
Stock-in-trade	<b>710,597</b>	(67,102)
Trade debts	<b>119,385</b>	49,365
Loans and advances	<b>(237,538)</b>	74,635
Trade deposits and short-term prepayments	<b>(141,713)</b>	(215,121)
Other receivables	<b>315,981</b>	101,929
	<b>743,270</b>	(117,248)
<b><i>(Decrease) / Increase in current liabilities</i></b>		
Trade and other payables	<b>(754,358)</b>	478,043
	<b>(11,088)</b>	360,795

For the 3 months ended September 30, 2020	For the 3 months ended September 30, 2019
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## 20 Transactions with related parties

The related parties comprise the holding company (Lucky Cement Holdings Limited), related group companies, local associated company, directors of the Company, companies where directors also hold directorship, key employees and staff retirement funds. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

Relationship with the company	Nature of Transaction		
Parent Company	Dividend	253,990	227,458
	Purchase of goods, materials and services	7,665	769
	Sale of goods and materials	310	4,670
Associated Companies	Purchase of goods, materials and services	636,132	438,072
	Sale of goods and materials	489,910	634,021
	Dividend	88,659	125,581
	Reimbursement of expenses	31,597	19,585
	Dividend received from associate	-	260,000
	Royalty	105,418	111,585
Others	Staff retirement benefits	85,743	50,265
Key management personnel	Remuneration paid	77,866	68,549
	Post employment benefits	10,211	9,404
	Dividend	2,369	2,180
	Director meeting fee	1,050	975

## 21 Estimates

Judgments and estimates made by the management in the preparation of the condensed interim consolidated financial statements were the same as those that were applied to the the annual consolidated audited financial statements as at and for the year ended June 30, 2020.

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

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

## 23 Financial risk management

The Group's financial risk management objective and policies are consistent with that disclosed in the the annual consolidated audited financial statements as at and for the year ended June 30, 2020.

## 24 Date of authorisation

The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on 21st October, 2020.

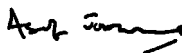
## 25 General

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

25.2 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



A publication of the Corporate Communications  
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