



**One Team
Many Possibilities**

Annual Report 2019-2020

ICI PAKISTAN LTD.







One Team, Many Possibilities



ICI Pakistan Limited is part of your life in ways you may not even be aware of. The Company's essential products have applications across sectors, from glass, detergents, bicarbonates, pulp and paper, to iron and steel, aluminum, cleaning compounds, and textile dyes. ICI Pakistan Limited takes immense pride in manufacturing, marketing & distributing some of the leading pharmaceutical products available today, including drugs that fight life-threatening diseases, catering to an expansive range including cardiology, oncology, gynaecology, neuroscience, psychiatry and nutraceuticals. Over four decades of pioneering technologies have positioned the Company as complete farm-management solution providers to livestock and poultry stakeholders across Pakistan. The essential chemical ingredients and agri sciences products manufactured by the Company are a part of your life at every step. From food items to medical applications, from crop and farming practices to sports shoes, and from vehicle transmissions to the cooling and refrigeration industries, ICI Pakistan Limited creates and provides the vital ingredients for many personal, household care, and industrial products, as well as for agricultural uses.

The Company aspires to provide best-in-class solutions and design innovations for its customers. As such, ICI Pakistan Limited embraces a truly collaborative environment where people grow, develop their skills and come together as a team to provide sustainable solutions for its customers, the country and beyond.

At ICI Pakistan Limited, the guiding principle is its Employee Value Proposition (EVP), One Team Many Possibilities. The Company's One Team engages in a variety of challenging assignments in which they have the opportunity to make real impact. The breadth and diversity of businesses contribute in different ways to achieving the Company's purpose of Cultivating Growth, while offering many kinds of opportunities and challenges for its employees.

ICI Pakistan Limited's varied businesses offer a varied experience to its One Team, where they are empowered to take responsibility and explore Many Possibilities.



A Rich Legacy of Corporate Leadership

ICI Pakistan Limited is proud of its incredible history and the journey that it has made over the last 75 years.

1944

The Khewra Soda Ash Company, established in 1929, started its production with a single soda ash manufacturing unit.

1982

ICI Pakistan Manufacturers Limited sets up a Polyester Plant at Sheikhpura with a capacity of 12,000 tonnes

1987

The Company changes its name to ICI Pakistan Limited.

1994

ICI Pakistan Limited increases capacity of its Soda Ash Plant by 50,000 tonnes.

1998

ICI Pakistan Limited commissions its PTA Plant at Port Qasim, Karachi. The PTA Business demerged to form a separate entity in 2000.

2002

ICI Pakistan Limited increases capacity of Polyester Plant by 44,000 tons.

2008

AkzoNobel, one of the largest coatings and chemicals companies in the world becomes the ultimate holding Company of ICI Pakistan Limited. AkzoNobel demerged the Paints Business into a separate legal entity, Akzo Nobel Pakistan Limited, in 2011.

2012

The Yunus Brothers Group (YBG) acquires a 75.8% stake in ICI Pakistan Limited from the Dutch paints giant AkzoNobel for USD 152.5 million.

Subsequently, in 2013, ICI Pakistan Limited launches its new Blue Pearl corporate identity, vision and values.

2014

ICI Pakistan Limited signs an MoU with UniBrands (Pvt) Ltd. for investment in NutriCo Pakistan (Pvt) Ltd.

The Company increases its equity participation in NutriCo Pakistan (Pvt) Ltd by 10% to bring the total shareholding to 40% in 2016.

2017

ICI Pakistan Limited completes the acquisition of certain assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited in accordance with the Asset Purchase Agreements.

ICI Pakistan Limited incorporates joint venture company NutriCo Morinaga (Pvt) Limited and holds groundbreaking ceremony of the manufacturing facility in Sheikhpura.

2018

Successful commissioning of Phase 1 (75,000 tonnes per annum) Light Ash capacity expansion at the Soda Ash Plant, Khewra.

Inauguration of the state-of-the-art Chemicals Technical Centre at West Wharf, Karachi.

2019

The Phase 2 of 150,000 tonnes per annum Light Ash expansion of the Soda Ash Plant, being expansion of 75,000 tonnes per annum, gets underway.

Successful commissioning, launch of commercial operations at the state-of-the-art Masterbatches manufacturing facility.

2020

Successful commencement of commercial operations at NutriCo Morinaga (Pvt) Limited, a joint venture between ICI Pakistan Limited, UniBrands (Pvt) Limited and Morinaga Milk Industry Co Ltd.

ICI Pakistan Limited renews its longstanding relationship in the cardiovascular and oncology segment with AstraZeneca UK

ICI Pakistan Limited announces the successful amalgamation of Cirin Pharmaceuticals (Pvt.) Limited into ICI Pakistan Limited.

ICI Pakistan Limited at a Glance

With a rich history pre-dating the formation of Pakistan itself, ICI Pakistan Limited is a dynamic, growing Pakistan-based manufacturing and trading Company that provides essential products for a diverse range of applications in almost every industry.

The diverse product portfolio of ICI Pakistan Limited includes Soda Ash, Polyester Staple Fibre (PSF), Pharmaceuticals, Nutraceuticals, Animal Health products, General and Specialty Chemicals, and Agricultural products (including chemicals, field crop seeds, vegetable seeds and more). In the infant growing up formula category, the Company has a majority stake in NutriCo Morinaga (Private) Limited, which locally manufactures, markets and distributes selected Morinaga products in Pakistan. ICI Pakistan Limited has 40% stake in NutriCo Pakistan (Private) Limited.

The Company remains focussed on its brand promise of Cultivating Growth and to continually create greater value for its shareholders, employees, suppliers, customers and the communities.

Growth and Expansion

In recent years, ICI Pakistan Limited has embarked on an exciting journey of growth, expansion and innovation, in line with its brand promise of Cultivating Growth.

In 2015, a phased capacity expansion of 150,000 tonnes per annum (TPA) of Light Soda Ash was announced at the Company's Khewra Plant. The successful commissioning and commencement of operations of Phase 1 of 75,000 TPA took place in 2018, whereas in 2019, the Company announced commencement of Phase 2 of its expansion by 75,000 TPA. During the year, the Company has approved the expansion with additional 50,000 TPA, taking total capacity expansion of the Soda Ash Plant in Phase 2 at 125,000 TPA. This is yet another development towards the Company's growth aspirations by enhancing the total installed capacity of its Soda Ash Business to 550,000 TPA. During the year, the Soda Ash Business also completed Dense Ash expansion of 70,000 TPA which will position the Company to cater to the growing needs of the market. This is in addition to 14,000 tons per annum Refined Sodium Bicarbonate (RSB) expansion project which is already underway and is expected to come online in First Quarter of Financial Year 2020-21.

The Polyester Business has modernised its Plant to enhance production capacity and operational efficiencies, and developed innovative varieties. These steps have started to bear fruit, with a considerable improvement in business results during the year.

The Pharmaceuticals business witnessed a successful business model transition with the acquisition of Cirin Pharmaceuticals (Private) Limited, selected assets and brands of Wyeth Pakistan Limited and Pfizer Pakistan Limited and commercialization of the Nutra facility. During the year, in line with its growth aspirations, the Pharmaceutical Business successfully completed the amalgamation of Cirin Pharmaceuticals with ICI Pakistan Limited effective March 1, 2020. This entailed complex regulatory approvals & HR integration processes which were completed in record time without any business interruption and with minimal cost. This project and transition to a manufacturing concern have enabled the business to further diversify its product portfolio,

develop best-in-class systems, competencies and value creation while providing the right platform for future business growth.

Last year, the Chemicals and Agri Sciences Business announced successful commissioning and launch of commercial operations of the Masterbatches (a colourant and additive for plastics) manufacturing facility. During the year, the Masterbatches business delivered impressive performance supported by customer acquisitions, successful repeat orders and new technical developments which helped build a positive momentum. In line with strategic aspirations, the Chemicals and Agri Sciences Business continued R&D for specialised products to meet specific customer needs.

The construction of a state-of-the-art NutriCo Morinaga manufacturing facility (ICI Pakistan Limited's majority-owned infant formula joint venture) was completed and the plant inaugurated in September 2019. Following the inauguration, commercial production commenced during the second quarter of the year under review with the commercial release of products in January 2020. The project is a key strategic step towards further diversification of product portfolio and adheres to international standards, with the objective of ensuring that consumers are provided with high quality products at competitive prices.

Ownership / About YBG

In December 2012, when Lucky Holdings Limited acquired the shareholding of ICI Omicron B.V., ICI Pakistan Limited became a proud national company as part of the Yunus Brothers Group (YBG).

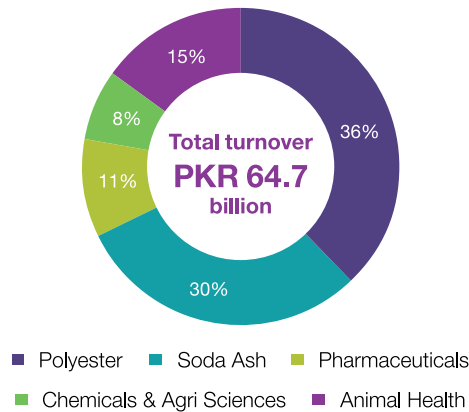
Yunus Brother Group (YBG), with a wide range of business interests, has grown remarkably over the last 50 years and today, it is one of the largest industrial conglomerates and export houses in Pakistan. With the aim to nurture development and redefine the contours of Pakistan's economy, YBG has made diversified investments in the cement, textiles, chemicals, pharmaceuticals, real estate, power/energy generation and automobile sectors. The Group proudly boasts the most sustainable and effective business partnerships with leading private and public sector entities in Pakistan.

People and Locations

ICI Pakistan Limited continues to rise as an employer of choice and currently has a diverse workforce of over 1,600 people. The Company has been honoured with global awards in recognition of its overall approach to conducting business and its brand influence in the marketplace, culture of employee engagement and adherence to corporate sustainability principles; namely the "Best Place to Work" award in the "Manufacturing & Engineering Industries" category by Pakistan Society of Human Resources Management (PSHRM) and Engage Consulting in October 2019. In July 2020, ICI Pakistan Limited won in a category at the #BetterNormalAwards which were organised by Disruptive HR, a UK based HR Consultancy.

ICI Pakistan Limited operates across Pakistan, with several key manufacturing facilities in Sindh, Punjab and KPK province, as well as extensive sales and distribution networks spread across the country.

Total Turnover by Business



Principal Lines of Business & Products

The principal activity of the Company is manufacturing, marketing and trading of the diverse essential products that its primary businesses, including Soda Ash, Polyester, Chemicals & Agri Sciences, Pharmaceuticals, Animal Health and NutriCo Morinaga (Pvt.) Limited produce.

The product portfolio comprises Soda Ash, Polyester Staple Fibre (PSF), General and Specialty Chemicals, toll-manufactured Pharmaceuticals, Nutraceuticals, Animal Health products and

Agricultural products. It provides an array of drugs in the area of cardiology, oncology, probiotics and others. The company also commercialises field crop seeds and vegetable seeds. It also manufactures infant and growing up formula.

The products of the Company find application in various markets including textiles, paints, footwear, food and beverage, personal care, pharmaceuticals, paper, ceramics, decorative, chemical processing resins, fertilizers, refinish, automotive and industrial.

Industries Served

Polyester

Textiles

Soda Ash

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

Pharmaceuticals

Cardiology
Oncology
Anti-Infectives
Pain Management
Gynaecology
Pulmonology
Paediatrics
Gastro-Intestinals
Cardio Metabolic disorders
Neurosciences
Psychiatry
Nutraceuticals

Chemicals & Agri Sciences

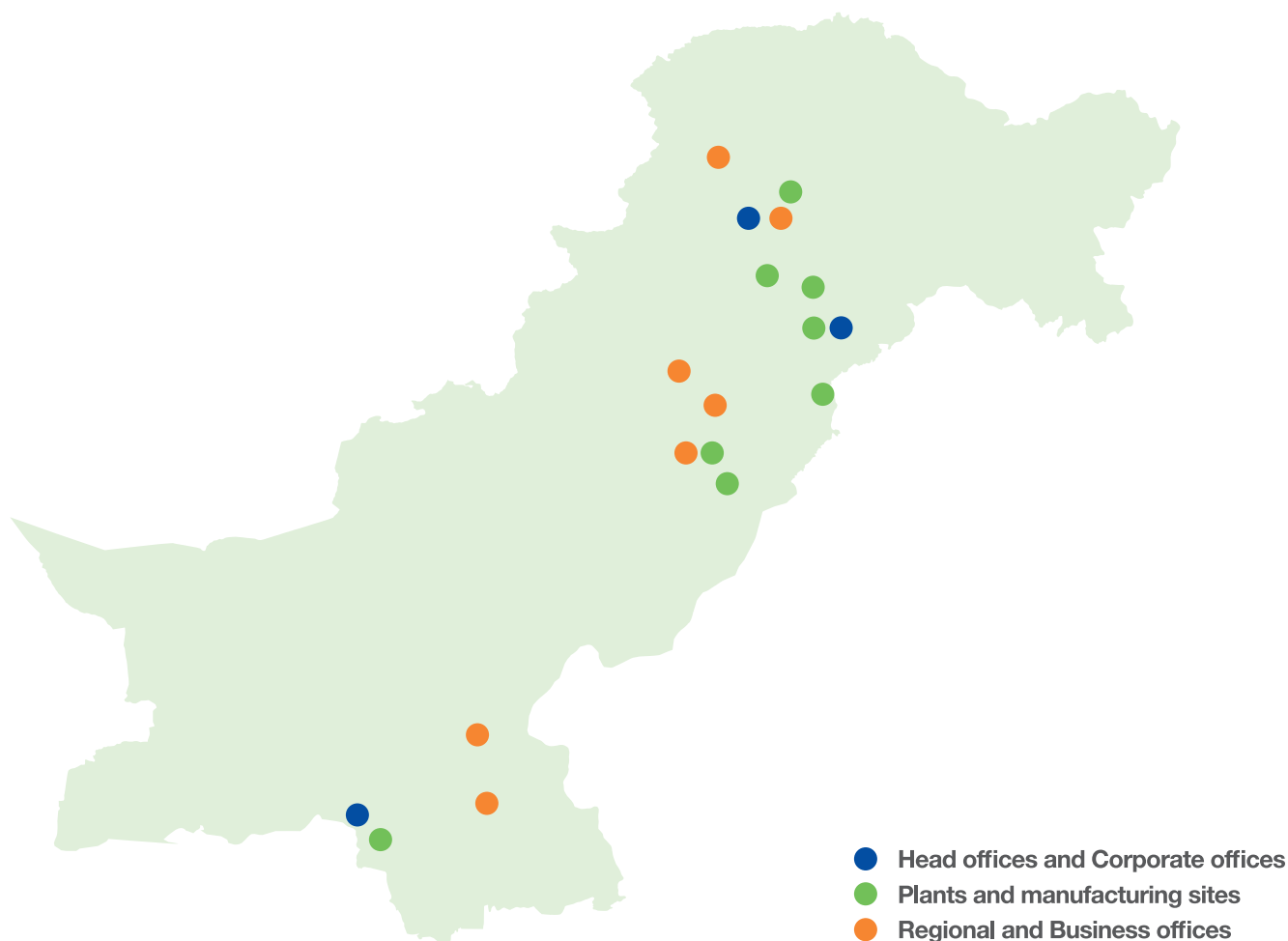
Textiles
Paints
Appliances
Construction
Automobile
Footwear
Edible Oil
Oil/Petroleum
Food and Beverage
Personal Care
Metal Cleaning/Engineering
Agro Chemicals
Pharmaceuticals
Cement

Chemical Processing/Resins
Plastics/Rubber/Tanneries
Crops
Coatings/Inks
Detergents/Laundry Soaps
Surgical
Fertilisers
Furniture and Mattresses
Sporting Goods
Dairy
Hotels, Restaurants and Cafes
Sugar
Glass and Ceramics
Agriculture

Animal Health

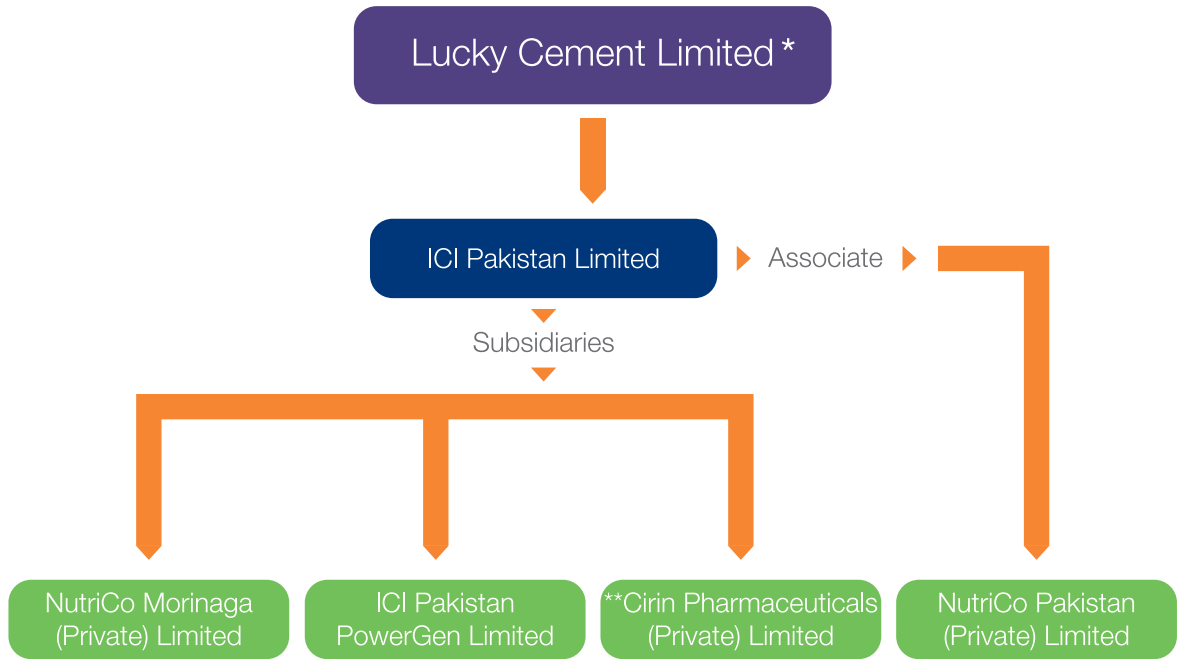
Livestock
Poultry
Bovine Genetics

Geographical Locations



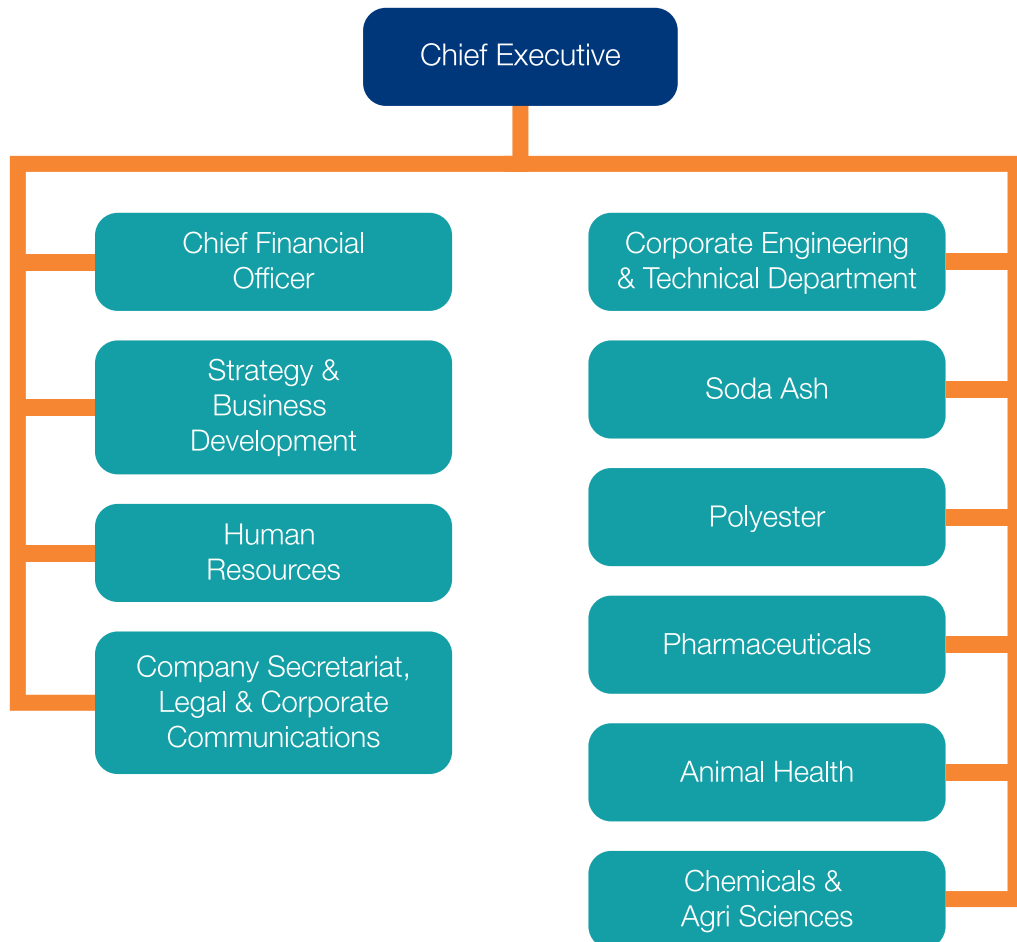
Facility	Address	Phone
Head Office, Karachi	ICI House, 5 West Wharf, Karachi	021-31313717-22
Chemicals Plant	ICI House, 5 West Wharf, Karachi	021-31313717-22
Nutraceuticals Plant	ICI House, 5 West Wharf, Karachi	021-31313717-22
Hawke's Bay Pharmaceutical Plant	S-33 Hawke's Bay Road, Karachi	021-32354651-6
Corporate Office, Lahore	63 Mozang Road, Lahore	042-36311271-3
Animal Health Manufacturing Plant	Animal Health Plant & Warehouse 45km Multan Road, Lahore	061-4781343
Soda Ash Plant	Soda Ash Works Khewra, District Jhelum	054-4231495-99
Polyester Plant	Polyester Works, 30km Lahore Sheikhupura Road, Sheikhupura	056-3406091-5
Silage Plant	Bypass Nazam Pura Road, Kasur	-
Islamabad Corporate Office	2nd Floor, Islamabad Corporate Centre, Golra Road, Islamabad	051-5495860-5
Hattar Plant	32, 2A, Phase 3, Hattar Industrial Estate, Hattar	0995-617098
Faisalabad Office	Faisalabad Serena Hotel, Club Road, Faisalabad	041-2617037
Sahiwal Office	Opp: AL Noor CNG Station, Multan Road, Sahiwal	040-4505288
Multan Office	Siddiq Trade Centre (SHAPE), Abdali Road, Multan	061-4781344
Peshawar Office	State Life Building 2nd Floor 'A' Block The Mall, Peshawar	091-5276475
Sukkur Office	2nd Floor, EDFORT Building Queen's Road, Sukkur	071-5612814
Hyderabad Office	State Life Building, 7th Floor, 50 Thandi Sarak, Hyderabad	022-2781142

Group Structure



* Consequent to a Scheme of Arrangement shareholding transferred from Lucky Cement Holdings (Private) Limited to Lucky Cement Limited.
 ** Effective March 1, 2020 Cirin Pharmaceuticals (Pvt.) Ltd. stands amalgamated into ICI Pakistan Limited.

Organisational Structure



The details of total and average number of employees are given in Note no.38.3 of the Financial Statements.

Key Performance Indicators

Statement of Profit or Loss

-8% Net turnover	In PKR million	
	2018-19	58,329
	2019-20	53,599

13% Operating result	In PKR million	
	2018-19	4,935
	2019-20	5,575

33% Profit before tax	In PKR million	
	2018-19	3,181
	2019-20	4,236

31% Profit after tax	In PKR million	
	2018-19	2,305
	2019-20	3,029

9% EBITDA	In PKR million	
	2018-19	7,589
	2019-20	8,256

18% EBITDA margin	% of Net Turnover	
	2018-19	13.01
	2019-20	15.40

31% Earnings per share	In PKR	
	2018-19	24.96
	2019-20	32.80

Ratios

8% Equity	In PKR million	
	2018-19	19,207
	2019-20	20,763

-1% Price earning	In times	
	2018-19	21.34
	2019-20	21.18

9% Return on capital employed	In %	
	2018-19	17.72
	2019-20	19.31

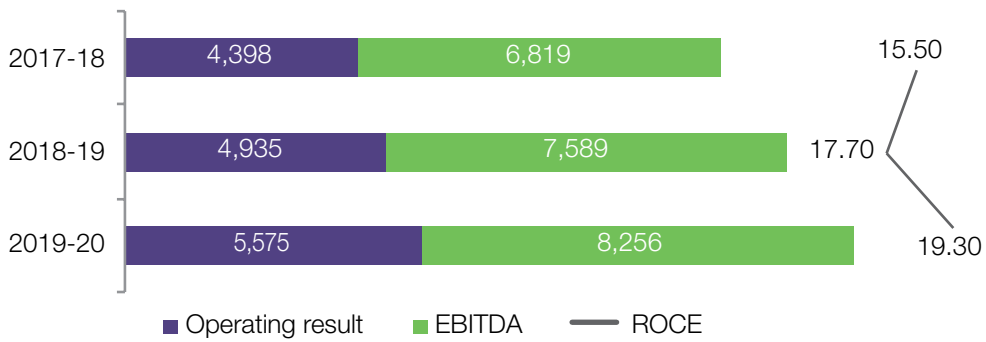
12% Return on fixed assets	% of revenue	
	2018-19	23.21
	2019-20	25.89

-2% Operating result per employee	In PKR million	
	2018-19	2.85
	2019-20	2.79

-36% Capital expenditures	In PKR million	
	2018-19	2,425
	2019-20	1,548

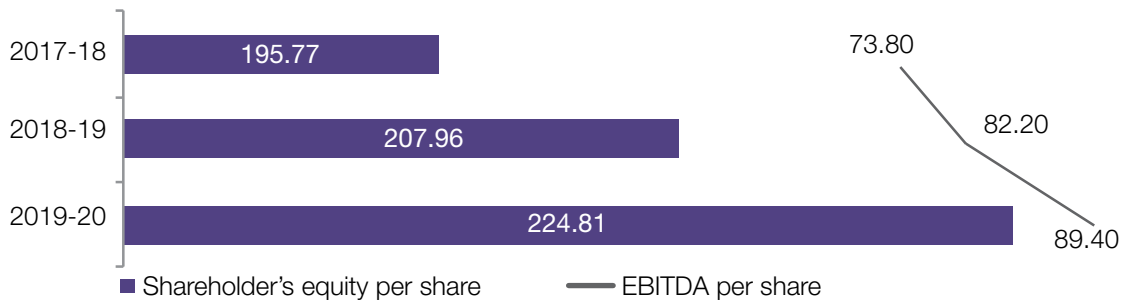
Operating result and EBITDA

PKR million



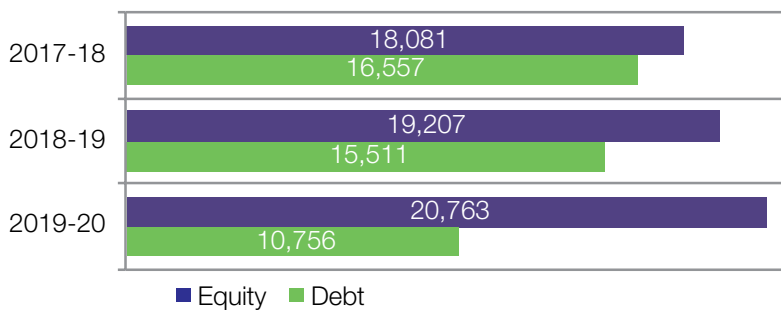
Shareholder's equity and EBITDA per share

In PKR



Net Debt and equity

PKR million



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Vision

As a partner of choice, ICI Pakistan Limited aspires to build its local and international footprint through sustainable growth and by creating value for all stakeholders.

Mission

Improving lives across the socio-economic fabric through best-in-class solutions.

Values

ICI Pakistan Limited lives by its values. In the changing, expanding world of ICI Pakistan Limited, core values remain an enduring constant. They are what define the Company.

Customer Centricity

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

Integrity & Responsibility

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

Innovation

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

Passion for People

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

Delivering Enduring Value

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



Overview & Strategy

Possibilities to Grow

Innovation opens the door to a universe of possibilities. True to our brand promise of Cultivating Growth, we are on a constant quest to grow and diversify in line with our strategic objectives. As we explore new solutions and charter new territories, we aim to improve lives every step of the way.

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







Code of Conduct

ICI Pakistan Limited has always believed in adhering to the highest ethical standards while doing business. The Code of Conduct encompasses business principles and the ethical standards that the Company is committed to uphold. It guides ICI Pakistan Limited every step of the way.

A brief overview of the Code:

1. ICI Pakistan's Policy is to comply with all applicable laws and regulations. Each employee should implement the core values, comply with and observe applicable laws and regulations.
 2. ICI Pakistan Limited supports the principles of free enterprise and fair competition. The Company aims to meet customers' needs faster, better and more distinctively than its competitors. To this end, we will compete vigorously but fairly and within the framework of applicable competition laws.
 3. Bribery and any other forms of unethical business practice are prohibited. Under no circumstances, shall any ICI Pakistan Officer, employee, agent or representative make, offer, promise or authorize any payment or gift, in relation to the Company's operations to gain any business advantage, influence the policy of any Government, or that bears the appearance of impropriety.
- 

4. ICI Pakistan's employees must at all times act in the Company's best interest and avoid putting themselves in a position where their personal interest conflicts with that of the Company.
 5. ICI Pakistan is committed to creating an attractive working environment for its employees. The Company recruits, hires and promotes employees solely on the basis of merit and suitability for the job. The Company is committed to facilitating employees' individual and professional development through training/ learning opportunities as well as mentorship from the departmental management.
 6. The Company provides a safe and healthy work environment, in order to prevent harm to and promote the health and well-being of all employees and other stakeholders. It is the responsibility of each employee to comply with HSE Regulations outlined by the Company.
 7. Openness, integrity and reliability are essential to foster bilateral communication between employee and superior in all aspects of the working environment.
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Review of the Chairman

Dear Stakeholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of ICI Pakistan Limited highlighting the Company's performance and achievements for the year ended June 30, 2020.

ICI Pakistan Limited started the year on a strong note, having completed 75 years of successful operations in Pakistan and achieving several milestones during the year. In line with its growth aspiration, the Soda Ash Business continues to expand its product capacity to cater to market demand with an expansion of the Dense Ash Plant by 70,000 tonnes per annum during the year. Furthermore, the Pharmaceuticals Business exhibited commendable growth in the operating result and launched eight new branded generic products in the period under review. The later half of the financial year under review saw the world deal with a significant global challenge – the COVID-19 outbreak – which impacted everything from the way we live to the way we operate. ICI Pakistan Limited was also affected; therefore, it has impacted the year-end results.

I would like to extend my gratitude to everyone for your support to the Company during these unprecedented times, with the reassurance that as a Company we are resilient. Over the course of 76 years, ICI Pakistan Limited has encountered and overcome many challenges.

In the initial phase of the lockdown, many of ICI Pakistan's plants remained open as these provided essential products to the market such as:

- Soda ash for the formulations of soaps, detergents and other cleaning compounds, which are right now essential in fending off germs and saving lives
- Chemical ingredients and Agri Sciences for food items and medical applications
- Pharmaceutical products including drugs that fight life-threatening diseases
- Animal and veterinary care via Animal Health Business
- NutriCo Morinaga infant and growing up formula for our children

This means that business continuity was paramount and the

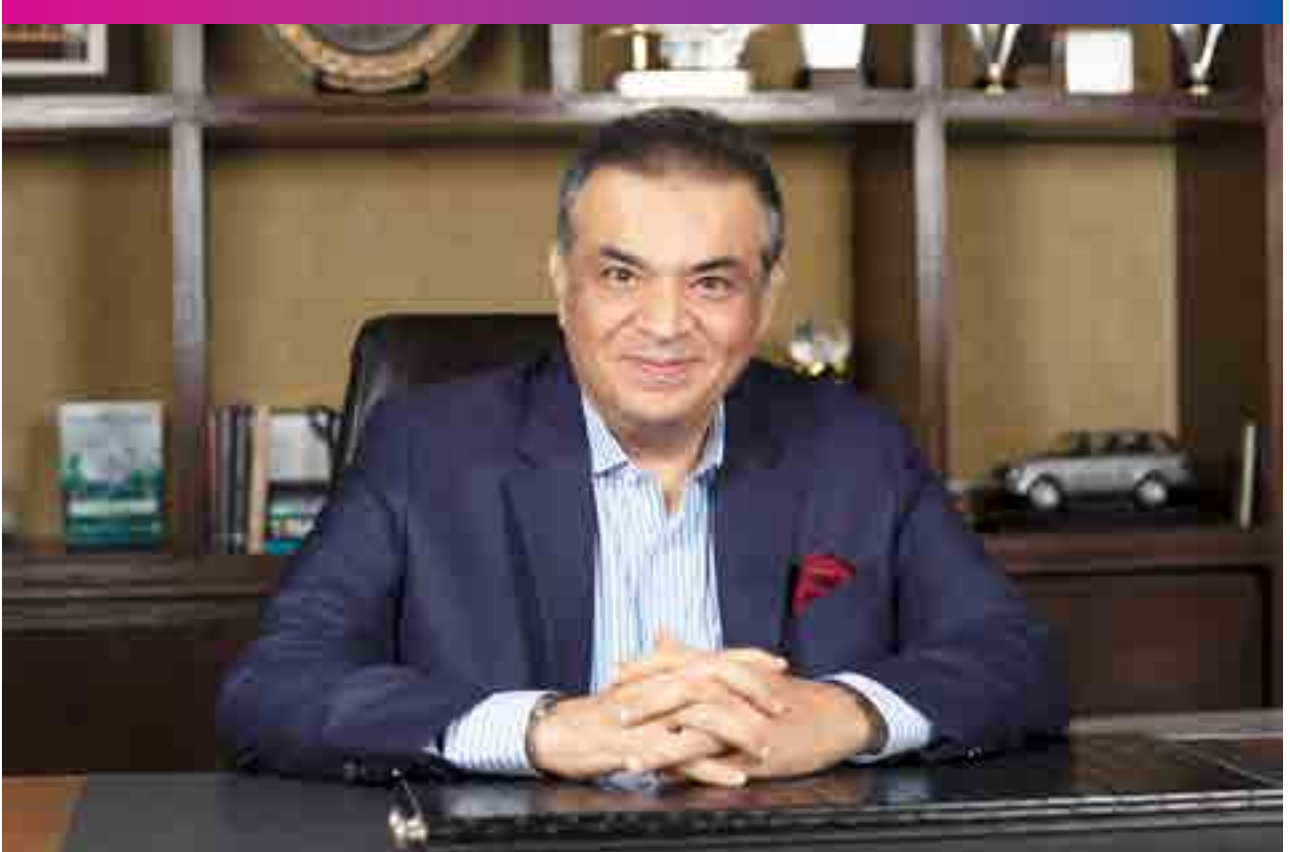
employees displayed commitment and determination to keep the plants operational.

Although economic activity has gained some momentum post relaxation of the nationwide lockdown in May 2020, the recovery will be more gradual than anticipated due to international economic pressures. The Company, however, remains upbeat, as COVID-19 and its consequent disruptions will also bring opportunities. Our vision and mission of improving lives will continue to be the driving force for the Company as we build on our strengths to achieve our business goals in order to build a company with a sustainable future.

Sustainability is at the heart of everything we do at ICI Pakistan Limited, as we believe that a focus on sustainability ensures long term success; it drives business growth, innovation, helps to attract talent and builds company image through responsible behaviour towards the planet. During the period under review, the Polyester Business developed and launched recycled Polyester Staple Fibre for the first time in Pakistan.

As a progressive and socially responsible company, ICI Pakistan Limited has a crucial role in promoting greater awareness and action about the UN Sustainable Development Goals (UNSDGs) such as climate change, economic inequality and responsible consumption and production. In June 2019, under the "SDG Leadership Programme" of Pakistan Business Council's Centre of Excellence in Responsible Business (CERB), ICI Pakistan Limited was nominated as an SDG Leader for United Nations Sustainable Development Goal 12 – Responsible Consumption and Production. In this regard, the Company has conducted workshops to share best sustainability practices and work with other organisations to ensure alignment to UN SDG 12.

In line with our mission of Improving Lives and commitment to the communities in the areas where we operate, we are focusing our corporate social responsibility (CSR) initiatives to provide health and education, promote women's empowerment and protect the environment. Following the outbreak of COVID-19, ICI Pakistan Limited also made



donations of personal protective equipment (PPE) for frontline workers across the nation.

The Board and management of ICI Pakistan are focused on creating enduring value for all stakeholders through improved operational efficiencies, cost rationalisation, portfolio diversification and maintaining strong customer relationships.

At this point, I would also like to acknowledge the contribution of the Board, which has been instrumental in providing effective guidance and far-sightedness to meet the expectations of all stakeholders, deliver on business objectives and ensure that ICI Pakistan Limited maintains its strong reputation for corporate governance and responsible behaviour.

On behalf of the Board, I once again express my sincere appreciation to our customers, employees, suppliers, the

Government and all other stakeholders, who have supported the Company. As they say – tough times don't last forever, tough people do. I am confident that we will get past this crisis and re-emerge stronger for having overcome one of the gravest crises of our lives. Please do look after yourselves and your families.

Regards,

Muhammad Sohail Tabba
Chairman
ICI Pakistan Limited

Message from the Chief Executive

Dear Stakeholders,

ICI Pakistan Limited is one of the few Corporates in Pakistan with such a diverse amalgam of businesses housed within one entity, providing essential products to almost every industry in the Country. In line with our aspiration of growth and moderate diversification, we established our footprint in the infant and growing up formula business through the inauguration and commencement of commercial operations of our state-of-the-art joint venture, NutriCo Morinaga (Private) Limited manufacturing facility. We also successfully commissioned and commenced commercial operations at the Masterbatches facility whilst also completing the amalgamation of Cirin Pharmaceuticals (Private) Limited thereby expanding our footprint in pharmaceuticals manufacturing. In the period under review, our longstanding relationship with AstraZeneca UK Limited in the cardiovascular and oncology segment and other therapeutic areas was renewed, giving ICI Pakistan Limited continued access to proprietary therapies for the Pakistan market.

The Businesses are focused on improving operational efficiencies through optimisation of manufacturing processes, cost rationalisation, new product development and further enhancing customer relationships. The Company continues to focus on innovation, developing solutions that are agile and responsive to an ever-changing environment. In line with this, during the period under review, we launched the second edition of our employee idea generation challenge – Explore 2020 and received a large number of ideas from employees focusing on operational efficiencies, customer needs, conservation of resources and sustainable growth. I believe it was our innovative mindset, reliance on technology and openness to change and adaptability that enabled us to continue our results momentum in these COVID-19 times.

Any business strategy is, however, only as good as the people who execute it. The drive and commitment of our people is second to none, and continues to be our greatest asset. During the year, ICI Pakistan Limited invested heavily in the development and coaching of its staff. Through ongoing career development, continuous learning, diversity and inclusion

initiatives, and, wellness programmes, we continue to develop and empower our employees. In the period under review, over 14,200 hours were invested in employee learning and development courses or other types of training. The COVID-19 outbreak greatly impacted the way we work and we had to move to agile working, including but not limited to work from home (WFH), to minimise the spread of COVID-19. As employees adapted to the new work from home arrangement, we offered online wellness support and trainings to help them cope with stress and the changing situation. The Company also arranged online doctor consultations for staff and their families as hospital OPDs were closed.

Earlier this year, we launched the Employee Value Proposition (EVP) entitled “One Team, Many Possibilities.” The essence of our EVP captures the diverse nature of our businesses which provide products for almost every sector of the economy and as a consequence provide our employees varied experiences and opportunities during the course of their career. The EVP is a reflection of the unique and diverse possibilities present within the Company.

These efforts have earned us multiple accolades. In October 2019, ICI Pakistan Limited was honoured with the “Best Place to Work” award in the “Manufacturing & Engineering Industries” category by Pakistan Society of Human Resources Management (PSHRM) and Engage Consulting. We also won an award in July 2020 at the #BetterNormalAwards which were organised by Disruptive HR, a UK based HR Consultancy, that aimed to showcase how established HR practices were adapted in the current global situation to respond to the physical and emotional needs of employees. A shining example of effective teamwork and oneness of purpose.

Collectively, our company rose to the challenges following the outbreak of the COVID-19 pandemic and displayed flexibility, resilience, courage and compassion. Most of our businesses continued to operate as they were manufacturing essential products and as such, during the pandemic, our purpose became ever more compelling. Rising to the challenge on all fronts, the Businesses were quick to adapt in meeting the needs of our customers and stakeholders. Additionally, we went



beyond the everyday imperatives, looking at broader initiatives including the revival of the multi-disciplinary Sustainability Council. This reflects the possibilities before us and the milestones we can achieve if we continue to work together.

The times may be unusual but we have emerged better and stronger through them and I am confident that we will continue this momentum as we continue to work together as One Team and explore the Many Possibilities before us.

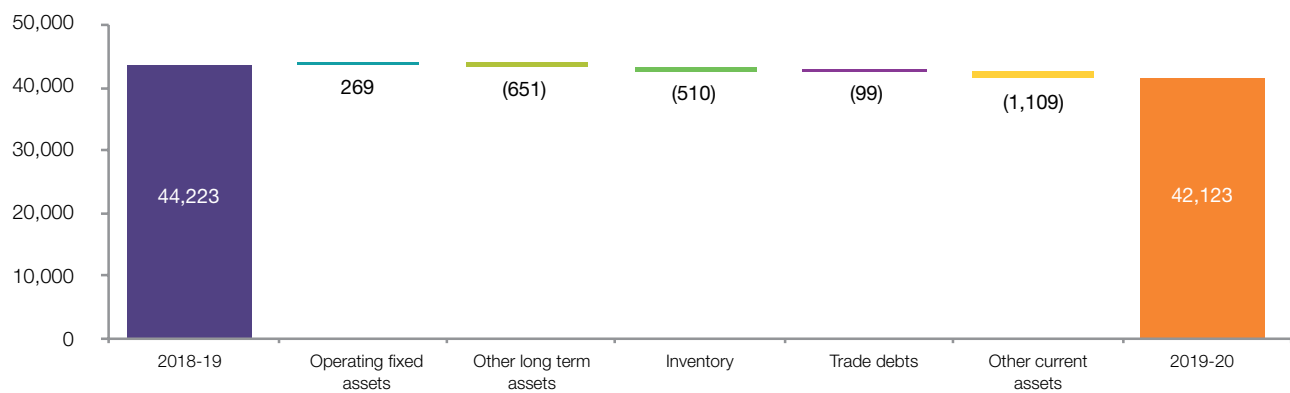
Warm Regards,

Asif Jooma
Chief Executive
ICI Pakistan Limited

Financial Statements at a Glance

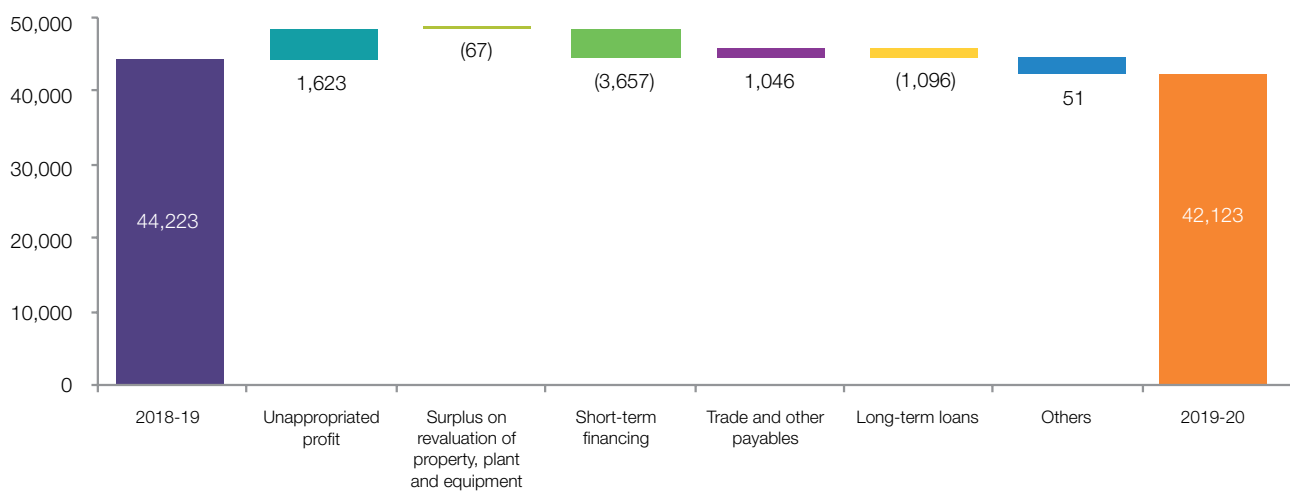
Assets

PKR million



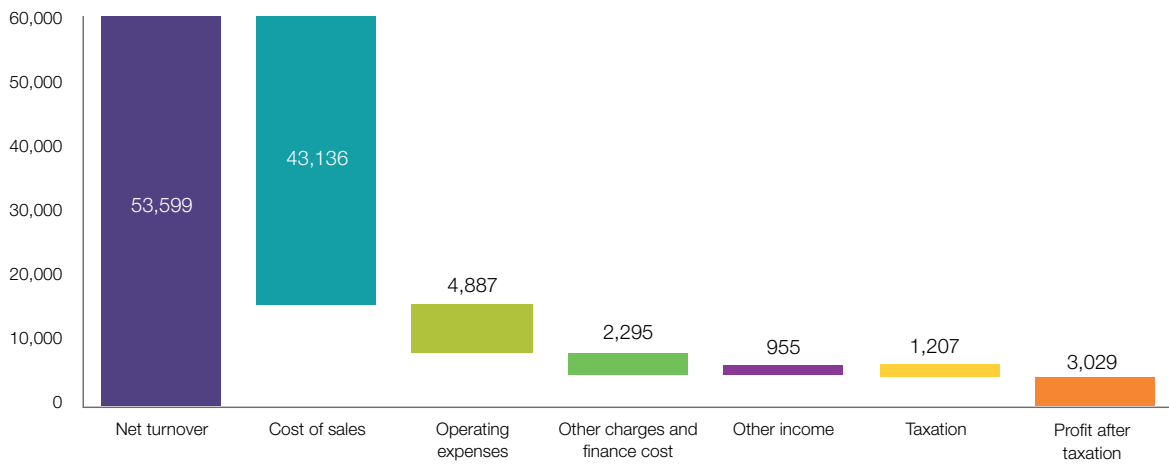
Equity and Liabilities

PKR million



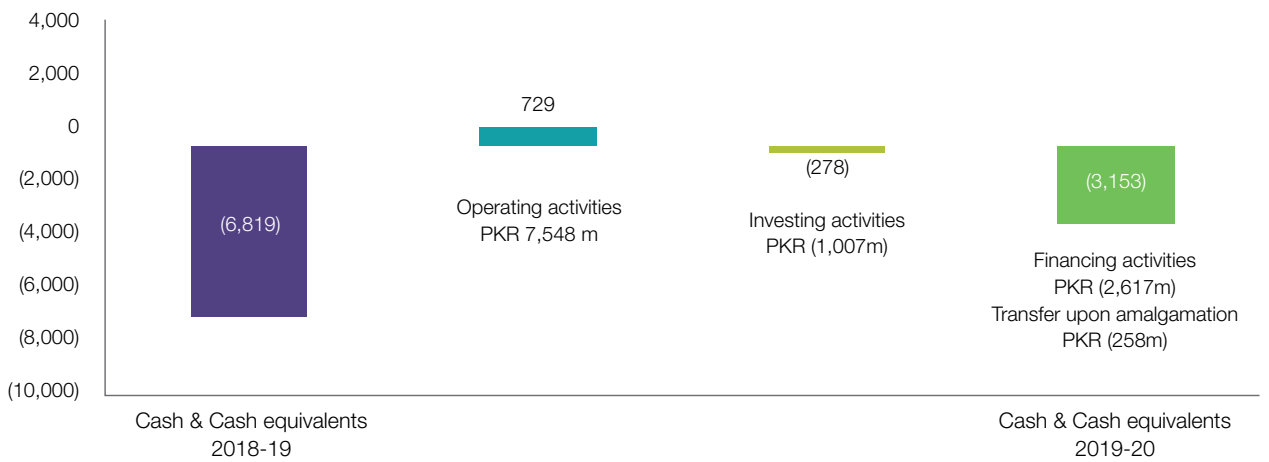
Statement of Profit or Loss

PKR million



Cash flow

PKR million



Financial Highlights

The 2019-20 results compared to same period last year at a glance

2019-20 turnover down by 8%

2019-20 gross profit up by 10.69%

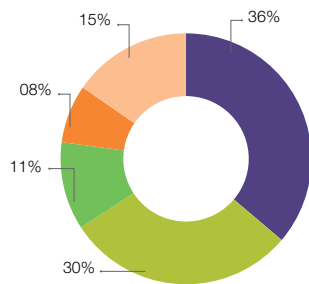
2019-20 profit after taxation up by 31.42%

2019-20 earnings per share: PKR 32.80 (June 30, 2019: PKR 24.96)

Total turnover by Business

Total turnover PKR 64.7 billion

Business	%
Polyester	36
Soda Ash	30
Pharma	11
Animal Health	08
Chemicals and Agri Sciences	15

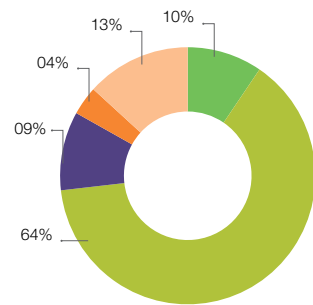


■ Polyester ■ Soda Ash ■ Pharma ■ Animal Health ■ Chemicals and Agri Sciences

Operating result by Business

Total operating result PKR 5.6 billion

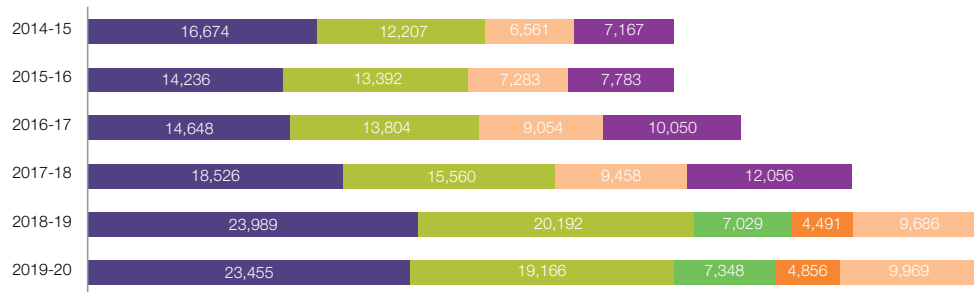
Business	%
Polyester	09
Soda Ash	64
Pharma	10
Animal Health	04
Chemicals and Agri Sciences	13



■ Polyester ■ Soda Ash ■ Pharma ■ Animal Health ■ Chemicals and Agri Sciences

Turnover

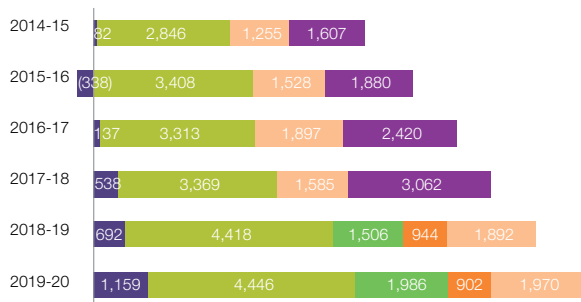
PKR million



■ Polyester ■ Soda Ash ■ Pharma ■ Animal Health ■ Chemicals and Agri Sciences ■ Life Sciences

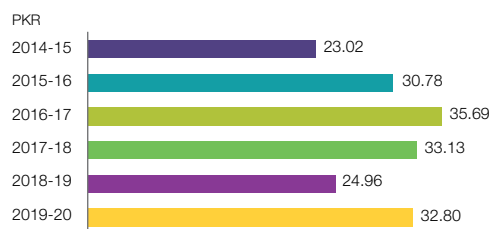
Gross profit

PKR million



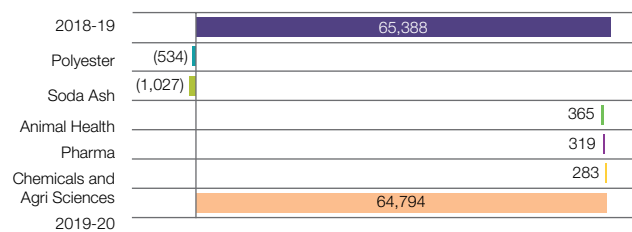
■ Polyester ■ Soda Ash ■ Pharma ■ Animal Health ■ Chemicals and Agri Sciences ■ Life Sciences

Earnings per share



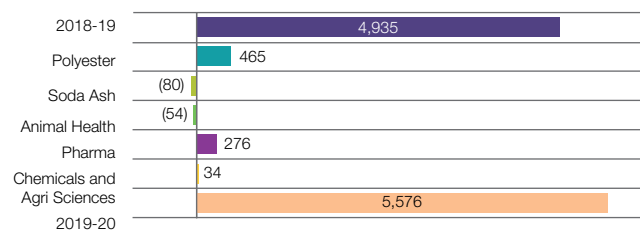
Revenue development (Business-wise)

PKR million



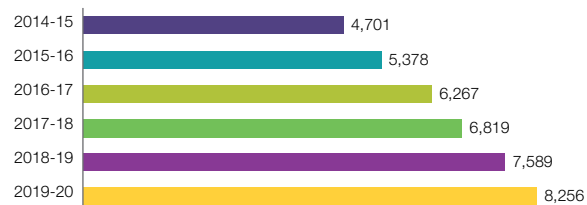
Operating result development (Business-wise)

PKR million



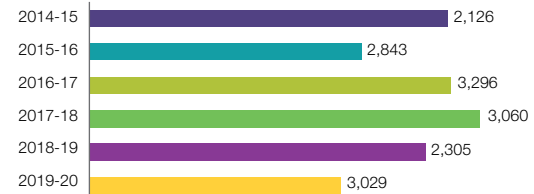
EBITDA

PKR million



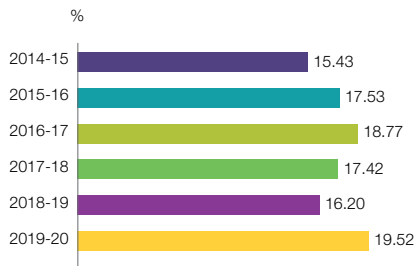
Profit after taxation

PKR million

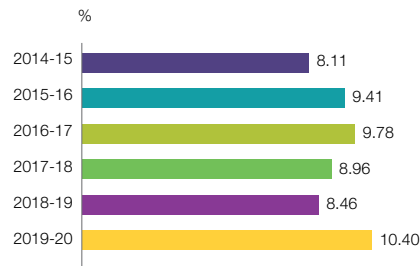


Profitability ratios

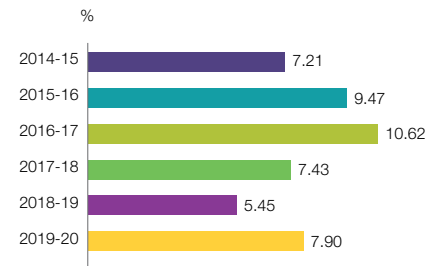
Gross margin



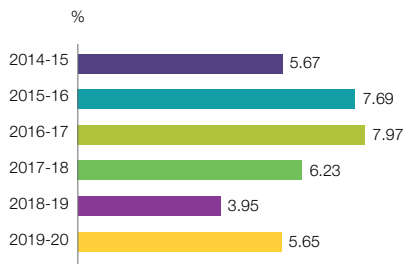
Operating result margin



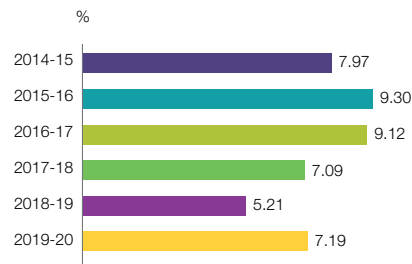
Profit before taxation margin



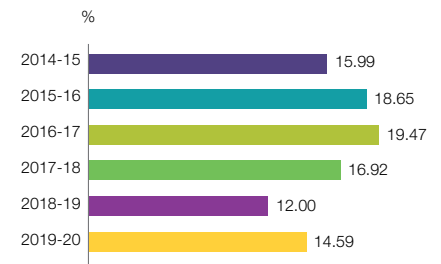
Profit after taxation margin



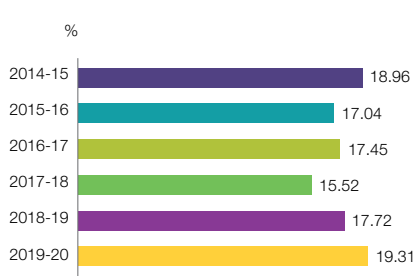
Return on assets



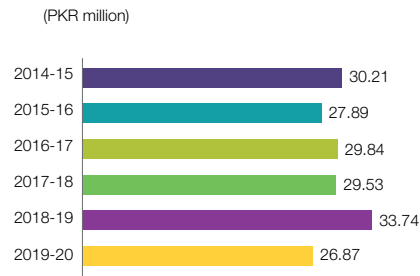
Return on equity



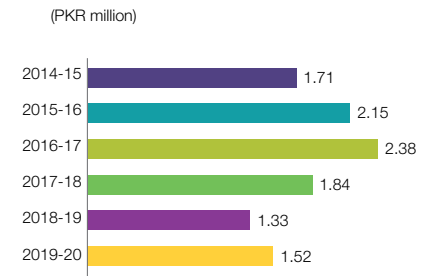
Return on capital employed



Revenue per employee



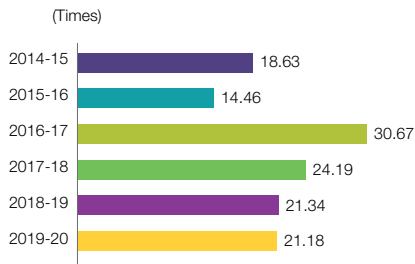
Net income per employee



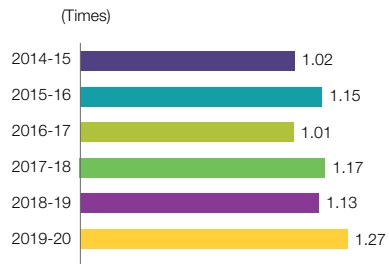
Liquidity and other ratios

Efficiency ratios

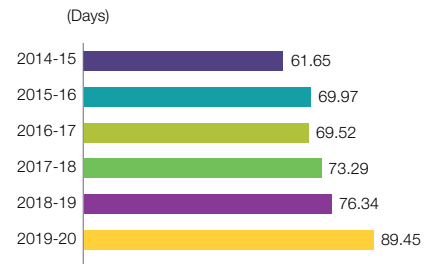
Price earning ratio



Current ratio



Inventory turnover ratio

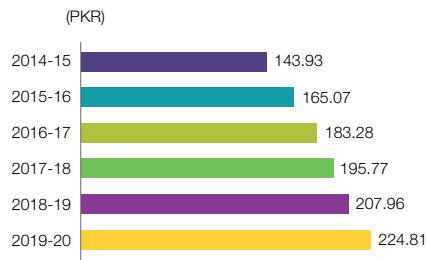


Cost ratios

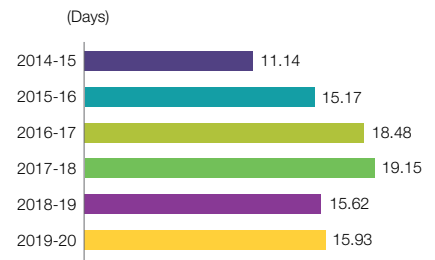
Administration cost as % of net turnover



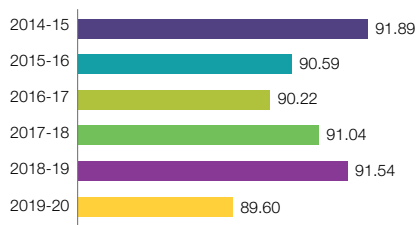
Stockholder's equity per common share



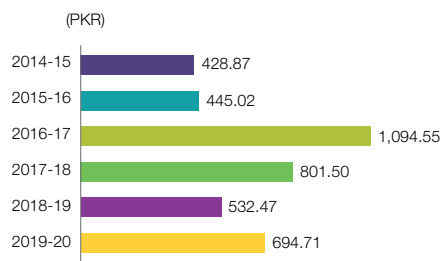
Debtor turnover ratio



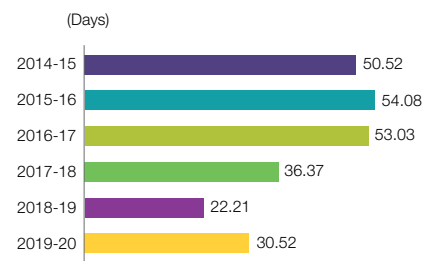
Operating cost as % of net turnover*



Market value per share



Creditor turnover ratio



* Operating cost includes cost of sales, selling, distribution, administration and general expenses

Operating & Financial Highlights

Ratios	January to December			July to June							
	2011	2012	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
	Restated	Restated	Restated								
Profitability Ratios											
Gross margin	%	12.97	11.51	11.23	12.17	15.43	17.53	18.77	17.42	16.20	19.52
Gross profit turnover	%	12.01	10.56	10.28	10.89	13.59	15.18	16.33	15.39	14.46	16.15
Operating result margin	%	6.70	4.68	5.48	5.82	8.11	9.41	9.78	8.96	8.46	10.40
Profit after taxation margin	%	4.31	2.81	3.19	4.45	5.67	7.69	7.97	6.23	3.95	5.65
Profit markup	%	14.90	13.01	12.66	13.85	18.25	21.26	23.11	21.09	19.34	24.25
Profit before taxation margin	%	6.46	4.31	4.82	5.18	7.21	9.47	10.62	7.43	5.45	7.90
Return on equity	%	15.48	9.97	11.05	14.33	15.99	18.65	19.47	16.92	12.00	14.59
Return on capital employed	%	21.18	14.30	14.66	14.49	18.96	17.04	17.45	15.52	17.72	19.31
Return on assets	%	7.47	4.70	5.53	7.42	7.97	9.30	9.12	7.09	5.21	7.19
Return on fixed assets	%	28.55	15.99	18.75	19.00	21.34	20.39	20.60	20.45	23.21	25.89
Growth Ratios											
Net turnover	%	1.10	(2.35)	5.83	5.42	(1.88)	(1.50)	11.93	18.72	18.78	(8.11)
Operating results	%	(35.94)	(31.69)	(5.07)	12.04	36.76	14.28	16.24	8.76	12.22	12.96
EBITDA	%	(28.89)	(18.38)	1.82	15.20	31.89	14.39	16.54	8.80	11.30	8.79
Profit after taxation	%	(36.95)	(36.42)	(9.35)	46.91	24.88	33.75	15.93	(7.17)	(24.67)	31.42
Efficiency Ratios											
Asset turnover	Times	1.73	1.67	1.73	1.67	1.41	1.21	1.14	1.14	1.32	1.27
Fixed asset turnover	Times	4.26	3.41	3.42	3.26	2.63	2.17	2.11	2.28	2.74	2.49
Inventory turnover	Times	7.15	5.18	6.27	6.53	5.69	4.99	5.02	4.22	4.51	4.18
Current asset turnover	Times	3.13	3.53	3.77	3.66	3.47	3.16	3.14	2.84	3.14	3.18
Capital employed turnover	Times	3.41	3.33	2.92	2.78	2.65	2.09	2.05	1.96	2.35	2.24
Operating working capital turnover	Times	(10.90)	26.59	12.24	19.88	20.74	16.99	14.65	5.76	6.76	7.57
Debtor turnover ratio	Days	5.91	4.88	7.23	8.23	11.14	15.17	18.48	19.15	15.62	15.93
Creditor turnover ratio	Days	37.17	46.87	42.23	37.55	50.52	54.08	53.03	36.37	22.21	30.52
Inventory turnover ratio	Days	50.53	60.93	62.67	55.83	61.65	69.97	69.52	73.39	76.34	89.45
Operating cycle	Days	19.28	18.94	27.66	26.51	22.27	31.05	34.96	56.17	69.75	74.85
Revenue per employee	PKR'000	32,025	31,644	34,022	33,160	30,206	27,890	29,844	29,530	33,736	26,866
Net income per employee	PKR'000	1,381	888	1,086	1,476	1,712	2,146	2,378	1,840	1,333	1,518

2011, 2012 and 2012-13 numbers have been restated due to IAS 19 revision
Years 2011 onwards exclude the effect of Paints business due to demerger
Year 2012-13 is based on twelve months performance for a meaningful comparison

Ratios	January to December			July to June							
	2011	2012	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
	Restated	Restated	Restated								
Cost Ratios											
Operating costs (%of net turnover)	%	93.30	95.32	94.52	94.18	91.89	90.59	90.22	91.04	91.54	89.60
Administration costs (%of net turnover)	%	3.42	3.75	2.86	2.34	2.57	2.39	2.70	2.46	2.31	2.79
Selling costs (% of net turnover)	%	2.85	3.08	2.90	4.00	4.75	5.73	6.30	6.01	5.44	6.32
Finance costs (%of net turnover)*	%	-	0.36	0.76	1.01	1.07	1.03	0.93	2.19	2.50	2.96
Equity Ratios											
Price earnings ratio	Times	9.08	16.49	13.26	21.18	18.63	14.46	30.67	24.19	21.34	21.18
Earnings per share	PKR	13.25	10.54	12.55	18.43	23.02	30.78	35.69	33.13	24.96	32.80
Dividend per share	PKR	9.00	5.50	2.00	8.00	11.50	15.50	18.00	16.50	9.00	16.00
Dividend cover	Times	1.47	1.92	6.27	2.30	2.00	1.99	1.98	2.01	2.77	2.05
Dividend yield	%	6.13	3.63	1.24	3.05	2.45	3.31	2.00	1.93	1.30	2.71
Dividend payout	%	81.57	52.17	15.94	43.41	49.97	50.35	50.44	49.81	36.06	48.79
Market value per share at the end of year	PKR	120.27	173.89	166.40	390.34	428.87	445.02	1,094.55	801.50	532.47	694.71
Market value per share at the start of year	PKR	144.24	120.27	129.85	166.40	390.34	428.87	445.02	1,094.55	801.50	532.47
Highest market value per share	PKR	170.34	180.01	185.67	395.71	597.56	566.94	1,219.70	1,092.63	814.90	728.13
Lowest market value per share	PKR	112.00	119.81	135.37	160.99	366.39	410.00	447.92	735.93	516.82	436.57
Break-up value per share with surplus on revaluation	PKR	85.58	105.73	113.55	128.59	143.93	165.07	183.28	195.77	207.96	224.81
Cost of debt at year end	%	-	10.45	10.17	9.49	7.16	5.67	5.56	5.97	10.44	8.86
Liquidity Ratios											
Current ratio	Ratio	1.22:1	1.05:1	1.31:1	1.38 :1	1.02:1	1.15:1	1.01:1	1.17:1	1.13:1	1.27:1
Quick ratio / Acid test ratio	Ratio	0.76:1	0.42:1	0.61:1	0.70:1	0.49:1	0.55:1	0.50:1	0.52:1	0.47:1	0.49:1
Cash ratio	Ratio	0.50:1	0.09:1	0.10:1	0.11:1	0.01:1	0.01:1	0.01:1	0.01:1	0.01:1	0.01:1
Leverage Ratios											
Debt to equity	%	-	2.97	17.99	26.83	18.43	26.54	32.81	50.88	44.02	35.43
Total debt to capital ratio	Ratio	0:100	3:97	15:85	21:79	16:84	21:79	25:75	47:53	44:56	34:66
Operating leverage ratio	%	2.81	4.26	3.50	3.64	3.18	3.12	3.13	3.34	3.17	3.79
Interest cover*	Times	-	12.83	7.34	6.12	7.72	10.18	12.03	6.68	3.18	3.65

Dividend includes both approved and recommended during the year

2011, 2012 and 2012-13 numbers have been restated due to IAS 19 revision

Years 2011 onwards exclude the effect of Paints business due to demerger

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

Interest cover and finance costs (% of net turnover) is zero in 2011 and 2012 due to net interest income

Six Year Analysis

Statement of Financial Position Analysis

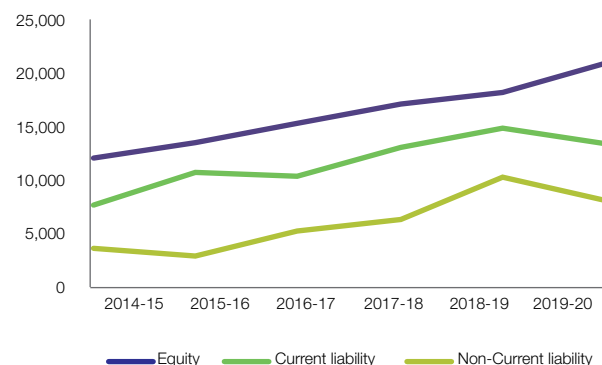
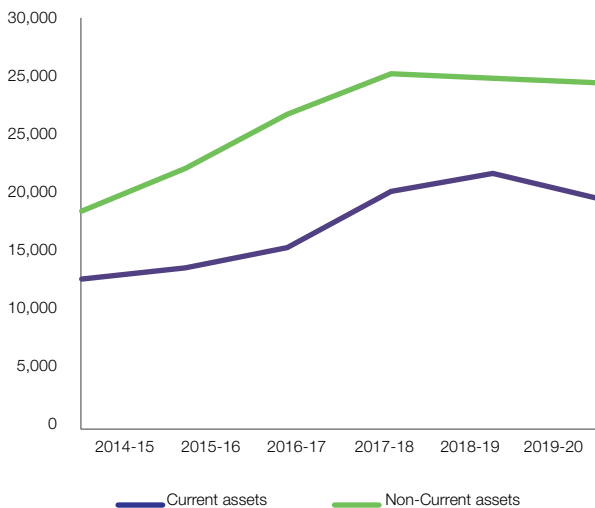
Assets

Over 6 years the asset base of the Company has increased at a CAGR of 10% mainly due to investment in Property, plant and equipment. During the year ended June 30, 2014-15 Company invested PKR 720 million in Nutrico Pakistan (Private) Limited, followed by further PKR 240 million investment during 2015-16 resulting in 40% ownership. Acquisition of Cirin Pharmaceuticals in 2015-16 made through an investment of PKR 981.3 million. During 2017, the Company entered in joint venture with Morinaga Milk Industry, and invested PKR 510 million. During the year 2018, the Company acquired selected assets and brands of Wyeth Pakistan Limited and Pfizer Pakistan Limited. The Company also subscribed for right issue of ordinary shares of Nutrico Morinaga (Private) Limited amounting to PKR 958.8 million retaining their percentage in holdings. Investment was also made in existing business for expansion projects like Light Ash (LA) capacity expansion projects, 150 KTPA phase 1 of which 75 KTPA has been capitalized and operational. During 2019 assets increased on account of capitalization of Master batch facility and increased investment on expansion project like 75 KTPA (out of 150 KTPA) phase 2. In the current year assets decreased due to reduction in current assets and Cirin amalgamation which was partially offset by the capitalisation of right of use assets and 70 KTPA Dense Ash project and investment of PKR 255 million in Nutrico Morinaga (Private) Limited.

Equity and liabilities

The shareholder's equity comprises of share capital and reserves. The equity has increased at a CAGR of 11.82% over the past 6 years primarily due to increase in retained profits of the company and revaluation surplus. Last revaluation was conducted by an independent valuer in 2016.

Liabilities of the Company have increased at a CAGR of 14% in the past 6 years. This is majorly due to the increase in long-term loans obtained for multiple acquisition / expansion projects in Soda Ash and Chemical and Agri Sciences Business, Life Sciences Business and investment in Nutrico Morinaga Limited. In the Current year, Long term loan relating to payroll finance was obtained which was off set by repayments of loans on account of better cash generation during the year.



Statement of Profit or Loss Analysis

Net turnover

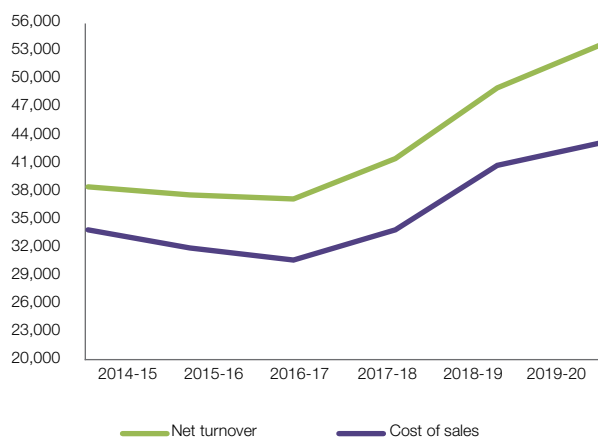
Net turnover of the Company has increased at a CAGR of 7% in the past 6 years.

Over the 6 years, an increasing trend was achieved in two consecutive years 2013-14 and 2014-15. In both years the increase was due to higher revenues in Polyester and Soda Ash business driven by volumetric growth and pricing impact. During 2015-16, the Net turnover declined due to lower revenues in the Polyester Business, which declined 15% in line with a downward correction of prices across the petrochemical chain. During 2017-18 the Company has shown robust performance across all businesses as the net turnover increased 19% as compared with SPLY mainly driven by growth in Polyester, Soda Ash and Life Sciences Businesses. In 2018-19 the net turnover of the company exponentially grew by 19%, mainly in Polyester and Soda Ash Business on account of increasing PSF prices and expansion of 75 KTPA Light ash project. In 2019-20, Net turnover decreased due to decline in revenues across all businesses except for the Animal Health Business. The economic slowdown and uncertainty induced by COVID-19 pandemic along with consequential country wide lockdown were the primary factors which affected the revenues in the later part of this year.

Cost of sales

Cost of sales reflected an increasing trend till 2013-14 primarily due to reliance on expensive fuel alternatives and increased prices. However, Company successfully achieved dip in cost of sales from 2013-14 onwards due to commissioning of in-house steam, power and heating systems easing off the energy cost burden coupled with reduction in fuel prices. Subsequent to 2015, the increase in cost have been in line with the increase in sales although its volatility majorly depends on oil and commodity prices and is greatly affected by changes in exchange rates from 2017- 2019 due to dependency on imported goods.

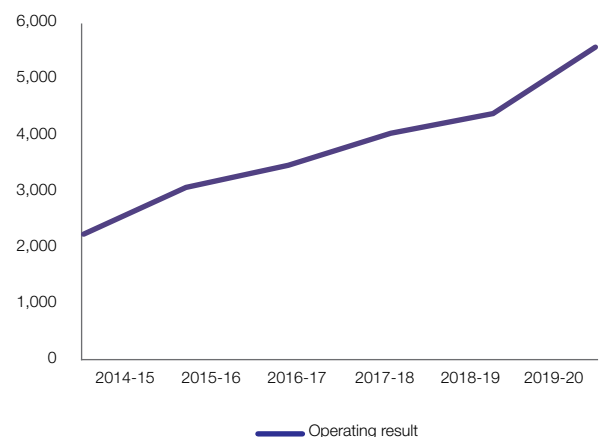
During the current year, cost of sales have declined due to cost efficiencies brought about in the manufacturing processes and lower sales volumes on account of lockdown imposed by COVID-19 pandemic.



Operating result

Consistent increase is achieved mainly driven by growth in all businesses led by expansion projects, acquisitions, introduction of new products and cost efficiencies managed across all the businesses.

The operating profit for the current year at PKR 5,575 million was 13% higher than the Same Period Last Year due to improved performances in the Polyester, Pharmaceuticals and Chemicals & Agri Sciences businesses by 711%, 99% and 5% respectively, which was achieved mainly due to operational excellence and improved margins, manufacturing efficiencies, stringent cost controls initiatives, better product mix and increase in market share.



Financial charges / Exchange Losses

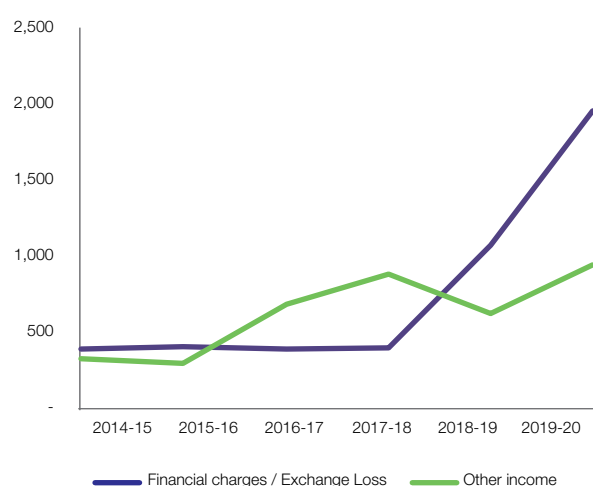
The Company maintained its financial charges and exchange losses from 2013- 2017 despite increase in Financing facilities obtained to fund Business expansions projects and increased working capital requirements. Business expansions enhanced the Company's profile with the addition of selected assets and brands of Wyeth Pakistan Limited and Pfizer Pakistan Limited and investment in 75 KTPA Light Ash capacity expansion projects, 70 KTPA Dense Ash capacity expansion, Master batch facility under Chemical and Agri Sciences Business and investment in Nutrico Morinaga (Private) Limited. During 2018-19 Company converted to Sight LC and relied on Short term borrowings to minimize exchange loss which resulted in increase in Finance Cost. Further significant rupee devaluation during this year also resulted in exchange losses. During the year 2020, increase in Financial charges was mainly attributable to the increase in the policy rate by the State Bank of Pakistan, which was partially offset by the repayments of Long term and short term financing.

Furthermore, during the current year, the Pakistani rupee faced devaluation against the US dollar by 5% resulting in net exchange losses of PKR 367 million.

Other income

Other income stood at CAGR of 27% over 6 years.

Dividend of PKR 40 million and PKR 150 million was received from investment in equity shares and Associate in year 2014-15 respectively and PKR 458 million and PKR 150 million was received from Associate and PowerGen in 2015-16 respectively. During the year 2017 , dividend of PKR 668 million and PKR 125 million was received from Associate and PowerGen respectively. During 2017-18 dividends received were PKR 120 million by PowerGen and PKR 420 million by Associate respectively. During 2019, dividends received were PKR 135 million by PowerGen and PKR 180 million by Associate respectively, however, during the current year other income increased by 134% mainly on account of higher dividend from Associate amounting to PKR 800 million and from PKR 30 million from PowerGen.



Statement of Cash flow analysis

Operating activities

The cash used in Operating activities has increased at a CAGR of 15% over the past 6 years. Company's operating cash flow has constantly increased over the past years, however in 17/18 cash generated from operating activities face a reduction on account of payments made to creditors due to the shift from LC at Usance to LC at sight to better manage the devaluation of Rupee.

In Current year, Cash generated from operating activities increased on account of Improved working capital with reduction in current assets and improved cash generation across the businesses.

Investing activities

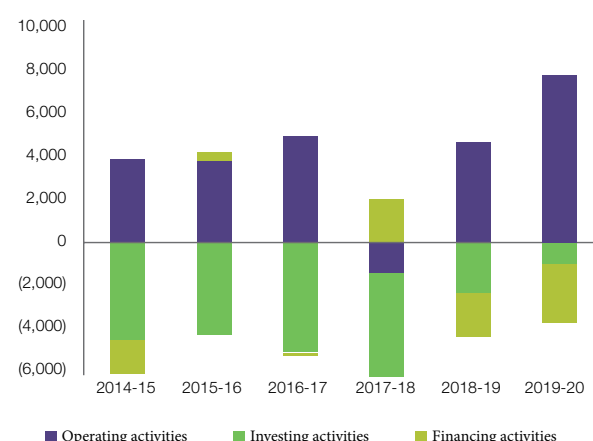
The cash used in investing activities comprises mainly of investment in Capital expenditure and investment in associate and subsidiaries. The Company invested PKR 960 million in Nutrico Pakistan (private) Limited during 2014-15 and 2015-16. During 2016-17, the Company invested PKR 981.3 million in Cirin and PKR 510 million in Nutrico Morinaga (Private) Limited while during the year 2017-18 the company invested in the expansion of Soda Ash plant to increase its capacity by 75 KTPA, coupled with the acquisition of selected assets and brands from Wyeth Pakistan Limited and Pfizer Pakistan Limited and subscribing towards the right issue of Nutrico Morinaga (Private) Limited.

During the current year, Company invested in the right share issue of Nutrico Morinaga (Private) Limited and in the 70 KTPA Dense Ash project which was offset by higher dividends amounting to PKR 800 million received from Associate.

Financing activities

Financing activities comprises mainly of long-term loans repaid and dividends paid to shareholders.

During 2018-19, long term loans were repaid which improved the gearing ratio of the company which was further reduced during the current year due to repayment of loans as a result of better cash generation. The dividend payments were increased against Same Period Last Year on account of higher interim dividend paid.



Free Cash Flows

	2020	2019	2018	2017	2016	2015
Profit before taxation	4,236	3,181	3,650	4,394	3,498	2,703
Adjustment for non cash items	3,636	4,060	2,788	1,966	1,711	1,933
Changes in working capital	2,173	(201)	(6,020)	(772)	(386)	453
Less : Capital Expenditure	(1,604)	(2,539)	(3,419)	(4,239)	(4,518)	(3,855)
Free cashflows	8,441	4,501	(3,001)	1,349	305	1,234

SWOT Analysis

STRENGTHS

- Diversified product portfolio, with Businesses closely aligned to the needs of the country and local population. Portfolio includes Soda Ash, Polyester Staple Fiber, Pharmaceuticals, Animal Health, Chemicals and Agri and investments in Nutrico Pakistan (Private) Limited (Associate) and Nutrico Morinaga (Private) Limited.
- Supplying products to almost every industry in the country
- Strong brand equity
- Geographical presence in the Local and International markets
- Increasing base in the Pharmaceutical, Chemicals and Agri, Animal Health and Nutrico through extensions in Product Portfolio
- Part of the renowned Yunus Brothers Group (YBG), with competent management and vast experience of multiple sectors
- Competent and committed human resources
- Leading manufacturing concern with over 75 years of successful operation
- Leading Soda Ash producer
- Strong Balance Sheet with lower debt
- Strong and diversified cash generating ability

WEAKNESSES

- Dependence on consistent supply of imported raw materials, such as PTA, Coke and MEG
- Dependence of major operating segments on fuel sources such as Coal, Gas and Furnace oil

S W

- Expansion in the consumer market with locally manufactured infant as well as growing up formula with the state of the art manufacturing facility of Nutrico Morinaga (Private) Limited
- Continuous ways of seeking cost saving initiatives through various platform's within the organisation
- Lucrative business alliances with International Organisations
- Enhanced export competitiveness due to devaluation of the rupee
- Increasing demand of Soda Ash, Pharmaceuticals, Animal Health, Chemicals and Agri products

OPPORTUNITIES

- Volatile international raw material and fuel prices and government levies
- Increasing Interest rates
- Volatility of exchange rates
- Depleting natural resources, e.g. Gas
- Dumping of imported products
- Economic, Political and Environmental uncertainty

THREATS

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Vertical and Horizontal Analysis

Statement of Profit or Loss

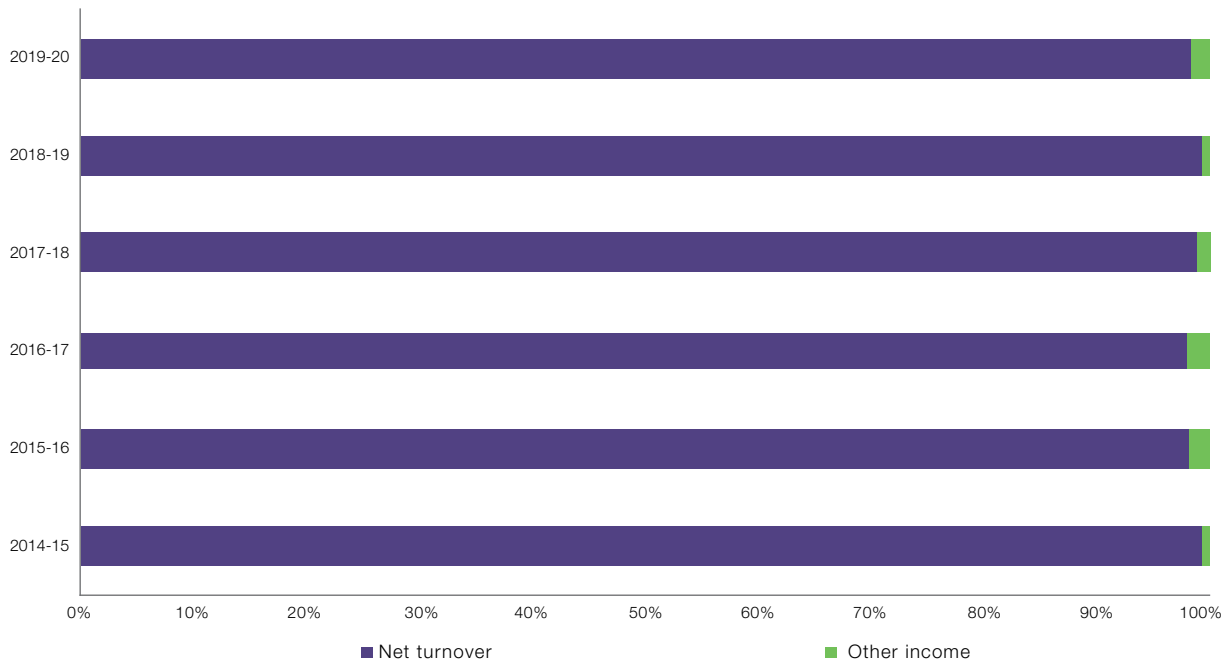
Vertical Analysis

	July to June											
	2014-15	2014-15	2015-16	2015-16	2016-17	2016-17	2017-18	2017-18	2018-19	2018-19	2019-20	2019-20
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
Net sales, commission & toll income	37,515	100.0	36,954	100.0	41,364	100.0	49,108	100.0	58,329	100.0	53,599	100.0
Cost of Sales	31,726	84.6	30,476	82.5	33,598	81.2	40,553	82.6	48,877	83.8	43,136	80.5
Gross profit	5,790	15.4	6,479	17.5	7,765	18.8	8,554	17.4	9,452	16.2	10,462	19.5
Selling & Distribution Expenses	1,782	4.8	2,118	5.7	2,607	6.3	2,949	6.0	3,170	5.4	3,389	6.3
Administration & General Expenses	964	2.6	882	2.4	1,115	2.7	1,207	2.5	1,346	2.3	1,498	2.8
Operating Result	3,044	8.1	3,479	9.4	4,044	9.8	4,398	9.0	4,935	8.5	5,575	10.4
Financial Charges/ Exchange Losses	403	1.1	383	1.0	398	1.0	1,071	2.2	1,891	3.2	1,962	3.7
Other Operating Charges	231	0.6	285	0.8	144	0.3	304	0.6	272	0.5	333	0.6
Other Operating Income	294	0.8	688	1.9	893	2.2	627	1.3	409	0.7	955	1.8
Profit before taxation	2,703	7.2	3,498	9.5	4,394	10.6	3,650	7.4	3,181	5.5	4,236	7.9
Taxation	578	1.5	655	1.8	1,098	2.7	591	1.2	876	1.5	1,207	2.3
Profit after taxation	2,126	5.7	2,843	7.7	3,296	8.0	3,060	6.2	2,305	4.0	3,029	5.7

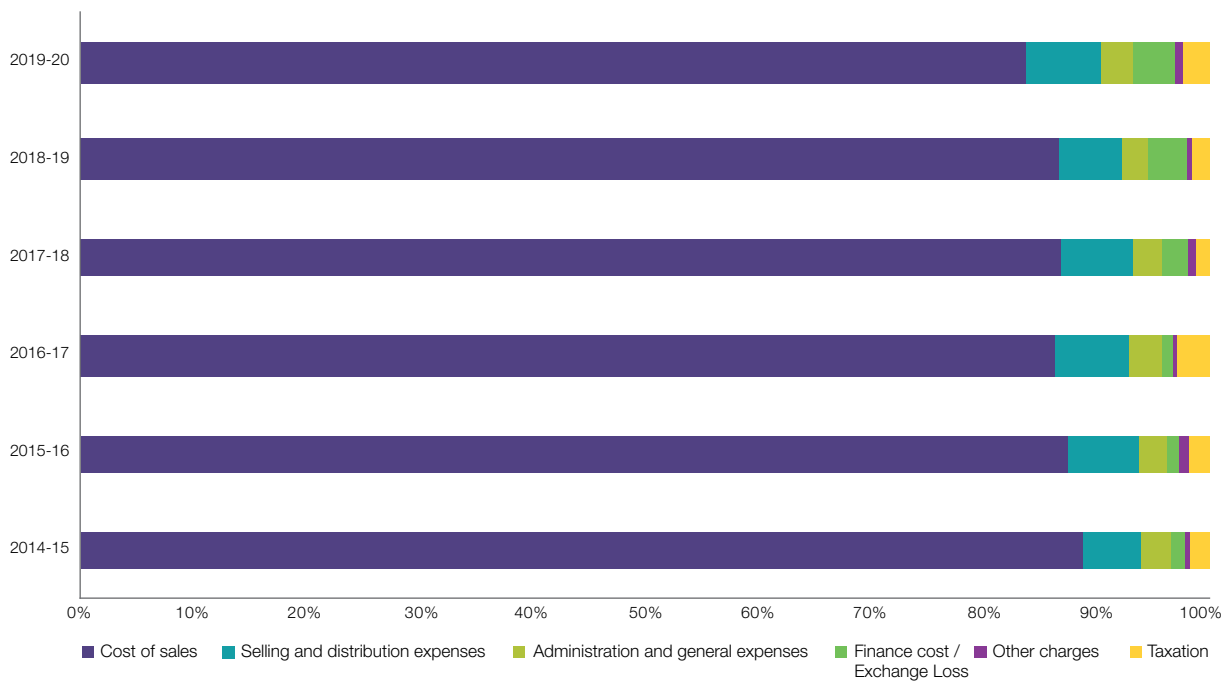
Horizontal Analysis

	July to June											
	2014-15	2014-15	2015-16	2015-16	2016-17	2016-17	2017-18	2017-18	2018-19	2018-19	2019-20	2019-20
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
Net sales, commission & toll income	37,515	(1.9)	36,954	(1.5)	41,364	11.9	49,108	18.7	58,329	18.8	53,599	(8.1)
Cost of Sales	31,726	(5.5)	30,476	(3.9)	33,598	10.2	40,553	20.7	48,877	20.5	43,136	(11.7)
Gross profit	5,790	24.5	6,479	11.9	7,765	19.9	8,554	10.2	9,452	10.5	10,462	10.7
Selling & Distribution Expenses	1,782	16.5	2,118	18.9	2,607	23.1	2,949	13.1	3,170	7.5	3,389	6.9
Administration & General Expenses	964	7.6	882	(8.5)	1,115	26.4	1,207	8.3	1,346	11.5	1,498	11.3
Operating Result	3,044	36.8	3,479	14.3	4,044	16.2	4,398	8.8	4,935	12.2	5,575	13.0
Financial Charges	403	4.1	383	(4.8)	398	3.9	1,071	169.0	1,891	76.7	1,962	3.7
Other Operating Charges	231	27.8	285	23.1	144	(49.5)	304	111.2	272	(10.4)	333	22.4
Other Operating Income	294	(9.2)	688	134.3	893	29.8	627	(29.8)	409	(34.8)	955	133.6
Profit before taxation	2,703	36.5	3,498	29.4	4,394	25.6	3,650	(16.9)	3,181	(12.9)	4,236	33.2
Taxation	578	107.3	655	13.4	1,098	67.7	591	(46.2)	876	48.2	1,207	37.8
Profit after taxation	2,126	24.9	2,843	33.8	3,296	15.9	3,060	(7.2)	2,305	(24.7)	3,029	31.4

Statement of Profit or Loss Analysis (Income) (%)



Statement of Profit or Loss Analysis (Expenses) (%)



Statement of Financial Position

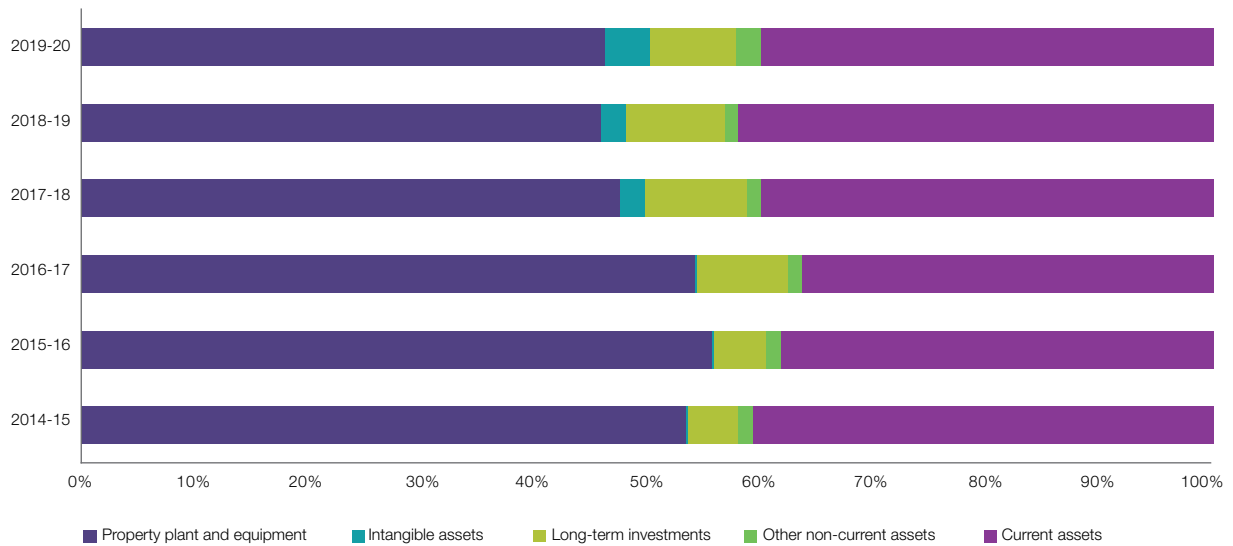
Vertical Analysis

	July to June											
	2014-15	2014-15	2015-16	2015-16	2016-17	2016-17	2017-18	2017-18	2018-19	2018-19	2019-20	2019-20
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
Total Equity and Revaluation Reserve	13,294	50	15,246	50	16,928	47	18,081	42	19,207	43	20,763	49
Non Current Liability	2,763	10	5,174	17	6,243	17	10,248	24	8,650	20	8,107	19
Current Liability	10,614	40	10,168	33	12,985	36	14,819	34	16,366	37	13,253	32
Total Equity and Liabilities	26,670	100	30,588	100	36,156	100	43,148	100	44,223	100	42,123	100
Non Current Assets	15,843	59	18,910	62	22,996	64	25,882	60	25,647	58	25,265	60
Current Assets	10,827	41	11,678	38	13,160	36	17,266	40	18,575	42	16,858	40
Total Assets	26,670	100	30,588	100	36,156	100	43,148	100	44,223	100	42,123	100

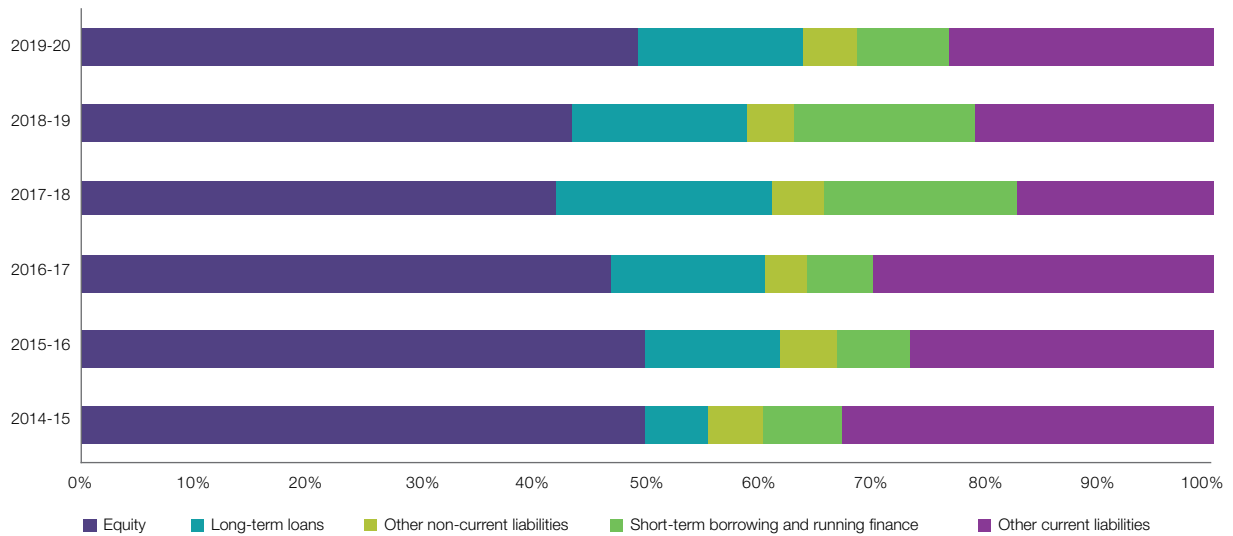
Horizontal Analysis

	July to June											
	2014-15	2014-15	2015-16	2015-16	2016-17	2016-17	2017-18	2017-18	2018-19	2018-19	2019-20	2019-20
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
Total Equity and Revaluation Reserve	13,294	12	15,246	15	16,928	11	18,081	7	19,207	6	20,763	8
Non Current Liability	2,763	(21)	5,174	87	6,243	21	10,248	64	8,650	(16)	8,107	(6)
Current Liability	10,614	40	10,168	(4)	12,985	28	14,819	14	16,366	10	13,253	(19)
Total Equity and Liabilities	26,670	16	30,588	15	36,156	18	43,148	19	44,223	2	42,123	(5)
Non Current Assets	15,843	27	18,910	19	22,996	22	25,882	13	25,647	(1)	25,265	(1)
Current Assets	10,827	4	11,678	8	13,160	13	17,266	31	18,575	8	16,858	(9)
Total Assets	26,670	16	30,588	15	36,156	18	43,148	19	44,223	2	42,123	(5)

Statement of Financial Position Analysis (Assets) (%)



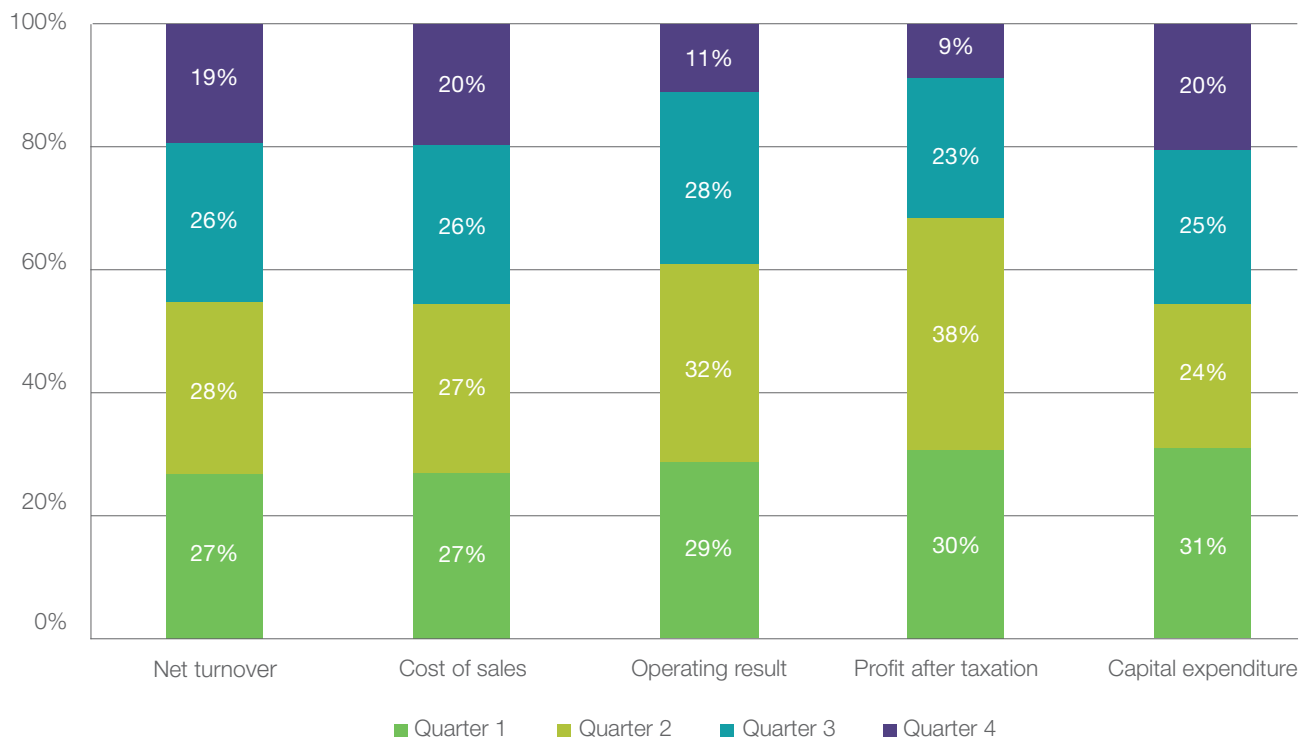
Statement of Financial Position Analysis (Equity and Liabilities) (%)



Quarterly Analysis

In PKR '000

	Net Turnover	Cost of Sales	Operating Result	Profit After Taxation	Capital Expenditure
Quarter 1	14,315,266	11,548,340	1,605,476	926,374	479,197
Quarter 2	14,971,764	11,941,445	1,796,730	1,143,220	364,766
Quarter 3	13,930,056	11,073,771	1,545,706	689,173	386,583
Quarter 4	10,381,451	8,572,763	627,165	270,236	317,120
	53,598,537	43,136,319	5,575,077	3,029,003	1,547,667



Net Turnover	Cost of Sales	Operating Results	Profit After Taxation
Quarter 1			
<p>Net turnover for the quarter at PKR 14,315 million was 9% higher as compared to the same period last year (SPLY) due to higher revenues across all Businesses, except for Life Sciences Business which remained in line with the SPLY.</p> <p>The major increase in the Polyester Business was due to volumetric growth, coupled with an increase in PSF prices.</p> <p>The Chemicals business with their Masterbatches Division achieved a milestone of 100 tones sales in the first quarter. The Division has been successful in market penetration through product development and extended focus on customer acquisition.</p> <p>The Soda ash market grew by 5% over SPLY, primarily driven by the Glass and Detergent segments. The growth in Glass was mainly on account of downstream expansions in installed capacities, while the Detergent segment grew with a shift in preference for laundry powder over soap for washing.</p>	<p>The cost of sales for the quarter stood at PKR 11,548 million, 5.2% higher than SPLY remained in line with the increase in turnover coupled with increase in gas, coal and furnace oil prices pushing up the energy cost.</p>	<p>The company's operating result for the quarter stood at PKR 1,605 million was 52% higher as compared to the SPLY, mainly due to improved performances in all businesses.</p> <p>The Polyester Business successfully managed to improve its operating result due to higher unit margins.</p> <p>Operating results of Soda Ash Business driven by a higher sales volume and prices.</p> <p>The Life Sciences Business delivered improved performance on the back of favorable efficiencies and a better sales mix, while Chemicals & Agri Sciences Business performed better due to healthier margins.</p>	<p>Profit after tax of PKR 926 Million for the quarter is 41% Higher than the SPLY owing to Higher operating result along with exchange gain in comparison to the SPLY and higher dividend income from Associate.</p> <p>Earnings per share for the quarter is PKR 10.03 is 41% higher than the SPLY.</p>
Quarter 2			
<p>Net turnover for the quarter at PKR 14,972 million is 1% higher than the SPLY due to higher revenues in Soda Ash and Chemical and Agri business. This increase was partially offset by lower revenues in the Pharmaceuticals and Animal Health Businesses. The Polyester business remains in line with SPLY.</p> <p>The increase in Net turnover for Soda Ash Business was due to Glass, Silicate and Detergent segment which showed a continued growth.</p> <p>The enhanced performance of the Chemicals and Agri Sciences business are attributed to the Seeds segment, in particular due to increased sowing of sunflower this season and healthy margins.</p>	<p>The cost of sales for this quarter amounted to PKR 11,941 million with a decrease of 6.3% from SPLY, mainly due to decline in cost of sales across all businesses. This decline was partially offset by increase in cost of sales of Chemical and Agri Business.</p>	<p>The Company's operating result for the second quarter stood at PKR 1797 million which was higher by 100%. Improved performances was seen in all businesses except Animal Health.</p> <p>Operating result of the Soda Ash Business was PKR 1,124 million which is 24.1% higher than the SPLY mainly driven by improved margins on account of energy cost optimisation through effective plant operations and effective cost control.</p> <p>The improvement in Chemical and Agri Sciences Division is mainly attributable to Agri Sciences Division due to higher margins and cost optimisation.</p> <p>The operating result for Pharmaceutical was Higher by 366% from SPLY, despite having a lower net turnover the business managed to increase operating result. This performance was largely delivered on the back of favorable manufacturing efficiencies, better sales mix and strict cost control.</p>	<p>Profit after Tax (PAT) for the quarter was PKR 1,143 million which is 371% higher than SPLY, mainly due to higher operating profit across all Businesses except for the Animal Health Business, along with stable exchange rate in comparison to the SPLY and higher dividend income from Associate. This increase was partially offset by higher finance cost during the period under review due to higher interest rates.</p> <p>Earning per share (EPS) for the quarter is PKR 12.38, which is 371% Higher than SPLY.</p>
Quarter 3			
<p>The net turnover for the quarter amounted to 13,930 million that was 8% lower than the SPLY due to lower revenues in Polyester, Soda Ash and Chemical and agri business. The Net turnover declined by 18%, 1% and 11% respectively, which was partially offset by increase in Animal Health and Pharmaceuticals Businesses.</p> <p>The improved net turn over in Pharmaceuticals was due to the amalgamation of Cirin and better sales mix during the quarter. Animal health's revenue grew mainly on the back of livestock segment.</p>	<p>The cost of sale for the third quarter stood at 11,073 million with an decrease of 11.6% compared to the SPLY which was due to decline in cost of sales of all businesses except Soda ash and Animal health businesses.</p>	<p>The company's operating result for third Quarter stood at PKR 1,545 million and is 0.5% higher than SPLY due to improved performance across all businesses except Animal health business and higher dividend income from Associate.</p> <p>The increase in the Polyester Business operating result is mainly attributable to the healthy margins and various cost optimisation initiatives.</p> <p>The Pharma division showed a growth in operating result because Cirin Pharmaceutical was merged with ICI Pakistan. The division also improved manufacturing efficiencies which contributed in operating result.</p> <p>Chemicals and Agri Business improved its performance mainly due to healthy margins and acquisitions of new customers.</p> <p>The decline in the performance of Animal Health business was due to downturn of Poultry segments. Higher feed prices also contributed to the declining margins for poultry farmers.</p>	<p>Profit after tax stood at PKR 689 Million which is 8.62% lower than SPLY. Mainly due to declining net turnover in Polyester, Soda Ash and Chemical and Agri business.</p> <p>Also, Higher finance cost due to high interest rates and significant devaluation of PKR against dollar resulted in higher exchange losses which impacted PAT. This was partially offset by higher dividend income from Associate.</p> <p>Earning per share (EPS) for Q3 is PKR 7.46 which is 8.5% lower than SPLY.</p>
Quarter 4			
<p>The net turnover for the quarter amounted to 10,381 million which is 31.65% lower than the SPLY due to decline in revenues across all business except Animal Health business. The economic slowdown and uncertainty induced by COVID-19 pandemic along with consequential country wide lockdown were the primary factors affecting earnings in the later part of the year under review.</p> <p>The Polyester Business, was mostly effected by their reliance on exports, with order cancellations and delays from European and US buyers leading to declining demand.</p> <p>Soda Ash market was heavily impacted due to the outbreak. Soda Ash demand from glass manufactures declined due to sluggish demand which was further exacerbated following the complete lockdown.</p> <p>Animal Health business showed improved Performance mainly in livestock segment. Products like Vanda and Silage also remained on track despite COVID-19, improving the locally manufactured mix of the business.</p>	<p>The cost of sale for the fourth quarter stood at PKR 8,572 million which is lower by 32% compared to SPLY. Mainly, Cost of sales declined due to lower sales.</p>	<p>The operating profit for the fourth quarter at PKR 627 million is lower by 56.5% compared to the SPLY.</p> <p>The major reason of decline in operating result for Soda Ash Business was the outbreak of COVID-19, resulting in lower sales volume. However the impact was partially offset by improved margins and optimisation of energy costs.</p> <p>Despite the Global Pandemic and Government regulations, Chemical And Agri Business was able to manage profitability through enhanced focus on margin optimisation and operational excellence.</p>	<p>Profit after tax for the fourth quarter at PKR 270 million is lower by 58.4% as compared to SPLY.</p> <p>The PAT declined due to reduced sales from Soda Ash Business and Animal health business due to the challenges faced by Poultry segments. Further, Exchange losses also impacted PAT adversely. This effect was partially offset by decline in finance cost as interest rates declined in Q4.</p> <p>Earning per share (EPS) for Q4 at PKR 2.93 is 58.4% lower than the SPLY.</p>

DuPont Analysis

DuPont Analysis	2019-20	2018-19
Tax burden	28.49%	27.53%
Interest burden	25.26%	28.70%
Operating result margin	10.40%	8.46%
Asset turnover (Times)	1.27	1.32
Gearing (Long term debt/Equity)	35.43%	44.02%
Return on equity	14.59%	12.00%

Commentary on DuPont Analysis

The net turnover of PKR 53,599 million for the year under review was 8% lower than PKR 58,329 million recorded for the year ended June 30, 2019 due to decline in revenues across all businesses except for the Animal Health Business. The economic slowdown and uncertainty induced by COVID-19 pandemic along with consequential country wide lockdown were the primary factors which affected the revenues in the later part of the year under review.

Operating result of the Company improved by 13% despite lower revenues and economic challenges due to improved performances in the Polyester, Pharmaceuticals, and Chemical and Agri Sciences Business driven through operational excellence and improved margins coupled with manufacturing as well as cost efficiencies, expansion in the product range with a better mix and increase in market share.

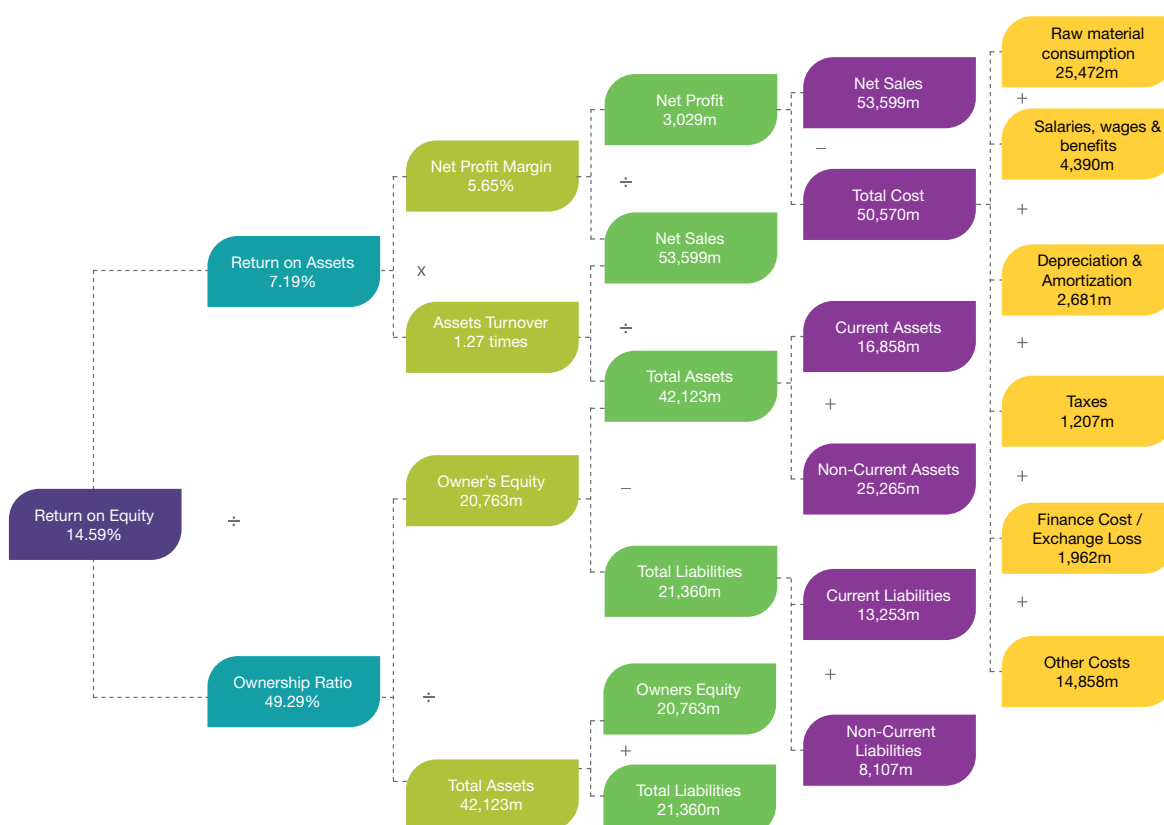
The profit after tax (PAT) for the year ended June 30, 2020 at PKR 3,029 million was 31% higher against SPLY as a result of higher operating results coupled with higher dividend income

from Associate and lower exchange losses as compared to the SPLY. This was partially offset by increase in financing cost by 10% as compared to the SPLY due to higher average interest rates during the year.

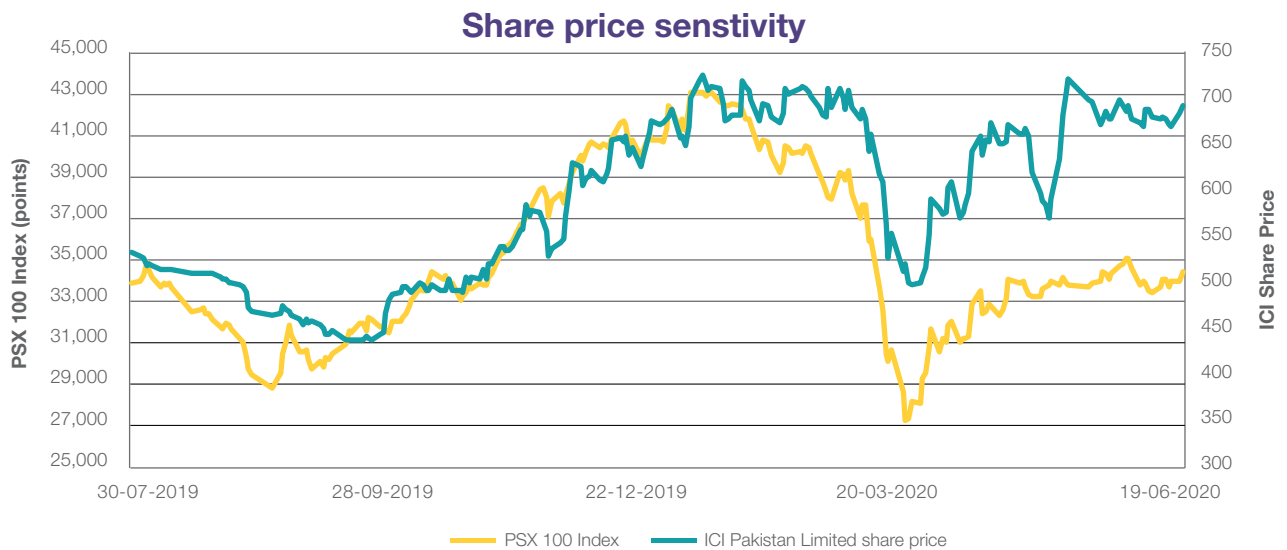
Tax expense for the year slightly increased due to unavailability of tax credits as were available in the prior year coupled with increase in line with increased profitability.

Total Assets of the Company witnessed a decline of 4.75%, mainly due to decline in long term investments due to the amalgamation of Cirin Pharmaceuticals (Private) Limited which was partially offset by the investment in Nutrico Morinaga (Private) Limited. Current assets declined due to reduced inventory levels coupled with reduction in recoverable taxes.

Ownership ratio increased by 13% as compared to the SPLY due to a higher increase in total equity as compared to total assets. Owner's equity increased due to un-appropriated profit partially offset by dividends paid during the year. Resultantly, the return on equity of the Company was recorded at 14.59%.



Share Price Sensitivity Analysis



During the financial year ended June 30, 2020 ICI Pakistan Limited outperformed the PSX 100 Index by 28.93% (ICI's share price increased by 30.47% in comparison to PSX 100 Index which increased by 1.53%). ICI's share price was PKR 532.47 on 28th June 2019 as compared to PKR 694.71 on 30th June 2020. This was mainly due to ICI's existence in diversified and robust businesses which are core to the fundamentals of the Country which resulted in increased investor confidence in ICI especially at a time when COVID-19 along with the ensuing lockdowns were damaging the economy.

In recent years, ICI Pakistan Limited has embarked on an exciting journey of growth, expansion and innovation, in line with its brand promise of Cultivating Growth. Few of the major feats that the company accomplished during the year are given below:

1) Heavy Capital Expenditure:

ICI Pakistan Limited continue to make strides in fulfilling its brand promise – Cultivating Growth. During the year, the Company has approved the expansion with additional 50 KTPA, taking total capacity expansion of the Soda Ash Plant in Phase 2 at 125 KTPA. This is yet another development towards the Company's growth aspirations by enhancing the total installed capacity of its Soda Ash Business to 550 KTPA.

During the year, the Soda Ash Business also completed Dense Ash expansion of 70 KTPA which will position the Company to cater to the growing needs of the market. This is in addition to 14 KTPA Refined Sodium Bicarbonate expansion project which is already underway and is expected to come online in First Quarter of Financial Year 2020-21.

The construction of a state-of-the-art Nutrico Morinaga manufacturing facility (Subsidiary of ICI Pakistan Limited) was completed and the plant inaugurated in September 2019.

2) Diversification in new Markets:

In order to make consistent progress towards the Company's corporate strategy of growth, the Company ventured into various expansionary and diversifying projects.

During the year, following the inauguration of the Nutrico Morinaga facility, commercial production commenced during the second quarter of the year under review with the commercial release of products in January 2020. The project is a key strategic step towards further diversification of product portfolio and adheres to international standards, with the objective ensuring that consumers are provided with high quality products at competitive prices.

3) Improved performance:

Company reported operating profit for the year at PKR 5,575 million which was 13% higher than the Same Period Last Year (SPLY), with improved performances in the Polyester, Pharmaceuticals and Chemicals & Agri Sciences businesses by 711%, 99% and 5% respectively. The Profit After Tax (PAT) for the year ended June 30, 2020 at PKR 3,029 million was 31% higher than the SPLY due to higher Dividend Income from Associate and sustained performance despite COVID-19 related lockdown during later part of the year.

4) Ownership by Yunus Brother Group:

The acquisition of ICI Pakistan Limited by YBG in December 2012 has improved the prospects of the Company multiple folds. While making progress towards continuing growth the Company embarked on further expansion projects as explained above with endeavor to serve Local and International markets and living to its brand promise of cultivating growth.

YBG will continue to build upon the legacy of being one of Pakistan's leading groups today and endeavor to continue gaining momentum in the years to come.

Explanation of negative changes in performance against last year and analysis of variation in interim results with final accounts

The net turnover of PKR 53,599 million for the year under review was 8% lower than PKR 58,329 million recorded for the year ended June 30, 2019. The sales revenue decline was observed across all Businesses, except for the Animal Health Business. The economic slowdown and uncertainty induced by COVID-19 pandemic along with consequential country wide lockdown were the primary factors which affected the revenues in the later part of the year under review.

In times of unprecedented COVID-19 circumstances and despite lower revenues and economic challenges, the operating profit for the year at PKR 5,575 million was 13% higher than the Same Period Last Year (SPLY), with improved performances in the Polyester, Pharmaceuticals and Chemicals & Agri Sciences businesses by 711%, 99% and 5% respectively.

The Profit After Tax (PAT) for the year ended June 30, 2020 at PKR 3,029 million was 31% higher than the SPLY. This increase was primarily driven through higher operating results by 13% coupled with higher dividend income from Associate and lower exchange losses. This was partially offset by increase in financing cost by 10% compared to the SPLY due to higher average interest rates.

The major reason for high variation in the final accounts with interim accounts is the outbreak of the global pandemic and the resulting slowed economic activity in the latter part of the year.

Strategy to overcome liquidity problem and the company's plan to manage its repayment of debts and meet operational losses

ICI Pakistan has constituted a team of professionals and cash flow management is being done prudently and on a regular basis by forecasting the future receipts and payments. Risks, if any, are highlighted on timely basis to safeguard the Company against any cash flow risks and precautionary actions are taken immediately. The company has a cumulative running finance facility limit of PKR 14.25 billion with various banks out of which only PKR 3.3 billion or 23% of the total limit has been utilized. With robust and diversified cash generation ability of Company, it repays its debts very quickly which can be witnessed from its significantly lower level of debts despite consistent expansion projects being undertaken in recent past, increased working capital requirements due to recent growth & expansion and consistent dividends payments over the years.

Business rationale of major capital expenditure / projects during the year and for those planned for next year

Soda Ash Business

The Soda Ash Business continued to expand its production capacities to cater the market demand, with expansion of Dense Ash plant by 70 KTPA during the year. This is in addition to 14 KTPA Refined Sodium Bicarbonate expansion project which is already underway and is expected to come online in First Quarter of Financial Year 2020-21.

The Board of Directors of the Company announced a further capacity expansion of Light Soda Ash by 125 KTPA. This is yet another development towards the Company's growth aspirations by enhancing the total installed capacity of its Soda Ash Business to 550 KTPA to cater for the future market demand.

Nutrico Morinaga

The construction of a state-of-the-art Nutrico Morinaga manufacturing facility (Subsidiary of ICI Pakistan Limited) was completed and the plant inaugurated in September 2019. Following the inauguration, commercial production commenced during the second quarter of the year under review with the commercial release of products in January 2020.

The project is a key strategic step towards further diversification of product portfolio and adheres to international standards, with the objective ensuring that consumers are provided with high quality products at competitive prices with local manufacturing.

Defaults in payment of any debts

With robust cash generating ability and prudent cash flow management practices in place, ICI Pakistan has never faced any default in payment of its loans over the years.

Methods and assumptions used in compiling the indicators

Company normally considers the economic data published by State Bank of Pakistan, Economic Survey of Pakistan and reports published by top economists. With the help of past data and forecasts of relevant business experts and Strategy function, indicators are then debated and finalized between Executive Management Team after careful discussions and considerations.

Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations

The company imports 60% of its inventory in the form of raw and packing material as well as finished goods. Transactions are carried out in CNY, EURO, USD and GBP. Material related exchange loss of PKR 156 million was incurred during the year which included the impact of 5% devaluation of the Pak rupee.

Forward Looking Statement

The pandemic has already infected the Pakistan economy, pushing GDP growth into negative territory coupled with higher inflation and unemployment rates. These downturns are expected to reverse years of progress toward development goals and push tens of millions of people back into extreme poverty.

Although the economic activity has gained some momentum post relaxation of the nationwide lockdown, the recovery will be gradual and measured. The recovery of global oil prices and consequential tariff hikes are expected to result in a second wave of inflation. Moreover, keeping the policy rate stable and managing rupee value will be a challenge, which is crucial for the suitable economic and investment climate. The surge in external debt and geopolitical tensions further cloud the outlook.

These social and economic disruptions whilst posing threats to the economy, will also bring opportunities. The increased activities on China Pakistan Economic Corridor (CPEC), initiation of construction work on major dams and special considerations for the construction industry should bode well for the economy.

The Company, therefore, remains confident and focused on minimizing the negative impacts and delivering top quartile results by leveraging its diversified product portfolio along with proactively exploring opportunities for both organic and inorganic growth in line with its brand promise of Cultivating Growth.

Explanation as to how the performance of the entity meets the disclosures made in the previous year

The Company's performance was inline with the targets until the outbreak of COVID-19. The economic slowdown and uncertainty induced by COVID-19 pandemic along with consequential country wide lockdown were the primary factors which affected the performance in the later part of the year under review. Detailed business wise achievements are disclosed as part of the Directors' Report.

Status of the projects disclosed in the previous year

Dense Ash project has come online during the period as per plan. Further the construction of a state-of-the-art NutriCo Morinaga manufacturing facility was completed and the plant inaugurated in September 2019. Following the inauguration, commercial production commenced during the second quarter of the year under review with the commercial release of products in January 2020.

Source of information and assumption used for projections / forecasts

The projections are based on historic trends, latest information available and views of relevant business experts and strategy department. There are certain areas where Company has all the expertise available internally due to having the legacy business and knowledge base. Company subscribes to important international business publications and representatives of businesses attend the important conferences around the world to get the latest trends and emerging updates on International Level. Assistance of external consultants is only taken for areas where Company feels that it does not have the adequate required level of expertise internally. These projections are then reviewed and agreed amongst the Executive Management Team of the Company and then presented for review and approval by the Board of Directors.

Response to critical challenges and uncertainties (If any)

Organisation has a robust Business Continuity Plan which highlights the situations and actions to be taken in case if any uncertain situation arises. Company also updates the Risk registers on regular basis and documents the mitigation plan which are then reviewed and approved by Executive Management Team (EMT) and Board Audit Committee. Trainings are regularly conducted for disseminating the information to critical members of the team. EMT takes the final decision before responding to any challenge or uncertainty faced within the Company.

Year in Review 2019-20

Q1 Q2

July – September 2019

- **July 25** Board of Directors Meeting

- **August 14** ICI Pakistan Limited celebrates 75 years of successful operations in Pakistan

- **August 19** ICI Pakistan Limited publishes special supplement to mark 75th Anniversary

- **September 20** Inauguration of the joint venture NutriCo Morinaga manufacturing facility in Sheikhpura

- **September 21** Board of Directors Meeting

- **September 21** Annual General Meeting

October – December 2019

- **October 3** ICI Pakistan Limited honoured with “Best Place to Work” award in “Manufacturing & Engineering Industries” by PSHRM and Engage Consulting

- **October 28** Board of Directors Meeting

- **November 4** ICI Pakistan Limited launches Masterbatches film

- **November 22** Company redefines Mission Statement

- **November 24** Employees organise carnival to raise funds for TCS and NJV schools as part of the Pehchan Volunteer Programme

- **December 7** Board of Directors Meeting

- **December 7** Company hosts exhibition in Karachi to showcase its history, growth story and Business operations as part of 75th Anniversary celebrations

- **December 17** ICI Pakistan Limited strengthens partnership with AstraZeneca UK Limited in Pakistan

- **December 18** ICI Pakistan Limited launches Soda Ash film

- **December 27** PSX honours ICI Pakistan Limited with Top 25 Companies award

Q3

January – March 2020

- **January 14** NutriCo Morinaga infant and growing up formula manufacturing facility commences commercial operations

- **January 28** Board of Directors Meeting

- **January 29** ICI Pakistan Limited Pharmaceuticals inaugurates CAM Line Project at Hawkesbay Plant; commences manufacturing of Acuflex tablet

- **January 30** Company's 75th Anniversary exhibition launched in Lahore

- **February 9** Employees participate in TCF's walk to raise funds for education of children

- **February 13** ICI Pakistan Limited partners with CERB to highlight the importance of sustainability practices

- **February 23** Camps held for free renal check-up at Soda Ash Plant in Khewra

- **February 26** Explore Challenge, ICI Pakistan's entrepreneurship programme launched for the second consecutive year.
Employee Value Proposition launched

- **February 27** Company forms Pandemic Watch Committee to monitor COVID-19 situation in Pakistan

- **March 2** ICI Pakistan Limited completes amalgamation of Cirin Pharmaceuticals (Private) Limited

- **March 5** Company's 75th anniversary exhibition launched in Sheikhpura

- **March 8** International Women's Day celebrated across Company sites under banner of Company's diversity and inclusion programme, IMPACT

- **March 19** ICI Pakistan Limited moves to a work-from-home arrangement following COVID-19 outbreak

Q4

April – June 2020

- **April 20** Board of Directors Meeting

- **April 30** Company reconstitutes its multi-disciplinary Sustainability Council

- **May 11** Extraordinary General Meeting

- **June 1** ICI Pakistan Limited and AstraZeneca collaborate to donate 10,000 KN95 masks to Ministry of National Health Services for COVID-19

- **June 5** Employees plant trees at home/neighbourhood to mark World Environment Day as part of Pehchan Volunteer Programme



Top Companies Award 2018

Awards and Achievements

Top 25 Companies Award – PSX

Every year, the Pakistan Stock Exchange (PSX) acknowledges the performance of top companies on the basis of the highest score obtained as per the criteria set by the Exchange. The criteria is based on Capital Efficiency,



CE Asif Jooma receives the PSX Top 25 Companies Awards from Dr. Abdul Hafeez Shaikh, Adviser to the PM on Finance and Revenue.

Profitability, Free-Float of shares, Transparency, Corporate Governance & Investor Relations and Compliance with Listing of Companies & Securities Regulations.

ICI Pakistan Limited was awarded the Top 25 Companies Award for the year 2018 from PSX in an award ceremony held on December 27, 2019.

Best Place to Work Award - PSHRM

In October 2019, ICI Pakistan Limited was honoured with the “Best Place to Work” award in the “Manufacturing & Engineering Industries” category by Pakistan Society of Human Resources Management (PSHRM) and Engage Consulting.



This achievement complemented the “Gallup Great Workplace” award won by the Company in 2018 & 2019. Every year, Gallup nominates and solicits applications for the Gallup Great Workplace award from a select few companies from its extensive global database. A panel of workplace consultants and experts evaluate applicants to select the winners.

ICI Pakistan Limited has been named as one of the Gallup Great Workplaces for two consecutive years in 2019 and 2018. In addition, ICI Pakistan introduced the first ever real-time survey platform in collaboration with Butterfly AI to gauge the mood of the organization and provide a feedback tool to the employees, alongside a means of staying connected during these unprecedented times. Based on our results for the quarter and in comparison with Butterfly AI's benchmark, ICI Pakistan is recognized as 'Engaged'; while our driver scores indicate that we fall in the top 25% of the global company scores.

#BetterNormalAwards

In July 2020, ICI Pakistan took part and won in a category at the #BetterNormalAwards which were organised by Disruptive HR, a UK based HR Consultancy, which aimed to showcase how outdated HR practices were innovated in the current global situation for good.

This achievement was in line with the Company's core value of innovation and displayed how the Company is constantly evolving to stay up to date with current times. The COVID-19 outbreak disrupted the way everything operates, however, ICI Pakistan Limited was quick to adapt and move to an agile workforce showing its commitment to all stakeholders.



Innovation at Work

To be responsive to the challenges of change and to new and existing opportunities, ICI Pakistan Limited is committed to its core value of Innovation. To serve customers better, the Company is constantly driven to come up with better, smarter and simpler solutions.

Technology and innovation are disrupting many industries across the globe and the Businesses of ICI Pakistan Limited are not immune to these disruptions. An ever-increasing competitive business environment makes it critical to discover innovative solutions to existing problems and identify new and unique opportunities. These developments, along with the increasing proportion of millennials in our workforce and their attitudes towards dynamism and innovation, have provided the necessary impetus to promote the core value of Innovation at ICI Pakistan Limited.

In October 2018, the Strategy, Business Development & Innovation (SBD&I) team launched the Explore Challenge, a Company-wide idea generation competition. In line with global best practices, the initiative was aimed at leveraging the external ecosystem to drive a sustainable cultural shift towards innovation.

To say the least, the program has been immensely beneficial for ICI Pakistan Limited. The financial impact realized from the first edition of Explore has been more than PKR 150 million and more impact is yet to materialize! The entire organisation has risen to the Challenge and has now started placing more importance to innovation at workplace.

The competition is not only infusing innovation in the organisation, but it has led to more positivity around the organisation by empowering each employee to bring forward his/her thoughts to the Explore platform and be heard as 'no idea is a bad idea'. Employees have used this opportunity to build on their skills and get a chance to directly present to the senior management. Moreover, it has encouraged cross functional collaboration and helped people create relationships across the organization which ultimately enable us better synergies.

Our latest edition of this competition, Explore Challenge 2020 is ongoing and is turning out to be a great success. Even in the Covid-affected time, employees have found the time, energy and motivation to put their creative hats on and think of ways in which they can take the organisation further with their innovative ideas, as a result we have been able to generate a higher number of ideas than the previous year! The support of the EMT, Innovation Champions and Innovation Catalysts from across the organisation has been key to the success of this initiative to date.

The Polyester and Chemicals & Agri Businesses led the participation with 66 and 41 idea submissions respectively. In the first round of this competition, all teams will be given a chance to pitch their ideas to a panel of judges, comprising of the Senior Management. The panel will then short list 20 ideas for the final stage. The ideas received this year fall in the areas of business and product development, process improvement, plant efficiency and employee engagement.

In the competition's final round, the shortlisted teams will refine their ideas and pitched them to the Executive Management Team (EMT) for selection of the top ten winning ideas. The winning teams were recognised and rewarded with exciting prizes and will commence the implementation phase of their ideas.

In the year 2020-21, the Company plans to launch various other initiatives under the umbrella of Explore to further build on the momentum for continuous improvement. These will be focused on further internalizing the aspect of innovation in our culture so that our employees are always on the lookout for making a positive and innovative contribution towards the success of ICI Pakistan Limited.





EXPLORE
Challenge
2020

The only limit is your imagination

Driving Business Growth Through Technology

To become more agile, maintain its leadership position and remain adaptable, the Company embraces technology. This has given it a competitive edge during the pandemic by enabling connectivity and unhindered operations.

Realising the rising significance of IT Governance in overall Corporate Governance, ICI Pakistan Limited's Information Technology Department undertook major steps towards establishment of Information Security Management System (ISMS) during the year under review. Major milestone in this perspective have been achieved by compliance of ISO27001:2013.

- Detailed risk treatment plan against risks and threat to digital assets.
- Continual improvement of IT assets' security and strengthening of associated controls.
 - Securing Company data through IT Security initiative
 - Office 365 Multi-factor Authentication (MFA)
 - Secured communication for business Applications
 - Data retention policies
 - Improving user awareness on IT Security and threat detection.
 - Active Monitoring for Roles and Authorizations.
- Implementation of cloud based data governance.
- Transforming the IT function to proactively work on innovative solutions with the businesses and sharing ideas with them.
- Aligning with business stakeholders to prioritize technology investments that are aligned with the organisational goals and objectives. Such initiatives not only ensure efficient use of Information Technology resources but also aid in achieving overall Company's operational and strategic objectives while increasing shareholder value.

Expanding SAP

During the year under review, the IT team rolled out SAP for ICI Pakistan's Pharmaceuticals plant in Hattar, previously known as Cirin Pharmaceuticals (Pvt). Limited, which has helped the Business in further synergizing processes and controls. A state-of-the-art S4 Hana implementation is also underway for the joint venture of NutriCo Morinaga (Pvt). Limited.

Expense Claim Management System

ICI Pakistan Limited took digitalisation as a strategic objective in year 2019-20. In collaboration with the Human Resources function, the team launched the Digital Expense Claim Management System (ECMS). Along with the regular benefits of automation, including digital archiving and on-the-fly reporting, the development of the ECMS was focused to streamline the underlying processes, efficiency enhancement and the introduction of centralised entitlements and reporting tools.

File Servers on Cloud

With the promise to continuously upgrade and strengthen the Company's IT systems, the team migrated legacy Fileservers data to cloud based cutting-edge platform. This was one of a kind migration in Pakistan due to its complexity and uniqueness for all businesses and locations.

Application Migration to Cloud

In line with ICI Pakistan Limited's commitment to innovation, business applications with varying resource needs have migrated to cloud to minimise the cost of hardware and maintenance.

Employee Portal

Single Mobile Application based access to all business applications has been launched by IT for mobile based users as well during last year.

area during the year under review, where over 200 employees have been trained to develop analytics and analyse the data available with best of class analytical and business warehouse solutions from SAP and Microsoft.

Analytics

Transforming the Analytics at ICI Pakistan Limited and developing champions of data analytics has been a key focus



Governance & Compliance

Possibilities to Lead

It is our passion to lead by example. In the changing, expanding world of ICI Pakistan Limited, our core values and commitment to governance and compliance frameworks, remain a constant. They form the foundation of all our efforts making us lead by example while ensuring that we adhere to the highest standards of ethical and responsible behaviour.

This section includes the Board of Directors report Governance and Compliance updates as well as details of Risk Management and HR policies.



Corporate Governance and Compliance

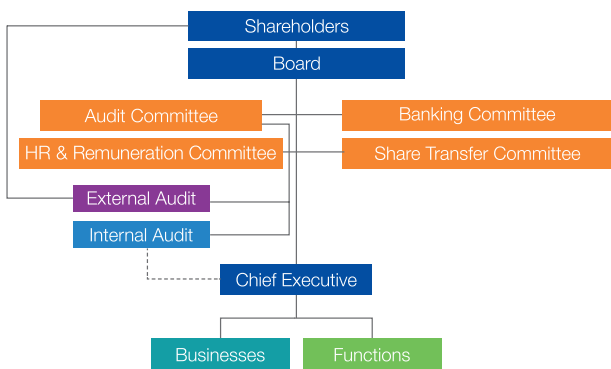
At ICI Pakistan Limited, good corporate governance is one of the most fundamental cornerstones of operations. The Company has a long history of adherence to high standards of ethical practice, and it continues to uphold these standards going forward.

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

Corporate Governance Statement

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

Corporate Governance Structure of ICI Pakistan Limited



Major External Regulations

- Companies Act, 2017 and other allied laws
- Rule Book of the Pakistan Stock Exchange
- Listed Companies (Code of Corporate Governance) Regulations 2019
- Securities Act, 2015
- CDC Regulations
- Other SECP Regulations, Circulars, Notifications and Guidelines
- Income Tax Ordinance 2001

Major Internal Regulations

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

Code of Conduct

ICI Pakistan Limited continues to hold in high esteem the best practices of corporate governance and believes in widely propagating its values and ethics for strict adherence by all employees, contractors, suppliers and others while doing business for the Company. The Company’s commitment to encouraging ethical and responsible practices is demonstrated by the fact that ICI Pakistan Limited had a comprehensive Code of Conduct in place well before the introduction of the Stock Exchange requirement. In order to apprise employees of the Code of Conduct, the Company organises training sessions and induction programmes on a regular basis to ensure compliance at all levels. Furthermore, upon joining the Company, all employees are required to read and understand the Code of Conduct, and sign a declaration of compliance with it. As a refresher on the Code, renewal of the declaration is also carried out electronically on a regular basis.

Compliance with the Best Practices of Code of Corporate Governance:

The Company adheres to the best practices of governance. The Statement of Compliance with the Code of Corporate Governance by the Chairman Board and Chief Executive along with Auditor’s review report thereon also form part of the Report and are available therein.

Roles and Responsibilities of the Board of Directors:

The Board of Directors is responsible for corporate governance and is committed to creating enduring value for all stakeholders of the Company. The Board performs its functions in conformity with applicable statutes including the Companies Act, 2017. Some of the key functions of the Board include approval of Company’s vision and mission, yearly budgets, strategies, policies of the Company, financial statements, appointment of key management positions, sanction of major capital expenditures and investments, periodic review of the risks facing the business, periodic review of the Company’s operational performance. The Board is also assisted by a number of sub-committees composed mainly of independent/non-executive Directors.

Matters Delegated to the Management:

The Company’s Management is responsible for implementation of the goals, strategies and policies laid down by the Board. In order to facilitate the smooth execution of the day-to-day

affairs of the Company, the Board entrusts the Chief Executive (CE) with necessary powers and responsibilities in this regard. The CE is in turn assisted by an Executive Management Team comprising of the Chief Financial Officer, Company Secretary and the other Heads of Businesses and functions. The Management is also responsible to keep the Board informed of all relevant matters including key risks and changes in the operating environment and to seek approvals as appropriate.

Board Composition

The present Board of ICI Pakistan Limited comprises a well-balanced mix of executives, non-executive and independent Directors. The Company has eight Directors: two executive Directors, four non-executive Directors including one female Director and two independent Directors. The Chairman of the Board is a non-executive Director.

In compliance with best practice of corporate governance, the positions of Chairman Board and Chief Executive are held by separate incumbents. The detailed profiles of Directors including the Chairman and Chief Executive are available in this Report.

At ICI Pakistan Limited, the Audit committee and an HR & Remuneration Committee of the Board were established well before the introduction of the Code of Corporate Governance; these committees are composed mainly of non-executive Directors, including the Chairman. In compliance with the regulatory requirements, both the committees are chaired by independent Directors. The terms of reference of these committees are available on page 76 of this Report.

Director's Orientation

In line with the requirements mentioned in the Listed Companies (Code of Corporate Governance) Regulation, 2019 (COCG Regulations) following the elections of the Directors during the year, the Chairman Board issued letters to all the Directors setting out their roles and responsibilities as defined under the applicable statutes, and the Articles of Association of the Company. Among other details, the letter also contains the disclosure requirements, term of office, details of remuneration.

Moreover, detailed orientation is conducted upon induction of each new Board member to acquaint them with Company's Vision, Mission, Core Values, strategy, financial projections, policies and other necessary details. The Company arranged an orientation for Syed Muhammad Shabbar Zaidi on July 6, 2020 after his election as an Independent Director.

Directors' Training Program (DTP):

The majority of the Board members have the prescribed qualification and experience required for exemption from

training programs of Directors pursuant to section 19 of Listed Companies (Code of Corporate Governance) Regulations 2019 (COCG Regulations). All the Directors are fully conversant with their duties and responsibilities as Directors.

Two (2) senior female executives attended the Directors training program of Pakistan Institute of Corporate Governance (PICG) as required under section 19 of COCG Regulations.

Director's Remuneration Policy:

As required by the Articles of Association, the Board of Directors have approved a formal policy for determining the Non Executive's and Independent Director's remuneration for attending Board and sub committee meetings.

The Policy states that the level of remuneration shall be appropriate and commensurate with the level of responsibility and expertise required of the Board members. The Policy intends to attract and retain appropriate professionals needed to successfully add value to the Company. In line with Policy, the remuneration shall not be at a level that it could be perceived to compromise the independence of the relevant Directors.

The Company also provides indemnity coverage to its non-executive and independent Directors to the extent provided in the Companies Act, 2017. A non-executive or an independent Director is entitled to claim reasonable travelling, hoteling and other ancillary expenses incurred on account of attending the meetings of Board/ sub committees/ general body meeting and/ or business of the Company.

No remuneration is paid to any executive or non-executive Director who is on the Board of other Subsidiaries/ Associates of ICI Pakistan Limited for attending Board meetings of these Companies. No extra services were taken from any non-executive Director and no fee paid for the extra services.

For details of remuneration paid to the CEO and Non-Executive Directors during the year, please refer note no. 38 of the un-consolidated financial statements.

Board Performance Evaluation:

In line with regulatory requirements, the Board undertakes a formal process of performance evaluation along with the evaluation of executive Directors, independent Directors and sub committees on an annual basis. In line with the best global practices and local regulatory requirements, the performance of the Board is evaluated against the following broad parameters:

- a. Structure of the Board
- b. Integrity, credibility, trustworthiness in decision making
- c. Clarity in setting the Board's own performance targets.

- d. Preparedness for the Board meetings.
- e. Agility and effectiveness of the Board.
- f. Quality of contribution by the Members.
- g. Timely communication of information to the Board by Management.

The overall performance of the Board measured on the basis of above broad parameters remained satisfactory.

The process for this evaluation entails evaluation proformas being circulated to the members of the Board; each member is required to return the duly filled proforma, including comments, to the Company Secretary, who is required to maintain confidentiality. Differences of opinion and areas requiring improvement are duly identified for resolution. The results are compiled and, subsequently, shared in the subsequent Board meeting with the intent to frame strategies for addressing the highlighted areas, and bringing about improvement in the Board's performance.

Security Clearance of Foreign Directors:

The Company does not have any foreign Director on the Board.

Board meetings Held Abroad:

No meeting of the Board was held abroad during the year.

Companies Where Executive Directors are Serving as Non-Executive Directors:

The Company has two executive Directors, Mr. Asif Jooma (CEO) and Mr. Muhammad Abid Ganatra. The details of their directorships on the Board of other companies is mentioned in their respective profiles in this Report.

Role of External Search Agency in the Appointment of the Chairman or Non-Executive Director:

The Directors were elected unopposed in the Extraordinary General Meeting (EOGM) held on May 11, 2020. The justification with regard to independent Directors has stated in statement under section 166(3) of the Companies Act, 2017 accompanying the notice of EOGM. No search or consultancy firm was involved.

Material Interests of Board Members

Directors are required to disclose, at the time of appointment and on an annual basis, the directorships or memberships they hold in other corporate bodies. This is in pursuance with section 205 of the Companies Act, 2017, which also requires Directors to disclose all material interests. We use this information to maintain an updated list of related parties. In case any conflict of interest

arises, the matter is referred to the Board's Audit Committee and then to the Board.

Offices of the Chairman and CE

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

Brief Roles and Responsibilities of Chairman and Chief Executive

The primary role of the Chairman is to ensure that the Board of Directors remains effective in its tasks of setting and implementing the Company's direction and strategy. The Chairman is responsible for assessing and making recommendations regarding the effectiveness of the Board, the committees and individual Directors in fulfilling their responsibilities, including avoidance of conflicts of interest. The Chairman represents the non-executive Directors of the Board and is entrusted with the overall supervision and direction of the Board's proceedings, and has the power to set the agenda, give directions and sign the minutes of the Board meetings.

The Chief Executive is the senior most full-time executive of the Company to whom all Business and Functional Heads report. He is responsible for presentation of the Company's aims and policies to the Government and all stakeholders.

The Chief Executive is responsible for the performance of the Company, in accordance with the business strategy as adopted by the Board. The Chief Executive reports to the Board of Directors.

The responsibilities of the Chief Executive include:

- Formulating and implementing Company policy following Board approval.
- Directing strategy towards the profitable growth and operation of the Company.
- Developing strategic operating plans that reflect the long term objectives and priorities established by the Board
- Maintaining an ongoing dialogue with the Chairman of the Board to keep him fully informed of all significant developments.
- Putting in place adequate operational planning and financial control systems.
- Ensuring that the operating objectives and required standards of performance are understood by all Company employees.
- Monitoring of operating and financial results against budget
- Taking remedial action where necessary and informing the Board of significant changes.

- Ensuring that the Company remains in compliance with all applicable laws.
- Building and maintaining an effective executive team and appropriate succession plans.

Evaluation of the Chief Executive's Performance

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

Chairman's Significant Commitments:

Mr. Sohail Tabba was appointed as a non-executive Director on the Board of ICI Pakistan Limited on December 28, 2012 and appointed as the Chairman of the Board of Directors of ICI Pakistan Limited on April 29, 2014. Mr. Sohail Tabba is the CEO of Lucky Energy (Pvt.) Ltd, Gadoon Textile Mills Ltd, Lucky Knits Private Limited, Yunus Wind Power Ltd, Lucky Landmark (Private) Ltd, Asrit Kedam Hydro Power Project Ltd, Lucky One (Private) Ltd.

The details of his other engagements as Director, Trustee are given in his profile. He does not have any significant commitment other than the one mentioned in his profile.

Conflict of Interest:

As soon the Directors are elected, a formal disclosure of interest is obtained as required under the Companies Act, 2017. The disclosures are then updated on quarterly basis. The letter issued by the Chairman Board to all Directors following the elections also contains the details of the disclosure requirements of the vested interests and conflict of interests.

Under the approved Related Party Transactions Policy of the Company, the Directors are required to disclose the relationships falling under Related Party as soon as these are established. The Board also evaluates the element of conflict of interest while approving any Related Party transaction. The Board Members do not take part in the discussion, whenever, any situation of actual or perceived conflict of interest arises and the fact is clearly documented in the minutes of the meeting.

As required under section 208(1) of the Companies Act, 2017 approval from the Shareholders to enter into Related Party Transactions in the ordinary course of business on an arm's length basis is sought on an annual basis.

Insider Trading

The Company has a policy on insider trading and securities transactions. Closed periods are announced by the Company prior to the announcement of financial results during which "Executives" (as defined by the Board to be an employee drawing a basic salary of PKR 2.4 million or more annually) and some finance & connected staff are barred from dealing in the Company's shares. They can deal in the Company's shares only outside the closed periods. Any transaction carried out by an Executive in the shares of the Company has to be reported to the Company Secretary within two days of execution of the transaction with relevant details of purchase/sale of shares.

Competition Law

As embodied in the Code of Conduct, ICI Pakistan Limited supports the principles of free enterprise and fair competition. The Company competes vigorously but fairly with its competitors within the framework of applicable laws - all to provide better and increasingly useful products and more efficient services to our customers.

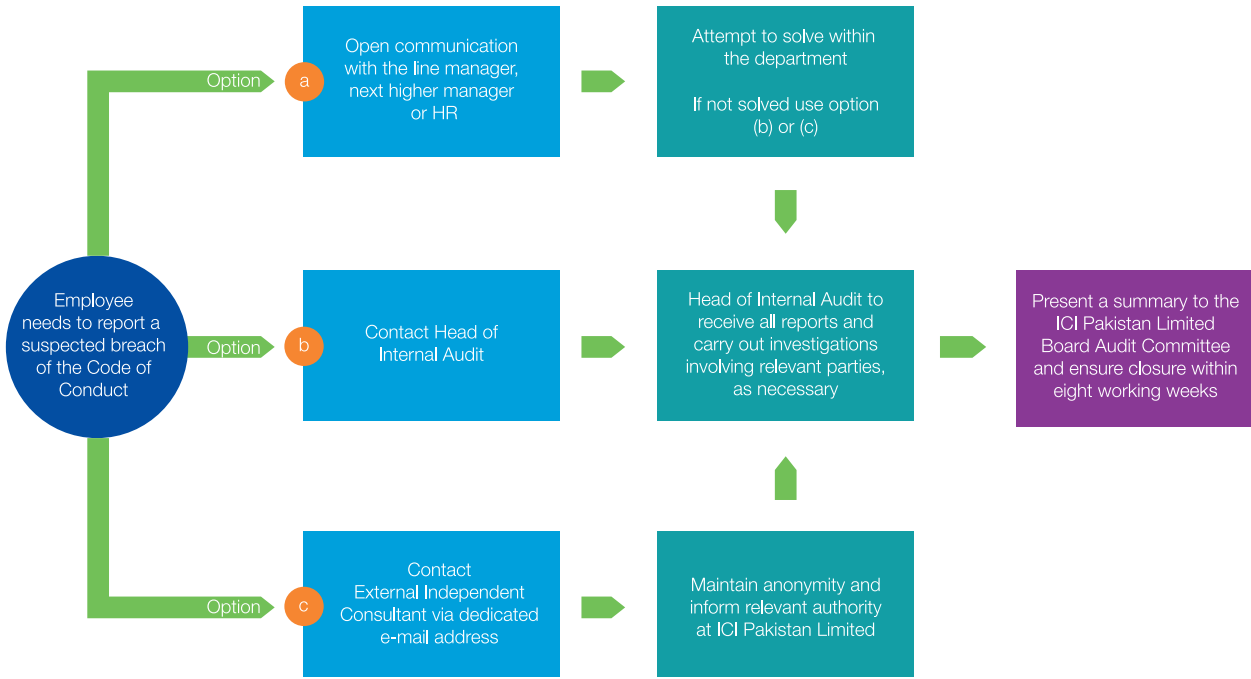
The Company had conducted a comprehensive Competition Law Training through a renowned law firm for relevant employees in 2019-2020. We continue ensuring compliance with competition laws. Additionally, all employees are apprised of relevant competition laws in the Code of Conduct, for which each employee signs a declaration of compliance upon joining the Company and on a regular basis thereafter.

Governance Practices Exceeding Legal Requirements:

ICI Pakistan Limited is dedicated to creating long term, sustainable value based on strong principles of governance and accountability. The Company has voluntarily adopted and implemented the following best governance practices in addition to compliance with the regulatory requirements.

1. Voluntary adoption of best reporting practices as prescribed by ICAP/ICMAP/ SAFA with a view to making the Company's financials more transparent.
2. Adoption of Global Reporting Initiatives (GRI) Standards.
3. Implementation of robust Health, Safety and Environment Policy for employees, contractors, customers and neighbours.
4. Supporting and partnering with Communities to improve lives as part of Company's Corporate Social Responsibility.
5. Adoption of Framework for UN Global Compact "Ten Principles".
6. Adoption of International Integrated Reporting Council

A Depiction of the Whistleblowing Process



Speak Up Reports During the Year

Number of Speak Ups reported to Audit Committee during the year ended June 30, 2020	9
Number of Speak up investigations Completed and Cases closed	4

(IIRC) Integrated Reporting Framework.

7. Voluntary adoption of Sustainability Reporting.

United Nations Global Compact (UNGC)

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

Related Party Transactions

A complete and updated list of related parties has been maintained. All transactions with related parties are carried out on an unbiased, arm’s length basis as per Policy approved by the Board of Directors. A complete list of all Related Party Transactions is compiled and submitted to the Board Audit committee every quarter. The Internal Audit Function verifies that all Related Party Transactions are conducted on an arm’s length basis and releases a quarterly report to that effect to the Board Audit Committee. After review by the Board Audit Committee the transactions are placed before the Board for their consideration and approval. All transactions with related parties where majority of Directors of ICI Pakistan Limited are interested, are referred to the shareholders in a general meeting for ratification/approval. An approval in advance on an annual basis is also taken from the shareholders.

Internal Control

ICI Pakistan Limited has a sound system of internal control and risk management. The Board assumes the overall responsibility of

overseeing the internal control processes. The Risk Management and internal control processes are designed to safeguard the Company’s assets and to appropriately address and/or mitigate emerging risks being faced by the Company. The Company maintains a clear organisational structure with a well-defined chain of authority. Senior management is responsible for implementing procedures, monitoring risk and assessing the effectiveness of various controls. Comprehensive details regarding the Risk Management System are separately disclosed in the financial statements of the Company.

Speak Up (Whistleblowing Policy)

To ensure highest levels of transparency and an environment to promote integrity & responsibility, employees have access to a robust whistle blowing programme called “Speak Up” which is overseen by the Board Audit Committee.

Through the Speak Up programme, any employee can confidentially report any suspected unethical dealings, any suspected fraud, bribery, any case of conflict of interest, discrimination, harassment or any other breaches of the Code of Conduct by any of the Company’s employee(s), via telephone or e-mail to the relevant HR manager or Head of Internal Audit.

In addition, to further enhance anonymity, an independent third party (a renowned firm of Chartered Accountants) has also been engaged, which can be approached (either via email or post) for filing a complaint. This greatly encourages employees to report with confidence without fear of any suppression/ repercussion.

All complaints are thoroughly investigated within a timeline of 8 weeks from the date of speak up and the results of the

investigation are communicated to the complainant (if the contact is available) following which appropriate remedial action is taken by the senior management of the Company and endorsed by the Board Audit Committee. In case a speak up cannot be completed, such fact is communicated to the whistleblower with reasons.

The policy also addresses any abuse of the procedure, including but not limited to the reporting of suspected breaches of the Code of Conduct maliciously or for the purposes of benefiting the reporting employee's own interest, and it prescribes disciplinary action against such employee.

Internal and External Audit

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

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

Diversity and Inclusion

- Embedding diversity and inclusion into an organisation through a systematic approach to ensure inclusive environment free from discrimination
- Pre-defined gender diversity targets across the businesses to ensure a strong percentage of females into an organization
- Developing policies and learning modules to raise awareness and embed the D&I framework
- Conducting Women Development Programme to provide internship opportunities in technical and commercial streams to female students belong to tier 2 universities of Pakistan
- Sponsoring education of 4 deserving female students while

partnering with Pakistan's top universities including (IBA, LUMS, GIKI and NUST)

- Ensuring a diverse selection panel for hiring and supporting participation in development and mentoring opportunities
- Continue to educate our employees on what diversity means in a broader sense.
- Establishing employee resource groups (impact circles) across the organization to continue to have conversations around D&I and create awareness around unconscious biases.
- Emphasising the importance of inclusive diversity efforts by utilizing a wide range of communication strategies and tools that demonstrate their support for these initiatives.
- Building a diverse talent pipeline; pursue a comprehensive strategy to build and maintain a high-performing workforce drawn from all businesses of ICI Pakistan.

Governance and Implications of D&I Targets

The Company's diversity and inclusion framework is aimed at increasing the awareness and understanding of diversity & inclusion within the workplace through various mediums, while increasing the gender representation in commercial and technical streams at the same time. Our leadership team is committed towards this objective by cascading the D&I goals and targets in performance plans of the key business stakeholders whilst keeping the business human resources in loop.

The D&I Objectives are assessed and executed by taking the following measures:

- Monitoring targets through D&I dash board and ensuring that the gender diversity targets are met by the businesses
- Identifying roles and hiring female workers at plant
- Conducting monthly D&I committee meetings
- Ensuring the equal representation of females while conducting the succession planning activity
- Assessing organisation's demographics and diverse profiles; identifying the positions to develop a plan to advance and onboard the next generation of diverse talent.

While having a gender diversity ratio of 6% across the Company, ICI Pakistan Limited is committed to increase this ratio to 10 % by the end of 2022 to create equity, and ensuring that our D&I Objectives have a meaningful impact on our Company's growth and environment as well as the society as a whole.

Ownership & Control Structure

Complete disclosure of ICI Pakistan Limited's shareholding structure is given in the pattern of Shareholding, pursuant to the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The share capital is comprised of ordinary shares. No other class of shares is issued by the Company. During the year 50,798,000 ordinary shares (constituting approximately 55% of the share capital) of ICI Pakistan Limited held by its substantial shareholder Lucky

Cement Holdings (Private) Limited were transferred to the CDC investor account of Lucky Cement Limited by operation of law and consequently vested in Lucky Cement Limited.

The said transfer/vesting has taken place pursuant to the merger/amalgamation of Lucky Cement Limited and its wholly owned subsidiary Lucky Cement Holdings (Private) Limited under section 284 of the Companies Act, 2017. There is no change in the ultimate beneficial ownership of the said shares; instead Lucky Cement Limited has become the direct substantial shareholder of ICI Pakistan Limited. The details of shareholding are disclosed in the pattern of shareholding in this Report.

Shares Held by Sponsor Directors/ Executive:

The details are available under disclosure of pattern of Shareholding on page no F67 of this Report.

Adequacy of Capital Structure:

The equity comprised of share capital amounting to PKR 923,590, 500 representing 92,359,050 ordinary shares of PKR 10/- each. Lucky Cement Limited is the major shareholder of the Company with an equity stake of 55%. Overall, the YBG Group Companies hold 84.93% equity stake in the overall capital.

The Company primarily manages its long- term investment requirements and working capital funding mainly through its own cash generation and partly through financing facilities from various banks. Company has significant amounts of unutilized banking facilities due to strong cash generating ability through its diversified and strong businesses which are core to the Country's requirements.

The strong EBITDA generation capacity of the Company along with prudent liquidity management is also reflected in the Company's current and quick ratios which were 1.27 and 0.49 as at June 30, 2020. The Company believes that it is maintaining an optimal capital structure.

Details of Taxes, Duties, Levies:

Details of contingency related to taxes, duties are available in note no. 47.1 of the financial statement.

Investor Grievance Policy:

To address the shareholder and investor complaints, and also in line with the regulatory requirements, the Company has provided a dedicated section for investor complaint on its

corporate website. The sections contains the contact details of the concerned manager and also a dedicated email address (investor.relations@ici.com.pk) has also been provided on the website. Besides that the fax number and the postal details have also been provided.

The Company Secretariat department regularly monitors complaints and strives to resolve these within a period of seven (7) working days. Investors can also lodge their complaints directly to the Share Registrar of the Company. For contact details of Share Registrar please refer page no 77 of this Report.

The grievances requiring attention of the senior management/ Board of Directors are escalated to the relevant forum with full details of the case.

Investor Relations Section on ICI Pakistan Website:

ICI Pakistan Limited is committed to maintain strong and transparent relations with all stakeholders including the investors and shareholders. Accordingly, the Board has also approved the Investor Relations Policy to provide mechanism to manage investor relations. In an effort to harvest the relationship with the investors and shareholders and to provide them the accurate, transparent and timely information, the Company has provided a dedicated section on its website (<http://www.ici.com.pk>). To facilitate the stakeholders and in compliance with the regulatory requirements, the website is being maintained in English and Urdu.

The website is regularly updated to ensure that the Company meets its regulatory requirements and provides all information relevant to all stakeholders including customers.

Annual General Meeting (AGM)

The Company holds its Annual General Meeting (AGM) of the shareholders in light of the Companies Act, 2017, Rule Book of Pakistan Stock Exchange (PSX), Listed Companies (Code of Corporate Governance Regulations), 2019 and 2017 (repealed) and its Articles of Association.

Presence of Chairman at the Annual General Meeting:

The Company's Annual General Meeting (AGM) was held on September 21, 2019 which was attended by the Chairman Board along with the other Board members including CEO and other senior Management.

Issues Raised in Last Annual General Meeting

As mentioned above, Annual General Meeting (AGM) of the Company was held on September 21, 2019. Queries regarding the operational and financial performance including the future profitability were raised by the shareholders and answered to the satisfaction of the shareholders. The Company will implement the shareholder's suggestions made in the AGM of providing the details of Auditors fee on an annual basis.

Stakeholders Engagement Process:

Company believes in providing fair and timely information to its stakeholders. The Company regularly interacts with the shareholders through Stock Exchange announcements, press releases, corporate briefings, notices to shareholders and its website. The Company's financial and other information is also available in the Annual Report and also on the Company's corporate website (<http://ici.com.pk>).

A dedicated email ID has been provided on the corporate website (ccpa.pakistan@ici.com.pk) to encourage all stakeholders to share their queries and feedback. Further the Company also maintains a dedicated section on the corporate website for investor relations to facilitate shareholder queries.

The Company also conducts regular analyst briefing sessions. During the year, the Company arranged a corporate briefing session at Pakistan Stock Exchange on August 28, 2019 which was attended by shareholders, analysts and PSX representatives.

Customer centricity is a core value for the Company and the Businesses remain engaged with their customers through various modes throughout the year. The Pharmaceuticals business engages with its customers strictly in line with regulatory policies. All other businesses use multiple customer engagement channels including regular customer meetings, customer visits, technical advice, participation in trade fairs and organise distributor/ customer conferences to further strengthen business relationships.

ICI Pakistan Limited engages with the Community in the areas around which it operates through its CSR programme. The broad areas of CSR work include healthcare, education, vocational training and women's empowerment. Further details of Company's CSR work are available in this Report.

The Company maintains regular, effective and open communication with its employees through a bi-annual CEO Review, in-house newsletters, surveys, employee portals, regular town halls and other events.

Steps Taken by the Management to Encourage Minority Shareholders:

The Company encourages all shareholders including minority shareholders to attend the Annual General Meeting (AGM). The Company complies with all the regulatory requirements to facilitate the shareholders to attend the AGM.

Notice is sent to all shareholders within the regulatory timeframe. Upon request, the notices are also sent to the Shareholders electronically. Besides that the notice is published on Pakistan Stock Exchange Portal and also printed in English and Urdu Newspaper having nationwide circulation. The notices are also placed on Company's corporate website as soon as the same are announced.

Dividend Policy:

The Company declares dividend in line with its policy as approved by the Board.

Policy for Safety Records of the Company:

In compliance with the regulatory requirements, the Company maintains relevant records both in physical and electronic form.

In addition to that, IT Disaster Recovery Plan has also been prepared and implemented by the Company to ensure smooth functioning of the business in case of any disaster. The Company has provided I.T solutions for retrieving the record in electronic form with no rights of deletion.

Business Continuity Plan/ Disaster Recovery Plan:

The Company has a detailed disaster recovery plan and business continuity plan for each business. The plan outlines the strategies and processes to ensure timely restoration and smooth functioning of the business in case of any catastrophe or calamity. The plan aims to ensure that all critical Business functions continue to operate during a calamity on an interim basis without disruption. The plan and is reviewed by the Board and changes are suggested, if any.

Report of the Board Audit Committee on Compliance with the Regulatory Requirements

Composition of the Board Audit Committee:

The Board of directors constituted the Board Audit Committee which for initial ten (10) months from July 2019 to April 2020 comprised of three (3) directors and subsequently from May 2020 onwards consisted of four directors. Two members of the Committee including the Chairman are independent non-executive directors, whereas the remaining two members are non-executive directors.

Mr. Shabbar Zaidi joined the Committee in May 2020 as Chairman in place of Mr. Khawaja Iqbal Hassan and he fulfills the requirement of being financial literate as prescribed by the Code of Corporate Governance. All the Committee members are qualified professionals with immense experience in the fields of finance, taxation, governance and business management.

The names and profiles of the Audit Committee members are given on Page 77 of this Report.

The Head of Internal Audit serves as the secretary to the Committee and convenes all its meetings. Chief Financial Officer of the Company attends the meeting by invitation and the external auditors attend the meetings on requirement basis, usually where half yearly financials (reviewed by external auditors) and yearly financial statements (audited by external auditors) are considered by the Committee.

Financial Statements

The Committee has concluded its annual review of the Company's performance, financial position, and cash flows during 2020, and reports that:

- The standalone and consolidated financial statements of ICI for the year ended June 30, 2020 have been prepared on a going concern basis under requirements of the Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations.
- These financial statements present a true and fair view of the Company state of affairs, results of operations, profits, cash flows and changes in equities of the Company and its subsidiaries for the year under review.
- The auditors have issued unmodified audit reports in respect of the above financial statements in line with the Auditors (Reporting Obligations) Regulations, 2018 issued by SECP. The Committee had detailed interactions with the external auditors before the start of the audit to get an insight on the approach and scope of external audit and key risk areas. Furthermore, post completion of the external audit, the Committee also got understanding of the significant issues in relation to the financial statements and the treatment by the external auditors and actions of management against those issues.

- Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements.
- The Chairman of the Board, Chief Executive Officer and the Chief Financial Officer have endorsed the standalone and consolidated financial statements of the Company, while the Directors' Report is signed by Chairman and the Chief Executive Officer. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the fourth schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.
- All related party transactions have been reviewed by the Committee prior to approval by the Board.
- The Company has issued a statement of compliance with the Code of Corporate Governance which has also been reviewed and certified by the external auditors of the Company.
- Understanding and compliance with the codes and policies of the Company has been affirmed by the members of the Board, the management and employees of the Company. Equitable treatment of shareholders has also been ensured.

Risk Management and Internal Control

The Board of Directors have established a robust framework of Enterprise Risk Management-ERM with a clearly documented policy and detailed procedures defining therein the roles & responsibilities of the Board, senior management as well as individual managers of the Company. The framework defines a formal and uniform process for risk identification, capturing relevant details, categorization, assessment of likelihood and impact, prioritization based on risk exposure, appropriate assignment of ownership and the pertinent action plan. The ERM process is diligently effected in the organization and is reviewed and monitored annually by the Board Audit Committee for further recommendation to the Board.

The Company has devised and implemented an efficient internal control framework including financial remits, state of the art ERP system with built-in controls and governance framework, significant policies & procedures defining all controls including system controls as well as manual controls (to further strengthen the system

controls) as well as an independent internal audit function. The Internal Audit function is responsible for providing assurance on the effectiveness and adequacy of internal controls and risk management framework in managing risks within acceptable levels throughout the Company.

The Company's approach towards risk management has been detailed in the risk assessment portion of the Directors Report. The types and detail of risks along with mitigation measures are disclosed in relevant section of the Annual Report.

Internal Audit

The Company's system of internal controls is sound in design and is continually evaluated for effectiveness and adequacy through a comprehensive internal audit process.

The Audit Committee has ensured the achievement of operational, compliance, risk management, control objectives, safeguarding of the assets of the Company and shareholders' wealth, through assurances provided by internal audit function.

The Internal Audit function has carried out its assignments in accordance with annual audit plan approved by the Audit Committee during the year. The Committee has reviewed material Internal Audit findings, taken appropriate action where necessary or brought the matters to the Board's attention where required.

Audit Committee has provided a proper means for staff and management to report to Audit Committee in confidence, of concerns, if any, about actual or potential improprieties in financial and other matters like code of conduct breaches. This is ensured by a formal approved Speak up policy. Adequate remedial and mitigating measures are applied, where necessary.

The Head of Internal Audit has direct access to the Chairman of the Audit Committee and the Committee has ensured that the function has necessary access to the management and the right to seek information and explanations. The necessary governance in this regard is formally documented in the shape of Internal Audit Charter which outlines the regulatory requirement relating to independence and all other rights and duties of Internal Audit function. This Charter was approved by the Audit Committee during the year. The performance of the Head of Internal Audit is assessed jointly by the Chairman Audit Committee and the Chief Executive Officer.

Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives including a reliable financial reporting system.

External Auditors

The statutory Auditors of the Company, EY Ford Rhodes, Chartered Accountants, have completed their assignment of the external audit of the Company's Financial Statements, the Consolidated Financial Statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended June 30, 2020 and shall retire on the conclusion of the 69th Annual General Meeting of the Company. The Audit Committee has discussed the audit process and the observations of the auditors regarding the preparation of the

financial statements including compliance with the applicable regulations or any other issues.

The external auditors attended all the audit committee meetings where their reports were discussed. The Audit Committee met the external auditors in the absence of the Chief Financial Officer and the Head Internal Audit as required by the code of Corporate Governance. The Auditors also attended General Meetings of the Company held during the year.

The Committee is satisfied with the performance of the external auditors. The engagement partner on the audit was Mr Arif Nazeer. Being eligible for reappointment, EY Ford Rhodes, Chartered Accountants have offered themselves to be reappointed as external auditors of the Company for the financial year ending June 30, 2021 and the Audit Committee has recommended their reappointment.

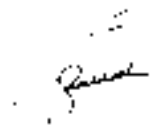
Annual Report 2020

The Annual Report issued by the Company is detailed and in line with the regulatory requirements. It includes the financial statements and the Directors' Reports of the Company as well as other relevant information to offer a comprehensive view of the Company and its operations as well as the policies set in place by the Company, its performance and future prospects.

The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc. and the Audit Committee believes that the Annual Report 2020 gives a detailed view of how the Company's historical trends, current state of affairs and future prospects.

Self-Assessment of the Board Audit Committee

The Audit Committee believes that it has carried out responsibilities to the full, in accordance with the Terms of Reference approved by the Board as further elaborated herein. In order to improve its focus and functioning, the Audit Committee reviewed its Terms of Reference this year and those were updated and approved by the Board. Furthermore, self evaluation of the Board's performance as well as that of the Audit Committee was carried out separately and is included in this Annual Report.



Syed Muhammad Shabbar Zaidi
Chairman Audit Committee

Dated: August 26, 2020
Karachi

Significant Factors Affecting the External Environment

The performance of ICI Pakistan Limited is directly and indirectly impacted by changes in the political, economic, social, regulatory and technological environment. The Company continuously identifies, evaluates and monitors changes in the external environment. ICI Pakistan Limited's well-integrated and holistic strategy seeks to proactively manage the risks and take advantage of any arising opportunities.



Macroeconomic conditions

The global economy witnessed significant volatility and uncertain economic conditions because of COVID-19 pandemic. Economies around the world are buffeted by economic headwinds from multiple quarters: pressure on weak health care systems, loss of trade and tourism, dwindling remittances, subdued capital flows, supply-demand disruptions, and tight financial conditions amid mounting debt.

As for Pakistan, the pandemic severely infected the economy of Pakistan, with negative GDP growth to historic inflation, unemployment rates and significant rupee devaluation. The economic slowdown, constant rupee devaluation and high inflation have impacted the Company with higher inventory levels, increased raw materials and packaging cost and declining revenues.

However, as a result of various initiatives undertaken by the Government to support businesses such as concessional loans, reduction in policy rate, special package for construction industry and "Ehsaas Program", the economic conditions showed improvement in the last months of the financial year under review. These factors, along with increased activities on China Pakistan Economic Corridor (CPEC) should bode well for the economy with increased power availability and infrastructure development projects.



Social and Environmental

While the Government is committed to undertake economic reforms and improve ease of doing business, Pakistan is however faced with serious economic challenges including those created by COVID-19, which are anticipated to maintain an upward pressure on inflation and interest rates, whilst also keeping the rupee under stress.

As a result, it is expected to adversely impact the business and investment climate is expected to be adversely impacted. The slowdown and uncertainty in the economy could result in rising inequality, further weakening of job market and a decrease in the disposable income. However, the measures taken by the Government such as Ehsaas Program, package for smaller traders in the shape of deferment / waiver of utility bills and concessional loan specifically to meet payroll requirements are expected to mitigate these adverse impacts.

Moreover, as Pakistan is amongst the most vulnerable countries to be affected by climate change and water scarcity, the Company's corporate social responsibility programmes will be critical to uplift the socio-economic status of communities.

Significant Changes from Prior Years

During the year, the Company faced a considerable increase in the financing costs due to higher average interest rates, while the devaluation of the Pakistani rupee also adversely affected the cost of production. Moreover, the economic

uncertainty triggered by COVID-19 impacted the revenues in the later part of the year. All these factors adversely affected the overall profitability of the company.



Regulatory

In recent months, the continued depreciation of Pakistani rupee against the US dollar has negatively impacted the financial results of the Company through erosion of margins and increase in the cost of inputs. Moreover, temporary trade suspension with India also impacted the Pharmaceuticals and Chemicals & Agri Sciences Businesses.



Technology

Information Technology has been the backbone of ICI Pakistan during Work from Home scenarios of the COVID-19 pandemic. Digitalization and technology teams ensured that the employees stay connected and have all the necessary tools and support to collaborate with each other during these challenging times.

The Company has continued to embrace technology with the introduction of mobile applications for various business purposes. Recently the company has decided to introduce digital procurement to bring efficiency, transparency and optimization in the sourcing process.

Mobile-based Analytical reports and dashboards have been provided to decision makers and Analytical Champions training program was rolled out across the organization to empower the employees to better utilize the available data and make decisions based on data driven insights.

Risk Management

The ability to effectively identify, evaluate and manage risks is a vital element of success for all parts of the business.

At ICI Pakistan Limited, risk management occurs at the functional, business and corporate level to provide a three-dimensional view of risk. The overall responsibility of overseeing risk management processes, including risk management and controls procedures, lies with the Board of Directors. The Company's risk management processes are designed to protect ICI Pakistan Limited's assets, safeguard shareholders' investment/ interests and address possible risks to the Businesses, including any possible impact on business continuity. The identified risks, which could potentially affect the achievement of strategic, operational, financial and/ or compliance objectives, are promptly reported to the Board and senior management.

As a result, the risks are timely mitigated to ensure efficient business operations.

ICI Pakistan Limited is built on a strong organisational structure with a well-defined chain of authority. The Company's senior management teams are responsible for implementing procedures, monitoring risks and assessing the effectiveness of various controls through internal controls self-assessment exercise.

ICI Pakistan Limited employs a robust Enterprise Risk Management (ERM) framework, which is integrated across the organisation to ensure that all potential risks are





proactively identified and addressed. The ERM framework utilises comprehensive interactive systems and processes, enabling the Company to systematically identify, evaluate and assess risks. The highlighted risks are prioritised according to their impact and likelihood, and remedial actions are devised accordingly.

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

Our ERM framework encompasses the following elements:

- A transparent process providing necessary insight into risks faced by the Company
- A common language utilised for defining & measuring & prioritizing risks and related mitigating actions – this facilitates clear communication and decision-making by ensuring a clear understanding across the board
- Clear accountability and governance structure in relation to risk management

Risk	Source	Type	Likelihood	Impact*
<p>Changing economic conditions, government policies and law and order situation</p> <ul style="list-style-type: none"> Local competition Risk of ad-hoc tariff adjustments on imports impacting local producers, such as ICI Pakistan Limited Large scale, cheap imports at uneconomical prices or dumped imports by major international manufacturers 	External	Strategic	High	High
<p>Exposure to liabilities arising from non-compliance with laws and regulations</p>	Internal	Compliance	Low	High
<p>Inability to attract, engage and retain high potential/promotable talent</p>	Internal	Strategic	Medium	High
<p>Overdependence on single source suppliers and major principals</p>	Internal and External	Operational/ Commercial	Low	Medium

Risk Exposure Rating*	Timeline	Risk Mitigation Plan
High	Medium to Long Term	Continued commitment to customer-centricity, product quality, innovation and supply chain efficiencies, along with a strong market footprint, can help ICI Pakistan Limited appropriately respond to challenges posed by weak economic and demand conditions. The Board and management endeavour to define and implement a clear strategy to overcome these strategic external risks by regularly benchmarking production efficiencies against the competitors to minimise costs. The Board and management continuously seek dialogue with policy makers through various business forums in the overall interest of domestic industries, and are actively vigilant with policies and proceedings of cases filed against anti-dumping. Training is also provided to update the concerned stakeholders about the law and order situation.
Medium	Long Term	ICI Pakistan Limited closely monitors changes in the regulatory environment and adapt to all significant changes in a timely manner. The Company is dedicated to compliance with all legal and regulatory requirements with a special emphasis on conformity to the Code of Conduct. ICI Pakistan Limited operates under a comprehensive Competition Law compliance programme that includes training, monitoring and assessment.
Medium	Long Term	ICI Pakistan Limited's key focus remains on the growth and well-being of intellectual capital. The relaunch of ICI Pakistan Limited's value-driven competency framework (SuccessFactors) provides the roadmap for talent acquisition and development activities, ensuring that the right talent is available for delivery of strategic ambitions. Advancing the well-being and engagement of the workforce is a high priority and the Company considers it a commitment that encompasses employee satisfaction and competitive benefits. The Board and management place great emphasis on attracting, educating, motivating and retaining our workforce, through tools such as the Performance and Development Discussion, organisational health surveys and ensuring robust succession planning in the Company.
Medium	Long Term	The Company continuously engages its principals in a strategic view of the business in Pakistan. ICI Pakistan Limited emphasises the satisfaction of its suppliers and works hard to outperform their expectations. ICI Pakistan Limited safeguards the Company's position through secured contracts and continues to seize opportunities to launch its own range of products/brands to reduce dependency on the principals. The Company explores alternate suppliers and performs concrete and thorough research on their product ranges to meet any contingencies, if required.

Risk	Source	Type	Likelihood	Impact*
Product Quality	Internal	Operational/ Commercial	Low	High
Commodity Risk	External	Operational/ Commercial	Low	Low
Failure to keep pace with technological advancements	Internal	Strategic	Low	Low
HSE&S compliance risk	Internal	Health & Safety	Low	Low
Fluctuation in exchange rates Continued depreciation of the Pakistani rupee against the US dollar has a negative impact on the financial results of the Company's Businesses through erosion of margins, particularly in the Life Sciences Business, where prices of pharmaceutical products are capped by the Ministry of Health.	External	Financial	Medium	Low
Interest rate risk An increase in interest rates will result in higher borrowing costs and impact the Company's profitability.	External	Financial	Low	Low

Risk Exposure Rating*	Timeline	Risk Mitigation Plan
Medium	Long Term	ICI Pakistan Limited maintains a continued focus on quality control at both the principal and business level (e.g. storage/transportation at correct temperatures, etc.). The Company also ensures detailed information is available on packaging and training needs of the staff are regularly monitored for reporting of adverse events. The Company also has defined standard operating procedures for crisis management and media handling. Moreover, ICI Pakistan Limited's customer complaint management system aids in conducting a timely review of the customer feedback. The Company further conducts gap analysis to improve our testing methodologies so as to comply with our core value of Customer Centricity.
Low	Short Term	The business plan is reviewed on an ongoing basis and in case of any changes in the market dynamics, the issues/scenarios are highlighted to the principal in advance to negotiate quantities and the prices.
Low	Long Term	ICI Pakistan Limited's management highly values data security, automation of operations and technological advancement in the relevant industries. The Company has invested in a robust management reporting system, research and development, and lab infrastructure to improve in-house capabilities. ICI Pakistan Limited maintains close ties with customers and consults them to remain updated on the changes taking place in the industry. The Company's Business Development team regularly issues a news bulletin based on new developments in the local and global industry.
Low	Long Term	For ICI Pakistan Limited, compliance with HSE&S standards is the license to operate. The Company continues to focus on energy conservation, waste and operational efficiencies and eco-efficiency footprint reduction. A detailed report on HSE&S performance and development is available in the report.
Medium	Medium to Long Term	ICI Pakistan Limited's centralised treasury function closely monitors and manages the exposure to foreign currency risk and uses various available mechanisms, such as locking forward contracts, minimising the foreign currency credit and resorting to natural hedging, wherever possible. Further mitigation is done through the introduction of generic brands, assessing the economic situation frequently for informed decision-making and continuous engagement with external parties to assess their viewpoint.
Low	Short Term	The Company continuously monitors and negotiates viable deals to minimise the interest rate risk. Wherever possible, the residual risk is passed on as part of the product pricing. Further, the Company tries to remain at a lower level of gearing to minimise the impact of financing costs. With its strong ability to generate cash flows, the Company tries to pay off its debts to minimise the impact of an increase in interest rates.

Risk	Source	Type	Likelihood	Impact*
Failure to keep pace with technological advancements	Internal	Strategic	Low	Low
Credit Risk The risk of default in payments by credit customers in the current challenging economic conditions, leading to adverse financial impact on the Company.	External	Financial	Low	Low
Liquidity Risk The risk of Company being unable to fulfil its financial obligations due to non-availability of sufficient funds	Internal	Financial	Low	Low

*Risk exposure rating is based on likelihood & impact of risk.

Risk Exposure Rating*	Timeline	
Low	Long Term	ICI Pakistan Limited's management highly values data security, automation of operations and technological advancement in the relevant industries. The Company has invested in a robust management reporting system, research and development, and lab infrastructure to improve in-house capabilities. ICI Pakistan Limited maintains close ties with customers and consults them to remain updated on the changes taking place in the industry. The Company's Business Development team regularly issues a news bulletin based on new developments in the local and global industry.
Low	Medium to Long Term	The Company's counter party risk is sufficiently diversified with established limits for key customers. Credit reviews are regularly conducted to align the exposure in line with the changing conditions, while remaining within the bounds of overall risk appetite of the Company.
Low	Short Term	The Company ensures optimum utilisation of cash generated by operations and has sufficient financial lines with various institutions to meet any funding requirements.

Board and Management Committees

Committees of the Board

Audit Committee with brief terms of reference

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

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

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

While carrying out the duties, the Audit Committee has the authority to discuss directly with the management, internal auditors or external auditors any issue within its remit. The Committee may obtain outside legal or professional advice on the matter, if necessary. The Board of Directors constituted the Board Audit Committee which for the initial ten (10) months from July 2019 to April 2020 comprised of three (3) Directors and subsequently from May 2020 onwards consisted of four Directors. Two members of the Committee including the Chairman are independent non-executive Directors, whereas the remaining two members are non-executive directors. The Head of Internal Audit acts as the Secretary to the Committee. The Chief Executive, Chief Financial Officer and representatives of internal auditors attend Audit Committee meetings only by invitation.

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

Human Resource and Remuneration Committee

The Human Resource and Remuneration Committee is a sub-committee of the Board and is responsible for reviewing and recommending the selection, evaluation and compensation of the Chief Executive, the Executive Management Team (including the CFO and Company Secretary) and the Head of Internal Audit. Additionally, it also reviews and recommends HR management policies and the succession planning process for the position of the Chief Executive and his direct reports.

The Committee also takes into consideration the recommendations of the Chief Executive on such matters as remuneration and performance of key management positions and in particular managers who report directly to the Chief Executive, and recommends the same for Board approval.

The Committee comprises five members; three Non-Executive Directors, one Executive Director and an Independent Director who is also the Chairman of the Committee. The General Manager Human Resource & Administration acts as the Secretary to the Committee. The Committee meets at least once a year.

Banking Committee

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

Shares Transfer Committee

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

Management Committees

Executive Management Committee

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

HSE&S Management Committee

The Health, Safety Environment and Security Committee monitors Companywide HSE&S practices. It oversees the health, safety, environment and security functions of the Company and is also responsible for ensuring that all of the Company's operations remain environmentally conscious and compliant with the prevalent regulatory framework. The Committee is chaired by the Chief Executive.

Succession Planning Forum

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

- Commercial capability group
- Technical Capability group
- HR and Legal Capability group
- Finance and IT capability Group

Company Information

Board of Directors

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

Audit Committee

Syed M. Shabbar Zaidi	Chairman
Khawaja Iqbal Hassan	Member
Muhammad Ali Tabba	Member
Jawed Yunus Tabba	Member

HR & Remuneration Committee

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

Chief Financial Officer

Muhammad Abid Ganatra

Company Secretary

Nausheen Ahmad

Head of Internal Audit

Muhammad Ali Mirza

Executive Management Team

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

Board of Directors



Muhammad Sohail Tabba
Chairman

Mr. Muhammad Sohail Tabba - Pakistan's business mogul and philanthropist, owes his prosperity to a conglomerate of businesses and export houses bearing the YBG brand name. His proficient leadership in diverse sectors – manufacturing, cement, energy, entertainment, real estate and philanthropy - spanning over almost three decades - has earned laurels and accolades for his group and country.

Mr. Muhammad Sohail Tabba - the CEO of Gadoon Textile Mills Limited, Lucky Knits (Private) Limited and Director of Yunus Textile Mills Limited, Lucky Textile Mills Limited - is spearheading Pakistan's leading group-YBG- in the arenas of textiles globally. Gadoon Textile Mills Limited, Lucky Knits (Private) Limited Yunus Textile Mills Limited and Lucky Textile Mills Limited are Pakistan's leading vertically integrated manufacturing houses providing employment opportunities to over 15,000 people.

He was appointed as a Non-Executive Director on Board of ICI Pakistan Limited in 2012 and since 2014, with his laudable leadership, he acquired the position of Chairperson ICI Pakistan Limited. His position was further accelerated when he became the Chairperson of NutriCo Morinaga (Private) Limited. In 2016, state-of-the-art NutriCo Morinaga manufacturing facility was established in Pakistan as a joint venture to produce infant formula/growing up formula.

His vision enabled the manifestation of Lucky One Mall, which is the largest mall in South Asia. The magnificent edifice, in the heart of Karachi, provides shopping facilities and entertainment at Onederland, to children and people from all walks of life.

Besides being the CEO of Lucky Energy (Pvt.) Ltd, Yunus Energy Limited, Lucky One Private Limited; Mr. Muhammad Sohail Tabba is a Director of Lucky Cement Limited, Kia Lucky Motors, and several other companies. His social engagements include being the Founding Member of Italian Development Council and playing an instrumental role in contributing to the educational landscape of Pakistan by serving on the Board of Governors at Textile Institute of Pakistan and serving on the board of Hamdard University in the past.

Driven to contribute to the community, Mr. Muhammad Sohail Tabba became the Founding Trustee of Childlife Foundation Pakistan in 2012. His magnanimous contribution to the healthcare sector of Sindh is treating almost 2,000,000 patients annually through contemporary children's emergency rooms in 7 government hospitals. He is also a Director of Aziz Tabba Foundation that funds Tabba Heart and Kidney Institutes besides several other welfare projects.



Muhammad Ali Tabba
Vice Chairman

Appointed as Vice Chairman of ICI Pakistan Limited on December 28, 2012, Mr. Muhammad Ali Tabba has been the Chief Executive Officer of Lucky Cement Limited, succeeding his late father in 2005. He also serves as the Chief Executive Officer of Yunus Textile Mills Ltd (YTM), a state-of-the-art home textile mill with subsidiaries in North America and Europe.

He started his career with Yunus Brothers Group (YBG), a family conglomerate, in 1991. YBG is one of the premier business houses in Pakistan with diversified interests in Building Materials, Chemicals, Pharmaceuticals, Energy, Textiles, Automotive and Real Estate Development. Muhammad Ali Tabba serves on the Board of Trade Development Authority of Pakistan (TDAP) – a global trade development arm of Pakistan's Ministry of Commerce.

He is also a Trustee of the Fellowship Fund for Pakistan (FFFP) which sponsors a top Pakistani Scholar every year to Woodrow Wilson International Center for Scholars, a think tank based in Washington D.C. Additionally, Mr. Muhammad Ali Tabba was the former Chairman of Pakistan Business Council (PBC), a business advocacy forum comprising of leading private sector businesses.

He has also served in the past as the Chairman of All Pakistan Cement Manufacturing Association (APCMA), a regulatory body of cement manufacturers in Pakistan.

With extensive engagements in many community welfare projects, Mr. Muhammad Ali Tabba serves on the Board of Governors at numerous renowned universities, institutions and foundations. He is the Vice Chairman of a not-for-profit organisation, Aziz Tabba Foundation. The Foundation is working extensively in the field of social welfare, education, health and housing. The Foundation runs two state-of-the-art hospitals in Karachi; the Tabba Heart Institute (THI) which is a dedicated cardiac care hospital and the Tabba Kidney Institute (TKI), a specialised institution providing comprehensive treatment for nephron-neurological disorder.

Mr. Muhammad Ali Tabba has been bestowed with many accolades during the course of his career in recognition of his outstanding services and contributions in the business and social development sector of Pakistan, including World Economic Forum's (WEF) Young Global Leader (YGL) in 2010, Karachi Chamber of Commerce and Industry "Businessman of the Year" Gold Medal Award for 2012-2013, and the country's third highest honour and civilian award in 2018, Sitara-e-Imtiaz, by the Government of Pakistan.



Amina Abdul Aziz Bawany
Non-Executive Director

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

She is also on the boards of various charities that successfully raise funds for medical and educational needs of underprivileged citizens of Pakistan. In addition, Ms. Amina also serves as Director on the Board of Y.B. Pakistan Limited and Lucky Textile Mills Limited.



Jawed Yunus Tabba
Non-Executive Director

Appointed as a Non-Executive Director on the Board of Directors of ICI Pakistan Limited on April 29, 2014, Jawed Yunus Tabba has a rich experience in the textile industry and is currently the Chief Executive Officer and Director of Lucky Textile Mills Limited. His untiring efforts helped him acquire deep insight and expertise into export and manufacturing activities. He has been instrumental in managing the textile concerns of the Yunus Brothers Group (YBG) and has transformed Lucky Textile Mills into one of the premier Textile Companies in Pakistan. Lucky Textile Mills is among the top five home textile exporters from Pakistan and has been a story of rapid expansion and diversification in the textile industry under his leadership and guidance. Mr. Jawed Tabba is also the Vice Chairman of Yunus Brothers Group.

He is on the Board and related sub-committees of Lucky Cement Limited, Gadoon Textile Mills Limited and Kia Lucky Motors Pakistan Limited. He is keenly involved in the formulation of vision, strategies & governance structures of these companies.

Mr. Jawed Yunus Tabba is also managing the real estate project LuckyOne, which is the largest mall in Pakistan. LuckyOne is currently touted as a multi-faceted, first of its kind regional shopping mall which has revolutionised the shopping experience in Pakistan.

Mr. Jawed Yunus Tabba is also extensively engaged in community welfare projects which include the Aziz Tabba Foundation (ATF). The Foundation works extensively in the field of social welfare, education, health and housing. He is also a member of the Young President Organization (YPO).

Board of Directors



Asif Jooma
Chief Executive

Asif Jooma started his career in the corporate sector with ICI Pakistan Limited in 1983 and has over 35 years of extensive experience in senior commercial and leadership roles. Following his early years with ICI Pakistan Limited and subsequently Pakistan PTA Limited, he was appointed Managing Director of Abbott Laboratories Pakistan Limited in 2007. After serving there for nearly six years, he returned to ICI Pakistan Limited as Chief Executive in February 2013.

Mr. Jooma has previously served as President of the American Business Council, President of the Overseas Investors Chamber of Commerce and Industry (OICCI) and Chairman of the Pharma Bureau. He has also served as a Director on NIB Bank Limited, Engro Fertilisers Limited and Director and Member Executive Committee of the Board of Investment (BOI) – Government of Pakistan. Mr. Jooma currently serves on the Board of National Bank of Pakistan, Systems Limited and Pakistan Tobacco Company Ltd. and is the Chief Executive of NutriCo Morinaga (Private) Limited.

He is on the Board of Governors of the Lahore University of Management Sciences (LUMS) and a Trustee of the Duke of Edinburgh's Awards Programme whilst previously also serving on the Board of Indus Valley School of Art and Architecture (IVSAA). Mr. Jooma graduated cum laude from Boston University with a Bachelor of Arts in Development Economics. He has attended Executive Development Programmes at INSEAD and Harvard Business School.



Khawaja Iqbal Hassan
Independent Director

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

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

Mr. Hassan presently serves on the Board of Directors of Engro Corporation Limited, as well as the Board of Governors of the Karachi Grammar School. He is also a Trustee of the Layton Rahmatullah Benevolent Trust (LRBT), the Cardiovascular Foundation and the Tauheed Trust. Mr. Hassan is also Chairman of the Advisory Committee of the Development Corporation Advisers Pakistan (Private) Limited, a wholly owned subsidiary of the CDC Group Plc of the UK.

He has served as a member of the Monetary Policy Committee of Pakistan, including the Boards of the State Bank of Pakistan, the Civil Aviation Authority of Pakistan (CAA), Pakistan Steel Mills Limited, Habib Bank Limited, National Fullerton Asset Management Company Limited, Citicorp Investment Bank Pakistan, Pakistan Fund, Global Securities Pakistan Limited, NIB Bank Limited, Lahore University of Management Sciences (LUMS), the Central Depository Company of Pakistan Limited, and the Pakistan Centre for Philanthropy (PCP).

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

In 2007, Mr. Hassan was awarded the Sitara-e-Imtiaz by the Government of Pakistan for meritorious contributions to national interests.



Muhammad Shabbar Zaidi Independent Director

Syed Muhammad Shabbar Zaidi was appointed as an Independent Director on the Board of Directors of ICI Pakistan Limited in May 2020.

A Chartered Accountant by profession, Mr. Zaidi served as the 26th Chairman of the Federal Board of Revenue (FBR) from May 2019 till April 2020. He previously also served as a Provincial Minister for Finance, Board of Revenue and Excise & Taxation, in the Government of Sindh during the 2013 caretaker setup.

Mr. Zaidi was also a member of the Federal Government Task Force for Reform of Tax Administration in 2002 and authored the report.

A retired senior partner at A. F. Ferguson & Co, he also serves as Chairman on the Securities & Exchange Commission Committee formed for Corporate Industrial Rehabilitation Reform and is a member of the Economic Advisory Council.

He is a fellow member of the Institute of Chartered Accountants of Pakistan and has also served as President of the Institute from 2005-2006. Mr. Zaidi has also served as member of Developing Nations Committee of International Federation of Accountants, President South Asian Federation of Accountants, Founder Director of Pakistan Institute of Corporate Governance, member Central Audit Committee of the State Bank of Pakistan and was the Director of the Karachi Stock Exchange Limited from 2012-2015.

Among his non-profit work, he is a trustee of the Sindh Institute of Urology & Transplantation (SIUT) and member of Boards of Governors of Liaquat National Hospital and Karachi School of Business and Leadership (KSBL).

Mr. Zaidi has also authored books, including 'A Journey for Clarity' and 'Pakistan: Not a Failed State'.



Muhammad Abid Ganatra Executive Director & CFO

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

Mr. Abid Ganatra is a fellow member of the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan. He has also gained a Masters' degree in Economics and Bachelors in Law. Mr. Ganatra is also a Certified Director from Pakistan Institute of Corporate Governance.



Our
**Executive
Management
Team**



Asif Jooma
Chief Executive

Asif Jooma started his career in the corporate sector with ICI Pakistan Limited in 1983 and has over 35 years of extensive experience in senior commercial and leadership roles. Following his early years with ICI Pakistan Limited and subsequently Pakistan PTA Limited, he was appointed Managing Director of Abbott Laboratories Pakistan Limited in 2007. After serving there for nearly six years, he returned to ICI Pakistan Limited as Chief Executive in February 2013.

Mr. Jooma has previously served as President of the American Business Council (ABC), President of the Overseas Investors Chamber of Commerce and Industry (OICCI) and Chairman of the Pharma Bureau. He has also served as a Director on NIB Bank Limited, Engro Fertilisers Limited and Director & Member Executive Committee of the Board of Investment (BOI), Government of Pakistan. Mr. Jooma currently serves on the Board of National Bank of Pakistan, Systems Limited and Pakistan Tobacco Company Ltd. and is the Chief Executive of NutriCo Morinaga (Private) Limited.

He is on the Board of Governors of the Lahore University of Management Sciences (LUMS) and a Trustee of the Duke of Edinburgh's Awards Programme whilst previously also serving on the Board of Indus Valley School of Art and Architecture (IVSAA). Mr. Jooma graduated cum laude from Boston University with a Bachelor of Arts in Development Economics. He has also attended Executive Development Programmes at INSEAD and Harvard Business School.



Muhammad Abid Ganatra
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Mr. Abid Ganatra is a fellow member of the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan. He has a Master's degree in Economics and Bachelors in Law. Mr. Ganatra is also a Certified Director from Pakistan Institute of Corporate Governance.



Nausheen Ahmad
General Counsel
Company Secretary & Head Of
Corporate Communications and
Public Affairs

Nausheen Ahmad is the Company Secretary and General Counsel of ICI Pakistan Limited. She also oversees the Corporate Communications functions. Prior to moving to ICI Pakistan Limited she spent 12 years as Company Secretary and Head of Legal at Habib Bank Limited.

Nausheen is a UK qualified Barrister with over three decades of corporate law experience. She presently serves on the Board of Meezan Bank Limited and International Steels Limited as an Independent Director. She is a certified Mediator from CEDR UK and on the panel of IBA DRF. She also provides corporate governance trainings through Pakistan Institute of Corporate Governance, Institute of Business Administration and Institute of Business Management.



Suhail Aslam Khan
Senior Business Consultant and
Vice President
Soda Ash

Suhail Aslam Khan is the Vice President Soda Ash Business and has over 30 years of professional experience in diverse fields such as Human Resources, Corporate Communications & Public Affairs as well as Project Development. He has also served as the Vice President for the Polyester Business, Vice President Manufacturing Pakistan PTA Limited and the CEO of ICI Pakistan PowerGen Limited, a wholly owned subsidiary of ICI Pakistan Limited.

An alumnus of the INSEAD Business School, Suhail holds a Master's degree in Chemical Engineering from Aston University in Birmingham, UK.



Nauman Afzal Khan
Vice President
Polyester

Nauman Afzal is the Vice President of Polyester Business, with over 25 years of international leadership and strategic management experience in commercial and manufacturing areas.

He started his career with ICI Pakistan Limited in 1993 as a Management Trainee. Subsequently, he joined Procter & Gamble where he held several positions in Operations, Safety, Planning, Logistics and Engineering, across countries like Russia, Saudi Arabia and Romania.

In 2008, Nauman Afzal joined Reckitt Benckiser, Dubai, in the capacity of Supply Director, where he was responsible to look after all aspects of supply to over 26 countries in the Middle East & North Africa (MENA) region. In 2013, Nauman Afzal joined British American Tobacco as Head of Manufacturing and later, he took over the charge as Area Head of Supply Chain Services. Before joining ICI Pakistan Limited in June 2019, he was associated with TCS Logistics Limited as Country Head, Corporate.

Nauman Afzal holds a Master's Degree in Electrical Engineering from University of California, Los Angeles, USA and a Bachelor's Degree from Imperial College of Science & Technology, London. Nauman Afzal is a member of City & Guilds Union (UK), IEE (UK) and IEEE (US).



Aamer Malik
Vice President
Pharmaceuticals

Aamer Malik is Vice President of the Pharmaceuticals Business at ICI Pakistan Limited and is a seasoned professional from the Pharmaceuticals industry, having served in diverse roles in Pakistan and abroad. He possesses over 30 years of senior managerial experience across multiple industries in both local and international markets.

He started his career as an Audit Senior in May 1987 with Clarke & Co., Chartered Accountants, London. In 1988 he joined Citroen Wells, Chartered Accountants, London and in 1990 moved back to Pakistan. Upon his return he joined A.F.Ferguson & Co. (PWC), Chartered Accountants, as Assistant Manager Audit. In February 1992, he took over the role of Senior Executive Finance with Attock Oil Group of Companies and later in November 1992 joined AB Electrolux as Finance Manager. In November 1994, Electrolux seconded him to Malaysia as Internal Audit Manager.

Aamer Malik is no stranger to ICI Pakistan Limited. In January 1997 he joined ICI Pakistan Limited in the capacity of Finance Manager, Paints Business (currently AkzoNobel Pakistan Limited) and in January 1999 his services were transferred to the PTA Business (currently known as Lotte Chemical Pakistan Limited) in the capacity of Vice President Finance, CFO and Company Secretary. In February 2005, Aamer Malik joined Abbott Laboratories as Host Finance Director / CFO, Pakistan and in July 2008 he was seconded to Japan as CFO for Abbott's Japan operations. In January 2011 he took over the responsibilities as Area Finance Director, Established Pharmaceuticals, Asia Pacific in the same company. In May 2018, Abbott appointed him as Director, International Finance, Strategic Projects, Emerging Markets, Established Pharmaceuticals. Aamer holds a Chartered Accountancy degree from England & Wales, UK.



Arshaduddin Ahmed
Vice President
Chemicals & Agri Sciences

Arshaduddin Ahmed is the Vice President of the Chemicals and Agri Sciences Business. A Chartered Accountant and engineer by profession, Arshad started his career with Deloitte Touche Tohmatsu International. In November 1997 he joined ARTAL Pakistan (a Belgian conglomerate) as Finance Manager and later took on the roles of Financial Analyst and Operations Manager. In May 2001, he joined Nestle Pakistan as Operations Manager where he was later elevated to the position of Financial Controller. Arshad joined Engro Polymer and Chemicals in 2005 where he served as Chief Financial Officer and Vice President Marketing. Arshad has been with ICI Pakistan Limited since 2015.

He has over 23 years of highly diversified cross functional experience. He has worked in sales, marketing, finance, supply chain. His general and strategic management exposure spans over different industries covering both B2B and B2C organisations.



Fariha Salahuddin
General Manager
Human Resources and
Administration

Fariha Salahuddin is the General Manager Human Resources and Administration at ICI Pakistan Limited and possesses over 20 years of experience in her field. She is an accomplished commercially focused Global HR Leader with deep expertise in analysing organisational needs; and designing and implementing practical and innovative HR Strategies.

Fariha Salahuddin has spent a major part of her career with GlaxoSmithKline (GSK), where she has enjoyed working on all aspects of the HR Function on a local, regional and global level. She began her HR career in 2003 as an Assistant HR Business Manager at Unilever. In 2004 she joined GlaxoSmithKline as Senior Human Resources Manager, followed by numerous senior roles which included HR Director – Pakistan, Vice President HR, Middle East Africa and Vice President HR, Emerging Markets and Australasia. In 2016, she took over the role of Vice President, Global Talent Business Leader, Consumer Healthcare based in the UK, after which in December 2017, she left GSK to pursue an opportunity with Mölnlycke Health Care, Sweden as Global HR Business Partner.

Fariha Salahuddin's primary strengths remain in building and leading HR teams, delivering customer-centric HR Solutions, and adding sustainable and measurable value to ICI Pakistan Limited and its people. She holds a Master's degree in Human Resources Development from Pittsburg State University, USA, and a second Master's degree in MS, Family Relations and Child Development from Karachi University.



Eqan Ali Khan
General Manager
Strategy, Business Development &
Innovation

Eqan Ali Khan has over two decades of leadership experience in corporate strategy, commercial, business development and finance working in foods, agribusiness, chemicals and commodities sectors.

Prior to joining ICI Pakistan Limited, he held senior management positions at Engro Corporation as Business Director - Consumer Staples; Head of Strategy, Business Development & Finance; and Business Head – Commodities as well as Secretary to the Board Investment Committee. He implemented the turnaround of Engro's staple foods business by revisiting its business model.

He has been instrumental in developing the Mission Statement, Corporate Strategy and Strategic Aspiration 2025 for the company working with the leadership team and the Board. He also led the team which launched 'EXPLORE' - a platform to drive innovation and 'Lean Six Sigma' - an initiative to drive operational excellence.

He holds a Master in Business Administration from IBA, Karachi and has also received executive education at the Harvard Business School, Kellogg School of Management and the Indian School of Business.

He is a member of the OICCI Subcommittee on Regulatory, Digital & Ease of Doing Business in Pakistan and was a jury member for the first EFFIE awards held in Pakistan.

Report of the Directors

for the year ended June 30, 2020

The Directors are pleased to present their report, together with the audited financial statements of the Company, for the year ended June 30, 2020.

Overview

The net turnover of PKR 53,599 million for the year under review was 8% lower than PKR 58,329 million recorded for the year ended June 30, 2019, due to decline in revenues across all businesses except for the Animal Health Business. The economic slowdown and uncertainty induced by COVID-19 pandemic along with consequential country wide lockdown were the primary factors which affected the revenues in the later part of the year under review.

The net turnover of the Polyester Business was lower by 16% on account of decreased prices across the petrochemical chain. Moreover, the complete lockdown of non-essential industry which included textile spinning mills and polyester fibre manufacturing, following the COVID-19 outbreak negatively impacted the business for two months. Soda Ash Business revenues reduced by 5% mainly due to global and local lockdowns, which significantly disrupted the global Soda Ash demand resulting in decline of Soda Ash prices and volumes. The Pharmaceuticals Business recorded a decline of 3% in revenues, mainly due to disruption in supply of key raw materials coupled with closure of Out Patient Departments (OPDs) owing to the COVID-19 outbreak, eventually impacting overall industry volumes. The net turnover of the Chemicals & Agri Sciences Business declined by 1%, mainly due to sharp reduction in demand for polyurethanes, textile chemicals and non-essential industrial chemicals. The Agri segment was relatively unaffected by the COVID-19 related measures. The net turnover of the Animal Health business was higher by 5% despite the adverse economic impact of COVID-19, with growth mainly driven by the livestock segment.

Despite lower revenues and economic challenges, the operating profit for the year at PKR 5,575 million was 13% higher than the Same Period Last Year (SPLY), with improved performances in the Polyester, Pharmaceuticals and Chemicals & Agri Sciences

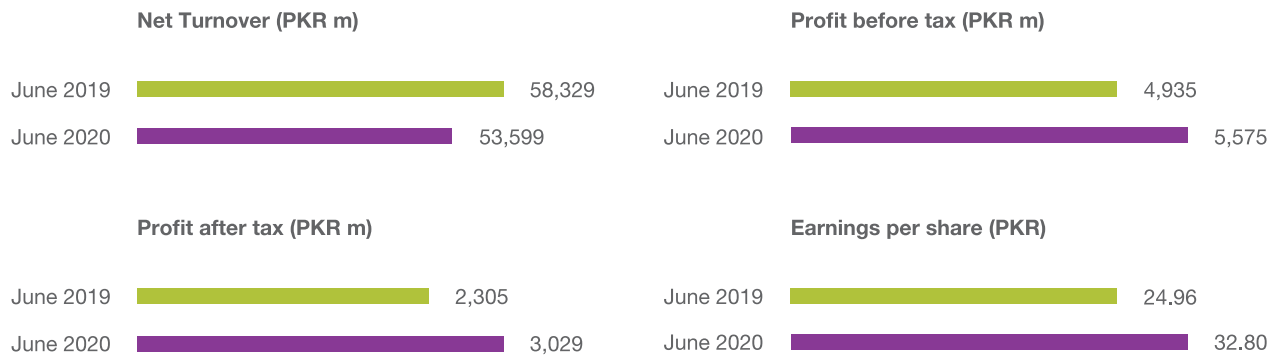
businesses by 711%, 99% and 5% respectively. The Polyester Business showed a complete turnaround and delivered a growth of 711% in operating profit in comparison to the SPLY, achieved mainly due to operational excellence and improved margins. The Pharmaceutical Business also showed a remarkable growth in the operating result, being higher by 99% against the SPLY. This growth is mainly attributable to the manufacturing efficiencies, stringent cost controls initiatives, better product mix and increase in market share. The Business launched eight new branded generic products during the year. The Chemicals & Agri Sciences Business showed improved operational performance primarily driven by better margins in the Agri Business. The operating result of Soda Ash Business reduced by 2% as compared to the SPLY due to substantial decline in sales volumes owing to COVID-19 outbreak. Lastly, the Animal Health Business, reported a decline of 21% in operating profit compared to the SPLY, mainly due to challenges faced in the poultry segment.

The Profit After Tax (PAT) for the year ended June 30, 2020 at PKR 3,029 million was 31% higher than the SPLY. This increase was primarily driven through higher operating results by 13% coupled with higher dividend income from Associate and lower exchange losses. This was partially offset by increase in financing cost by 10% compared to the SPLY due to higher average interest rates. The Earnings Per Share (EPS) at PKR 32.80 is 31% higher compared to PKR 24.96 for the SPLY.

On a consolidated basis, including the results of the Company's subsidiaries, ICI Pakistan PowerGen Limited, Cirin Pharmaceuticals (Private) Limited and NutriCo Morinaga (Private) Limited, PAT for the year was PKR 2,362 million of which loss of PKR 166 million was attributable to non-controlling interests. The profit attributable to the Group translated into an EPS of PKR 27.37. During the year, the Company recognised PKR 431 million as a share of profit from NutriCo Pakistan (Private) Limited (Associate), as compared to PKR 526 million for the SPLY.

Financial Performance

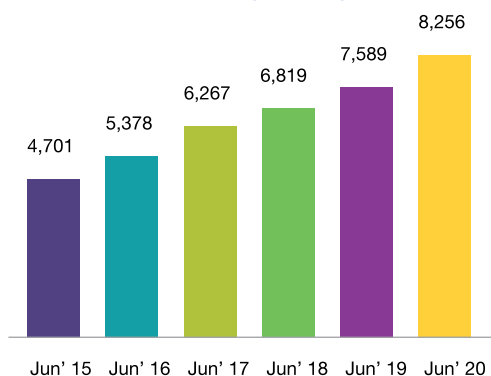
PKR million	June 2020	June 2019	Increase/ (Decrease) %
Net Turnover	53,599	58,329	-8%
Gross Profit	10,462	9,452	11%
Operating Result	5,575	4,935	13%
Profit Before Tax	4,236	3,181	33%
Profit After Tax	3,029	2,305	31%
Earnings Per Share (PKR)	32.80	24.96	31%



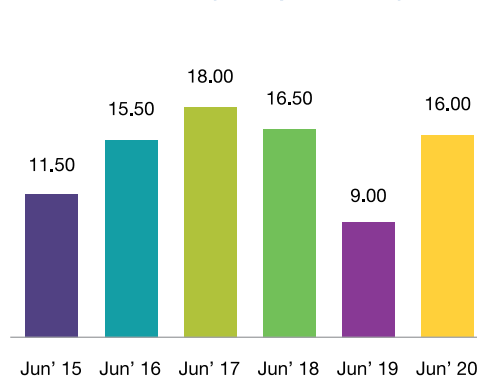
Six years Financial Performance at a Glance



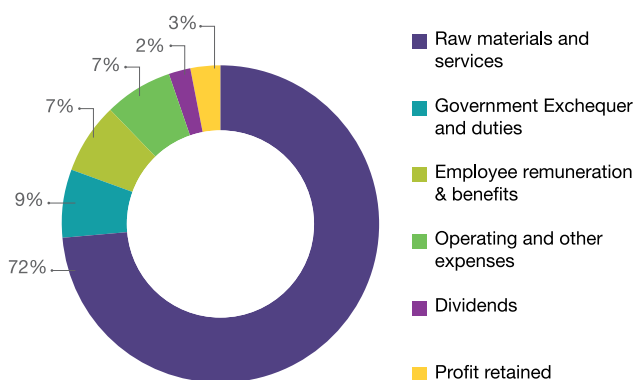
EBITDA (PKR m)



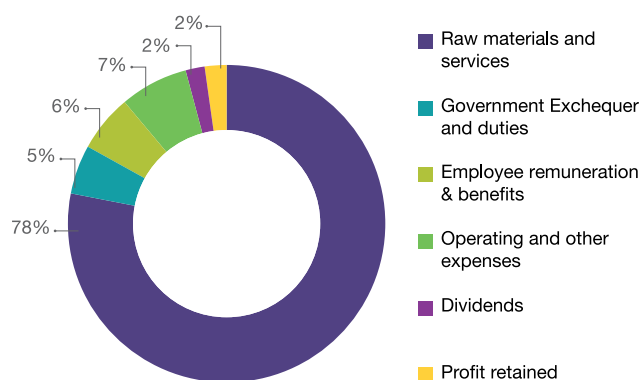
Dividend (PKR per Share)



30-Jun-20



30-Jun-19



Value Addition and its distribution

		June 30, 2020	%	June 30, 2019	%
PKR' 000					
Net Sales		53,598,537		58,328,849	
Sales Tax		6,747,024		3,502,977	
Net Sales including sales tax	A	60,345,561	98%	61,831,826	99%
Other operating Income		955,328	2%	408,768	1%
		61,300,889	100%	62,240,594	100%
Raw Materials and Services	B	44,020,601	72%	48,872,247	78%
Government Exchequer and duties	C	5,527,628	9%	3,045,921	5%
Employee remuneration & benefits	D	4,390,834	7%	3,817,715	6%
Operating and other expenses	E	4,317,429	7%	4,199,799	7%
Dividends		1,431,566	2%	1,200,668	2%
Profit Retained	F	1,612,831	3%	1,104,244	2%
		61,300,889	100%	62,240,594	100%

Dividend

In view of the Company's earnings, the Board of Directors has recommended a Final Cash Dividend in respect of the financial year ended June 30, 2020, at the rate of PKR 5/- per share of PKR 10/- each, subject to the approval of the Shareholders at the forthcoming Annual General Meeting. Including the interim dividend of PKR 11/- per share already paid, this makes a total dividend of PKR 16/- per share for the full year ended June 30, 2020.

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

ICI Pakistan Limited has a longstanding HSE commitment to ensure the highest levels of health and safety for its employees, customers and contractors, as well as environment protection in the communities in which it operates. The Company's focus has been on assessing the effectiveness of the existing regulatory framework and the approaches to management of hazards and risks within Businesses to ensure they are sufficiently robust to protect workers and the public from accidents and ill health.

The Company continued to deliver high performance in safety. Collectively, ICI Pakistan Limited has worked around 28 Million Safe Manhours with Soda Ash at 22.04; Chemicals & Agri Sciences at 3.07; Pharmaceutical at 0.58 and Animal Health Businesses at 2.10 Million Safe Manhours.

During the year, there were four reportable injuries to permanent employees and no reportable injury to third party service provider on ICI Pakistan Limited premises. These incidents were investigated, and action plans were formulated and implemented against each finding to avoid recurrence. The total reportable injury rate of employees and supervised contractors was 0.47, while for independent contractors it was 0.

The employees' understanding on ICI Pakistan's Limited sustainability requirements and its compliance is guided through four books: ICI Pakistan Limited's HSE&S Management System, Occupational Health Manual, Corporate Engineering Procedures and Information Notes for Managers. These books include best practices followed globally. At ICI Pakistan Limited, sustainability is managed in line with a clear sustainability strategy deployed with the help of a multi-disciplinary Sustainability Council, which acts as a governing body on matters relating to sustainability targets and performance.

Sustainability at ICI Pakistan Limited is led by the top leaders and its performance is discussed in the Executive team and Board meetings. Critical HSE procedures are reviewed in accordance with global developments in the field of HSE. The aim is to provide all employees with updated information and to help them understand ICI Pakistan Limited HSE&S Management System.

The basic document for this purpose is the Information Notes for Manager Series which is a guideline for managers to carry out HSE activities in their respective fields.

Learning Event (LE) log tool has always been a system which proactively identifies the hazards and risks associated with them beforehand. This year in order to further improve and make this system more robust, LE Dashboard was developed and launched across the Company. LE Dashboard presents data in analysis mode, efficient tracking, and better visualization of the learning events. LE dashboard gives an analysis for each business LE's in real time and provides deep insights for capturing any area for improvements.

ICI Pakistan Limited operations are compliant with both international and local standards. The Company became a pioneer in taking initiative to report its sustainability compliance in line with United Nation Sustainable Development Goals (SDGs). Companywide campaign on SDGs requirements and training of relevant person was conducted this year. Sustainability projects for 2019-20 were based on the SDGs requirements. ICI Pakistan Limited is not only concentrating on implementation of SDGs requirements at Company level but has also offers support to multiple other organisations which include Ministry of Planning, Development and Reforms in preparation of Pakistan's Voluntary National Review (VNR) report.

Health Assessment Performance Index (HAPI) and Hygiene Performance Index (HYPI) are two unique programs which are implemented at all Company sites. These relate to the health assessment and monitoring of employees' exposure to any hazards. During the year, the Company reviewed its Occupational Health Manual to update it with international standards. The concept of HAPI and HYPI is to minimize the risks of occupational diseases. Data collected is monitored even after employees retire with annual/biannual assessment of employee's health that includes audiometry and spirometry tests. No occupational illness was reported during the year under review.

Trainings at all levels on HSE is of primary importance for the development of employees and contractors. This year training course modules on high hazardous activities were reviewed in conjunction with the operational requirements. 24000 man-hours of training was done by external and internal HSE specialists.

To create a healthy competition, awareness on risk assessment, motivating/engaging employees on HSE performance and hazard identification, the Chief Executive best HSE initiative award was continued in 2019-20, helping in identifying and eliminating significant hazards and ultimately reducing the number of incidents.

EPM database was modified to enhance the reporting of KPIs

for H&S, Environment and Energy. Performance reports are now extracted directly through the database. Deviations from 2019-20 targets and initiatives from previous years was immediately highlighted, analysed and discussed with each Business. OEE footprint reduction remained a high priority. Energy conservation, waste reduction, water conservation and NEQS compliance through implementation of sustainability plans continued.

All Businesses at ICI Pakistan Limited reported compliance with National Environmental Quality Standards, despite the new projects across the Company that also includes NutriCo Morinaga (Private) Limited.

COVID-19 and Related Measures

Given the developing situation of the coronavirus in Pakistan from February 27, 2020, ICI Pakistan Limited established a Pandemic Watch Committee (PWC) to monitor the situation closely. The PWC and EMT reviewed the situation carefully and implemented necessary controls to minimize the impact of COVID-19 on employees, their families, and the businesses.

The PWC works with all businesses to develop comprehensive pandemic management guidelines and business continuity plans. The EMT and PWC are regularly reviewing the developing situation to reinforce and strengthen controls continuously. The Company has implemented more than 40 controls at all locations to manage the impact of this pandemic. Mandatory SOPs include, for all employees and service providers, wearing of facemasks and maintenance of social distance of 6 feet at all times when they are on Company premises. Other controls include passive and active health screening, mandatory temperature checks, use of respiratory and hand hygiene PPEs, deep cleaning and disinfection of premises and vehicles, limiting face to face meetings, and work from home policies. An aggressive communication strategy was designed and implemented under the banner of the Company's wellness program.

These early, bold, and practical actions reduced short-term risks to the health and safety of employees and long-term costs to the businesses. These efforts resulted in the high morale of employees, as evident from the results of the Butterfly survey and minimized business disruptions.

Community Investment (Corporate Social Responsibility)

ICI Pakistan Limited maintains a strong focus on investing in its communities, with most of its Corporate Social Responsibility (CSR) and community investment initiatives carried out through the ICI Pakistan Foundation, a registered Trust, run and managed by a Board of Trustees. Guided by its CSR Policy, the Foundation's initiatives (under the umbrella of the Hamqadam

Programme) primarily focus on the following areas: education, health, community and environment. The Foundation also supports civic development through investment in community projects, disaster relief and rehabilitation activities as needed.

During the year, the major initiatives supported by the ICI Pakistan Foundation include:

Education

Vocational Training

The Ladies Welfare Centre (LWC), established in 1973 by ICI Pakistan Limited to empower women from the Khewra community, continues to flourish. The Centre also offers internships and teacher training programmes, and currently employs five instructors, all of whom are former students. So far 1360 community students have graduated.

In Karachi, the Roshan Lyari programme was launched to promote literacy and enhance capacity-building skills within the Lyari youth community. The programme offers short-term vocational training courses of fashion designing, stitching and tailoring, beauty and makeup, to the female population of the community. To date, more than 350 girls have benefited from this programme.

Primary Education Support

For the past 18 years, the Polyester Business' CSR team has overseen the Govt. Boys and Girls Primary School in Tibbi Hariya, Sheikhpura. Currently, 120 students are enrolled at the school.

The Foundation's long-term support of the Govt. Boys and Girls Primary School, Kakapir Village, Karachi, has included the 2008 renovation of the entire school building, including provision of new classroom furniture and outset of sixth grade classes. More than 200 students are enrolled at the school, which has helped the community's female students to continue their education. In 2017, we informally started middle level classes for community girls as the parents were not allowing them to study in nearby co-education based school. Now there are over 20 community girls studying in grade 6, 7, and 8.

Montessori Teachers Training

Besides regular teachers training sessions for the school faculty, in August 2019, ICI Pakistan Limited kicked off a six-month Montessori Teachers Training course. In addition to the school faculty, the surrounding school teachers were invited to participate in the course. A total of 34 participants attended this course, with an attendance rate of 95%. The training course now boasts a waiting list of nearly 40 students for the second batch.

Higher Education Support

The ICI Pakistan Foundation provided funds to upgrade the Karachi-based Murshid Hospital School of Nursing and Midwifery's

Nursing Skills Lab, with sophisticated training equipment, which includes life-sized working models that enable nursing students to practice vital medical techniques. The Foundation's support also upgraded the school's library and faculty computer lab. These improvements have now allowed the Nursing School to upgrade its three-year diploma programme to a college-level, four-year degree programme; raising education standards for future nurses.

In continuation of the engagement with Murshid Hospital School of Nursing and Midwifery, the Foundation awarded 16 merit-based scholarships to deserving students enrolled in the two-year Community Midwifery Diploma programme.

IMPACT Scholarship Programme

The ICI Pakistan Foundation has started an IMPACT scholarship programme with the leading educational institutes namely IBA, LUMS, GIK and UET. It is a four year undergraduate degree programme focusing on females.

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

Health

After the establishment of a successful mother and child healthcare community clinic in Khewra in FY 2016, a similar clinic for the Sheikhpura community was formally inaugurated in October 2018. The clinic has proven to be a valuable addition to the local healthcare infrastructure. So far, close to 10,000 children have been monitored for immunisation and nutrition, with over 2290 awareness sessions conducted for pregnant women. Since inception, the clinic has successfully catered to 40,630 OPD cases with 335 emergency trips recorded by the ambulance service.

The Foundation's longest-running monthly eye care programme continues to operate sustainably and reached the milestone of completing 312 camps in February 2020. This eye care programme has benefitted thousands of deserving patients from Khewra and beyond, for more than 28 years.

Furthermore, a two-days kidney health awareness camp was also organised at the Company's Winnington Hospital, Khewra, Civil Hospital, Khewra and Tehsil Headquarters Hospital, Pind Dadan Khan with the assistance of Tabba Kidney Institute, Karachi. Over 500 community people suffering from various renal, nephrology and kidney issues attended these camps. This has paved the way for ICI Pakistan Foundation to conduct health awareness camps on a regular basis in the future.

In addition, the ICI Pakistan Foundation has pledged a three-year support to the Lyari General Hospital Paediatric Emergency OPD unit.

Community

To engage ICI Pakistan Limited's employees in various community-based CSR initiatives, the Pehchan Volunteer Programme was launched in June 2018. The programme is guided by the Company's CSR policy. Under the Pehchan programme, and in line with the Company's culture, values, and brand promise of Cultivating Growth, the Company enables employees to devote up to two working days (or 16 working hours) annually on Company time in pursuit of volunteer work. The Pehchan activities organised this year include tree plantation drives, blood donation camps, Independence Day celebrations at SOS Village and The Citizens Foundation, Rehbar programme. Nearly 2000 saplings were planted during the year in Khewra, Sheikhpura and Karachi.

During the year under review, employees overwhelmingly participated in the Pehchan Volunteer activities. During the year, over 200 employees spent more than 1050 hours in 18 different activities. So far, a total of 560 employees have dedicated 1780 volunteer hours in 25 various activities.

Environment

During the year, the Company distributed over 12,000 Banyan tree seed paper tags with the despatch of our Annual Report for FY 2018-19. During the NutriCo Morinaga Plant inauguration and other occasions people were encouraged to plant a tree.

Given the growing pressure on the environment, the Company continues to participate in tree plantation drives.

For more detailed information on CSR and community investment initiatives, please see pages 176 to 179 of this Report.

Human Resources

Employee Value Proposition

ICI Pakistan Limited as a Company is known for its legacy and rich history, it believes in providing different possibilities to employees, which can enable them to achieve their goals and pursue their passion. The Employee Value Proposition (EVP) - 'One Team, Many Possibilities' is a reflection of the unique, inspirational, and diverse possibilities existing within ICI Pakistan Limited.

One of the core values of ICI Pakistan Limited is 'Passion for People' that underpins its EVP, ensuring that the Company continues to provide 'possibilities' to both existing and future employees to tap their potential and increase prosperity. Through the diversity of its businesses and people, ICI Pakistan Limited gives to its employees the opportunities to grow, develop, build, and explore.

Talent Management

ICI Pakistan Limited has strong brand equity with 75 years of legacy in the country and a reputation for developing well-

rounded leaders in the industry. It helps attract and retain top-tier talent. There is instant recognition of ICI Pakistan Limited anywhere you go, which drives people to work for the Company.

One of the core values of ICI Pakistan Limited is 'Passion for People' that underpins the people and culture roadmap, ensuring the right talent is available and retained for the sustained delivery of the Company's business ambition. The Company has been awarded the Gallup Best Workplace Award twice for fostering a culture of engagement and inclusion that drives business results. ICI Pakistan Limited is the only company from Pakistan to be honoured with this recognition for two consecutive years. It is locally recognised as the Best Place to Work in the Manufacturing and Engineering Industry by Pakistani Society of Human Resource Management (PSHRM) and Engage Consulting.

ICI Pakistan Limited places a great emphasis on attracting, developing, and retaining its workforce; several programs have been deployed to ensure that talent is nurtured under the Wellness programme to the Learning Academy; the Company is focused on providing teams with possibilities to learn, grow and deliver.

Succession Planning

At ICI Pakistan Limited, there is a robust succession planning forum, which is led by the EMT.

Reviewing talent is as regular and integral as reviewing the Company's financials. Regular meetings and check-ins are conducted to discuss the health of the succession pipeline. The focus is on capability building by encouraging internal lateral moves. Last year, 31% of the senior and mid-level talent moved through succession and career planning discussions.

With ICI Pakistan Limited having a diverse range of businesses, employees can move across different businesses to expand their job experience through exposure to other businesses- it is a win-win situation.

Individuals highlighted for succession are developed through stretched assignments, involvement in the task force, through internal /external network and leadership training, and on the job coaching interventions.

Interestingly, ICI Pakistan Limited has always been known as a nursery of talent and a leader feeder. The brand promise, Cultivating Growth, is at the core of everything the Company does, be it business strategy, talent management, or its CSR efforts.

Diversity & Inclusion

As an organisation, the Company understands the importance and value of a diverse workforce & an equal opportunity

organisation. As such, the Human Resources Division encourages diversity in the form of age, gender, ethnicity, physical and mental ability, and other such characteristics that make the employees a unique blend of cultural diversity.

The organisation takes pride in taking the following initiatives which helps in driving its diversity agenda, and all initiatives within the scope of diversity are parked under the Impact banner. The Impact Scholarship Programme aims to provide scholarship opportunities to females with financial limitations to pursue their undergraduate degree from prestigious universities of Pakistan. The Impact Women's Development Programme (WDP) is a 4-week internship programme for female students from diverse backgrounds. The aim of the program is to provide high calibre students an opportunity to gain direct exposure to a wide range of opportunities for learning, networking and first-hand corporate exposure.

ICI Pakistan Limited also conducts Impact Circles which are sessions with a group of 8–12 employees (gender inclusive) who meet regularly to brainstorm and discuss on D&I, support one another, and learn new skills. The aim of these Impact Circles is to encourage open dialogue about D&I and to create a personal bond and trust amongst employees through team building activities.

Under Talent Acquisition, the gender diversity ratio is monitored through "Gender Diversity Dashboard" through which an analysis is conducted to determine the annual target (business-wise) for the percentage increase in female employee population. Therefore, regular D&I Committee meetings are conducted to discuss the mapping of positions on which the Company can hire potential female candidates.

Compensation and Benefits

At ICI Pakistan Limited, employee achievements are celebrated and rewarded for their successful contributions to the Company and its success. Recognising employees who help deliver on strategic priorities in line with the Company values is the cornerstone of the Company's reward philosophy. The reward packages are designed to meet the needs of the Company's geographically diverse workforce and are benchmarked against industry standards. Furthermore, ICI Pakistan Limited offers its employees a complete lifestyle with special attention to retirement plans after a fulfilling career with the organisation. Apart from monetary benefits, health and wellness of the employees is supported along with their families through a comprehensive medical coverage policy and wellness programmes.

Industrial Relations

At ICI Pakistan Limited, working in harmony with all employees is stressed upon. The plant sites follow the same philosophy and share an amicable relation with the Collective Bargaining

Agent. The Company continues to form timely conclusion of biennial peace agreements with them. Any collective or individual grievances are resolved harmoniously through consultative process using designated forums and defined procedures to maintain industrial peace and operating disruptions.

We continue to set peaceful agreements and set Human Resource policies with the consultation of the legal department that helps the Company in ensuring that the labour remains engaged and motivated

Risk Management

Managing risk is one of the fundamentals of sustainable growth and development. At ICI Pakistan Limited, the Board of Directors has the overall responsibility of overseeing risk management processes, and internal control procedures.

The Company's risk management processes are designed to safeguard assets and address possible risks to the Businesses, including the possible impact on business continuity. These processes are documented and regularly reviewed. Any identified risks that could potentially affect the achievement of strategic, operational, financial and/or compliance objectives are promptly reported to the Board and senior management for timely action where required, to ensure that the Company's operations continue smoothly.

At ICI Pakistan Limited, a clear organisational structure with a well-defined chain of authority is in place. The senior management teams are responsible for implementing procedures, monitoring risk and assessing the effectiveness of various controls. The Company employs a robust Enterprise Risk Management (ERM) framework, which is integrated within the organisation to ensure that the risks are identified and addressed in a timely manner. The ERM framework is based on comprehensive, interactive systems and processes, which enable the Company to systematically identify, evaluate and assess risks. All highlighted risks are prioritised according to their impact and likelihood, with remedial actions devised accordingly.

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

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

- A clear and transparent process providing necessary insights into the risks faced by the Company.
- A common language utilised for risk and its related actions – this facilitates clear communication and decision-making by ensuring understanding across the Board.

- Clear accountability and governance structure in relation to risk management.

Business Updates

Polyester Staple Fibre Business (PSF)

Net Turnover (PKR m)



Operating Results (PKR m)



During the year under review, global markets were rattled by economic shocks set by the on-going COVID-19 pandemic. During first six months of FY 2019-20 i.e. the pre-COVID period, markets were already dampened due to trade war between the world's two largest economies, The United States of America and The People's Republic of China. In January 2020, short-lived optimism returned as USA-China signed a trade phase one agreement. However, soon the world was engulfed with the pandemic that forced governments across the globe to enforce stringent lockdowns. Minimal or no business activity plunged the world towards an economic recession as International Monetary Fund forecasted market contraction by 4.9% for 2020. From May 2020 onwards, countries started easing their lockdowns to revive business activities and restore their financial well-being. The world is adjusting itself to the "new normal" as markets open with caution and standard operating procedures (SOPs) in place. As the gradual return process towards normalcy was initiated only near the end of year under review, the last quarter was adversely impacted.

In the year under review, average Crude oil prices fell by 24% (USD 52.26/bbl vs USD 68.99/bbl). PX prices went down by 34% (USD 706/MT vs USD 1076/MT). In line with Crude Oil and PX prices, PTA prices decreased by 34% (USD 580/MT vs USD 876/MT) and MEG prices decreased by 29% (USD 510/MT vs USD 716/MT). Domestic PSF price fell only by 7% as compared to last year (PKR 178/kg vs PKR 190/kg). On the other hand, the regional PSF prices fell by 26% (\$0.89/kg vs \$1.19/kg). The increased price differential between domestic and imported PSF led to a surge in PSF imports.

Fuel prices followed an upward trajectory whereby a hike of 9% and 10% was observed in gas/RLNG, and furnace oil, respectively. Coal prices on the other hand remained stable. Consequently, energy cost also rose by 6% against the SPLY.

Pakistan domestic textile industry specifically the Polyester/ Cotton and Cotton Segments were affected the most, due to their heavy export reliance, with order cancellation/delays by USA and European buyers in light of declining demand for textile-related products impacting sales. Besides this, the domestic textile industry remained in lockdown for 45 days which led to loss of potential sales volume for the PSF industry. In May 2020, as the lockdown was eased there was a sharp rebound to replenish the inventory pipeline, however the real situation will be accessed once the market stabilises in the coming quarter. Despite the unprecedented market environment, the business managed to close the year with only 12% reduction in sales volume as compared to the previous year.

Going forward, as the countries across the globe continue to adapt to the new normal, global markets are expected to improve, but at a gradual pace. Feedstock prices are expected to remain stable to firm. However, there is a concerning trend for the textile industry as market demand recovery for this sector has been slower than anticipated, which has left regional PSF players with high inventories. These manufacturers will continue to look for export markets to liquidate their stocks to maintain operating rates. Leading analysts predict that by end of 2021, fibre demand will return at a pre-COVID 2019 level. Against high unemployment, pay cuts, slow business growth and fear of second wave of coronavirus cases, consumers are expected to contain discretionary spending which is forecast to delay recovery of textile/apparel sales.

Soda Ash Business

Net Turnover (PKR m)

June 2019		16,538
June 2020		15,647

Operating Results (PKR m)

June 2019		3,631
June 2020		3,551

The soda ash market contracted during the year under review, due to the outbreak of COVID-19 which forced lockdowns that completely stalled market activity. Resultantly, the net turnover of the business dropped by 5% over the SPLY with total sales volume, including exports being lower by 12% compared to the SPLY.

All segments barring detergent were negatively impacted due to the outbreak. Soda Ash demand from glass manufacturers declined due to sluggish downstream demand which was further exacerbated following the complete lockdown of non-essential sectors of the economy. As activity in the construction

sector came to a standstill, demand for float glass contracted. Similarly, following closure of restaurants, wedding halls, and dip in customer's purchasing power, the demand for tableware and beverage bottles also remained subdued. The paper segment was adversely affected due to change in academic session which meant reorganising of production schedules. Accordingly, the manufacturers operated at low rates. Silicate segment was also impacted by the outbreak as demand from textile industry was affected due to the lockdown. The detergent segment, however, showed strong growth as demand for soaps and detergents increased due to focus on hygiene during the outbreak. The market for refined sodium bicarbonate remained subdued as well due to closure of tandoors and stalled market activity which lowered demand.

Despite falling international prices, the business managed to retain a foothold in the regional export markets on back of relationships and customised packaging. The Business exported material to Bangladesh, Sri Lanka, UAE, Afghanistan, Qatar, Tanzania, and Egypt. Post the imposition of 200% import duty into India for Pakistan exports, the Business moved quickly to establish footprint in other markets and introduce ICI Pakistan Soda Ash brand to the region.

In line with the growth aspiration, the Soda Ash Business continues to expand its production capacities to cater the market demand, with expansion of Dense Ash plant by 70,000 tons per annum during the year. Work is underway on the 14,000 tons per annum Refined Sodium Bicarbonate expansion project which is expected to come online in Q1 of FY 2020-21.

The operating result at PKR 3,551 million was 2% lower than the SPLY. The outbreak of COVID-19 severely impacted the business in the latter part of the year under review, resulting in lower sales volume. However, the impact was partly offset through improved margins on the back of optimization in energy cost through effective plant operations coupled with lower energy prices during the period.

Going forward, growth is dependent on the overall economic situation of the country as well as the world economy. The global economy is gradually opening as governments are running out of fiscal and monetary to sustain the economic and social costs of the lockdown. The Government of Pakistan is particularly pushing for "Naya Pakistan Housing Scheme" as well as multiple CPEC projects. These steps will provide a boost to the construction sector which in turn will improve sales to the glass segment. Likewise, due to continued focus on hygiene, sales to soap and detergent industry are likely to remain strong. Lastly, with the lockdown restrictions now mostly easing, it is expected that market activity will move towards normalisation which would mean improvement in sales for all segments.

Pharmaceuticals

Net Turnover (PKR m)



Operating Results (PKR m)



During the year, market share of the Pharmaceuticals Business increased from 1.38% to 1.54%, making ICI Pakistan Limited the second fastest growing organization in the Pharmaceuticals Industry.

The Pharmaceuticals Business is transforming to become a customer-centric business with the goal of fostering a positive customer experience at every stage of their decision journey. The Business activated 4 new digital channels and leveraged them to create greater impact and reach larger audiences. Webinars and digital activations have enabled the Business to remain relevant and engaging for the customers at a time when COVID-19 has limited access of our field force to customers.

On a macro level, the Pharmaceutical industry was faced with several challenges during the year, including temporary trade suspension with India, tax reforms announced in the Federal Budget and most recently, the outbreak of COVID-19. The temporary trade suspension with India disrupted the supply chain and resulted in a significant loss of sales for the Business. Moreover, the tax reforms led to a significant slowdown in the wholesale segment in the early part of the year. The spread of COVID-19, intermittent lockdowns and closure of OPDs across Pakistan has adversely impacted pharmaceutical industry volumes. Although the government has relaxed the lockdown to some extent, but very few OPDs have opened, with reduced patient flow, thus hampering prescription generation. All of this led to a shortage of number of medicines and consequently lost sales for the Business.

The above challenges resulted in a decline of 3% in net turnover, however, the decline was partially offset by the launch of eight new products during the year with Merpen (Meropenem) being recognized as the second-best launch of the industry among 450 new products launched this year.

Operating profit for the year was PKR 553 million, a sterling performance compared to the operating profit of PKR 277 million for the same period last year. This performance was largely delivered by smart management of costs, while simultaneously delivering better product mix, increased factory efficiencies and higher toll volumes.

The Business successfully completed the amalgamation of Cirin Pharmaceuticals (Private) Limited in ICI Pakistan Limited effective March 1, 2020 which entailed complex regulatory approvals & HR integration processes. Since the merger, the SAP – Information system has been successfully deployed at Hattar plant in June 2020 integrating it with the ERP systems of ICI Pakistan Limited. Both the amalgamation & the ERP deployment were completed in record time without any business interruption and with minimal cost. These projects have enabled the Business to further diversify its product portfolio while providing the right platform for future business growth.

The prevailing pandemic has upset supply chains across the world. Apart from the loss of sales to hospitals and clinics due to current pandemic, raw materials supply delays particularly from India will further negatively impact both the Business and wider industry sales and profitability in the coming months. The recent devaluation of the Rupee has already negatively affected the overall profitability of the business. Further devaluation will make imports even costlier at a time when cost and freight for imported raw materials are increasing across the globe. This will ultimately increase cost of manufacturing the products, likely impacting both our sales and profitability.

Facing an unpredictable economic and regulatory environment, the Business will continue its focus on bringing new products to the market to fulfil unmet patient needs. Further, efforts will continue towards improving the manufacturing cost base and reducing the costs to serve for the Business.

Animal Health

Net Turnover (PKR m)



Operating Results (PKR m)



During the year, the Animal Health Business delivered net turnover of PKR 3,909 million, 5% higher than the SPLY and an operating result of PKR 203 million, 21% lower than the SPLY. In terms of revenues, the livestock segment grew by 21% whereas the poultry segment observed a negative growth of 27% during the year under review.

During a major part of the year, Poultry sector profitability was negatively impacted owing to increased supply of day-old chicks, higher feed prices and low day-old chick and marketable chicken prices. During the last quarter of the year

under review, breeder companies rationalised inventory of broiler capacity. Huge financial losses to farmers resulted in liquidity crises and payments cycle was adversely impacted.

Corrective measures taken during the period to manage the credit exposure also impacted the poultry sales. Implementation of strategy to lower the credit exposure to poultry trade customers and convert them to cash or alternate arrangements encountered resistance from customers, resulting in loss of sales and market share.

The Business has been focusing on its locally manufactured portfolio and the performance of locally produced MSD anthelmintic and Farmer’s Choice portfolio is reflection of that. Vanda and Silage also remained on track, improving the locally manufactured mix of the business.

The market has now started adjusting itself to COVID-19, however, in the Poultry segment, due to reduced Broiler Breeder and day-old chicks, supply has been reduced considerably compared to the demand of chicken meat in the market. Going forward, bridging the demand-supply gap will be gradual.

With increased milk demand, farmers are demanding more feed to keep milk production aligned. Shortage of Green fodder has sustained demand for Vanda during warm weather. Increase in prices for Silage will continue to be a challenge for the market.

Off-season for breeding will continue for a couple of months but market players continue to negotiate and engage with corporate customers as contracts for next breeding season are near finalisation with supplies beginning from October 2020.

Chemicals & Agri-Sciences

Net Turnover (PKR m)

June 2019		8,109
June 2020		8,023

Operating Results (PKR m)

June 2019		705
June 2020		739

Despite unprecedented COVID-19 circumstances and challenging economic conditions impacting consumer demand across multiple segments, the Chemicals & Agri Sciences Business achieved a net turnover of PKR 8,023 million for the year under review, being lower by only 1% compared to the SPLY.

The operating result of the business for the year was recorded at PKR 739 million which is 5% higher than the SPLY. Despite the challenging situation amidst the COVID-19 pandemic and

stringent government regulations, the Business was able to manage profitability through enhanced focus on margin optimisation and operational excellence.

The positive results were mainly attributed to effective margin management and cost optimisation across the business portfolios, especially in the Agri Sciences Business. Despite ban of imports from India and strict government regulations, Agri Sciences strove to effectively drive the Business through strategic improvisation. The Chemicals Business results were impacted by depressed economic conditions which were further aggravated in the last quarter due to COVID-19.

During the year, the newly commissioned Masterbatches business was supported by new customer acquisition, successful repeat orders and new technical developments which helped built a positive momentum in this. In line with strategic aspirations, the Business continued R&D for specialized products to meet specific customer needs.

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. In view of the ongoing pandemic, Chemicals & Agri Sciences will continue to capitalize on opportunities arising in the market due to restricted imports of raw materials. Normalising consumer demand post lockdown and minimising uncertainty in the market will also provide a boost to the overall business performance in the coming quarter.

The Business’ projections are based on assumptions based on historical trends, market indicators and expected conditions in the market. Due to prevailing uncertainty in the market, the Business has taken moderate assumptions in line with the strategic goals of the Company.

Finance

The Company’s balance sheet as of June 30, 2020, remains on a strong footing, with a current ratio of 1.27 (2019: 1.13) and a quick ratio of 0.49 (2019: 0.47).

The net turnover of PKR 53,599 million for the year under review is 8% lower compared to the SPLY, due to decline in revenues across all businesses except for Animal Health Business.

Despite lower revenues, the gross profit for the year under review is 11% higher than the SPLY, achieved on the back of manufacturing efficiencies, effective margin management and strict cost controls.

The sales and distribution expenses for the year are 7% higher than the SPLY, whereas the administrative and general expenses

for the year are 11% higher than the SPLY. The rise in these expenses is essentially due to increased staff costs, increased outward freight and inflationary impact on other expenses.

The Company continued its financing facilities, both long-term and short-term, from various banks during the year to manage working capital funding and business expansion. During the year, the Company also resorted to cheaper Foreign Exchange loans for its import LCs to minimize the finance cost. However, due to higher interest rates during the year, finance cost was increased by 10% as compared to the SPLY. Furthermore, the Pakistani rupee depreciated by around 5% against the US dollar, resulting in exchange losses of PKR 367 million. These factors impaired, to some extent, the overall performance and profitability of the Company.

Other operating income for the year is 134% higher than the SPLY mainly due to a higher dividend from NutriCo Pakistan (Private) Limited - an associated Company.

The Profit After Tax (PAT) amounting to PKR 3,029 million is 31% higher than the SPLY.

The Earnings per share (EPS) of PKR 32.80 for the year is 31% higher than the SPLY.

Future Outlook

The year 2020 is seeing the world grapple with the effects of the COVID-19 pandemic, with high certainty of an uncertain future with deaths ranging in hundreds of thousands and reported cases in millions, no country from the most developed to the poorest, has been spared.

The pandemic has had far-reaching consequences beyond the spread of the disease itself, being an emergency of international concerns resulting in health, lives, and economic losses. With the virus showing no signs of easing, the crisis seems far from over. Economies around the world are buffeted by economic headwinds from multiple quarters: pressure on weak health care systems, loss of trade and tourism, dwindling remittances, subdued capital flows, supply-demand disruptions, and tight financial conditions amid mounting debt.

The pandemic has already infected the Pakistan economy, pushing GDP growth into negative territory coupled with higher inflation and unemployment rates. These downturns are expected to reverse years of progress toward development goals and push tens of millions of people back into extreme poverty.

Although the economic activity has gained some momentum post relaxation of the nationwide lockdown, the recovery will be

gradual and measured. The recovery of global oil prices and consequential tariff hikes are expected to result in a second wave of inflation. Moreover, keeping the policy rate stable and managing rupee value will be a challenge, which is crucial for the suitable economic and investment climate. The surge in external debt and geopolitical tensions further cloud the outlook.

These social and economic disruptions whilst posing threats to the economy, will also bring opportunities. The increased activities on China Pakistan Economic Corridor (CPEC), initiation of construction work on major dams and special considerations for the construction industry should bode well for the economy.

The Company, therefore, remains confident and focused on minimizing the negative impacts and delivering top quartile results by leveraging its diversified product portfolio along with proactively exploring opportunities for both organic and inorganic growth in line with its brand promise of Cultivating Growth.

Acknowledgment

The results of the Company are a reflection of the unrelenting commitment and contribution of its people, and the trust placed in the Company by its customers, suppliers, service providers and shareholders. The Company acknowledges and thanks all stakeholders for the confidence reposed in it.

Auditors

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

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

Related Party Transactions

During the year, the Company carried out transactions with its related parties. Details of these transactions are disclosed in note 39 to unconsolidated financial statements attached therein.

Compliance with the Code of Corporate Governance

The Company has taken all necessary steps to ensure Good Corporate Governance. As part of Compliance of Listed Companies (Code of Corporate Governance) Regulations,

2019 ("CCG"), the Directors are pleased to state as follows:

- The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any deviation from these has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- Key operating and financial data for the last 10 years is summarised on pages 30 and 31 of this Report.
- Outstanding taxes and levies are given in the Notes to the Financial Statements.
- The management of the Company is committed to good corporate governance, and appropriate steps are taken to comply with best practices.

Investment in Retirement Benefits

The value of net assets available for benefits with respect to staff retirement funds operated by the trustees of the funds, as per their financial statements (un-audited) on June 30, 2020 were as follows:

	30-Jun-20	30-Jun-19
	Value (PKR '000)	Value (PKR '000)
1 ICI Pakistan Management Staff Pension Fund	917	907
2 ICI Pakistan Management Staff Gratuity Fund	555	496
3 ICI Pakistan Management Staff Defined Contribution Superannuation Fund	1,038	924
4 ICI Pakistan Management Staff Provident Fund	1,144	999
5 ICI Pakistan Non-Management Staff Provident Fund	570	484

Election Of Directors

Extraordinary General Meeting (EOGM) of the Company was held on May 11, 2020 for election of Directors. Eight (8) Directors including two (2) Independent Directors were elected

unopposed for a term of three (3) years effective May 11, 2020 in the said EOGM. While selecting the Independent Directors, core competencies, qualifications, diversified work experience, skill set and knowledge of the individuals was considered.

Composition of the Board

In line with the requirements of the CCG, 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

Committees of the Board

Audit Committee

Syed Muhammad Shabbar Zaidi	Chairman
Khawaja Iqbal Hassan	Member
Mr. Muhammad Ali Tabba	Member
Mr. Jawed Yunus Tabba	Member

HR & Remuneration Committee

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

Banking Committee

Mr. Asif Jooma	Chairman
Mr. Muhammad Abid Ganatra	Member
Khawaja Iqbal Hassan	Member

Share Transfer Committee

Mr. Jawed Yunus Tabba	Chairman
Mr. Asif Jooma	Member
Mr. Muhammad Abid Ganatra	Member

Directors' Attendance

During the period under review, six (06) Board meetings, five (05) Audit Committee meetings and three (03) Human Resource Remuneration Committee (HR&RC) meetings were held. Attendance by each Director/Member/CFO/Company

Secretary of the respective Board/Sub-Committees was as follows:

Name of Director & Secretary	Board of Directors Meetings	Audit Committee Meetings	HR & Remunerations Committee Meetings
Mr. Muhammad Sohail Tabba	6	-	3
Mr. Muhammad Ali Tabba	6	3	3
Mr. Jawed Yunus Tabba	6	5	3
Mrs. Amina A Aziz Bawany	3	-	-
Mr. Asif Jooma	6	-	3
Mr. Khawaja Iqbal Hassan	6	5	3
Mr. Muhammad Abid Ganatra Director & CFO	6	-	-
Mr. Kamal A Chinoy *	3	-	-
Syed Muhammad Shabbar Zaidi **	-	-	-
Ms. Nausheen Ahmad Company Secretary	6	-	-
Ms. Fariha Salahuddin Secretary to HR&RC	-	-	3
Mr. Muhammad Ali Mirza Secretary to the BAC	-	5	-

*Mr. Kamal A. Chinoy retired from the Board w.e.f. April 28, 2020.

**Syed Muhammad Shabbar Zaidi elected Independent Director w.e.f. May 11, 2020. Subsequent to the election, no meeting was held during the year.

Directors Remuneration

A formal Director's Remuneration policy approved by the Board is in place. The policy includes transparent procedure for remuneration of Directors in accordance with the Companies Act, 2017 and CCG. As per the said policy, Directors are paid a remuneration of PKR. 75,000 for attending each meeting of the Board or its sub-committees.

Appropriate disclosure of remuneration paid during the year to Directors and Chief Executive has been provided in Note 38 to the Financial Statements.

Board Evaluation

As required under the Code of Corporate Governance, the Board conducts a self-evaluation of its performance on an annual basis. The assessment also includes the assessment of the performance of the Executive Directors, Independent Directors, its Sub Committees. The Board of Directors believe that continuous assessment is critical to assess how effectively the Board has performed against the objectives and goals that they have set for themselves. Based on the results, the areas of improvements are identified, and corrective action plans are prepared.

The assessment of the Board is conducted against the defined parameters including but not limited to the overall structure and size of the Board, integrity, credibility and trustworthiness in decision making, clarity in setting the Board's own performance targets, preparedness for the Board meetings, agility and effectiveness of the Board and quality of contribution by the members.

The overall performance of the Board and its sub-committees measured on the basis of approved criteria remained satisfactory.

Directors' Training

The majority of the Board members have the prescribed qualification and experience required for exemption from training programmes of Directors pursuant to Regulation 18 of the CCG. All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies.

Risk Assessment Framework

Appropriate disclosure of Company's risk framework and internal control system have been made on Pages 68 to 75.

Pattern of Shareholding

In April 2020, Lucky Cement Limited became the Holding Company by acquiring 55% shareholding of the Company. Previously Lucky Cement Holdings (Private) Limited held 54.73%.

As at June 30, 2020 the Parent Company Lucky Cement Limited together with Yunus Textile Holdings Private Limited, Gadoon Textile Mills Limited, Lucky Textile Mills Limited, YB Pakistan Holdings Private Limited and Gadoon Holdings Private Limited held 84.93% (June 30, 2019: 84.94%) while institutions held 8.74% (June 30, 2019: 7.42%) and individuals / others held the balance of 6.33% (June 30, 2019: 7.64%). Voting rights, board selection, & other shareholder's rights are in proportion to their shareholding.

A statement showing the pattern of shareholding in the Company along with additional information as at June 30, 2020, appears on page numbers F66 to F69.

The highest and lowest market prices of ICI Pakistan Limited's shares during FY 2019-20 were as follows:

Highest	January 29, 2020	PKR 754.98
Lowest	September 4, 2019	PKR 432.00

During the year, Khawaja Iqbal Hassan bought 5,000 and 500 shares in different lots on January 13, 2020 and February 26, 2020 at

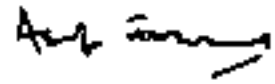
the average rate of PKR 712.50 per share and PKR 680.00 per share respectively. On June 17, 2020, Mr. Hassan sold 3,500 shares at the rate PKR 696.70 per share.

The other Directors, CFO, Company Secretary and their spouses and minor children did not carry out any transaction in the shares of the Company during the financial year.



Muhammad Sohail Tabba
Chairman

Dated: August 20, 2020
Karachi



Asif Jooma
Chief Executive

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2020

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations 2019 (CCG / Regulations) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

ICI Pakistan Limited ("the Company") has applied the principles contained in the CCG in the following manner:

1. The total number of directors are 8 as per the following:
 - a. Male: 7
 - b. Female: 1
2. The composition of the Board is as follows:

Category	Names
Independent Directors	Khawaja Iqbal Hassan Syed Muhammad Shabbar Zaidi
Executive Directors	Mr. Asif Jooma Mr. Muhammad Abid Ganatra
Non-Executive Directors	Mr. Muhammad Sohail Tabba Mr. Muhammad Ali Tabba Mr. Jawed Yunus Tabba
Female Director (Non-Executive Director)	Mrs Amina Abdul Aziz Bawany

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including ICI Pakistan Limited.
4. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures besides being placed on the Company's website.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Companies Act, 2017 and these Regulations.
9. The Company is compliant with Regulation 19(1) of the CCG as more than half of the Directors along with the Company Secretary have either completed the Director's Certification from authorized institutions or have the prescribed qualification and experience pursuant to Regulation 19 of the CCG.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

Audit Committee

Syed M. Shabbar Zaidi	(Chairman)
Muhammad Ali Tabba	(Member)
Jawed Yunus Tabba	(Member)
Khawaja Iqbal Hassan	(Member)

HR & R Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following:
- | | |
|-----------------------------------|----|
| a) Audit Committee: | 05 |
| b) HR and Remuneration Committee: | 03 |
15. The Board has outsourced the internal audit function to M/s KPMG Taseer Hadi & Co. Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. They are involved in the internal audit function on a full time basis. The Head of Internal Audit coordinates with the internal auditors and reports directly to the Board Audit Committee.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and



Muhammad Sohail Tabba
Chairman

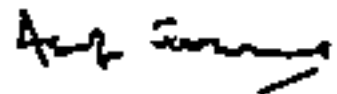
Dated: August 20, 2020
Karachi

that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of Regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. With regard to compliance with Regulation 6 of the CCG it may be noted that all the steps for election of Directors took place during the lockdown phase of COVID-19 and due to the paucity of time and logistic difficulties the Board of Directors, while fixing the number of Directors in their 362nd Board meeting held on January 28, 2020 discussed that, given the diversified nature of ICI Pakistan Businesses ranging from Pharmaceuticals to Soda Ash/ Polyester and Agri Sciences, and restrictions due to COVID-19, it would be difficult to identify persons with the requisite varied skill set and experience required in a short period of time. Considering the same, the Board decided to take a cautious approach and had agreed to keep the number of Independent Directors at 2. The number of Independent Directors could be reviewed after 3 years for the next election of Directors.

The shareholders in Extraordinary General Meeting held on May 11, 2020 elected 8 Directors for the next term of 3 years effective May 11, 2020.

The Board was also guided by the fact that as per Regulation 6 rounding up was not mandatory and the Regulators had placed Regulation 6 rounding up under the 'comply or explain' approach which enabled the Board to explain its reasoning.



Asif Jooma
Chief Executive



Review Report

Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), prepared by the Board of Directors of ICI Pakistan Limited (the Company) for the year ended 30 June 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We

are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2020.

EY Ford Rhodes
Chartered Accountants

Date: September 2, 2020
Karachi





Business Performance

Possibilities to Deliver

ICI Pakistan Limited is driven by a vision to deliver best-in-class solutions. Through our diverse business portfolio, we are constantly exploring possibilities to grow and actualise to improve lives for a stronger Pakistan. To do this, we are constantly developing solutions that are sustainable, agile and responsive to ever-changing environments and customer needs.

This section outlines the performance and growth of ICI Pakistan Limited's five core business during 2019-20.

Soda Ash

The Soda Ash Business of ICI Pakistan Limited remains synonymous with quality and longevity, having been a steady contributor to the national economy since 1944, when soda ash production first commenced at the Khewra Plant.

The Plant's original capacity of 18,000 tonnes per annum (TPA) has increased to 425,000 TPA, and undergoing further expansion to meet the growing market needs.

Since its inception 76 years ago, the Business has continued to grow from strength to strength. As production capabilities have evolved, so have the various markets and applications for soda ash. Today, soda ash consistently ranks as one of the top ten inorganic chemicals produced in the world and is an essential raw material to a variety of industries, including detergents and glass.

The Soda Ash Business caters to a major portion of the country's total soda ash requirement. The domestic consumers of soda ash in Pakistan rely upon ICI Pakistan Limited as a trusted and reliable supplier for high quality soda ash.

ICI Pakistan Limited utilises indigenous raw materials to ensure substantial foreign exchange savings through import substitution. The Business is regularly exporting soda ash and is an established player in the regional market with Fortune 500 companies amongst its clientele.



Market Overview

The soda ash market contracted during the Fiscal Year 2019-20 due to the outbreak of COVID-19 which forced lockdowns that brought market activity to a standstill. All segments barring detergent were negatively impacted due to the outbreak. Soda ash demand from glass manufacturers declined due to sluggish downstream demand. As activity in the construction sector remained stalled, demand for float glass remained low. Similarly, due to closure of restaurants, wedding halls, and dip in the purchasing power of customers, the demand for tableware and beverage bottles also remained depressed. The paper segment was adversely affected due to the change in academic sessions which meant reorganising of production schedules. Accordingly, manufacturers operated at low rates. Silicate segment was also impacted by the outbreak as demand from textile industry remained poor due to closure of mills. The detergent segment however, showed strong growth as demand for soaps and detergents increased due to focus on hygiene as a means to reduce the spread of the deadly virus. The market for refined sodium bicarbonate remained subdued as well due to closure of tandoors and stalled market activity which lowered its demand.

Business Performance and key developments/highlights

The Business sales remained lower compared to last year due to the COVID-19 pandemic. The sales were impacted due to sluggish demand from downstream markets of each segment. The Business continued to improve its customer serviceability levels to remain the 'Supplier of Choice'. In this regard, the Business took various initiatives

to cater to customers' requirements and redesigned its export packaging by introducing two new SKUs in 750KG and 1250KG size. The Business has aggressively pushed for exports to top global brands in detergents and glass segments and has established a strong export presence in Afghanistan, Bangladesh, Egypt, Oman, Qatar, Sri Lanka, Tanzania, and the United Arab Emirates. Despite stiff competition from global soda ash producers, ICI Pakistan has managed to offer competitive prices while maintaining global quality standards and has established itself as a trusted supplier.

Customer Engagement

ICI Pakistan's Soda Ash Business strives to uphold its customer centric approach and takes initiatives to foster a stronger relationship with its customers. In line with these efforts, the Business celebrated its 75th anniversary by engaging with its customers. The Business launched its corporate film which highlighted the strong bond with its customers while also providing details regarding its various initiatives taken to improve the livelihood and health of the local community in Khewra. In September 2019, the customers were invited to the inauguration ceremony of the manufacturing facility of NutriCo Morinaga in Sheikhpura. This invitation was intended to improve customer involvement in the operations and ventures of ICI Pakistan and further strengthen the relationship. During the year, the Business also organised visits and meetings with distributors in Sindh and shared the company's best practices concerning product stewardship, HSE&S etc.



Suhail Aslam Khan, Vice President Soda Ash with Works Manager Umar Mushtaq and other team members at Ladies Welfare Centre.



Works Manager Umar Mushtaq along with Soda Ash team members and locals from Khewra at the annual cricket match organised for community members in Khewra.

Challenges

The global economy is hit by its worst recession which was last seen during the Great Depression. As the world is still gauging the extent of the impact of COVID-19, the sentiments in the soda ash market are also of wait-and-see. Although the global prices dropped from March till June 2020 due to closure of economies, the lockdown restrictions are gradually being eased. This will help push up the demand for soda ash which in turn will increase prices. Although China has come out of the outbreak, three big economies namely Brazil, India, and the United States of America are still struggling with the outbreak. These economies in turn are also amongst the top ten largest consumers of soda ash. The key determinant factor in prices and demand would be how fast a vaccine is developed and rolled out so that businesses resume normal operations.

On the domestic front, although the national economy has reopened, the market is still perplexed due to the implementation of smart lockdowns. Despite the discount rates being slashed by almost half, the market is yet to respond to it since there are liquidity issues. The exchange rate which remained stable during H2 of FY 2019-20 has begun to deteriorate as well which has added to the uncertainty and adversely affected the market sentiment. Managing sales and inventory in this scenario will be challenging.

On the raw materials front, the volatility in the exchange rate and prices of raw material will pose a challenge as planning becomes difficult in times of economic uncertainty.



The annual graduation ceremony at the Ladies Welfare Centre in Khewra.



Group photo of the graduating girls with the teachers and Chief Guest Mrs. Suhail Aslam Khan



Soda Ash Commercial team at the Company's 75th Anniversary Exhibition, Lahore launch.



Suhail Aslam Khan, Vice President Soda Ash, addressing the gathering at Company's 75th Anniversary Exhibition, Lahore launch.

Future Outlook

Moving forward into FY 2020-21, the growth is dependent on the overall economic situation of the country as well as the world economy. The objective would be to stop any contraction in sales and stabilise it at previous levels. The Government has provided an attractive bailout package, which coupled with a lax monetary policy, and assurance of no new taxes in Federal Budget 2020-21 are expected to yield positive results on the domestic economy. On the exchange rate front the declining energy prices, narrowing of current account deficit, and donor commitments for the fight against COVID-19 will bring much-needed stability to the currency and hopefully stop further fall in the exchange rate.

The Government is particularly pushing for “Naya Pakistan Housing Scheme” as well as multiple CPEC projects. These steps will provide a boost to the construction sector which in turn will improve sales to the glass segment. Likewise, due to continued focus on hygiene, sales to soap and detergent industry will continue to remain strong. Lastly, with the lockdown restrictions now mostly eased and surfacing of an encouraging number of recoveries of those who tested positive for COVID-19, it is expected that market activity will soon be buzzing which would mean improvement in sales for all segments.



Soda Ash team members pose with the team of Videographers during the shoot of the Soda Ash film at the Khewra Plant.





Polyester

The Polyester Business is a leading player in Pakistan's textile sector providing Polyester Staple Fibre (PSF), a vital raw material that contributes to the growth of the local textile industry. Over four decades ago, ICI Pakistan Limited introduced PSF in Pakistan. Since then, the Business has continued to meet the growing demands of the local textile industry by providing PSF and various specialised fibre variants to enrich the industry's product offering.

Today, the Polyester Business continues to strengthen its position and brand not just in the domestic market, but also internationally. It has formed strategic global partnerships for new innovative products to ensure that it is well-equipped to meet the ever-changing demands of the global marketplace. The Polyester Business has introduced a number of speciality products based on a four-tier strategy: health and hygiene, sustainability, versatility, and traceability. Currently, the Business is manufacturing a wide variety of products including variants of original Terylene, Black recycled, Antimicrobial etc., to support its strategy. These innovative products will pave the way for the sustainable growth of the Polyester Business as well as strengthen the export-oriented textile value chain of the country.



Polyester Team at the flag hoisting ceremony to mark Pakistan Day at the Sheikhpura Plant.

Market Overview

Polyester Staple Fibre (PSF) is a synthetic fibre manufactured from derivatives of crude oil: Pure Terephthalic Acid (PTA) and Mono-Ethylene Glycol (MEG). After Cotton, PSF is the second most critical raw material for the textile industry. In recent times, polyester has become the most sought-after fibre for the production of speciality and innovative value-added products. Such type of specialisation is not possible to achieve with natural fibres.

The PSF market is mainly impacted by the change in the price of Crude Oil and the demand of textile-related products. Market dynamics of cotton also affect the PSF market to a certain extent as cotton, in some applications, can be used as a substitute for PSF.

In 2019-20, petrochemical markets remained adversely affected. In the first six months of the period under review, the markets were weighed down by the trade war between the two biggest economies of the world, the USA and China. In January 2020, as USA and China signed phase one trade agreement, optimism returned to the markets but it was short-lived as Saudi-Russia price war coupled with the emergence of COVID-19 pandemic sent economic shockwaves across global markets. In light of the pandemic, consumer preferences changed and governments enforced prolonged lockdowns which plunged the world into an economic recession. Although from April 2020 onwards some countries across the world eased lockdowns, the textile sector continues to witness very slow recovery. Analysts predict that the textile demand will return to its pre-COVID-19 level by 2022.

In line with the decline in crude oil prices, Paraxylene (PX), PTA & MEG prices decreased by 35%, 33% and 28% respectively as compared to the Same Period Last Year (SPLY). The regional PSF market was marred with weak feedstocks and high inventories. This caused the regional players to aggressively price themselves in the export market and to dump their stocks in a bid to maintain their operating rates. Such aggressive pricing by regional competitors led to a surge

of PSF imports into Pakistan as the price differential between the domestic and the imported PSF increased substantially. The Pakistani Rupee (PKR) depreciated by approximately 16% against major currencies negating some effect of the reduced feedstock prices for the domestic PSF industry.

Similarly, the international cotton market remained adversely impacted by both, USA-China trade war and the pandemic. However, on average, the domestic cotton price, as compared to last year, remained around the same level due to shortage of fine quality cotton caused by the lowest domestic cotton production seen in the last three decades.

Key Developments

ICI Pakistan's Polyester Business has always been at the forefront of innovation by adapting itself to the changing global consumer demands. Based on its philosophy, the Polyester Business has enhanced its product portfolio on a four tier strategy: Health & Hygiene, Sustainability, Versatility and Traceability.

In line with its commitment towards sustainability, ICI Pakistan Polyester in collaboration with Intrinsic Advanced Materials USA introduced Terylene Powered by CiCLO for its domestic and export customers. Products made with CiCLO® fibre effectively reduce the microfiber pollution and synthetic textile accumulation in oceans and landfills. Terylene powered by CiCLO, is an easy-to-implement solution that allows synthetic fibre to behave more like natural fibre leaving less waste behind to create a more healthy and happy planet. With Terylene powered by CiCLO, the textile industry and the end-consumer can continue to play their part in protecting the environment without compromising on the quality of the product.

Back in 2017-18, ICI Pakistan Polyester fibre business launched antimicrobial fibre (Terylene Powered by SILVERbac) in collaboration with a UK-based company, Novel Technologies Holdings (NTH), for the health & hygiene segment. However, the real pull for this product came from the downstream industry following the



The Polyester team on an engagement event at the Poet's Cafe at Greater Iqbal Park, Lahore



The Polyester Team at the scavenger hunt organised at the Lahore Fort to create engagement.

COVID-19 outbreak. The product encapsulates silver ions into the base of the polymer making the polyester fibre inherently anti-microbial and odour-reducing. Terylene powered by SILVERbac has an unmatched antimicrobial efficacy (as per International Antimicrobial Council) and gives product protection for life. SILVERbac has also been registered by Environmental Protection Agency (EPA) in the USA giving it credibility as opposed to its competitors.

Customer Engagement

Based on its customer centric approach, ICI Pakistan Polyester continued to work to ensure effective customer relationship management. The Business is humbled to share

that the relationship with some of its oldest customers goes back to the year 1982.

In FY 2019-20, as the world was hit by the COVID-19 pandemic, ICI Pakistan Polyester took the initiative to produce antimicrobial towels and socks (with its Terylene powered by SILVERbac), which were distributed free of cost to customers, partners and employees to help protect them from harmful effects of various bacteria and viruses.

Besides this, the Business in line with emerging digital trends introduced Terylene Express, an online newsletter, for customers to keep them updated on a daily basis about





Group photo of Nauman Afzal, Vice President Polyester with team members at Company's 75th Anniversary Exhibition, Sheikhupura launch.

changes and new trends in the textile market value chain. The online circulation covered news from crude oil to the yarn market helping customers make informed and timely decisions.

Challenges

The regional PSF market remained affected by the high level of finished goods inventory amid slow off-take from the downstream market. The regional players adopted aggressive pricing strategy to dump their stocks and to maintain their high operating rates. Pakistan, in the absence of a level playing field, experienced a great influx of PSF imports from these countries.

On the domestic front, growth was seen in exports in the first half of the period under review, as the government took steps to encourage and facilitate exporters; however, in the second half, there was a drastic drop due to the pandemic. Since April 2020, export orders started to improve but as mentioned earlier, the recovery process has been quite slow. Besides this, near the end of March 2020, the Government of Pakistan enforced a 45-day lockdown which forced most of the textile industry to either close down or with some exemption, curtail their operations.

Future Outlook

Going forward, as countries across the globe continue to adapt to the new normal, global markets will improve but at a gradual pace. Feedstock prices are expected to remain stable to firm. However, there is a concerning trend for the textile industry as market demand recovery for this sector has been slower than anticipated, which has left regional PSF players with high inventories. These players will continue to look for export destinations to liquidate their stocks and maintain their

operating rates. Against high unemployment, pay cuts, slow business growth and fear of a second wave of coronavirus cases, consumers are now more careful with their spending. In these uncertain times, consumers have directed their spending more towards essential products and this trend is expected to continue for at least two to three years.

The US Department of Agriculture (USDA) anticipates that the cotton production in FY 2020/21 will exceed consumption, raising world stocks to the highest in 6 years. The cotton production in Pakistan is forecast at around 8 million bales while there will be a continued need for the downstream industry to import cotton to fulfil the demand.

Going forward, the Government's policy framework will play a key role in protecting the domestic industry (not only polyester but others as well), given a huge supply overhang in the regional market caused by the COVID-19 pandemic.

Even though there are number of challenges from both, domestic and international fronts, ICI Pakistan Polyester Business possesses the agility to mitigate the impact of these new challenges in order to deliver on its strategic objectives.

Other information

Principal business activities and markets local and international including key brands, products and services.

In 1982, ICI Polyester set up Pakistan's first-ever polyester manufacturing site. The Business takes pride in the fact that it introduced Terylene Polyester Staple Fibre (PSF) in the country. Since then, ICI Pakistan Polyester has continued



Polyester Business organised Quality Week at Sheikhpura Plant to share the measures the Business takes to ensure the highest quality of all products.

to evolve to meet the growing demands of the domestic textile industry by providing standardised products as well as specialised fibre variants to enrich the industry's product offering. Today, the Polyester Business continues to strengthen its brand not only at the domestic front but also at the export front as it continues to export some of its products to the USA, Turkey and Bahrain. The Business has aligned itself with the emerging needs of the textile industry by forming strategic global partnerships to introduce a number of innovative products based on its four-tier strategy: Health & Hygiene, Sustainability, Versatility and Traceability. The diverse product portfolio of ICI Pakistan Polyester includes Terylene Semi-Dull Polyester Staple Fibre, Terylene Optical Bright Polyester Staple Fibre, Black Dope Dyed Polyester Staple Fibre, Terylene Powered by SILVERbac, Terylene Clean and Terylene Powered by CICLO. With this product portfolio, the Polyester Business ensures that it is well-equipped to meet the ever-changing demands of the global marketplace.

Geographical location and address of all business units including sales units and plants

Polyester Manufacturing Site

30 Km
Sheikhpura-Faisalabad Road
Sheikhpura, Pakistan

ICI Polyester Business - Regional Office

ICI House
63 Mozang road
Lahore, Pakistan

ICI Pakistan Limited Head Office

ICI House
5 West Wharf
Karachi, Pakistan

Porter's Five Forces for Polyester Business

The Porter's Five Forces framework has been applied to determine the attractiveness and the current market dynamics for the Polyester Staple Fiber industry in Pakistan.

Rivalry among Existing Competition

Medium to High

Currently, in Pakistan, there are three domestic players whose total PSF installed capacity is sufficient to cater to local demand. However, due to lack of tariff and non-tariff barriers in Pakistan, there has been a surge in dumping from regional players where there is supply overhang.

With these market dynamics, in recent times, competitive rivalry has increased. Although ICI Pakistan Polyester is the only domestic player to diversify into value added specialised variants but still more than 90% of the market demand comes from a non-specialised variant (Semi-Dull Polyester Staple Fiber) hence competition remains high.

Threat of New entrants

Low

Polyester Staple Fibre plants are capital intensive and there is already surplus PSF capacity available in the market. Hence, it is unlikely that new investors will be attracted towards this industry. The threat from new global entrants also remains low as big regional PSF players continue to increase their market penetration into Pakistan's domestic market through aggressive pricing. With the size of these players, it will be difficult for any new global entrant to compete with them on a commercial scale.

Threat of Substitutes

Low

On a global level, there has been a growing demand for PSF as a man-made fibre and replacement for cotton. As per PCI Wood Mackenzie, by 2030, PSF's global demand share will increase to 58% from 55% while cotton's global demand share will decrease to 21% from 25%. Besides this, in light of new emerging consumer trends focused on health & hygiene and sustainability, there will be an increased demand of specialised value-added variants which will be fulfilled by the usage of PSF. Based on these facts, the threat of substitutes for the industry remains low.



Nauman Afzal, Vice President Polyester, at the launch of the Company's 75th Anniversary Exhibition in Sheikhpura.



A tree plantation drive was organised at the Sheikhpura Plant under the umbrella of the Company's Pehchan Volunteer Programme.

Bargaining power of Suppliers

Medium

PSF is manufactured from crude oil derivatives: Pure Terephthalic Acid (PTA) and Mono-Ethylene Glycol (MEG). For PTA, the domestic PSF industry has the option to either import or buy from a local source. While on the other hand, for MEG, there is no local availability in the domestic market hence the industry has to import. As both raw materials are crude-oil derivatives and are commonly traded hence their price benchmarks are set and followed by the industry. Domestic PSF manufacturers have a cushion for discounts on bulk buying as there are options to import from different suppliers.

Bargaining power of Customers

Medium

Domestic PSF customers have the option to either import the fibre or procure from the local market. With lack of tariff

protection and dumped pricing by the regional players, the domestic PSF customers have more suppliers to select from. However, owing to supply chain and reliability related issues, customers are generally reluctant to shift completely to imported fibres unless there is significant price differential between imported and domestic PSF. Hence, the bargaining power of customers remains medium for this industry.

Certifications received by the Business

For the period under review, ICI Pakistan Polyester successfully granted renewal by relevant certification body for the following:

- OEKO-TEX (Standard 100)
- Global Recycled Standard Certification
- ISO 9001:2015





Pharmaceuticals

In line with its mission of Improving Lives, the Pharmaceuticals Business of ICI Pakistan Limited manufactures, markets and distributes some of the leading pharmaceutical products, including drugs that fight life-threatening diseases.

Having acquired Cirin Pharmaceuticals (Private) Limited, and some brands and assets of Wyeth Pakistan Limited (Wyeth) and Pfizer Pakistan Limited, this year Cirin Pharmaceuticals (Private)

Limited amalgamated into the Company. These acquisitions have substantially strengthened the manufacturing capability of the Company and diversified its pharmaceuticals product portfolio.

The Business is committed to making a positive impact on the lives of millions across Pakistan and providing options for improved health and well-being.

Market Overview

In 2019-20, the pharmaceuticals industry of Pakistan registered sales of PKR 441 billion. The industry currently comprises of 617 companies, with the top 100 pharmaceuticals companies accounting for approximately 98% of the industry's market share.

The industry's performance over the last five years has shown steady growth at a Compound Annual Growth Rate (CAGR) of 11%, determined by socio-economic factors such as changing lifestyles, increased awareness of health issues, growing population and a high occurrence of acute illnesses. This year, however, the industry faced a volume slow down primarily due to three factors: (i) trade ban on imports from India, (ii) the COVID -19 pandemic and (iii) documentation drive by the tax authorities.

Business Performance

The Pharmaceuticals Business achieved net sales income of PKR 6.3 billion for the fiscal year 2019-20. The highlight of the year has been ICI Pakistan's ascent to becoming the 2nd fastest growing organisation among the Top 21 pharmaceutical corporations in Pakistan, demonstrating a remarkable turnaround across the Business. ICI Pakistan has grown faster than the market, at a growth of 25.9%, achieving a market share of 1.56%. New launches by the Business this year are demonstrating a strong trajectory, with Merpen (meropenem) being recognised as the second best launch of the industry among 402 new product entrants.

The turnaround can be attributed to strategic initiatives introduced across the Pharmaceuticals Business. A new

Promotional Grid and Brand Planning Process was established, strengthening the focus on fifty priority brands to leverage customer segment synergies and enhance the capabilities of the sales team. During the period under review, marketing competencies were strengthened through capability building programmes, and the team successfully transitioned from a single channel model to a robust Multi-Channel Marketing Model. Through its Launch Excellence Process, the Business was also able to deliver 8 new product launches during the current fiscal year.

The Commercial Excellence function deployed a new Sales Call Model, called "Best Sell Outcome" to strengthen key message delivery and improve selling outcomes. Despite restrictions in the latter half of the year due to the COVID-19 outbreak, the team did not compromise on developing sales force capabilities and instead leveraged digital platforms to engage a team of over 400 territory managers in the Virtual Upskilling Programme on knowledge excellence and selling skills.

The Distribution and Sales Operations function implemented a new discount policy to effectively manage channel mix and improve the gross to net ratio for the Pharmaceuticals Business. The team also optimised the distributor network and strengthened the forecasting process to bring in predictability to the business.

The Pharmaceuticals Business has witnessed a remarkable transformation this year and is on track with its vision to become the "most trusted, quality-conscious and innovative pharmaceuticals company". By achieving its mission to



Aamer Malik, Vice President Pharmaceuticals addresses the audience at the Annual Pharmaceuticals Sales Conference.



Aamer Malik, Vice President Pharmaceuticals and Ali Masood, General Manager Pharmaceuticals at the Annual Pharmaceuticals Sales Conference.

“improve lives and provide innovative and quality healthcare products”, the Business will continue to aim to drive sustainable, competitive and profitable growth.

Key Developments

The amalgamation of Cirin Pharmaceuticals (Private) Limited into ICI Pakistan enabled the Company to expand its manufacturing base and further diversify its product portfolio while providing the right platform for future business growth. The Business also strengthened its partnership with AstraZeneca UK Limited by confirming the renewal of their longstanding relationship in the Oncology and Cardiology segments, while also exploring potential new avenues of partnership to build a platform for patients and caregivers to treat the high burden of diseases in Pakistan.

In line with its commitment to put patients first, the Pharmaceuticals Business executed 8 new product launches namely: Xenecor, Viltin, Viltin-Met, Merpen, Dorinem, Avaam, Avaam Plus and Fortexone 2g. Dorinem (doripenem), is the newest addition to the Business’ injectable antibiotic portfolio, which is the latest Carbapenem approved by the U.S. Food and Drug Administration (USFDA). The Manufacturing and Supply Chain function has taken major initiatives to improve efficiencies and ensure the Business is able to deliver the highest quality of healthcare products. The function successfully delivered 8 new products for launch and also internalised the production of two key brands, Alcuflex and Fortexone. Plant capacities were also enhanced by successfully

installing the new CAM-Line and upgradation of the Sterile manufacturing.

Customer Engagement

The Business’ engagement model for healthcare professionals is built on three foundational pillars: (i) Advocacy Mobilisation, (ii) Scientific Cascades, and (iii) Public Awareness. The Pharmaceuticals Business is transforming to become a customer-centric business with the goal of fostering a positive customer experience at every stage of its decision journey. The focus has shifted to building customer experiences and delivering value as, when, and how the customer/patient wants.

The Business’ new customer engagement strategy is built on three foundational pillars: (i) Advocacy Mobilisation, (ii) Scientific Cascades, and (iii) Patient & Community Awareness. Advocacy Mobilisation remained a key focus this year with multiple portfolios taking the lead and driving scientific discourse with top medical professionals in the industry. Realigning the medical function to become the “Medical of the Future” helped the Business increase engagement levels with key opinion leaders and drive discourse on the science behind the medicines. Scientific Cascades at major conferences, symposia series and round table discussions have ensured relevancy while spreading disease awareness has remained an integral part of the engagement model. The Business activated 4 new digital channels and leveraged



Ali Masood, General Manager Pharmaceuticals with the sales and marketing leadership at the NSM Summit 2020.



Marketing team members along with Ali Masood, GM Pharmaceuticals, at an awareness session on Breast Cancer.



them to create greater impact and reach larger audiences as compared to before. Webinars and digital activations have enabled the Business to remain relevant and engaging for the customers at a time when COVID-19 has limited access of field force to customers.

Challenges

The year started with the Government's drive to document the economy, which brought resistance from the unorganised segments and led to a slowdown of volumes in various channels. A significant challenge during the first quarter of the year was the trade ban on imports from India. While the ban was lifted in early September, due to limited import activity, it posed a significant challenge for the Business. The Supply Chain team has effectively responded to the situation and is developing alternative sources to avoid future challenges. The Pharmaceuticals Industry has also witnessed a volume slowdown this year due to the COVID-19 outbreak. COVID-19 has significantly impacted the industry at large, where lockdowns to reduce the spread of the deadly virus have disrupted supply chains of raw materials across the



world. Regular working routines have also been impacted as hospitals and OPDs across the country were closed to outpatients. The Business was able to quickly regroup as the Manufacturing, Quality, and Supply Chain teams ensured the plants remained fully operational during this time, whilst complying with multiple safety protocols and SOPs. The Distribution team ensured life-saving medicines continued to be available across the country, while the digital customer engagement activities were scaled up to remain connected with the customer base.

Future Outlook

ICI Pakistan's Pharmaceuticals Business aims to thrive despite the current challenging environment, by continuing to embrace the agile mindset and through focus on innovative new solutions to meet the demands of patients across Pakistan. The Business, in line with its core value of sustainable growth, will continue to launch best-in line products for the Pakistani health care system and continue to develop and build capabilities of its teams to better serve patients in the times to come.



Animal Health

ICI Pakistan Limited's Animal Health Business is a complete farm management solution provider for livestock and poultry stakeholders across Pakistan. The Business offers superior quality products encompassing a wide range of therapeutic categories, including anti-bacterials, restoratives, dairy and poultry nutrition, and biologicals.

International collaborations have allowed the Animal Health Business to bring global advancements to Pakistan and forge partnerships with leading animal health companies of the world. In addition to global collaborations, the Animal Health Business adds value to local farmers' lives with an exciting range of high-quality branded generics portfolio offered under the brand umbrella of Farmer's Choice. The Business is also involved in and is a leading player in the production of its own cattle-feed (Vanda) and Silage. With these products, the Business aims to improve animal nutrition and veterinary care in Pakistan, thus enabling the growth of dairy and poultry farmers.

Market Overview

The Animal Health Business contributes to the development of the livestock and poultry segments as part of the overall agriculture sector. In 2019-20, the livestock sector recorded a growth of 2.58%, contributing 60.6% to the overall agriculture sector and 11.7% to the GDP. The livestock sector has surpassed the crop subsector as the biggest contributor to value addition in agriculture, supporting more than 8 million rural families and contributing 3.1% to the total export. Pakistan is also the fourth largest milk producer in the world and, in 2019; its production is estimated to have expanded further by about 3 percent.

In Pakistan, the expansion and profitability of the Livestock sector has been affected by lack of modernisation and technological advancements. However, an increase in input costs, competitive milk prices and improved awareness about productivity has resulted in the shift of farmers from indigenous to high yielding crossbreed animals and an increase in commercial farming. The focus on modernisation and diversification is also emerging in new commercial and corporate dairy entrants.

The product categories of the Business's Livestock segment include anthelmintic, antibiotics, intra-mammary and intra-uterine products, antiprotozoal, bovine genetics, bypass

fat, reproductive hormones, nutritional portfolio including restoratives, Silage and Vanda.

The product categories of the Poultry segment include antibiotic growth promoters (AGPs), moisture optimisation and grain treatment, antibiotics (imported and locally manufactured), biologicals, disinfectants, organic acids, enzymes and nutritional products.

The Livestock sector has the potential of phenomenal growth as Pakistan is geographically close to the Middle East and South-East Asian countries. Both regions are deficient in livestock products and depend on imports from other countries, which presents a sizeable export opportunity for Pakistan. These exports comprise of many products including hides, bones and bone products, live animals and wool. In the fiscal year 2019-2020, the sector earned foreign exchange of USD 179.5 million through meat and meat products exports.

During the year, efforts for improving nutrition, breeding and health management, biosecurity and genetics were carried out in the livestock sector.

Similarly, massive vaccination campaigns were conducted to lower incidences of disease outbreaks. During the year the MNFS&R collaborated with international (Office International



The Animal Health Team at the Annual Performance Excellence Award ceremony.

des Epizooties OIE, Food and Agriculture Organization FAO) and regional organisations (SAARC, ECO, APHCA and EU) for Human Resource Development and capacity building of national and provincial livestock institutions for diagnosis and control of animal diseases to further improve the animal health status of Pakistan.

Poultry is one of the most important and vibrant segment of Pakistan's animal health sector. The industry is progressing at an impressive growth rate of 8 percent per annum over the last few years with a current investment of more than PKR 700 billion. Pakistan has become the 11th largest poultry producer in the world with an annual production of 1,163 million broilers.

The poultry industry of Pakistan is making a tremendous contribution in bridging the gap between supply and demand of meat protein. With the continuous depletion of red meat supply, poultry is the cheapest available animal protein source for the masses and an effective check on the spiraling animal protein prices. The poultry industry generates direct and indirect employment for more than 1.5 million people of Pakistan.

The poultry development strategy is based on disease control, intensive production, processing, value-addition and improving poultry husbandry practices through technological advancements. Poultry today has been a balancing force to keep a check on the prices of mutton and beef. Poultry meat contributes 35 percent of the total meat production of 4,708 thousand tons in the country. Poultry meat production showed a growth of 9.1 percent whereas egg production showed a growth of 5.6 percent during 2019-20.

Business Performance and Key Developments

Despite a challenging year owing to an unprecedented rise in grain prices, low day-old and marketable chicken and uncertainty associated with the COVID-19 outbreak, the Animal Health Business posted net sales of PKR 3.9 billion with a growth of 5% compared to Same Period Last Year (SPLY). The Livestock segment made a major contribution (76%) to the top-line with a robust growth of 21%, while the Poultry segment contributed 24% to the top line.

The Farmer's Choice portfolio crossed the milestone of PKR 2.37 billion in net sales and has become a major contributor to the revenues of Animal Health Division. This is in line with the Business strategy to focus on locally produced portfolios, reduce dependence on foreign principals and mitigate the impact of Pakistani rupee devaluation. The Farmer's Choice Vanda crossed PKR 1.78 billion in net sales, which was followed by Silage that posted a healthy growth of 87% over the SPLY.

Customer Engagement

Through customer engagement activities, the Animal Health Business puts into practice the Company's core value of Customer Centricity on a regular basis. In 2019-20, the Division organised more than 900 professional meetings and 1,700 farmer gatherings. These sessions engaged over 15,000 farmers and 6,000 professionals every month. Farm economics was a recurring topic at the farmer gatherings, while the gathering of professionals focused on sharing information about the management of any disease outbreak. The Business also organised conferences and meetings for key customers to build and enhance relationships.

During the lockdowns owing to the COVID-19 outbreak, the Division continued to engage key customers online in collaboration with international partners Berg + Schmidt and Elanco. The sessions focused on product trainings and best dairy development practices.

The Animal Health Business team also participated in the International Poultry Exhibition (IPEX), Dairy and Livestock Expo held in Sindh & Balochistan, & the Annual Para Vetoath taking ceremony in Hyderabad.

Challenges

COVID-19 has disrupted economic activities globally and posed a negative impact on Pakistan's economy. The increase in cases and subsequent lockdown across the country had restricted movement of goods and people. Both supply and demand for livestock and poultry products (meat, milk, eggs)



Quality Control remains the main focus at Veterinary Medicine Facility complying GLP

reduced due to reduction in demand, and logistics issues/ movement restrictions. As a result, the livelihoods of farmers and livestock holders generated through sale of crops and livestock produce, and of those associated with agriculture and food, related business is adversely affected.

The poultry industry was hit hardest by the country's COVID19 response. Demand and prices of poultry products has reduced considerably due to lockdowns. Ban on events and closure of marriage halls has forced companies to reduce the production of meat and eggs.

During the year, dollar adjustment and subsequent Pakistani rupee devaluation resulted in an increase in input costs that negatively impacted margins. As a result of persistent price increases and restricted cash flows due to COVID-19, there was an increase in preference for low-priced generics.

The entry of organised feed manufacturers in the cattle feed segment has changed the market landscape as new entrants are offering extended credit to traders to gain market share. The Division is actively engaged with dealers to avoid loss of market share.

With an increase in awareness on Anti-Microbial Resistance (AMR) and restrictions on the use of Antibiotic Growth Promoters (AGPs) through the amendment of Punjab Feed Act,

the use of AGPs has been limited to starter and grower feed applications.

Future Outlook

Despite the challenges, the Animal Health Business is poised to deliver strong results in the future. The Business is focused on localisation to mitigate the impact of currency devaluation and increasing import costs. Collaborations with Trouw Nutrition portfolio and ST-Genetics are a steppingstone towards establishing ICI Pakistan Limited as a top solutions-provider in the dairy farm, animal nutrition, salmonella control and poultry gut health segments. The market for poultry vaccines has responded well to the CAVAC range and the Poultry segment has initiated specialised sales efforts for greater market penetration.

In the Poultry segment, the restructuring and rationalisation of portfolio is planned to improve focus, increase customer engagement, and expand market share, especially by building the Farmer's Choice portfolio. Collaboration with Trouw Nutrition for feed formulation in areas of Aqua Feed is expected to allow the Business to grow its market share by providing high quality and value-added solutions to the customers.

Overall, despite a challenging external environment, the Animal Health Business is well prepared to capitalise on the growth opportunities with its enhanced product portfolio.



Chemicals & Agri Sciences

The Chemicals & Agri Sciences Business has been improving lives across Pakistan for decades. The Business consists of five Divisions: General Chemicals (GC), Polyurethanes (PU), Specialty Chemicals (SC), Masterbatches and Agri Sciences.

The Chemicals Division (GC, PU, SC and Masterbatches) import, manufacture and market its own products, brands and variants from international trading partners for industrial use. The Agri Sciences Division contributes to the agriculture sector, the lifeline of Pakistan's economy, by offering highest quality seeds, Agro Chemicals and micronutrients.

Through innovative approaches, such as commencement of commercial operations at its state-of-the-art Masterbatches manufacturing facility, the Business continues to contribute significantly to the growth aspirations of the Company. Today, the products of the Chemicals & Agri Sciences Business are used across practically every industry in Pakistan, and continue to enhance the many comforts of modern life.

General Chemicals

Market Overview

The General Chemicals Division is the trading segment of the Business, supplying important chemicals to various sectors, including beverages, food, dairy & meat, HORECA, edible oil manufacturers, agricultural sector and many others. The Division consists of two key segments, Consumer Chemicals and Adhesives. The Adhesives segment manufactures and distributes adhesives throughout the country with specialty lying in the wood working adhesives, locally produced at our plant in Karachi and the distribution of hot melts procured from a renowned supplier.

This year, in the Consumer Chemicals segment, the portfolios of food, dairy, meat and HORECA emerged to show promising results and developments whereas, the Beverage Segment continued to be the volume leader for the segment. Whereas the Adhesives Segment successfully revamped the distribution network with professional and stable distributors in place and focused on increasing numeric distribution to achieve geographical coverage.

Customer Engagement

In line with the Company's core value of customer centricity, various initiatives are taken every year to enhance relationships with customers and focus on their requirements. During the year, get-togethers and launch events were held across Pakistan engaging the end-users. Regular distributor meet-ups were also made part of the decorum for relationship building and addressing economical concerns.

Challenges

The GC Division faced challenges owing to a slowdown of business activity, closure of restaurants, educational institutions, catering companies etc. due to the COVID-19 outbreak and the resultant lockdown. Going forward, enhancing product portfolio for sustainable business development will remain a challenge.

Future Outlook

The Division has a clear plan in place to continue achieving growth while maintain focus on being customer centric and the supplier of choice. Going forward, the Adhesives Segment will focus on product development, increase in numeric distribution and engage end users through various marketing activities to enhance brand equity. The Hygiene and Care portfolio picked up pace during COVID-19 and the future looks promising for this category of chemicals given the high awareness and demand.



Arshaduddin Ahmed, Vice President Chemicals, addresses the HEED 2020 – Sustainable Development Conference.

Polyurethanes



Market Overview

The Polyurethanes (PU) Division remains a major supplier to key customers, with a strong focus on product quality and service at the heart of its operations. During the year, methylene diphenyl di isocyanate (MDI) prices remained weak; the second half of the fiscal year observed a decline in the prices as a result of the shrunken global demand.

Capitalising on the strong customer relationships, the Division successfully managed to enhance its market presence despite an increasingly clutching competitive landscape.

Customer Engagement

The Business took the initiative of arranging a full- day Technical Training session with key accounts at the state-of-the-art Chemicals Technical Center in Karachi, which resulted in the strengthening of existing relationships and development of further business.

Challenges

The Polyurethanes Division faced several challenges, including an overall economic slowdown, immense de-growth in the automotive segment, slashed quotas for 141B gas, exchange rate fluctuations followed by halting of business activity due to the COVID-19 lockdown.

Future Outlook

The Division plans to explore new business opportunities to continue to deliver enduring value for all stakeholders. The focus is to enhance presence and profitability by converting challenges into opportunities. The Business is looking forward to introducing alternative technology for 141B gas.



Specialty Chemicals Team at a ceremony organised by Raaziq Group in Lahore.



Masterbatches Team celebrate the milestone of achieving the 100 tonnes sales mark.

Specialty Chemicals

Market Overview:

The Specialty Chemicals Division directly serves the pillars of the economy – textiles and agriculture. Furthermore, the trading arm of the Division feeds numerous other local industries to expand the Division’s presence in the chemicals market.

In the Textiles industry, exports increased marginally year-on-year in the first seven months as value-added exports showed sign of improvement during the period. In January, the sector spiked to full capacity after the government withdrew duties and taxes on import of raw cotton, witnessing a 26% volumetric growth in export. However, March onwards things took a turn for the worse. Major retailers faced liquidity issues, and the withdrawal of the zero-rated regime, fluctuating value of the rupee against the dollar and imposition of 17% sales tax applied continuous pressure on the industry.

The government’s CNIC documentation drive at the start of the year particularly affected the market for traded industrial chemicals. It disrupted the business of unregistered traders in the market and created a supply gap, which was capitalised by formal entities like ICI Pakistan Limited.

The ban on imports from India affected the market for crop protection emulsifiers, and shorted supply of surfactant chemicals in the market. Elsewhere, a countywide locust infestation damaged crops, with 52 districts coming under the fold of the attack.



CE Asif Jooma, Arshaduddin Ahmed, Vice President Chemicals, along with members of the Chemicals Team pose with Evonik President Asia Pacific South Peter Meinshausen during his visit to the Head Office.

Key Developments

Over the year, our partnership with Huntsman Textile Effects enabled us to increase our customer base, especially among export players. With a new product portfolio at hand, the Textiles sub-segment also entered into reactive printing dyes for the women’s wear segment. As advocates of innovation, we enabled customers to enter the American market of fire-retardant products by using customisable services. Also, of note, trials of the Huntsman medical textiles portfolio gained momentum at the end of the fiscal year, in response to the demand increase for isolation gowns and masks, globally. The Industrial Chemicals and Crops sub-segments remained resilient in the face of challenges including the pandemic and industrial lockdown and were able to deliver higher-than-expected profits. Both Businesses also did promising work on supplier development through the year, which is expected to reap rewards as the company enters the new fiscal year.

Challenges

The lockdown had far-reaching effects on the Textiles industry, where experts estimate that postponed or cancelled orders to the local industry were worth over \$1.3 billion. Capacity utilisation was lower across the chain. In particular, domestic men’s fashion wear was reported to be operating at 30% capacity because of the lockdown. As a result major retailers faced significant liquidity problems. Furthermore, following COVID-19, the industry is facing price volatility for different raw materials. In the Crops segment, one of the biggest challenges was the low production of cotton in FY19-20. Lastly, low industrial growth, especially in the Paints & Coatings industry, proved to be a significant headwind for the Industrial Chemicals Business.

Customer Engagement:

Textiles facilitated visits of global technical experts from Huntsman Textile Effects at key customer sites in Lahore, Faisalabad and Karachi. These experts advised on important technical aspects like trials, and optimal product usage. Moreover, with their firm grip on global best practices, they were able to add significant value to customers by advising on production processes.

In Industrial Chemicals, the Business demonstrated its commitment to customer centricity by conducting HSE&S trainings at Diamond Paints, General Tires and Allied Paint Industry. The focus of the sessions was to outline chemical handling best practices.

Over the year, the Crops sub-segment continued to stand out amongst its competitors by being a source of technical support to its customers. By leveraging the facilities and knowledge at the Chemicals Technical Centre, the business aided in recipe development for customers all over Pakistan.

Future Outlook

Going forward, technical and commercial innovation will continue to drive the division's goals, as we make consistent strides in enhancing market share through value creation for our existing and new customers. Customer engagement will remain key in differentiating ICI Pakistan Limited from its competitors even amidst an impending recession.

The Textiles Business will be looking to further augment its partnership with Huntsman by introducing new products in line with market trends and increasing penetration at major players.

The industrial chemicals sub-segment will remain vary of the industrial de-growth in Pakistan during FY20, and will avail the advantages of its agile, trading-house set up to grow further into relatively stable industries like pharmaceuticals and foods and beverages.

The Crops business will leverage its novel strategic partnerships with global suppliers to drive further growth and build upon its consistently stellar performance.

Masterbatches

Market Overview

In May 2019, ICI Pakistan announced the successful commissioning and launch of commercial operations at its state-of-the-art Masterbatches manufacturing facility in Karachi.

The market for Masterbatches has shown promising growth in Pakistan and this trend is expected to continue in the future as well due to the increase in plastic consumption as plastic continues to be the preferred choice for packaging and due to rapid urbanisation and changing lifestyles.

Moreover, the industry has moved towards responsible consumption, with smart plastic for various applications across diverse industries. This changing trend also provides opportunities for product development and innovation in order to create value across the plastic and packaging industries and thereby establishing ICI Pakistan's strong foothold in the market.

Operating in a competitive environment with respect to a vast number of manufacturers, ICI Pakistan Masterbatches has positioned itself as a quality conscious premier manufacturer. Our Masterbatch brand, Shades, has placed ICI Pakistan's core values of "Innovation" and "Delivering Enduring Value" at its centre to develop a wide product range that includes both standard and specialised colours and additives, catering to various industries such as packaging, construction, tents and tarpaulin, food, appliances, fiber/yarn, automotive and consumer goods. With the latest European technology and a well-equipped R&D lab, ICI Pakistan Limited is well positioned to continuously innovate and develop high quality, specialised solutions for customers. The

modern production facility is backed by well-trained and qualified technical staff for ongoing customer support. Within the first year of entering the market, ICI Pakistan Masterbatches is serving customers across Pakistan.

Business Performance and Key Development

Upholding our promise of "Bringing Substance to Life", our market development is focused on offering innovative, premium quality and strong value based products to the industry that satisfy our customers' business needs. Keeping "Customer Centricity" value at the core of our operations, a positive response has been received from customers that provides confidence for ICI Pakistan Limited to penetrate and add value to the masterbatches market of Pakistan.

Customer engagement

In order to better connect with customers, the Business successfully co-sponsored and participated in 'PakPlas – The International Plastics Expo 2019' in Lahore. The Business observed great footfall at its stall which provided an opportunity to meet new customers, receive inquiries, and sample orders across all plastic applications. The Business also continues to expand its presence digitally. We successfully launched the Shades Masterbatches facility video on all major digital platforms to showcase our manufacturing, technical and R&D capabilities to our customers.

Challenges

The current economic outlook and structural reforms have posed challenges in short to medium term to almost every industry. The slowdown of GDP growth and consistent weakening of the rupee mean the cost of production and working capital will be directly affected. Moreover, following the COVID-19 outbreak, many industries we serve such as stationery, Polypropylene (PP) bags, hard packaging, Polyethylene (PE) bags, sheets and films were affected adversely.

Future Outlook

Compared to other regional markets, Pakistan's plastics industry is still in an infant stage. The per capita consumption of plastic is one of the lowest in the region, which offers high potential for new product development and growth of the Masterbatches Division. The size of plastics industry is driven by multiple sectors across the economy, which provides a platform for sustainable growth of the Masterbatches Business.





Agri Sciences, Cycle Meeting and Product Training.

Agri Division

Market Overview:

Agriculture is the lifeline of Pakistan's economy accounting for 19.3 percent of the Gross Domestic Product (GDP), employing 39 percent of the labour force and providing raw material for several value-added sectors. It is also an important source of foreign exchange earnings and stimulates growth in other sectors, thereby playing a central role in national development, food security and poverty reduction. The growth and output of the agriculture sector is dependent on a number of external factors including environment, farm economics and weather. During FY 2019-20, the performance of agriculture sector improved over the Same Period Last Year (SPLY) and it also performed better than other sectors. However, the challenges due to climate change, pest attacks, shortage of water etc., kept agriculture production far less than its actual potential.

The recent outbreak of COVID-19 coupled with the Locust attack poses extraordinary challenges for almost all sectors of the economy of Pakistan. The need for maintaining food security and livelihoods has also gained more importance. The cereal markets are expected to remain balanced and comfortable despite uncertainties over the impact of COVID-19. As logistic issues may pose challenges to food supply, it is important to take measures for boosting agriculture production which will contribute in mitigating the socio-economic impact of the pandemic.

During the year under review, the performance of agriculture sector remained remarkable. On the aggregate, the sector recorded growth of 2.67 percent considerably higher than 0.58 percent growth achieved over the same period last year. The crops segment, overall, experienced a growth of 2.98 percent due to an increase in growth of important crops by 2.90 percent mainly owing to sufficient availability of inputs (adequate water, certified seeds, pesticides, and an uptick in credit disbursement) despite lower fertilizer off-take.

The seeds industry has been dominated by the open pollinated variety (OPV) seed market with more than 73% share. Major crops such as wheat, sugarcane, cotton, and rice continue to be the primary contributors to the crops segment. Within the seeds industry, a growing trend of hybridisation is observed.

The pesticides industry continues to focus largely on the insecticides segment, with awareness for herbicides and

fungicides remaining low but increasing gradually. The import ban from India impacted the availability of certain agrochemicals and hybrid seeds for farmers in current year.

Rice production increased by 2.9 percent to 7.410 million tonnes and Maize production by 6.0 percent to 7.236 million tonnes, while Cotton production declined by 6.9 percent to 9.178 million bales and Sugarcane production declined by 0.4 percent to 66.880 million tonnes. Wheat is the most important crop of "Rabi", which showed growth of 2.5 percent and reached to 24.946 million tonnes. Other crops having a share of 11.53 percent in agriculture value addition and 2.23 percent in GDP, showed growth of 4.57 percent mainly due to increase in production of pulses, oilseeds and vegetables.

Business Performance

Despite all challenges, Agri division showed a tremendous growth during the year under review. Seeds Segment performed exceptionally well, as sales of sunflower seeds, corn, fodder and hybrid rice were significantly higher than the same period last year. The Agrochemicals Segment also remained under impact of stock shortages due to import ban from India, however the alternate sourcing of products enabled business to register significant growth over last year. Despite challenging market conditions, Agri division successfully converted all customer transactions from unsecured credit to secured credit and cash.

During 2019-20, Agri Division focused on its agrochemical and seeds portfolios management while maintaining and strengthening its position in existing product portfolio with the addition of new products. Four new products were launched by the Agri division during FY 2019-20.

Customer Engagement

Agri division continues to focus on providing best-in-class solutions to its customers, adopting to the varying needs of the customers across the country. Our sales and development team regularly train farmers on the latest production technologies to improve farm economics while adopting efficient farm management practices.

Agri division team have demonstrated resilience and innovation during the unprecedented times and have shown how to stay connected in a socially distant world during COVID-19. While so many people and businesses were adversely impacted by the COVID-19 crisis, ICI Pakistan Limited's team helped sustain farming



Agri Sciences, new product launch event.



Agri Sciences, new product launch event.



Agri Sciences product and promotional activities.



Agri Sciences product and promotional activities.

communities and food supply. Keeping a razor sharp focus on that, the team continues to fulfil this mission, with health and safety at the forefront of everything they do. Adopting to the new normal and bringing to life innovative ways of reaching to the Company's valued customers, they demonstrated results of the products to ensure the Company's contribution towards uninterrupted food supply for the population of the country. The team ensured that not only the toll-free helpline number continues to provide guidance to the farmers during lockdown situation but also the field team kept a strong connection with them through effective usage of available technology & tools. Although the COVID-19 outbreak has forced many to work remotely, customer relationship was maintained and the team remained motivated to continue doing what they did best. ICI Pakistan Limited teams are agile, customer focused and fully operational.

In the agriculture industry, retail partners play a pivotal role in ensuring the availability of product to farmers. The Division undertook a series of business partner trainings to ensure close customer connect and improve partnerships.

Challenges

Challenges faced during the period under review included import ban from India, abrupt weather changes, slow economic growth, high input prices due to continuous exchange loss of local currency and a decrease in global agriculture commodity prices, all of which have jointly led to a decline in the ability of farmers

to invest in farm inputs. Liquidity crunch due to COVID-19 and Locust attack situation also impacted farmer ability to invest.

Unorthodox market practices along with the complex supply chain model of the agricultural industry continue to be a major challenge. Farmers have limited access to formal credit and therefore, lack the financial capacity required to enhance the quality and yield of the crop.

Future Plans

The Agri Division is geared to continue its aggressive growth in the coming years as well. Several strategic actions have been taken to prepare it for the realities of today, and the opportunities ahead of it. ICI Pakistan Limited's Agri division is committed to consolidating its position with regards to its existing brands, and diversifying its portfolio to cater to the unmet needs of farmers going forward. The Seeds Segment will be strengthened by minimizing reliance on sunflower seeds and with a focus on creating footprint in other crops. At the same time, the Agrochemicals Segments will drive stronger business development, supported by an expected pipeline of new partners and products in the segment. Going forward, the Company believes that it is positioned to deliver value-added products to growers and farmers, enabling us to expand its business and return value to its shareholders.

Sustainable Performance

Possibilities to Create a Sustainable Future

Sustainability is at the heart of everything we do. Upholding our mission of Improving Lives, we are constantly working smarter and better to conserve our resources and protect our planet. We are driven to create a future that is more sustainable and equitable for the generations to come.

This section contains a comprehensive report on the Company's sustainability strategy, KPIs, annual and long-term targets and performance.







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Message from the Chief Executive



Dear Stakeholders,

In line with its mission statement of improving lives and brand promise of cultivating growth, ICI Pakistan Limited has always been a thought leader and innovator in the area of sustainability. The Company's values of Customer Centricity, Integrity & Responsibility, Innovation, Passion for People and Delivering Enduring Value are what

define the Company and ensure that it constantly strives to make the world more sustainable and equitable for the coming generations. It is our belief that sustainable development strengthens brand image and therefore ensures long-term success; attracts capital, drives business growth and attracts top talent.

Today, more than ever, when we are all living through these unprecedented times and battling the COVID-19 pandemic, the need for sustainable development is crucial. The COVID-19 outbreak has been a lesson on the interdependency between the different elements of sustainability – from ecosystem integrity to, health and wellbeing and responsible consumption and production. As leaders in the corporate landscape of Pakistan, it is our responsibility to look ahead and assess how the pandemic and the global recovery from it will impact the way we live and operate. From shifting workforces to work from home arrangements to locally sourced production owing to closed borders, the need for responsible consumption and production has accelerated. Employers – public and private – and individuals have now tested alternative ways of working and consuming at a scale that can lead to more responsible consumption and production.

As a growing and socially responsible business, I believe that ICI Pakistan Limited has a crucial role to play in promoting greater awareness and action about UN Sustainable Development Goals (SDGs), such as climate change, economic inequality, innovation and responsible consumption. The Company has made tangible progress in its commitments to becoming a more sustainable organisation. In June 2019, under the "SDG Leadership Programme" of Pakistan Business Council's Centre of Excellence in Responsible Business (CERB), ICI Pakistan Limited was nominated as an SDG Leader for United Nations Sustainable Development Goal 12 – Responsible Consumption and Production.

Roughly 11 years ago, ICI Pakistan Limited pioneered the voluntary adoption of sustainable reporting. The Company's sustainability reporting is now aligned with the GRI standards and UNSDGs. This year to further its focus on sustainable development, the Company reconstituted its Sustainability Council. Sustainability is a shared responsibility and through this Council, ICI Pakistan Limited will enhance focus and establish best practice in the area.

In line with its mission statement of improving lives and commitment to reduce its impact on the planet, ICI Pakistan Limited Polyester launched two products: Terylene Clean and Terylene Powered by CiCLO. These recycles products perform like virgin Polyester Staple Fibre whilst maintaining impact on the environment.

Further, I am pleased to announce that ICI Pakistan Limited has achieved the milestone of over 28 million safe man hours, which reflects the robustness of its Health, Safety, Environment & Security systems. To supervise containment measures at all locations, the Company has established the Pandemic Watch Committee which meets regularly. Safety remains ICI Pakistan Limited's top priority and there will be no compromise on this principle.

During this uncertain time where we have seen a rise in unemployment and inequality, the ICI Pakistan Limited employees continued their drive to give back to the community. Under the employee volunteer programme, Pehchan, employees collected funds and ran donations drives for those affected by the outbreak. This year, over 200 employees committed over 1,050 voluntary hours in 18 different activities which included tree plantation, blood donation drives and efforts to raise funds for The Citizens Foundation and NJV Government Higher Secondary School, Karachi. Therefore, in the truest sense, the Company's people have practiced Cultivating Growth outside the office space as well. The Company continues its CSR efforts focusing on health, education and women's empowerment in all the locations where it operates. The Company has contributed to establishing a state-of-the-art pediatric emergency at Lyari General Hospital, Karachi.

This year, the Company for the second consecutive year ran its employee intrapreneurship programme, Explore. Several ideas to adapt to the changing economic and social landscape following the COVID-19 outbreak, conservation of energy and water and initiatives and products to reduce environmental impact were submitted. This gives me confidence that if we all work together we can continue to have a positive impact on the planet.

This publication highlights how ICI Pakistan Limited is leading in sustainability and becoming a catalyst of change as a large manufacturing Company. This is critical for the long term sustenance of the Company and the community. As we all rethink the way we live, celebrate and operate, we promise to strive to stand by you during difficult times and create a world that is more sustainable.

I hope you find ICI Pakistan Limited's actions and vision for a more a sustainable world inspiring. Together, we all can overcome any difficulty and contribute to the SDGs to make this world a better place.

Warmest regards

Asif Jooma,
Chief Executive

Sustainability Performance 2019-20 Highlights



Product Stewardship

2,597,000 kg of post-consumer recycled PET material converted into one of the finest polyester products.



250,000+

community members benefit directly and indirectly from Corporate Social Responsibility programmes each year.



100 m³/day Effluent Treatment Plant

commissioned at Hattar Industrial Estate to recycle water for irrigation.



28+ million

Safe man-hours



Awards

- Received Pakistan Stock Exchange's (PSX) Top 20 Companies award
- Recognised as the Best Place to Work in the Manufacturing and Engineering Industry by Pakistani Society of Human Resource Management and Engage Consulting.
- ICI Pakistan Limited won an award at the #BetterNormalAwards in the category of 'Who knew our managers were this human?' which were organised by Disruptive HR, a UK based HR Consultancy.



No occupational illness

reported in 2019-20



24,000+

man-hours invested in employee training on health and safety



Occupational Health Manual

analysed based on global best practices



477 tonnes

of emissions eliminated due to conversion of post-consumer recycled PET material into fine polyester.



Learning Event Dashboard

launched for easy logging, marking of learning events and prompt communication of any significant events



ISO 45001 & ISO 14001 certifications:

The two manufacturing sites of the Pharmaceuticals Business: Hattar Industrial Estate & Hawkes Bay; obtained ISO 45001 & ISO 14001 certification in the year 2019-20.

Creating Shared Value

In line with its core values and brand promise of Cultivating Growth, ICI Pakistan Limited believes in delivering sustained growth and creating enduring value for all key stakeholders. The Company’s triple-bottom line concept of the sustainability framework is focussed on creating shared value, based on social, environmental and economic parameters.

Key Inputs

Social

- 1,600+ employees nationwide
- Pioneer in adopting principles of sustainability (Health, Safety and Environment)
- Employee and leadership development
- Partnerships with communities and universities
- PKR 30 million allocated to corporate social responsibility (CSR) programmes last year
- Strong culture of corporate governance and business ethics
- Reduced environmental impact of operations
- Tree plantation drives
- Improvement in biodiversity

Environmental

- Reduced environmental impact of operations
- Tree plantation drives
- Improvement in biodiversity

Economic

- Project investments
- Delivered strong and healthy return on equity
- 100,000+ vendors



Supply Chain





Manufacturing

- Project investments
- Delivered strong and healthy return on equity
- 100,000+ vendors



Value Creation and Addition

 The Company’s sourcing and manufacturing processes are sustainable, safe and continuously optimised

 ICI Pakistan Limited manufactures, markets and produces high-quality and innovative products

Key Outputs/Impact



Social

- 28+ million safe man-hours
- Approximately 24,000 hours dedicated to learning and development of employees
- PSX's Top 20 Companies Award
- Farmer and customer awareness sessions
- Impact Women's Development Programme
- 250,000+ direct and indirect beneficiaries of CSR programmes
- 18 CSR projects funded in 2019-20 by the ICI Pakistan Limited Foundation



Environmental

- Project Green (tree plantation drive in Khewra) covers 41.30 acres and has approximately 300,000 thriving plants
- 33% improvement in biodiversity as compared to 2003
- 2,113+ birds of 82 species and 293+ species of plants are found at the ICI Pakistan Limited site in Khewra, as per WWF Flora and Fauna Study
- 477 tonnes of emissions eliminated due to conversion of post-consumer recycled PET material into fine polyester at ICI Pakistan Limited Polyester Business



Economic

- PKR 4.59 billion contributed to the national exchequer in taxes and duties
- 48.78% payout ratio to shareholders
- 100,000+ vendor relationships
- PKR 2.53 consolidated profit after tax



Distributors



Customers



The Company maintains a strong focus on supporting and investing in communities



ICI Pakistan Limited's brand promise of Cultivating Growth creates sustainable value for all stakeholders

Sustainability Strategy

ICI Pakistan Limited is committed to reducing its environmental impact on the planet by delivering more sustainable products and solutions to its customers.

Approach

Sustainability is integrated in all areas of the Company's operations – for the benefit of customers, shareholders, employees and, the world around it. The Company's sustainability strategy is simple and compelling. It is divided into the following underlying principles, which it aims to uphold and adhere to:

Fostering a Culture of Excellence: ICI Pakistan Limited aims to build an environment in which people constantly strive to deliver more and endeavours to achieve this through attracting and retaining the best talent. This mind-set encompasses sustainability-related practices and performance.

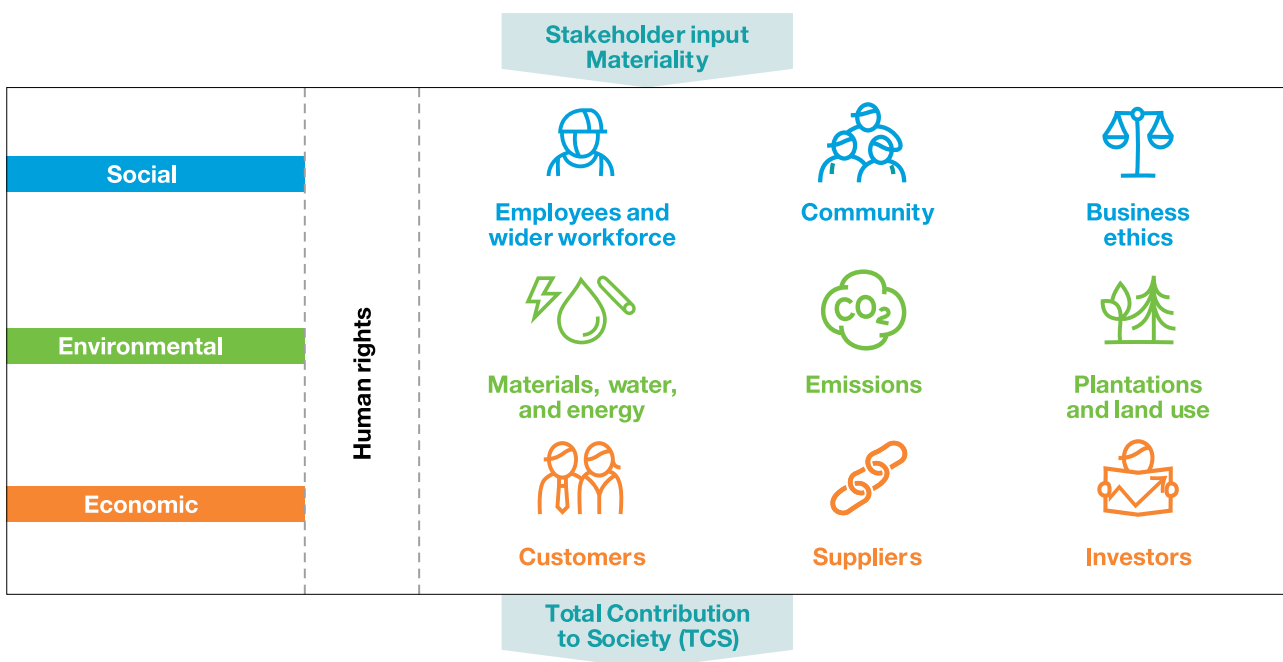
Operating Responsibly: ICI Pakistan Limited strives to operate with due respect and consideration for the environment, the communities in which it operates, and other stakeholder groups. It endeavours to create and put into practice processes which evolve with changing needs, while ensuring that it operates responsibly.

Environmental Stewardship: ICI Pakistan Limited is a leader in innovation and developing solutions for cleaner, greener systems to reduce its impact on the environment.

Creating Socioeconomic Value: ICI Pakistan Limited is working to create value in local communities by providing the

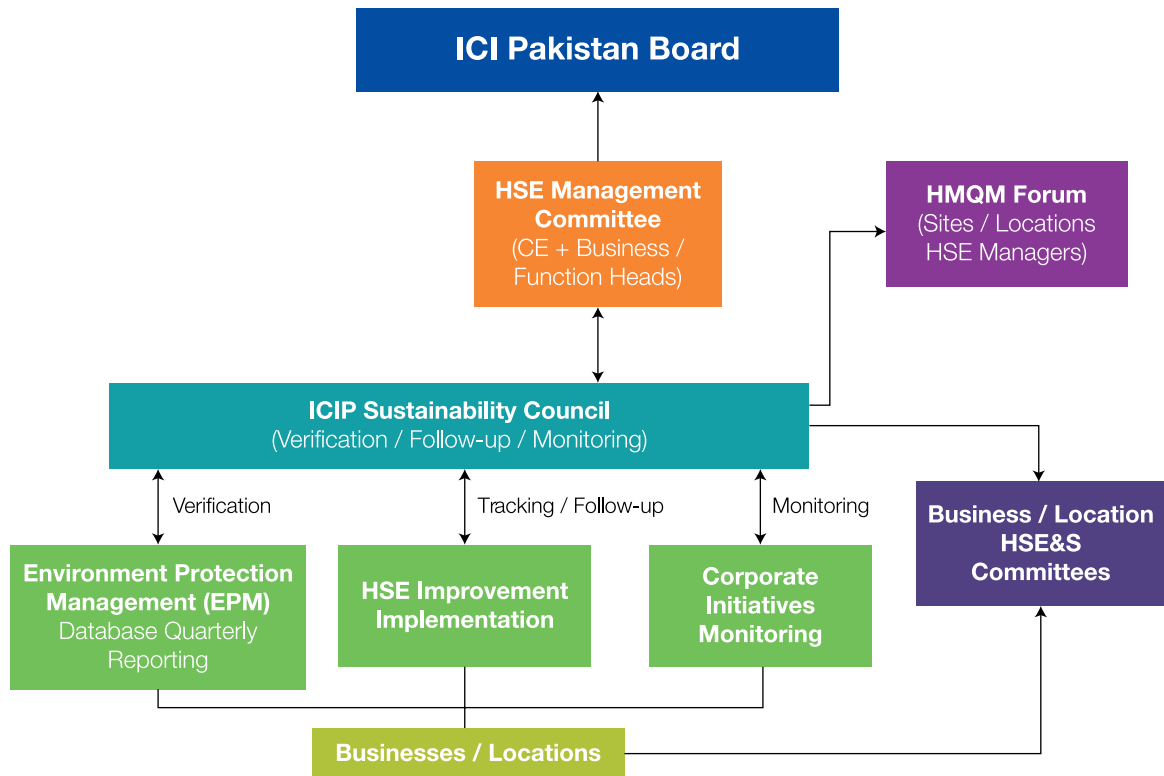
tools and assistance required for capacity building and improving quality of life.

Transparency: ICI Pakistan Limited ensures that processes and operations at its Businesses and functions are transparent. The Company believes that its stakeholders have a right to information; transparency in this regard promotes and increases trust.



ICI Pakistan Limited's triple-bottom line concept of sustainability framework based on social, environmental and economic parameters

Structure and Operation of the Sustainability Process at ICI Pakistan Limited



Sustainability Council

The Sustainability Council is a multi-disciplinary team from all Businesses and Functional areas of the Company. The Council was established to foster sustainable growth of ICI Pakistan Limited.

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

Responsibilities of the Council

Within the overarching areas of Corporate Social Responsibility, environmental stewardship of operations and economic impact & growth, the Council will act to:

- Define sustainability KPIs, measurement matrices, and establish sustainability targets.
- Review partnerships and relationships, both current and proposed, with stakeholders, i.e., customers, regulators, communities, shareholders and suppliers.
- Formulate and execute communication strategies relating to the Company's sustainable growth.
- Introduce new and innovative technologies that will further the goal of sustainability within the Company and implement actions to promote such technologies.
- Set guidelines for managing sustainable change.
- Define broad parameters for enhancing product responsibility.
- Prioritise sustainability goals towards areas where the Company can make the most meaningful impact and

generate the biggest results.

- Evaluate to adopt global sustainable practices namely "LEED", "Energy Star", "Green Building", and UNFCCC Clean Development Mechanism.
- Review the environmental footprint and develop strategies to mitigate impact.

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

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

Adopting the Sustainable Development Goals

ICI Pakistan Limited's brand promise of Cultivating Growth is at the heart of all that it does and aligns well with the SDGs for a brighter and more exciting future.

While the Company supports all seventeen SDGs, it is prioritising its actions where it can create the most impact.



Demonstrating Leadership in Sustainability

Implementing Sustainable Development Goals (SDGs)

In line with its core values of Integrity & Responsibility, as well as Delivering Enduring Value, ICI Pakistan Limited began the practice of voluntary sustainability reporting in 2008. The Company regularly engages with the government, civil society and other businesses to promote the adoption of UN SDGs and sustainability principles in all aspects of operations.

In December 2019, the Corporate HSE&S team represented ICI Pakistan Limited in “Corporate Conversation on SDGs” conducted by FFC Limited in collaboration with UNDP, Planning Commission Government of Pakistan and CSRCP highlighting the need for alignment of business strategies with SDGs and reporting business contributions in meeting SDGs. The event

was themed on “Climate change SDG 13 and chemical sector SDG's” in line with World Business Council for Sustainable Development (WBCSD).

In February 2020, the Corporate HSE&S team of ICI Pakistan Limited also participated in the “HEED” conference arranged by Pakistan Society for Training and Development (PSTD) in Karachi. Mr. Arshaduddin Ahmed, Vice President Chemicals & Agri Sciences Business was a panelist at the conference.

The objective of this year’s Health, Safety and Environment, Sustainable Development conference was to establish a platform where top HSE professionals from diverse sectors gather to share their success stories and inspire others to achieve and implement the latest HSE&S trends in their workplaces.



Participants at the UN SDG 12 workshop organised at the Marriott Hotel in Karachi.



Mr. Arshaduddin Ahmed, Vice President Chemicals & Agri Sciences Business, was a panelist at Heed2020- PSTD's annual HSE and Sustainable Development Conference.



Sabir Mahmood, Corporate HSE Manager, and participants from Lucky Cement, Pakistan Cables, and Industrial Steels, were part of the panel moderated by Fahad Yousaf, Operations Manager, Chemicals & Agri Sciences Business.

ICI Pakistan Limited nominated as SDG leader for SDG-12

Under the “SDG Leadership Programme” of Pakistan Business Council’s Centre of Excellence in Responsible Business (CERB)), ICI Pakistan Limited was nominated as an SDG Leader for SDG 12: Responsible Production and Consumption. The SDG Leadership Programme aims to invest in building business networks and a learning environment to encourage businesses to adopt sustainable business practices.

As a SDG Leader, ICI Pakistan Limited will be collaborating with CERB over a two-year period to share its experience of implementing sustainability principles, raise awareness about SDGs and encourage decision-makers to better understand the business case for adopting responsible business practices.

ICI Pakistan Limited partners with CERB to highlight the importance of sustainability practices



ICI Pakistan Limited partnered with CERB to organise a workshop and panel discussion highlighting the importance of sustainability practices. The workshop was attended by participants from leading companies in Pakistan, including Lucky Cement, Pakistan Cables, Industrial Steels, Tundra Fonder and International Finance Corporation among others.

The workshop and panel discussion were the first of a series of workshops on UN SDG 12 that ICI Pakistan Limited will organise in collaboration with CERB over a two-year period.

World Water Day

On March 22, World Water Day was celebrated under the slogan “Water & Climate Change”. ICI Pakistan Limited celebrated World Water Day across all locations and conducted awareness sessions to reduce water consumption and to avoid water leakages. Pledges were taken by employees to save water.

ICI Pakistan Limited has undertaken various water consumption projects which are carried out at various locations across the Company.

Participation in the 6th HSE Conference at Attock Refinery Ltd

The HSE department of ICI Pakistan Limited participated in the 6th HSE conference organised by Attock Refinery Ltd (ARL).

About the Report

This is the twelfth annual Sustainability Report of ICI Pakistan Limited and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. This report also contains a reference to the UN SDGs. ICI Pakistan Limited began the practice of voluntary sustainability reporting in 2008, and this continues to be an important part of the Company's commitment to sustainable practices and transparency.

Report Boundary

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

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

Reporting Period

The reporting period corresponds with the Company's financial year 2019-20 (from July 1, 2019 to June 30, 2020). The cycle of reporting is annual.

Report Content

This report provides information on topics that have been assessed to be material to the Company, based on significance of impact on the economy, environment and society, and are significant for stakeholder interests and decision-making.

The content of this report has been developed keeping in consideration the GRI 101 Foundation (2016) Reporting Principles, which include principles that govern both the content and quality.

Developed in accordance with the Company's Sustainability strategy (outlined in this document), this report also presents Key Performance Indicators (KPIs) relating to the material topics that have been set internally by the Company's sustainability reporting governing body, the Sustainability Council. The KPIs shared in this report were set during 2016-17 and presented for the first time in that year's report, alongside presenting achievements on the previous five years' targets.

The five-year target will serve to guide the Company in its sustainability efforts going forward. However, given the Company's growth and expansion, as well as the changing economic and political landscape, these targets may be subject to review and revision going forward.

Data Collection

The data to compile this report has been obtained from our financial management reporting systems, the Corporate

HR Information Management System, and the Company's Environmental Performance Management (EPM) database, which is a tool for the collection and reporting of Health, Safety, Environment & Security (HSE&S) parameters.

ICI Pakistan Limited's reporting cycle takes place on a quarterly basis and related information is gathered and input by the respective Businesses and functions for review by the Corporate Health, Safety, Environment and Security (HSE&S) department. The Corporate HSE Manager is responsible for the overall data of ICI Pakistan Limited. The data pertaining to integrity management, employment practices, sourcing and community investment is compiled and monitored by the Sustainability Council members responsible for each area. Where limitations in collecting data exist, appropriate explanations have been added to the report.

Assurance

Independent review of this report was conducted by CSRCP, in accordance with GRI Standards, ISAE 3000 (Revised) standard and principles of inclusivity, materiality and responsiveness. A statement from the independent external reviewer is included at the end of this sustainability report, and outlines the scope of the assurance, activities carried out and opinion.

Contact Us

To share any feedback or comments related to the Sustainability Report, please email at: **sustainability.council@ici.com.pk**

For any further information, please contact the following:

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

Materiality Assessment

ICI Pakistan Limited focusses its sustainability efforts on those areas which are deemed to be of the greatest value to the Company's continued growth, performance and success, and could potentially have a significant impact on the economy, environment, communities and other vital stakeholder groups. This section shares information on these critical or material topics and aims to explain how they have been chosen and why they are critical to the Company's operations.

Material topics for sustainability performance have been identified based on several factors, including alignment with the Company's strategy, objectives, vision, values and brand promise (Cultivating

Growth); the past practice of the Company; and internal analysis, debate and discussion on issues raised by the multi-functional Sustainability Council. Material topics are also chosen based on stakeholders' concerns and feedback, general relevance and likely impact in the broader social, economic and environmental context, such as the markets in which the Company operates, energy availability, environmental issues and climate change.

The Sustainability Council reviewed the list of material topics and agreed to add disclosures on compliance, anti-competitive behaviour, child labour and freedom of association.

List of Material Topics and their Boundaries

Area	Material Topic	Boundary
Economic	Economic Performance	ICI Pakistan Limited
	Indirect Economic Impacts	Local community
	Market Presence	ICI Pakistan Limited
	Compliance	ICI Pakistan Limited
	Anti-Competitive Behaviour	ICI Pakistan Limited
Environmental	Energy	ICI Pakistan Limited, our customers
	Water	ICI Pakistan Limited, our local communities, our customers
	Emissions	ICI Pakistan Limited, our suppliers, our local communities
	Effluents & Waste	ICI Pakistan Limited, our suppliers, our local communities
Social	Employment and labour relations	ICI Pakistan Limited
	Training and Education	ICI Pakistan Limited
	Occupational Health and Safety	ICI Pakistan Limited
	Diversity and Equal opportunity	ICI Pakistan Limited
	Non-Discrimination	ICI Pakistan Limited
	Freedom of Association	ICI Pakistan Limited
	Child Labour	ICI Pakistan Limited
Local Communities	ICI Pakistan Limited, our local communities	

Relevance of Material Topics to ICI Pakistan Limited

ECONOMIC

Economic Performance: Deemed to be material as disclosures under this topic relate directly to the Company's value creation agenda as embodied by our vision, values, and brand promise of Cultivating Growth. ICI Pakistan Limited is committed to providing enduring growth and value for the stakeholders, and this growth and value can be quantified and assessed accurately through

complete, audited financial statements of the Company, which are attached with this report. In addition, economic performance carries implications for all other material topics reported upon.

Indirect Economic Impacts: Disclosures under this topic illustrate the Company's economic impact on a wider socio-economic front than if it were simply to take the customers and suppliers into consideration. ICI Pakistan Limited's intent to support growth and development is not limited to the Company. Additionally, the Company considers itself as a

responsible corporate citizen and, therefore, it is important to monitor and measure its ongoing indirect economic impact in the wider context.

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

Compliance: Compliance is a material topic due to its significance on license to operate and economic impact in form of fines and penalties in the case of violation. Non-compliance also negatively impact brand image.

Anti-Competitive Behaviour: Anti-Competitive Behaviour is a material topic due to its significance on license to operate and economic impact in form of fines and penalties in the case of violation. Non-compliance also negatively impact brand image.

ENVIRONMENTAL

Energy: Due to energy shortages in the country, this topic is deemed material as energy costs directly impact the cost of doing business and manufacturing products. More efficient energy usage is, therefore, not only vital in terms of the environment, but also because it can provide the Company a competitive edge in terms of the cost factor.

Water: This is deemed a material topic based on not only the water usage requirements of the Company's operations, but also the current state of water availability in the country. According to a recent report by the International Monetary Fund (IMF), Pakistan ranks third in the world among countries facing acute water shortage. The United Nations Development Programme (UNDP) and the Pakistan Council of Research in Water Resources (PCRWR) have also warned that the country will reach absolute water scarcity by 2025.

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

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

SOCIAL

Employment and labour relations: The employment topic is critical to ICI Pakistan Limited and is driven by its core value of Passion for People. ICI Pakistan Limited aspires to be an employer of choice and recognises that development of employees in terms

of training and education, growth opportunities, compensation and benefits are of utmost importance. The Company maintains a strong focus on providing skills and value to employees, while its policies and employment practices ensure an environment that encourages diversity, engagement, personal growth and professional development. To attract, retain and bring out the best in its people, ICI Pakistan Limited invests in leadership and development training and offers rewarding careers where employees can continuously learn and grow.

Training and Education: Closely linked to the material topic of employment, training and education remains an ongoing focus for ICI Pakistan Limited, in pursuit of the Company's ambition to be an employer of choice, recruiting and retaining the brightest talent. Training, education and development of its people is, therefore, a topic of critical importance to the Company. It is an area where ICI Pakistan Limited works on an ongoing basis with formal training, development and growth opportunities, effective, timely, performance appraisals and feedback systems, and by creating an open culture that encourages feedback and discussion.

Occupational Health and Safety: This topic carries tremendous significance in relation to ICI Pakistan Limited as health and safety are a primary concern and an overarching responsibility of the Company under its values (Passion for People; Integrity and Responsibility) and the HSE&S policy. The topic affects not only employees of the Company, but also service providers, contractors, suppliers and members of the communities. ICIP also focus on customer Health & Safety and provide trainings sessions to their customers covering aspects of products safety, environmental compliance & general health and safety orientation.

Diversity and Equal Opportunity: As an equal opportunity provider, ICI Pakistan Limited takes great pride in its commitment to fostering diversity and inclusion and valuing the contributions of its diverse workforce. The Company's commitment to diversity and inclusion is driven by its core values (Passion for People; Integrity and Responsibility), the brand promise of Cultivating Growth and Code of Conduct.

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

Local communities: Disclosures on this topic, which consider initiatives for the development of communities, are important because they provide an overview and impact of these initiatives. As a result, various stakeholders can assess the value added by such initiatives.

Freedom of Association & Child Labour: Upholding international proclaimed human rights is the cornerstone of ICI Pakistan Limited's values and code of conduct. The Company supports and abides by international charters on freedom of association, ILO Conventions and local regulations in its sphere of influence.

Stakeholder Engagement

ICI Pakistan Limited’s approach to engaging with key stakeholders is underpinned by the Company’s core values of Customer Centricity and Passion for People, in line with its vision to be the partner of choice and brand promise of Cultivating Growth.

Being a pioneer in responsible stewardship, the Company continuously engages with key stakeholders to build strong relationships, better understand the material issues that affect them and align its sustainability strategy with their needs to create shared value.

Major initiatives carried out during the year for stakeholder groups include:



Shareholders/Investors

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



Employees

To cascade the corporate strategy and share updates about key business initiatives, Chief Executive communication sessions are held bi-annually at ICI Pakistan Limited. Each Business Head also organises town hall and skip-level meetings to ensure strategic alignment across the Company and create a culture of engagement. For the second consecutive year, ICI Pakistan Limited has received the prestigious Gallup Great Workplace Award and this recognition was celebrated with all employees through engagement sessions. ICI Pakistan Limited’s first-ever intrapreneurship programme, the Explore Challenge, also received an overwhelming response from the employees and being implemented on all our businesses.



Customers

Customer-centricity is one of the Company’s key values and all Businesses are committed to the success of their respective customers. The Businesses continued to focus on multiple customer engagement initiatives, including regular customer meetings, customer visits to the manufacturing facility, technical assistance and the Distributors/Customers Conference to further strengthen their strong business relationships.



Local community

In 2019-20, new projects were launched in addition to the ongoing, longstanding initiatives that benefit local communities, particularly in the areas of healthcare provision, education/ vocational training and women empowerment. Throughout the year, employees continued to take part in various activities organised under the Pehchan Volunteer Programme. Some of these activities included tree plantation in Sheikhpura and Khewra, blood donation drive and generation of funds for schools in underprivileged areas.

The Company's core groups of stakeholders are identified by the Business and functional teams, based on the nature and scope of their operations. These are endorsed by the EMT and the Sustainability Council as significant groups to engage with, and engagement objectives and strategies are formulated and carried out accordingly.

Customer engagement is monitored at the level of each Business by surveys and feedback collected through various channels. Community engagement is maintained and monitored by the CSR contacts in each Business, and through effective coordination with labour unions at the Plants and manufacturing sites. Employee engagement is driven across

the Company at a corporate level. The Chief Executive (CE) communication sessions are conducted Company-wide as a platform to cascade the business strategy, performance and key updates to employees. The Company's annual employee engagement survey, as well as performance appraisal and management systems, serve as vital channels for feedback and monitoring of progress against the set engagement targets. In each area of stakeholder engagement, concerns and suggestions are registered and actions outlined accordingly.



Government and other regulatory bodies

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



Media

During the year, wherever possible, ICI Pakistan Limited entertained media requests to interview the Chief Executive about the Company's operations, plans, future outlook and economic prospects. A streamlined process is also in place to share timely and prompt updates on the Company website regarding any disclosure of material information, such as financial results, acquisitions, expansions, or new partnerships and product launches. The channels of communication open to media and the general public include email, as well as social media platforms. The Company significantly leveraged its social media presence in 2019-20 to better inform the media and the general public about its operations and key initiatives.



Civil Society/NGOs

In response to ongoing socio-economic gaps, the ICI Pakistan Foundation continued to fund and partner with reputed NGOs and other non-profit organisations to support community development initiatives in the areas of health, education, environment and women empowerment.



Academic Institutions

ICI Pakistan Limited's employees also participated in multiple guest speaker sessions and recruitment drives in different universities across Pakistan. These events provided the employees an opportunity to share their professional experiences and mentor the students.

Key Stakeholder Groups

Stakeholder group	Engagement frequency	Mode of consultation	Topics identified by stakeholders	ICI Pakistan Limited's response
Shareholders/ Investors	Regular	Corporate Finance, Company Secretary, Corporate Communications and Public Affairs Department, analyst briefings, meetings	Ongoing economic viability, growth prospects, petrochemical market situation, new projects and expansions	Commitment to ongoing growth and value creation; continuing transparency of financial and other information; timely public disclosures; clarifications, if any required
Employees	Regular	CE Sessions, internal events, annual engagement survey, discussions, internal communications	Training and education; career development;	Career roadmap launched; increased transparency of HR processes; focus on capacity-building trainings
Customers	Regular	Technical Support Services, surveys, field visits, advisory services	Cost, quality and product availability	Customer capacity-building, expanding/increasing product offerings, efficiencies in supply chain, HSE-related support to customers for optimisation of systems, efficiencies and energy conservation.
Suppliers	Regular	Code of conduct compliance, surveys, visits	Favourable terms and conditions	The suppliers are given ample opportunity for discussion & negotiation. ICI Pakistan Limited strives to provide fair and market compatible rates
Local Community	Regular	Manufacturing site employees, CSR teams	Manufacturing sites' impact; employment prospects; community development	Understanding and ensuring all legal and regulatory requirements are complied with.
Government and other regulatory bodies	Regular/Case Basis	Relevant Business or functional representatives, meetings with officials, submissions of data for review and compliance	Compliance with regulations and laws	Understanding and ensuring all legal and regulatory requirements are complied with. Engaging with the Government to address matters impacting the business.
Media	Occasional	Press Releases, one-on-one media engagement	Information on the operations of the Company, growth prospects and sustainability practices, economic contribution	Press and media releases on relevant subjects, Chief Executive's statements/ interviews, responsiveness to media queries
Academic Institutions	Occasional	Guest speaker sessions, recruitment drives, internship programme, participation in career fairs	Career development, opportunities and placements, leadership and workplace insights	The Company's employees participated in multiple guest speaker sessions that enable sharing of experiences and advice imparted by professionals to the student body. The Company also holds regular recruitment drives at various universities.
Civil Society/ NGOs	Regular	Meetings, one-on-one engagement	Funding for programmes; logistical and technical support.	ICI Pakistan Foundation-led and funded partnerships to support community development initiatives; volunteer programme and activities

Customer Engagement 2019-2020:

Customer engagement is vital simply because customers create value for a business. ICI Pakistan Limited recognises the importance of retaining customers and thus, identifies 'Customer Centricity' as a core value.

Soda Ash Business:

During 2019-20, the Soda Ash Business continued to engage with customers through regular meetings and provided technical assistance and advisory services to its customers. In addition, the Business took multiple initiatives in order to enhance customer engagement and build and retain strong relationships.

- In the year under review, the Business organised visits and meetings with the distributors in Sindh and shared the Company's best practices concerning product stewardship, HSE&S etc.
- In September 2019, customers were invited to the inauguration ceremony of the manufacturing facility of NutriCo Morinaga (Private) Limited in Sheikhpura (collaboration of Morinaga Milk Industry Co. Ltd., Unibrands (Private) Limited and ICI Pakistan Limited.
- In November 2019, ICI Pakistan Limited launched the Soda Ash corporate film to mark the Company's 75th anniversary. The film provided an overview of the Company's history, the businesses, development of the Khewra community etc. but most importantly, it featured the testimonials of its long-standing customers and distributors.
- Striving to provide bespoke solutions, the Business on request of its customers created new forms of packaging i.e. the 750 kg bags of soda ash light, 1,200 kg and 1,250 kg bags of soda ash dense.
- Distributor Conferences are held every year whereby the distributors are taken on international trips. In April 2019, the Distributor Conference was held in Ho Chi Minh City, Vietnam. However, the Conference was cancelled in 2020 owing to the COVID-19 outbreak.



Customer Testimonials:

"We are in the business of glass manufacturing for almost the last 35 years. We have been associated with ICI Pakistan Limited from the very first day and have never had a problem with their quality. The quality is consistent, and they go all the way to make us comfortable."

Mr. Omar Baig

Managing Director – Tariq Glass Industries Limited

"I am a distributor of ICI Pakistan Limited. We have been in this business for more than 60 years and I am the third generation. Our business relationship is based on trust and even today, our core business is with ICI Pakistan Limited."

Mr. Khawaja Adnan Vanood

Distributor – Khawaja Abdul Hafeez & Sons

Polyester Business:

In 2019-20, ICI Pakistan Limited Polyester Business in line with its customer centric approach continued to work to ensure effective customer relationship management.

- The Polyester Commercial Team continuously engages and visits customers to gauge their requirements and address any concerns or queries about the product. The visits and interactions are planned in a manner that within customer organisation, each hierarchical level is engaged to ensure customer satisfaction and attain candid feedback.
- On a daily and monthly basis, reports (Terylene Talk and Terylene Express) are sent to customers to ensure that they have information on feedstock and downstream market conditions.
- To protect customers and their families following the COVID-19 outbreak, the Polyester Business made antimicrobial towels and socks from its own Terylene Powered by SILVERbac and distributed them.
- In line with emerging digital trends, the Polyester Business introduced Terylene App for its customers to ensure convenience and comfort. The app allows customers to easily access their consumption patterns, market information & trends, register their concerns and access any information about ICI Pakistan Limited's product portfolio.

- Once every two years, the Polyester Business plans a Customer Conference that is attended by the directors of textile mills across Pakistan. The customer conference is a great platform for the textile industry to come together and have open informal discussions.

Pharmaceuticals Business:

The Pharmaceutical Business' engagement model for healthcare professionals is built on three foundational pillars: (i) Advocacy Mobilisation, (ii) Scientific Cascade, and (iii) Public Awareness. Despite the standstill and halt in activities due to the COVID-19 pandemic, ICI Pakistan Limited Pharmaceuticals Business ensured that its engagement with healthcare professionals remained sustainable and took the following steps:

To support and protect the front-line healthcare workers, the Pharmaceuticals Business, in partnership with AstraZeneca, donated 10,000 KN95 masks to the Ministry of National Health Services for COVID-19 relief. Additionally, the Pharmaceuticals Business donated Personal Protective Equipment (PPE) to various healthcare institutions nationwide.

Driving scientific exchange and advocacy amongst healthcare professionals remained a key pillar of the Pharmaceuticals Business' strategy in order to serve the patients better. Despite the COVID-19 pandemic, the advocacy mobilisation and scientific cascades continued through digital channels.



Esteemed faculty comprising of international and local experts were engaged to facilitate scientific discourse with the healthcare community through webinars, where over 1000 attendees were engaged. During

COVID-19, the Business remained active to spread awareness among the public and drive positive changes in lifestyle.

The Business' multichannel engagement strategy has been a key driver in staying connected with the healthcare community during the pandemic. The Business intends to expand its digital footprint, with the aim of delivering exceptional customer experience to healthcare professionals, in line with the need of serving their patients better.

Chemicals & Agri Sciences Business:

Upholding the core value of Customer Centricity, the divisions and sub-segments of the Chemicals & Agri Sciences Business undertook various steps during the year under review to strengthen their relationships with customers and remain a partner of choice.

Specialty Chemicals Division:

- The Specialty Chemicals Division demonstrated its commitment to customer centricity by conducting HSE&S trainings at Diamond Paints, General Tires and Allied Paint Industry. The focus of the sessions was to outline chemical handling best practices.
- The Textiles sub-segment facilitated visits of global technical experts from Huntsman Textile Effects at

key customer sites. The experts advised on important technical aspects like trials, and optimal product usage. Moreover, with their firm grip on global best practices, they were able to add significant value to customers by advising on production processes.

- Over the year, the Crops sub-segment continued to stand out amongst its competitors by being a source of technical support to its customers. By leveraging the facilities and knowledge at the Chemicals Technical Centre, the Chemicals Business aided in recipe development for customers across Pakistan.

Polyurethanes (PU) Division:

- Following the outbreak of COVID-19, the PU Division distributed hygiene kits to all major customers. The response was excellent, as the customers acknowledged this initiative and recognised themselves as valued partners of ICI Pakistan Limited.
- Further, the Division arranged a full-day Technical Training session in the South region for two key accounts, which resulted in the strengthening of existing relationship and development of further business with them.

Masterbatches Division:

- Throughout the year, the Masterbatches team carried out various customer engagement initiatives, across multiple touch points. These included multiple customer visits to our newly constructed Masterbatches facility throughout the year. The customer visits were characterised by a hands-on experience at the facility, briefing of our best practices along with state-of-the-art equipment and testing standards which are practiced by ICI Pakistan Limited based on benchmarking with the international community.

Co-sponsored the 6th PAKPLAS

The Masterbatches Team co-sponsored the 6th PAKPLAS – international plastics, chemicals, rubber & machinery expo which was hosted by PPMA (Pakistan Plastic Manufacturers Association). The theme of this year's event was responsible consumption of plastics while setting a path for the future of plastics in Pakistan. The event served as a great opportunity for ICI Pakistan Limited to interact with key stakeholders, broaden customer base, display the Company's manufacturing, technical and commercial capabilities and showcase the entire product ranges.

- A two-phased Customer Satisfaction Survey was also conducted to better understand and cater to the needs of our customers.
- During the unprecedented times of COVID-19, the team held regular virtual connects with the customers updating them about the current situation and ensuring that products are delivered safely to them while taking every precaution and complying with Government directives.

Employee Engagement Activities

ICI Pakistan Limited is the only organisation in Pakistan to be named amongst the winners of the Gallup Great Workplace 2018 and 2019 Awards, and Asia's Most Influential Companies at the Asia Corporate Excellence and Sustainability Awards 2019, organised by MORS Group. ICI Pakistan Limited has also been recognised as the Best Place to Work in the Manufacturing and Engineering Industry by PSHRM and Engage Consulting.

- To continue our tradition of having a highly engaged workforce and raising the bar with real-time insights, this year ICI Pakistan Limited partnered with Butterfly AI to introduce 'iMPOWER – our employee feedback and engagement tool. Through this, we aim to give our employees a voice and obtain real-time feedback on a monthly basis. Butterfly is an anonymous employee feedback tool.

iMPOWER

- In order to create employee engagement and familiarise the new employees with ICI Pakistan Limited's rich legacy and growth story, the Company marked its 75th Anniversary by hosting exhibitions across all locations. Lunch and hi-tea were organised at all locations after the exhibition, giving employees the opportunity to mingle and socialise.
- Gender Diversity and Sensitisation within our workforce is a vital facet in our diversity agenda. In order to focus on this, the Company has championed various programmes to support the long term diversity strategy (for more details, please refer to page – social management approach diversity and inclusion). One such programme is the Impact Circles, a session with 8–12 employees who meet regularly to discuss diversity and inclusion. (For more details, please refer to page on diversity in SR)
- This year ICI Pakistan Limited worked on the second cycle of the Explore Challenge, a company-wide team-based idea generation competition. By cultivating an entrepreneurial mindset and skill set from within the organisation, our employees are provided a platform to develop and work on business ideas with the support from the organisation. (for more details, please refer to page – Innovation section in Annual report).
- In line with its core value 'Passion for People', ICI Pakistan Limited's Workplace Wellness Programme (WWP) focuses on the mental, physical, and social wellbeing of its employees. WWP has provided a platform



Employee Engagement Activity conducted by the Soda Ash Business, Khewra



New Year Hi-Tea





Company's 75th Anniversary Exhibition, Polyester office, Sheikhpura opening.



Company's 75th Anniversary Exhibition, Polyester office, Sheikhpura opening.

for developing activities that encourage a healthy lifestyle and keep the employees engaged at the same time.



Workplace Wellness Programme

This year, our wellness committee reinforced the culture of care and engagement by conducting various social activities such as New Year's Hi-tea, bowling night, musical night, Mother's Day, Father's

Day and Children's Day. WWP also conducted activities encouraging physical wellbeing such as, throw ball match, badminton match, cycling and flu camp.

Special focus was given to the mental wellbeing of the employees during the COVID-19 pandemic. Stress reduction activities such as mindful breathing, painting/ cooking/DIY competition were conducted to help employees cope with stress. All the activities during COVID-19 were conducted

virtually to adapt to the new work from home arrangement. encourage people to share their views on key issues and engagement levels. This ensures alignment and helps create a culture of engagement.

- Our leadership team reinforces our caring culture and drives employee well-being through supporting initiatives like bake sales, Women's Day, health & fitness programmes, HSE&S etc. to make ICI Pakistan Limited a caring and fun place to work. Our Business Heads connect with employees through town hall meetings to discuss strategic direction, business updates and key people agenda. They also conduct skip level meetings with employees who fall a step below in their reporting line to encourage people to share their views on key issues and engagement levels. This ensures alignment and helps create a culture of engagement.



Beach Day



Certificates were distributed to top performers

Economic Performance: Management Approach

Management approaches for the following material topics are covered in this section: Economic Performance, Indirect Economic Impacts, Market Presence, Compliance and Anti-competitive behaviour. Other disclosures for these topics are presented in the GRI Content Index, and/or in the Company's Financial Statements 2019-20.

ICI Pakistan Limited's performance is guided by its vision, values and the brand promise of Cultivating Growth, which underpins everything that the Company does. ICI Pakistan Limited recognises that its operations and activities have an economic impact, at both the local and national level, and is committed to sustainable growth and value creation for all stakeholders. Economic performance is, thereby, a key driver of the Company's aspirations, goals, strategy and operations, and is proactively managed accordingly by all

relevant stakeholders across the organisational hierarchy. The Company continues to demonstrate its commitment to fulfilling its promise of value creation and sustainable growth.

The overall responsibility of governing the organisation, along with driving its economic performance, lies with the Board of Directors. [For details on how the Board functions, please turn to Page of the Annual Report].



Integrity Management

Key Performance Indicators

Integrity Management		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 Target
Code of Conduct confirmed incidents	number	1	0	3	5	4	1	0
Code of Conduct acceptance	% employees	100	100	100	100	100	100	100
Management audits including reassurance audits	number	0	6	0	6	6	6	6
Serious Incidents - Level 3	number	0	0	1	1	0	0	0
Serious Incidents - Level 1, 2	number	0	0	4	2	2	4	0
Serious loss of containment - Cat D	number	0	0	0	0	0	0	0
Regulatory action - Level 3	number	0	0	0	0	0	0	0

Overview 2019-20

Code of Conduct is a significant part of the employee induction at ICI Pakistan Limited. Upon joining the Company, all new hires are provided with an ICI Pakistan Limited Code of Conduct document and are required to sign a declaration after having read and understood the Code of Conduct as part of their onboarding process on Success Factors. The Company also has an e-module for the Code of Conduct and Health Safety Environment (HSE) & Security training e-module that is mandatory for all employees to go through and be well versed at.

The Company also has a whistleblowing policy, known as Speak Up, through which all employees can confidentially report any Code of Conduct violations. This programme ensures that all checks and balances are in place with regards to, not only the discriminatory practices, but also any other sort of violations of the Code. In 2019-20, one case was reported against Code of Conduct violations. The complaint was dealt with in line with the Speak Up policy.

The frequent site audits and communication of Corporate HSE&S with all businesses ensures company-wide implementation and compliance of the ICI Pakistan Limited HSE&S Management System. Quarterly review of all businesses is based on the assessment of hazards, and the recommendations from the previous review. (For details, please refer to the Occupational Health and Safety KPI overview section of this report).

This year, 4 incidents of level 2 were reported. (For details, please refer to the Occupational Health and Safety KPI overview section of this report on page no 170).

Socio-Economic Compliance

ICI Pakistan Limited has zero tolerance towards corruption. ICI Pakistan's business operations are subject to various domestic federal and provincial laws and regulations. It is a core principle of the Company, enshrined in its Code of Conduct that it will comply with all applicable laws.

Freedom of Association & Child Labour

ICI Pakistan Limited respects the freedom of association right of entitled employees. There were no cases in which freedom of association, or the right-to-collective bargaining were endangered or breached during the year under review. ICI Pakistan Limited rejects any form of child labour, forced labour or slavery and strictly complies with local regulations concerning legal minimum age requirements for work permits.

Sourcing



Excellence in supply chain management remains a key focus area for ICI Pakistan Limited. Our objective is to secure competitive advantage for ICI Pakistan Limited through professional procurement structures. Our suppliers are an important part of our value chain. Together with them, we aim to create value and minimize risks. The Company's supply chain network includes the respective supply chain managers of each Business, along with their teams. The supply chain network aims to enhance the effectiveness of procurement practices and material handling processes. This is done by actively seeking out and applying best practices, and by capitalising on opportunities for synergy between Businesses.

We believe in the cradle to grave approach, ensuring our products are compliant with the ICI Pakistan Limited HSE&S Management System at all stages of the life cycle. With respect to

supplier evaluation and selection, we have stringent procedures in place to ensure that only high-quality raw materials are purchased through our local and international suppliers.

Through the ICI Pakistan Limited Vendor Policy, we continue to engage new suppliers and communicate our expectations that all suppliers are compliant with applicable laws and regulations and ICI Pakistan Limited values. The Vendor Policy covers compliance with human rights, labour and social standards, and anti-discrimination and anti-corruption policies in addition to protecting the environment. We also continually review and refresh the Vendor Policy for Suppliers, completing a full analysis of our current standards and industry best practices to ensure that we are holding our suppliers to the highest standards regarding sustainability, human rights, labour & social standards and environmental health and safety.

Key Performance Indicators

Sourcing		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 Target
Vendor Policy signed by key suppliers	%	94	87	91.3	98	99	96	96
Vendor Policy signed by Central NPR Suppliers*	%	63	40	80.8	83.3	83	84	-
Supportive Supplier Visits	number	92	-	30	48	131	165	146

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

Overview 2019-20

To achieve sustainable growth, ICI Pakistan Limited has a strong policy in place to build relationships with suppliers whose working practices meet our HSE&S Management System requirements. We aim to do business with partners who endorse our ethical values as well as our social and environmental standards.

ICI Pakistan Limited's defined target is 96% compliance to its vendor policy and in 2019-20, the Company was able to achieve the target along with the integration of suppliers of the Pharmaceutical Businesses (including Cirin Pharmaceuticals) (The Company was not able to reach 100% majorly due to the process of amalgamation of Cirin Pharmaceuticals into ICI Pakistan Limited's Pharmaceuticals Business, which took place in March 2020).

ICI Pakistan Limited further increased its engagement with key suppliers of its Pharmaceuticals Business so that they are well-versed with our vendor policy. As our businesses are continuing to grow and expand, there has been a significant increase in the percentage of key suppliers who are compliant with our vendor policy. ICI Pakistan Limited's programme of on-site visits to critical suppliers aims to identify and develop critical suppliers as sustainable business partners. Through formal feedback and

follow-up visits, we work together with our suppliers to improve their overall sustainability.

The percentage of supportive supplier visits have increased by 25%. Although we planned for more, due to the COVID-19 outbreak in Q3 of 2019-20, we were unable to do so. In Q4, focal points of discussion with key suppliers and non-product related suppliers (services) was sharing of best practices and SOPs implemented at our and supplier end in the wake of COVID-19.

ICI Pakistan Limited is constantly pushing and enabling its suppliers to eliminate the mutual carbon footprint by recycling waste and adopting non-fossil based energy systems. ICI Pakistan Limited's HSE&S Team collaborates with their suppliers in planting trees together in the communities where it operates.



25%

increase in supportive supplier visits

Under ICI Pakistan Limited policies, the Company does not employ child or bonded labour and it does not engage with suppliers who cannot provide the same assurance. By visiting our suppliers frequently, we ensure no such malpractice is taking place. In addition to this, ICI Pakistan Limited is also providing pro-bono trainings on HSE&S best practices in warehousing, transportation and logistics, mainly in view so that none of our suppliers face a loss-time injury or worse, a fatality.

In addition, HSE audits of supplier workplace are regularly conducted and improvement plans are shared. Traditional dimensions such as price, cost, time, delivery, punctuality, and product quality no longer define a sustainable business. Our vendor partnerships are linked to suppliers and vendors accepting a code of behaviour similar to ours. Breaking this Code of Conduct jeopardises future relationships and agreements. Our efforts for the future entail continuing to bring all our direct suppliers, both product and non-product related, under the umbrella of our sustainability efforts.

In 2019-20, a significant change to the organisation and its supply chain occurred following the amalgamation of Cirin Pharmaceuticals (Private) Limited into ICI Pakistan Limited. This

increased the number of the Company’s manufacturing facilities in the country. The impact of this development on the Company’s supply chain was the addition of several new suppliers, primarily for raw material procurement, and in some cases for packaging. For the rest of the Company’s operations, no significant changes occurred in the structure or location.

Spend Analysis

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

Our partnerships with suppliers are based on mutual value creation, as well as a reliable supply of raw materials, technical goods and services at competitive prices. We work together in an open and transparent way to generate long-term benefits for both sides. In doing so, we create value addition that goes above and beyond procurement alone.

ICI Pakistan Limited Spend Data

S. No	Business	Procurement spend(pkr million)				
		Local	Import	Total	Local	Import
1	Polyester	7,716	6,970	14,687	53%	47%
2	Soda Ash	2,689	5,647	8,336	32%	68%
3	Chemicals & Agri	820	6,060	6,880	12%	88%
4	Pharma	961	2,424	3,385	28%	72%
5	Animal Health	1,862	1,017	2,879	65%	35%
Grand Total		14,048	22,118	36,167	39%	61%

Transportation

ICI Pakistan Limited is operating diverse businesses having different transportation requirements for inbound and outbound materials. On one hand there is a requirement for the transportation of material in bulk like Lime Stone, Salt, Coal, Met Coke, PTA, MEG, VAM, Polyol and Finished Goods and on other hand, there is a requirement for the transportation of temperature sensitive pharmaceutical raw materials and finished products.

coal used at our Polyester Plant and 12% coal used at our Soda Ash Plant has been transported through Pakistan Railways. A total quantity of 83,000 metric tonnes of materials mainly coal has been moved through Pakistan Railways. We will work towards increasing Soda Ash coal transportation through Pakistan Railways by at least 15%. To move 83,000 metric tonnes of material through train, we used 53 train racks. To move this material by road we would have needed 1,766 trailers (22 wheelers).

To reduce our carbon footprint, special efforts are made to transport materials through railways. This year, 95% of



1766

trailers (22 wheelers)



53

train racks

Environmental Performance Management Approach

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



ICI Pakistan Limited recognises that its operations have a significant impact on the environment. Monitoring and evaluation of

environmental performance comes under the domain of the Health, Safety, Environment and Security (HSE&S) department. The Company's enduring commitment to the highest standards of health and safety for its employees, customers and contractors, as well as protection of the environment, leads it to abide by a set of HSE&S beliefs and principles. In line with these principles, the Company strives to continually innovate and improve its HSE&S performance, which is the collective responsibility of every individual, from the Board of Directors, Executive Management Team to each employee. Accordingly, the Company strives to apply the most stringent HSE&S standards at the workplace.

ICI Pakistan Limited has in place an integrated HSE&S policy, that governs all HSE&S-related matters, providing clear provisions for environmental performance management. The Corporate HSE department is responsible for overseeing HSE&S for the Company. Along with this, each Business has its own HSE&S department, which handles more Business-specific, localised environmental and other HSE&S-related matters. HSE&S is at the core of the Company's operations, and every employee or any person entering ICI Pakistan Limited premises, is responsible for complying with HSE&S

policies and procedures and is held accountable accordingly.

The Company's HSE&S Management System serves as a guideline for all ICI Pakistan Limited operations, including existing projects and operations as well as new investments, and its scope extends to cover all Businesses and locations of the Company.

The HSE&S Management System follows internationally recognised systems such as ISO 14001:2004 Environmental Management Systems Standard; OHSAS 18001:2007, Occupational Health and Safety Management Systems; and the Responsible Care Management System. Strict compliance with HSE&S standards is a requirement at both the corporate and individual level. The calculation of KPIs shared in the report is based on the HSE&S Management System and the reported KPIs cover all Businesses of ICI Pakistan Limited. The HSE&S policies are approved by the Board of Directors, the ultimate governing body of the Company. The currently applicable HSE&S policy was issued in December 2013 and was reviewed by the Sustainability Council in 2016-17.

The management of vital environmental performance parameters is carried out not only in line with regulatory compliance requirements such as NEQS, but also based on best global practices and the Company's belief in sustainable development and growth, consistent with its vision and brand promise. The environmental performance is monitored and reported regularly (internally on a quarterly basis, while



Tree Plantation Drive 2020 – Soda Ash Khewra



Tree Plantation Drive 2020 – Soda Ash Khewra



CE Asif Jooma, CFO Muhammad Abid Ganatra, General Manager Strategy Business Development & Innovation Eqan Ali Khan, Works Manager Umar Mushtaq and General Manager Human Resources & Admin Fariha Salahuddin at the kick off of the Water Conservation Drive initiated in Khewra

externally on an annual basis), through use of the state-of-the-art Environmental Performance Management (EPM) Database, an application for the collation and analysis of the Company’s HSE&S data, and the reduction of the Company’s operational eco-efficiency (OEE) footprint. The data collected via the EPM Database is studied against relevant sustainability parameters and utilised in various ways, including the analysis of each Business’s sustainability performance and to set the goals and targets for future sustainability performance.

The Company’s multi-functional Sustainability Council is tasked with reviewing annual performance and setting voluntary targets for future performance. Targets are set for five years, with the current target for the financial year 2020-21 based on the actual performance achieved in 2015-16 and approved by Sustainability Council members. However, these targets may require subsequent review and revision in line with the Company’s changing business scenarios.

For the grievance and reporting mechanisms, ICI Pakistan Limited has a guideline titled “Information Notes for Managers: HSE 003 Arrangements for Reporting Health Safety Environment and Safety performance to Corporate HSE.” This is a reporting guideline for any HSE-related issue, such as injury and illness reporting, motor vehicle and distribution incidents,

occupational health performance reporting, environmental reporting, product stewardship reporting and community involvement reporting. It outlines the procedure for reporting HSE&S violations and is available for all internal stakeholders. The ownership of this mechanism lies with the Corporate HSE Department and is intended for use by the HSE departments of individual Businesses. The reporting guidelines are revised regularly with the most recent revision in March 2018.

The Corporate Engineering Procedures (CEPs) based on the international standards are guidelines for all hazardous activities. The responsible Engineers for each of the procedures ensure compliance to these guidelines for monitoring related to energy, emissions, water and waste. Based on technological changes globally, the responsible Engineers review their area procedures and implement the changes. The Corporate HSE department, which is the custodian of these CEPs, organises trainings for the Responsible Executives and Engineers after every two years to enhance their knowledge and competency. The Company remains focussed on assessing the effectiveness of existing regulatory HSE&S frameworks and methods on an ongoing basis. This helps it to ensure that the systems are sufficiently robust to safeguard both the people and the environment.



ISO 14001

The Hattar and Hawkes Bay Plants were audited and certified for ISO14001 – Environmental Management System by Ace Management System Consultants.

Product Stewardship

Product Stewardship is an environmental management strategy that means whoever designs, produces, sells, or uses a product takes responsibility for minimising the product's environmental impact throughout all stages of the products' life cycle, including end of life management. Product Stewardship integrates all aspects of a product's health, safety and environmental management through its life-cycle, taking into account existing and emerging regulatory requirement, societal pressures and best business practices. An integral part of the Sustainability, product stewardship provides a valuable framework to improve on chemicals management.

ICI Pakistan Limited has been a strong advocate and proponent of Product Stewardship since commencement of operations in 1940s. At ICI Pakistan Limited, we act responsibly to minimise the human health and environmental impacts of our products throughout their complete life cycle.

Reducing Environmental Footprint

Our Polyester Business has been a great proponent of Product Stewardship and has recently developed and launched recycled Polyester Staple Fiber (PSF) for the first time in Pakistan.

The Animal Health Business launched a number of initiatives to improve lives across the socio-economic fabric. At the compound feed plant, the Animal Health Business increased the efficiency of the boiler through improved controls on steam wastage, recycling water and developing a strict compliance criterion on furnace oil quality. As a result, the Business was able to reduce furnace oil consumption by 27% and water consumption by 30.7%, creating a product that is more affordable and environmentally friendly.

Sharing of Best Practices

As part of the Product Stewardship plan, every Business is encouraged to share best safety, health and environment practices with their customers. The purpose is to increase knowledge in this domain by learning from each other and incorporating best industry practices.

The Soda Ash Business hosted representatives of the glass and detergent powder industry at Khewra for a candid discussion of HSE and Product Stewardship. The customers were given a tour of the factory premises allowing them to witness HSE policies in practice.

Our Agri Business continued to stand out amongst its competitors by being a source of technical support to its

customers. By leveraging the facilities and knowledge at the Chemicals Technical Centre, the Business aided in recipe development for customers across Pakistan.

Moving Towards a Paperless Environment

At ICI Pakistan Limited we are making a coherent move towards going paperless. In line with our goal to adapt a green supply chain strategy, our supply chain and sales administration teams have introduced digital invoicing to replace paper.

Previously, invoices were sent to suppliers and customers in hard copy through courier services, which resulted in unnecessary wastage of paper and usage of fuel during transport of the documents, resulting in emission of greenhouse gases. Going paperless is more environmentally friendly, reduces paper wastage, reduces our CO₂ emission by an estimated 37 tonnes and reduces water usage by an estimated 240,000+ liters.

Recycle, Reduce & Reuse

In 2019-20, ICI Pakistan Limited Polyester Business in line with its value-added specialty fibers strategy expanded its product portfolio based on four key elements: Health & Hygiene, Sustainability, Versatility and Traceability. This allowed the business to continue its operations and make a positive and significant impact on the environment.

ICI Pakistan Limited Polyester Business in collaboration with Intrinsic Advanced Materials USA introduced Terylene Powered by CiCLO for its domestic and export customers. Products made with CiCLO® fibre effectively reduce the microfiber pollution and synthetic textile accumulation in oceans and landfills.

Terylene powered by CiCLO, is an easy to implement solution that allows synthetic fibre to behave more like natural fibre leaving less waste behind to create a more healthy and happy planet.

Textile products made with CiCLO® fibre have been tested to show rapid decomposition as compared to no or minimal decomposition for textile products without CiCLO technology. Microbes assimilate the CiCLO textile material releasing gases (such as methane) into the atmosphere. Methane gas can be collected and can be used for electricity generation. With Terylene powered by CiCLO, the textile industry and the end-consumer can continue to play their part in protecting the environment without compromising on the quality of the product.



27%

reduction in furnace oil consumption
at Animal Health Business



48 million

PET bottles consumed
to produce Terylene Clean



ICI Pakistan Limited Polyester Business has continued to pursue its sustainability goals by increasing the footprint of its two other specialised variants: Terylene Clean and Terylene Powered by SILVERbac.

- Terylene Clean is a Global Recycled Standard (GRS) certified Recycled Polyester Staple Fiber salvaged from 40% PET Bottles. 30 PET bottles are consumed to produce one kilogramme of Terylene Clean. In FY 2019-20, for its Terylene Clean product, the business consumed 48 million PET bottles and aspires to consume an additional 100 Million by 2021.
- Terylene Powered by SILVERbac is a patented technology in which silver ions are encapsulated into the base of the polymer making the fibre inherently anti-microbial and odour- reducing. Hence, with SILVERbac, there is product protection for life. Textile products made with Terylene Powered by Silverbac need fewer washes and are washed at significantly lower temperatures hence saving on both, water and energy consumption by 20-30%.

SILVERbac has been approved by the Environment Protection Agency (USA) and in these unprecedented times, it has become paramount for infection control to protect against harmful pathogens in an environment friendly manner.

The Polyester Business is focused on converting its waste into recyclable material called “popcorn”. This material is sold to customers who convert it into low grade PSF, thus replacing virgin fiber with a low-cost substitute material. In 2019-20, a total of 430,700 kilogrammes recyclable raw material was produced by recycling polyester waste.

ICI Pakistan Limited Polyester Business’s contribution towards

environment is not limited to its product offerings. In 2019-20, ICI Pakistan Limited Polyester Business took the initiative to improve the quality of the PET flakes available in the market. Historically, Pakistan’s domestic industry used to lose its export orders to regional competition on the quality of recycled products. There was no option available to fulfil the demand of the leading sustainability-driven fashion brands that required high quality recycled content.

ICI Pakistan Limited Polyester Business collaborated with small domestic PET flakes vendors who had the passion to bring change but lacked technical expertise. ICI Pakistan Limited unleashed new opportunities for the vendors by sharing technical knowledge capital which ensured that the vendors were able to invest in the right processes and machinery. The vendors were then able to successfully upgrade assets and produce high quality PET Flakes, one-of-its-kind for the Pakistani market.

With the availability of high quality PET flakes, ICI Pakistan Limited Polyester Business helped the downstream textile players who wanted to shift their partial consumption on recycled content without losing on product efficiency and quality. This development set the right tone for the recycled polyester fibre customers to grow in the export market. As the segment grows, there will be growth in job opportunities and more PET bottles will be recycled to fulfil the growing demand.



20-30%

Terylene Powered by Silverbac saves, water and energy consumption by 20-30%



430,700 kg

recyclable raw material was produced by recycling polyester waste

Energy

Key Performance Indicators

Energy Usage		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 Target
Total energy consumption	1000Tj	5.7	6.5	8.2	6.75	7.6	7.79	7.4
Per tonne production	GJ/te	13.03	13.86	17.09	12.88	13.66	15.65	15.38

Overview 2019-20

ICI Pakistan Limited is focussed on reducing its energy consumption by electronically monitoring it through the EPM database. Any deviation in consumption is immediately noted and conveyed to the relevant Business. Keeping in view the energy crisis in the country, the Sustainability Council proposes projects that reduce energy consumption, and this can be seen in various energy reduction projects.

At the Soda Ash site, energy consumption was high due to launch of new projects and unsteady plant operations owing to the COVID-19 outbreak in Q4 of 2019- 20.

At the Polyester Business, energy consumption was higher in 2019-20 mainly due to usage of coal for electricity and steam generation at the recently re-commissioned CFB plant. Coal is a less efficient fuel than HFO/gas so its consumption is high and index is high as well. In addition to this, the Polyester Plant remained shut down for around 45 days during COVID-19 lockdown with idle load energy consumption.

The Chemicals Business was also shut down and underwent unsteady plant rates due to the COVID-19 lockdown leading to high energy consumption.

However, energy saving initiatives were continued by each Business.

Soda Ash:

The Soda Ash Business in addition to its other initiatives, focussed on reduction in steam usage by optimising its processes and replacing cooling water with low temperature recycled condensate in various heat exchangers. An insulation survey of all the high temperature process lines was conducted and immediate actions were taken to replace weak insulations.

Polyester:

At the Polyester Plant, Variable Frequency Drives (VFDs) were installed on equipment to reduce energy consumption. Thermographic audits of the Polyester Plant were also conducted to reduce heat losses which leads to lower steam consumption and prevents compressed air leakages hence avoiding power consumption.

Pharmaceuticals:

Process optimisation at the Hawkesbay Plant and Hattar Plant helped in substantial reduction of energy consumption. This included replacement of equipment of higher rating with low rating and replacement of conventional tube lights with LED lights.

Energy Conservation

Energy efficiency is a phrase we come across all the time these days. Climate change and global warming has dawned upon humanity and its role in the warming trend of the globe has created a sense of realisation with an urgency in all walks of life. In this context, governments and organisations are focusing not only on cleaner fuels, but also on ways to reduce energy consumption. Most companies that are environmentally aware and take sustainability seriously are making conscious efforts to move towards a greener and better tomorrow.

Energy efficiency, is a vital part of the Sustainability Framework followed by ICI Pakistan Limited and it is taken extremely seriously in all day-to-day operations. As an embodiment of this commitment, the Polyester Business has been taking various initiatives in order to make a tangible impact on the sustainability front.

In FY 2019-20, multiple energy saving and optimisation projects were identified and executed that resulted in gas and coal consumption reduction, thereby reducing CO₂ footprint by a total of 292.42 tonnes.

Optimisation projects majorly covered installation of variable speed drives, insulation improvement and reduction in compressed air wastages. Reviewing and optimising design of the raw water network from process as well as electrical point of view enabled us to realise a CO₂ footprint reduction of 59.79 tonnes. Optimisation of processes where compressed air consumption was high, led to a reduction in load at the source, hence bringing the CO₂ footprint down by 199.30 tonnes. Insulation improvement projects further resulted in a reduction of CO₂ footprint by 33.22 tonnes.



3290 KJ/tonnes
total saving



2600 kWh/month
reduction in
power consumption

Optimisation projects majorly covered installation of variable speed drives, insulation improvement and reduction in compressed air wastages. Reviewing and optimising design of the raw water network from process as well as electrical point of view enabled us to realise a CO₂ footprint reduction of 59.79 tonnes. Optimisation of processes where compressed air consumption was high, led to a reduction in load at the source, hence bringing the CO₂ footprint down by 199.30 tonnes. Insulation improvement projects further resulted in a reduction of CO₂ footprint by 33.22 tonnes.

As cost of energy for producing Soda Ash accounts for almost 55% of variable cost of manufacturing, the Soda Ash Energy Conservation Team continued its efforts in ensuring the most optimum operating scenarios are always run.

In order to achieve these milestones, various energy conservation projects were implemented including:

- Installation of moisture separators & duplex strainers
- Process optimisation to reduce steam consumption during calcination

In addition, the Pharmaceuticals Business undertook projects which helped to reduce energy consumption.

- At the Hawkesbay plant, the installation of 37 KW Variable Frequency Drive on the blower motor of air handling unit to reduce frequency from 50 Hz to 45 Hz, resulted in approximately 1000kWh/month reduction in power consumption.
- At the Hattar plant, 122 LED lights were installed in place of florescent tubes. For 12 hour operations, resulting in saving of up to 1600 kW / month.

Water

Key Performance Indicators

Water Usage		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 Target
Total fresh water use	million m ³	3.73	4.22	4.83	5.4	5.5	5.3	4.35
Per tonne production	kg/te	8.47	8.91	10.01	10.48	9.78	10.62	8.9
% of sites with sustainable fresh water	%	33	33	33	25	17*	66*	100

*Newly acquired Cirin and Hawkes Bay Plants

Overview 2019-20

Water consumption is slightly on the higher side as compared to last year mainly due to expansion projects carried out in the Soda Ash Business. Steam consumption increased at the Soda Ash Plant due to Dense Ash Plant 3 and 75 KTPA expansion project. Frequent plant start up and shut down due to COVID-19 situation also led to a higher consumption of water.

At the Polyester Plant, water consumption was higher due to the operation of an additional Polyester Staple Fiber (PSF) manufacturing section of the Plant.

Going forward initiatives are underway that will optimise the consumption of water.

During the year, a water saving awareness campaign was launched companywide and employees were encouraged to come up with water conservation initiatives. Multiple projects at various sites resulted in substantial savings. The break down of these initiatives at each of our sites is as under:

Every Drop Counts!

The Soda Ash Business purposes potable water for watering of plantation. In order to optimise water utility, a scheme for the collection of recyclable water was devised and implemented. Recyclable water mainly includes kitchen wastewater from all houses in the residential estate. Water collecting pits with pumping arrangements were established at five different locations. All recyclable water is routed to these pits and collected water is being used for watering of plantation in Project Green, Management and Non-

management states, Winnington Hospital and Winnington School. This initiative has resulted in conservation of millions of litres of drinkable water.

The Pharmaceuticals Business successfully concluded projects to conserve water which are as follows:

- At the Hawkes Bay Plant, recovery of relinquished water of RO stage 1 of purified water (PW) plant was transferred to the main water tank for usage. On average, 450 gallons/day is reused by the purified water plant.
- At the Hattar Plant, 100 cubic meter/day ETP (Effluent Treatment Plant) was installed in 2018-19 and this year treated water is being used to wash cars and for gardening purposes. 650 gallons/week of water were conserved which subsequently reduced the load on ground water.

At the Chemicals Plant, average make up water for cooling tower was 130 m³/month. To avoid this excessive leakage, recycling of water in jacket of vessels took place and reduced the water consumption by up to 23% (bringing the total water consumption to 100 m³/month).

At the Masterbatches Plant, a freshwater cooling system was used for cooling purposes which resulted in wastage of water. After modification, a closed-circuit cooling tower along the inline filtration system was installed which led to 6,600 tonnes of water being saved annually.



100 m³/day
Effluent Treatment Plant
commissioned at Hattar Industrial
Estate to recycle water for irrigation



650 gallons/week
of water conserved at Hattar Plant
after commissioning of ETP

Emissions

Key Performance Indicators

Emissions Control		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 Target
Total COD emissions	metric te	18.05	15.99	20.04	26.90	29.72	24.73	16
Per ton production	kg/te	0.04	0.03	0.04	0.05	0.05	0.05	0.03
Total VOC emissions	te	3.45	3.56	3.52	3.31	3.22	2.85	3.20
Per ton production	kg/te	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Total NOx emissions	te	1209.18	1611.00	2387.27	2017	2527.40	2878	2150
Per ton production	kg/te	2.75	3.40	4.95	3.84	4.49	5.77	4.40
Total SOx emissions	te	3091.74	3562.32	4251.98	3438	3454.29	3680	3827
Per tonne production	kg/te	7.02	7.53	8.82	6.55	6.14	7.38	7.91
Total Direct CO₂ emissions (Scope 1)	metric te	520,000	620,000	890,000	650,000	800,000	845720	800,000
Per ton production	kg/te	1196.13	1318.70	1854.07	1247	1424.41	1696	1670
Total indirect CO₂ emissions (Scope 2)	te	2384.20	1501.56	1275.63	1864	1938.22	2213	1123
Per ton production	kg/te	5.42	3.17	2.64	3.55	3.44	4.44	2.40

Overview 2019-20

In 2019-20, one of the top priority deliverables of the Sustainability Council was to monitor and control emissions related KPIs to ensure that they remained within the National Quality Environment (NEQS) and global requirements. At ICI Pakistan Limited, emissions are controlled through robust Electronic Management System (EPM).

NO_x, SO_x & CO₂ emissions of ICI Pakistan Limited remained within the NEQs but slightly showing an increasing trend due to the higher consumption of coal per unit production for electricity and steam generation at two of ICI Pakistan Limited's major manufacturing sites -- the Soda Ash and Polyester. Steam requirements increased at the Soda Ash Plant due to Dense Ash 3 plant expansion project which resulted in high consumption of coal. Due to COVID-19, at the end of March 2020, the unplanned plant shut down and low plant rate also led to higher emissions.

At the Polyester Business, a CFB Plant was re-commissioned in the current year which resulted in increased emissions during the year. Last year, HFO and gas were being used for power and steam generation, which are much cleaner fuels and produce less emissions as compared to coal.

ICI Pakistan Limited's focus on the reduction of operational eco-efficiency KPIs and in order to control these emission

levels within NEQS, ICI Pakistan Limited is now using low-sulphur-content coal. Process conditions / combustion ratios were also optimised to reduce SO_x and NO_x emissions.

However to reduce CO₂ emissions, energy audits were conducted across all sites and sources of inefficiencies and loss were removed.

The manufacturing sites have taken the initiative to monitor insulation surface temperature and wherever it was higher than the standard temperature, the weak insulation was replaced. Indirect CO₂ emission is higher this year due to high production volumes of businesses and high usage of electricity across the businesses. Various projects were conducted to reduce the carbon footprints as mentioned below:



326 Tonnes
reduction in CO₂ footprint

Effluents and Waste

Key Performance Indicators

Waste Management		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 Target
Total waste	kte	22.2	28.94	8.86	40.83	34.19	37.5	8
Per ton production	kg/te	50.44	61.13	18.38	77.88	60.74	75.2	16.4
Total hazardous waste	kte	0.24	0.006	0	0.20	0.028	0.024	0
Per ton production	kg/te	0.001	0.013	0	0.38	0.05	0.05	0
Total non-reusable waste	kte	0.24	4.03	4.11	0.20	0.028	0.047	3.8
Per ton production	kg/te	0.001	8.76	8.53	0.38	0.05	0.094	8
Total non-reusable hazardous waste	kte	0.24	0.006	0	0.20	0.028	0.024	0
Per ton production	kg/te	0.001	0.013	0	0.38	0.05	0.05	0
Total hazardous waste to landfill	kte	0	0	0	0	0.00	0.00	0
Per ton production	kg/te	0	0	0	0	0.00	0.00	0

Overview 2019-20

Waste management and its control has been one of the biggest challenges for each of the businesses. To control waste, teams have been nominated on all sites.

This year, an increase in waste figures has been noted mainly due to the amalgamation of Cirin Pharmaceuticals (Private) Limited into ICI Pakistan Limited. On July 2019, the Life Sciences Business was split into two parts: Pharmaceuticals and Animal Health respectively. Previously, the sustainability KPIs data of the Pharmaceuticals and Animal Health Businesses was not incorporated in the Electronic Performance Management System (EPMS) but from this year (2019-20), data was regularly incorporated, monitored and analysed.

The other main reason for high waste figures is that ICI Pakistan Limited's two major manufacturing sites of Polyester and Soda Ash Businesses are using large amounts of coal as fuel for their steam and power generation which generates fly ash and slag as a by-product of the process. Fly ash by-product is normally sold to its respective consumers, but slag is not saleable yet. However, the Businesses are taking initiatives to reuse the slag and fly ash to reduce their overall waste.

Further, the unplanned shutdowns and inefficient scenarios of plants owing to the COVID-19 outbreak and resultant lockdowns also contributed to high waste.

In 2019-20, the Soda Ash Business optimised the utilisation of waste at its site by reusing coal waste generated onsite as fuel

for two of its other coal-fired boilers. This allowed the Business to extract the maximum possible energy from the existing waste, thus reducing fresh coal consumption. The Business opted to use better quality coal and utilised a mix of low and high ash coal which resulted in significant reduction in waste. The Company is striving to reduce its wastage through various initiatives which are as follows:

Reuse of Waste and Scrap: The Pharmaceuticals Business actively worked to reduce waste and recycle waste products for beautification and cost-effective solutions at its manufacturing sites. This is in line with the United Nations Sustainability Development Goals (SDGs) for responsible manufacturing and consumption practices.

Guard Huts: During the year, scrap wooden pallets and drums were used for fabrication of guard rooms.

Foot Operated Dispensers: Using metal scrap, foot operated sanitiser dispensers were fabricated to avoid transmission of germs by hand contact.

Process Chiller for Blister Machines: Utilised discarded split AC parts to fabricate mini process chillers for blister machines.

Lifting Pulley: Fabricated manual pulley from scrap material to lift bore water motor for maintenance.

Biodiversity at ICI Pakistan Limited



Challenges

Biodiversity is under continuous pressure because of human behaviour, overpopulation, pollution, climate changes degradation and destruction of habitats is killing many species or creating an invasion of alien species. Uncontrollable increase of population means man needs more land and resources.

Agriculture is an expanding land use in about 70% of countries, generally at the expense of biodiversity. According to the World Health Organisation (WHO), many of the global health challenges that we face today, including infectious diseases, malnutrition and non-communicable diseases, are all linked to the decline of biodiversity and ecosystems.

The challenge to biodiversity is also pertinent to Pakistan. According to a study conducted by the UN, Pakistan is one of the most vulnerable countries to the impact of climate change, because of environmental degradation and loss of biological diversity. A growing number of analysts consider climate change a major security threat for Pakistan.

How ICI Pakistan Limited is helping in the biodiversity crisis

As a responsible corporate citizen of Pakistan, the Soda Ash Business of ICI Pakistan Limited continuously endeavours to play a positive role in protecting and enhancing the biodiversity of our country. The Soda Ash Plant is in a remote area called Khewra in District Jehlum of Punjab. Khewra, also known as the 'City of Salt', is located 250 kilometres north of Lahore. The Soda Ash Business of ICI Pakistan Limited started commercial operations in 1945. Due to abundance of salt deposits in the area, Khewra was mostly a barren area when ICI Pakistan Limited first started operations in the locality. Over the years, ICI Pakistan Limited has undertaken various initiatives to improve the biodiversity in the area. Before initiating

plantation, the Company had to undertake an extensive exercise of replacing the top surface of the land with more fertile soil in order to facilitate plantation. As they say, what cannot be measured cannot be improved. Hence, in order to monitor the change to biodiversity over the years, the Company carries out regular surveys through the World Wildlife Fund (WWF), who are experts in the field of quantifying biodiversity.

With all these efforts, beginning from importing the most fertile soils from different parts of the country to building a healthy and fresh society, the Company fostered many species of animals and birds of Khewra to not only survive but also grow in a healthy environment.

During the year under review, the Soda Ash Business undertook various initiatives related to promoting biodiversity at Khewra, some of which are as follows.

Tree Plantation Drive:

In line with the Federal Government's Ten Billion Tree Tsunami Programme (TBTP) and Prime Minister's Green Initiatives, ICI Pakistan Limited embarked upon an aggressive tree plantation drive in and around Khewra. The Tree Plantation Drive 2020 was initiated by the Soda Ash Business in March this year. The Business did not limit the tree plantations to factory premises, but also involved the local community by planting trees at local 1122 station, Government School Khewra, Civil Hospital Khewra and Town Committee Khewra.

A total of 10,824 saplings were planted in 2019-20. These plantations covered 29 different plant species, including Arjuna Plant, Conocarpus, Moringa, Marva, Mitha, Mango, Sukh Chain, Pilkhan and Ficus.



10,824 saplings planted in 2019-20 in Khewra

Project Green: Project Green is a one-of-a-kind project that converted the Company's by-product area to a manmade jungle. This is an ongoing initiative by the Soda Ash Business aimed at the expansion of the plantation footprint on pieces of land.

Through a detailed WWF survey on flora and fauna in 2018, it was established that Project Green has helped attract birds of different species to Khewra. The jungles established through Project Green provided the ideal habitat for birds which were otherwise never seen in Khewra.

- 82 species of birds, 8 species of mammals, 2 species of reptiles and 12 species of butterflies were recorded from ICI Pakistan Limited Soda Ash Works, Khewra.
- Over 293 plant species were reported from different locations of ICI Pakistan Limited Soda Ash Works' residential and other allied areas. It was noted that the floral diversity in the area has increased over the period and marks a praiseworthy contribution by the Company.



82 species of birds recorded at Soda Ash Plant

- More than 160,000 trees of different species have been planted in adjoining areas.
- A fruit garden was inaugurated at the Pharmaceuticals Business Hattar Plant with fifteen different varieties of trees.



More than 300 volunteers participated in the Pehchan Tree Plantation drive



293+ species of plants reported at Soda Ash Plant

Pehchan Volunteer Programme:

Under the umbrella of ICI Pakistan Limited's employee volunteer programme, Pehchan, employees and members of the community are encouraged to participate in activities to support the communities in the areas where it operates (for more details, please refer to Page of the Sustainability Report). Tree plantation drives at Company sites are one of the most popular and frequently held activities engaging hundreds of employees every year and leading to hundreds of trees being planted. The Company does not, however, limit itself to annual tree plantation drives across all sites, but also inspires people to make it a habit.

Celebrating biodiversity:

The Company celebrates important landmark days like Earth Day, World Environment Day and Earth Hour to enhance awareness on these important topics. To mark these occasions, families assemble and light candles whereas children write essays and participate in discussions on environment, conservation, ethical consumption, biodiversity and much more.

What can we do?

There are many things what we can do. On a personal level, we can fight atmospheric and hydrologic pollution if we start recycling, conserving energy at home and using public transportation. This way we can save our environment for our future generations.

We have a duty to preserve what we have for our future generations.



Tree Plantation Drive at the Animal Health Plant.

Social Performance Management Approach

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



As an employer of over 1,600 people across Pakistan, ICI Pakistan Limited has a significant impact on livelihoods, opportunities and growth prospects for the people who work for the Company. As such, it is important to the Company to monitor and share information on these aspects.



Social performance at the Company is the joint responsibility of three stakeholders, each responsible for their own specified area; HSE&S, Corporate Social Responsibility (CSR) and Human Resources.

As a corporate entity that operates within the context of a wider community, ICI Pakistan Limited is aware of its effects on, and responsibilities to, the communities that are situated nearby or are otherwise affected by the Company's operations. These include people from local communities that are geographically close to the Company's major manufacturing sites, for example. As a responsible and ethical company driven by values such as Passion for People and Integrity and Responsibility, ICI Pakistan Limited places high value on the health and well-being of its employees as well.

Community investments and CSR programmes at the Company are managed primarily by the Corporate Communications and Public Affairs Department, under the guidance and approval of the Board of Trustees of the ICI Pakistan Limited Foundation. Additionally, the multifunctional CSR teams of each Business or location also carry out and manage CSR projects.

All CSR initiatives undertaken by the Company, as well as all related major investments, are approved by the Board of Trustees, and monitored regularly. The CSR initiatives are planned out on an annual basis, with some projects having a limited duration, while others being long-term, ongoing projects. The Board of Trustees is empowered to approve commitments to support social investment initiatives; this approval is granted based on the criticality of need and a thorough assessment of each proposal, in accordance with the Board-approved CSR Policy. The Company makes an annual contribution of a percentage of its profit after tax for the year to the Foundation, with the approval of the Board of Directors of ICI Pakistan Limited.

Guided by the Company's CSR Policy, which was approved by the Board of Directors in January 2017, the Foundation's initiatives (under the umbrella of the Hamqadam Programme) focus primarily on the following broad areas: education, health, community and environment. Through the Foundation,



Driving and Road Safety Awareness session at Animal Health Plant.



Risk Assessment session at Karachi Head Office for Chemicals & Agri Sciences team.



Health Safety and Environment Awareness session at Soda Ash Plant, Khewra.

ICI Pakistan Limited also supports civic development by investing in community projects, disaster relief and rehabilitation activities as needed.

For the Human Resources department, practices and policies are governed by the Company's Code of Conduct and applicable laws and regulations. Depending on the nature of the HR initiative, approval is given by either the Board of Directors or the Executive Management Team of the Company.

Goals and targets for material topics are identified by the Company's HR department through annual discussions by the HR fraternity in which challenges, requirements, etc. are reviewed and medium and long-term organisational objectives are identified. These goals then trickle down to become part of the performance and development (P&DD) system. Training needs, education, and growth are also assessed through the Company's annual performance appraisal tool, P&DD.

Overall, voluntary targets for each of these areas of operation are set by the heads of the respective departments, in consultation and agreement with the Chief Executive, Executive Management Team or Board of Directors, as and where applicable. In addition to these stakeholders, specific governing bodies / management teams (such as the Sustainability Council)) are also responsible for approving and



Incident Reporting training conducted at the Karachi Head Office for Chemicals & Agri Sciences team.



An industrial fire-fighting training session was conducted at the Head Office

setting targets in collaboration with other key stakeholders.

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

ICI Pakistan Limited has a robust policy enshrined in its Code of Conduct which prohibits child labour and any form of forced or compulsory labour.

Effectiveness of the Company's social performance is gauged in various ways. In the area of HSE&S, effectiveness is determined through the Learning Event database, management audits and the EPM database. For Human Resources, effectiveness is gauged through the Company's performance appraisal system and annual employee engagement surveys. For corporate social responsibility, effectiveness is gauged on the successful disbursement of the annual approved budget for the ICI Pakistan Limited Foundation, as well as the KPIs of individual ongoing CSR initiatives.



Health Safety Environment & Sustainability Forum Meeting at Mozang Office, Lahore.

Occupational Health and Safety

Key Performance Indicators

Health, Safety and Security		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Total reportable injury rate employees/ supervised contractors	\million hours	0.16	0	0.44	0.10	0.10	0.47	0
Occupational illness rate employees	\million hours	0	0	0	0	0	0	0
Total illness absence rate employees	%	1.23	1.17	1.43	1.51	1.28	1.28	1.15
Fatalities: employees, supervised and independent contractors	number	0	0	1	1	0	0	0
Total reportable injury rate independent contractors	\million hours	0	0	0.33	0.45	0.28	0	0
Lost time injury independent contractors	number	0	0	0	2	1	0	0
% sites with BBS programme	%	100	100	100	100	100	100	100
Distribution incidents	number	0	0	1	2	1	0	0
Motor vehicle incident with injury	number	1	0	2	0	0	0	0

Overview 2019-20

In 2019-20, there were four reportable injuries to permanent employees. Service providers providing services at ICI Pakistan Limited locations had no reportable injury.. The total reportable injury rate of employees was 0.47.

The incidents of reportable injuries were investigated, and action plans were formulated and implemented against each finding to avoid recurrence.

Collectively, ICI Pakistan Limited recorded 28 million safe man-hours with Soda Ash at 22.04; Chemicals & Agri Sciences at 3.07;

Pharmaceuticals at 0.58 and the Animal Health Business at 2.10. The Health & Hygiene Assessment and Monitoring Programme was fully complied and practised in true sense across the Company resulting in zero reportable occupational illnesses. Furthermore, with the availability of the Occupational Health Manual, more significant improvements are expected in workplace safety and occupational health of employees. The training of employees on vital HSE&S topics remained a key strategic item on the corporate agenda this year.



28 million
safe man-hours completed



0 reportable
occupational illnesses

Training and Education

Key Performance Indicators

Training and Education		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 Target
Average hours of training per employee (gender and grade)				Male: 38.1, Female: 30.5 G30: 28.9; G31: 36.8; G32: 29.8; G33: 46.9; G34: 44; G35: 39.6; G36: 57.6; G37: 57.3; G38: 26.3; Trainee: 40.9; WL-4: 19.6	Male: 14, Female: 28 G30: 15; G31: 37; G32: 5.46 ; G33: 18.08; G34: 23.11; G35: 38.13; G36: 41.48; G37: 24.4; G38: 7.75; Trainee: 36.09; WL-4: 3.3	Male: 86.7, Female: 13.2 G30: 6.34; G31: 4.52; G32: 9.06; G33: 18.23; G34: 20.09; G35: 32.31; G36: 27.35; G37: 60.62; G38: 16.00; G39: 50.00 G40: 37.00 Trainee: 41.47; WL-4: 42.00	Male: 6.8, Female: 8.4, G30: 2.04 , G31: 5.1, G32: 2.9, G33: 6.18 G34: 7.12 G35: 18.5; G36: 25.8; G37: 44.1; G38: 46.5; G39: 30.8 G40: 24 Trainee: 6.2; WL-4: 40	43.5
On-line P&D Discussion participation	%	98	98	98.5	98.5	85	98	100%
Management Development Programme	NO. of Managers	NR	572	743	643	238	439	90%*
Employee engagement index	%	35	58	68	82	NR	NR	75

* Percentage of total managers

Overview 2019-20

Employee training and development holds paramount importance for ICI Pakistan Limited. Building on our value of Passion for People, a renewed focus on learning and development prevailed in the year 2019-20 - both through digital as well as face-to-face blended trainings. In line with ICI Pakistan Limited's commitment to nurture and develop employees, a new platform, the ICI Pakistan Learning Academy, was introduced in October 2019, that centrally organises all the Company's learning and development needs and interventions.

The ICI Pakistan Learning Academy is a platform for the capability building bespoke learning solutions for all levels based on individual development plans of each employee and the organisational capability needs. Under ICI Pakistan Learning Academy, a variety of programmes are offered which can be divided into the following streams:

1. Leadership/Personal Effectiveness
2. Commercial
3. Technical
4. Organisational Development
5. Employee, Health & Safety

Learning interventions driven under the ICI Pakistan Learning Academy are delivered through various platforms such as face-to-face, instructor led, virtual, or blended. For the leadership / personal effectiveness stream, subject matter experts used the capability requirement of the current strategy of 2025 and developed a leadership framework: Enable to Achieve. In order to embed our leadership framework, we developed bespoke interventions and designed a leadership growth journey. The Leadership growth journey was divided into three phases.

- (i) Organisational Capability draws on the capabilities required to deliver the strategic intent for 2025. We



conducted sessions on the following to help develop employee capability:

1. Lean Six Sigma
 2. Analytics
- (ii) For the technical stream a team of subject matter experts of the technical stream were brought together to develop a curriculum for the technical stream. The Core Development Programme for Engineers (CDP) acts as a building block for future competence
- (ii) The Commercial Competency Framework acts as a development tool for our Commercial Stream. It aims on mapping out current skillset and enables to identify the right development plan to build onto the current capabilities of the Commercial Team. Corporate HSE&S has developed a curriculum by training our employees on the subject of health, safety, environment and sustainability in the corporate world. These trainings will be run across the organisation providing employees the knowledge on the laws of HSE&S.

enable to achieve

In June 2018, the iLEARN platform powered by SAP Success Factors was launched which provided employees with an internal library of courses from Coursera along

with e-books, podcasts, webinars, YouTube videos, infographics, white papers etc These courses ranged from finance, supply chain, strategy, leadership, HR, sales and marketing to soft skill trainings by renowned professionals. Moreover, additional in-house e-modules regarding Code of Conduct and HSE were developed and assigned as mandatory to all employees.

A total of 24,998 man-hours (face-to-face) were invested in employee training, focusing on soft skills, functional and leadership development.



Furthermore, to build on and sustain successful training and development of employees – a robust performance management and feedback system plays a very significant role. Our Performance and Development Discussion (P&DD) process, accessed via an online application, continues to be an essential tool in providing constructive and regular feedback to employees at all levels. This comprehensive measurement system allows employees and their managers to assess performance against set targets and objectives, gauging Company’s overall performance. We achieved an 98% participation rate for this process in June 2019-20, and hope to raise this number even higher going forward.



Define
the problem



Measure
Quantify the problem



Analyse
Identify the cause of the problem



Improve
Implement and verify the solution



Control
Maintin the solution



24,000+
man-hours invested in employee learning and development

Diversity and Equal Opportunity

Key Performance Indicators

Diversity and Equal Opportunity	2017-18	2018-19	2019-20
Percentage of governance body by gender	Male 6, Female* 2 (75%M,25%F)	Male 6, Female 2(75%M,25%F)	Male 6, Female 2 (75%M,25%F)
Percentage of employees by gender	Management – Male 1154, Female 49 Trainees - Male 26, Females 21 94.4% M 5.6% F	Management – Male 1351, Female 88 Trainees – 29 Male, 25 Females 93.88 M 6.12 F	Management – Male 1520, Female 92 Trainees - Male 27, Females 13 M 93.6%, F 6.3%
Percentage of Governance body by age	30-50:62.5% (5) Above 50 37.5% (3)	30-50:62.5% (5) Above 50 37.5% (3)	Between 30 - 50 - 38% (3) Above 50 - 63% (5)
Percentage of Employees by age	Under 30: 384 (30.7%), 30- 50: 660(52.8%) , Above 50: 206 (16.5%)	Under 30: 426 (29.60%), 30- 50: 850 (59.07%) , Above 50: 163 (11.33%)	Less than 30 - 483 (29.2%) Between 30 & 50 - 1025 (62.0%) Above 50 - 144 (8.7%)

*As of June 30, 2020

Overview 2019-20

ICI Pakistan Limited is committed to promoting diversity in the workplace and equal opportunities for all, based on merit and suitability. Our Code of Conduct and core values (Passion for People; Integrity and Responsibility) clearly inculcate these principles and are followed by everyone associated with ICI Pakistan Limited.

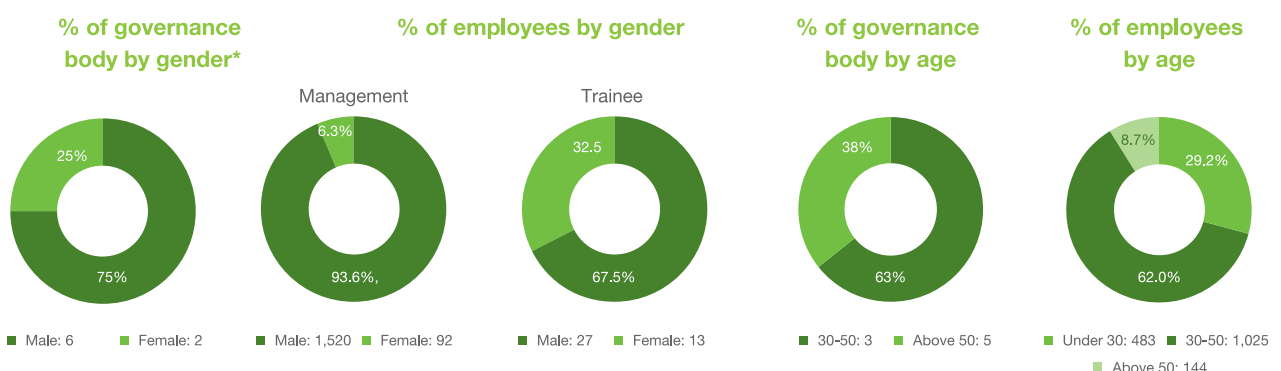
Gender diversity as well as gender sensitisation within our workforce is the growing demand of our diversity agenda. Today, the Company has 25% female representation in its Executive Management Team (EMT), the body responsible for the management of the organisational affairs on an ongoing basis. While the percentage of women in our overall workforce is still relatively low (at 6%) it has increased from the year before.

The iMPACT Scholarship Programme aims to provide scholarship opportunities to females with financial limitations to pursue their undergraduate degree from prestigious universities of Pakistan.

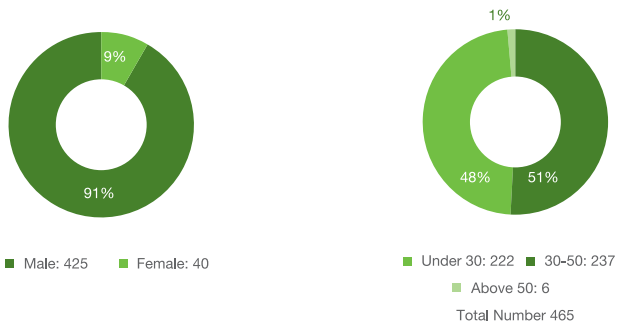
The iMPACT Women's Development Programme (WDP) WDP is a 4-week internship programme for female students from diverse backgrounds. The aim of the programme is to provide high calibre students an opportunity to gain direct exposure to a wide range of opportunities for learning, networking and first-hand corporate exposure.

ICI Pakistan Limited conducts Impact Circles which is a session with a small group of about 8–12 employees (men and women both) who meet regularly to brainstorm and discuss diversity and inclusions, support one another and learn new skills. The objectives of the circle are:

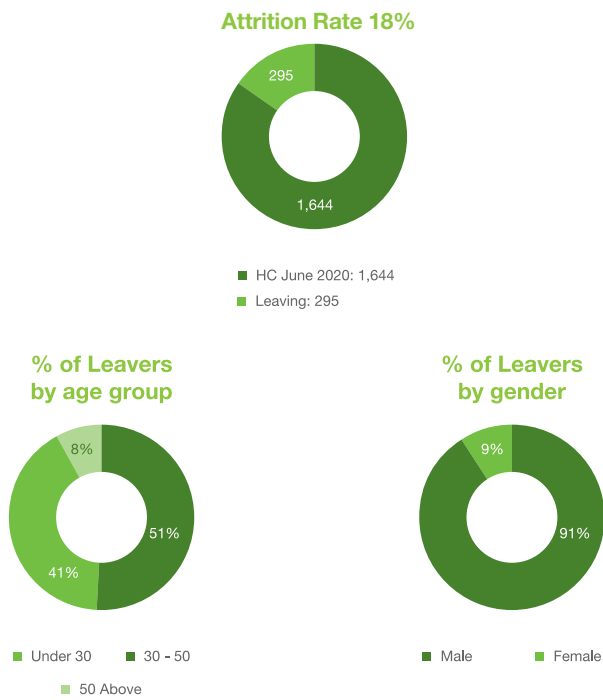
- make ICI Pakistan Limited D&I friendly in terms of hiring, performing, and interacting,
- create a personal bond and trust amongst employees through team building activities and open discussions, and
- create think tanks where employees can share their ideas, thoughts, and solutions on the discussion topic.



a. Total number and rate of new employee hires during the reporting period, by age group, gender and region.



b. Total number and rate of employee turnover during the reporting period, by age group and gender.



Anti-competitive behaviour

There are no legal actions initiated or pending against the Company during the reporting period before the Competition Commission of Pakistan.

All ICI Pakistan Limited personnel are expected to conduct company business in compliance with applicable competition laws. As such, compliance with competition laws falls within the framework of the Company’s Code of Conduct and is dealt with, in a detailed section. The Code is accessible to and read by every employee of the Company.

The Company conducted an interactive training session in October 2019 led by a renowned law firm from Karachi, which was attended by managers and business heads from across Pakistan. During the session, the participants were informed/refreshed about the fundamental principles of competition law, prohibitions under the Competition Act 2010 and the consequences for non-compliance. The Company conducts trainings on competition law on a periodic basis.



Interns of the Impact Women's Development Programme at Soda Ash, Khewra

Non-Discrimination

Key Performance Indicators

Non-Discrimination	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 Target
Total number of Incidents of discrimination	No.	NR	NR	NR	0	0	0

Overview 2019-20

Non-Discrimination is an integral part of our Code of Conduct and Values. The Code explicitly states that suitability of candidates for job opportunities depends solely on the basis of objective and non-discriminatory criteria. Moreover, ICI Pakistan Limited also has a whistleblowing policy in place known as Speak Up - open to all employees for confidential reporting of any Code of Conduct violations. This programme

ensures that all checks and balances are in place with regards to, not only the discriminatory practices, but also any other sort of violations of the Code. In the year 2019-20 there were no reported incidents of discrimination at the Company. Our target is to maintain this status quo, which we will aim to strengthen our ongoing focus on ethical and responsible behaviour in our organisation.



No case of discrimination reported in 2019-20

Local Communities

Key Performance Indicators

Community Investment		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21 Target
Community programme investment	PKR Million	20	20	20	30	30	30	30



ICI Pakistan Limited maintains a strong focus on supporting and investing in communities around it through various corporate social responsibility (CSR) projects. The Company knows that helping communities develop today means shaping a sustainable future that will positively impact the coming generations.

Pakistan Limited Foundation. The Foundation’s philosophy focusses on four main areas: education, health, community and environment, while also supporting civic development through investment in community projects, disaster relief and rehabilitation activities. (For more details, refer to page of Director’s Report).

Under the umbrella of Hamqadam Programme, the Company embraces its corporate citizenship by focussed community investment activities that are managed through the ICI

ICI Pakistan Limited donated PPEs to non-profit organisations and district hospitals in Sindh and Punjab to assist health workers who are in the front line fighting COVID-19.



Education



Health & Welfare



Community



Women’s Empowerment



Environment

These CSR projects support the development agenda of the Government and promote sustainable growth in the country.



PKR100
million committed to community investments over the last five years



18
projects were funded under the community investment programme in 2019-20



250,000+
community members benefit directly and indirectly from the Company’s community programmes each year

Pehchan Volunteer Programme

To engage ICI Pakistan Limited's employees in various community-based CSR initiatives, the Pehchan Volunteer Programme was launched in June 2018. The programme is guided by the Company's CSR policy. Under the Pehchan programme, and in line with the Company's culture, values, and brand promise of Cultivating Growth, the Company enables employees to devote up to two working days (or 16 working hours) annually on Company time in pursuit of volunteer work. The Pehchan activities organised this year include tree plantation drives, blood donation camps, Independence Day celebrations at SOS Village and The Citizens Foundation, Rehbar programme. Nearly 2000 saplings were planted during the year in Khewra, Sheikhupra and Karachi.

During the year under review, employees overwhelmingly participated in the Pehchan Volunteer activities. During the year, over 200 employees spent more than 1050 hours in 18 different activities. So far, a total of 560 employees have dedicated 1780 volunteer hours in 25 various activities.



1050 hours

dedicated to community
service by over 200
employees



Testimonials

Murshid Hospital School of Nursing & Midwifery

“As we all know that there is limited access to skilled birth attendants in the underprivileged areas of Pakistan. The Company’s contribution to award scholarships to community midwifery students will help them serve ailing humanity and is a step towards accessible maternal care in Pakistan.”

Dr. Usman Mahmood Khan
Deputy Administrator

Murshid Hospital and Healthcare Centre



In line with its commitment to promoting education and women’s empowerment, ICI Pakistan Limited in 2017 provided funds to upgrade the Karachi-based Murshid Hospital School of Nursing and Midwifery’s Nursing Skills Lab, with sophisticated training equipment, which includes life-sized working models that enable nursing students to practice vital medical techniques. The Company’s support also upgraded the school’s library and faculty computer lab. These improvements have now allowed the Nursing School to upgrade its three-year diploma programme to a college-level, four-year degree programme; raising education standards for future nurses.

In continuation of the engagement with Murshid Hospital School of Nursing and Midwifery, the Company in 2019, awarded 16 merit-based scholarships to deserving students enrolled in the two-year Community Midwifery Diploma programme.

ChildLife Foundation

“ChildLife Foundation has been able to further its mission by partnering with ICI Pakistan Limited. By supporting the fast track block of ChildLife Foundation ER at the Lyari General Hospital, providing technological advice from their IT experts

and providing personal protective equipment to healthcare workers during COVID-19, ICI Pakistan Limited has been an active supporter of the cause of saving innocent little lives. More than 50,000 patients have benefited from this partnership and we hope and pray that this partnership will continue to flourish in the future.”

Tabish Shahzad
General Manager Communications

ChildLife Foundation

ICI Pakistan Limited in 2016 made a three-year pledge to the ChildLife Foundation, a non-profit institution which operates and manages the Paediatric Emergency wards in both Civil and Jinnah Hospitals, Karachi. This pledge contributed in the establishment of three additional pediatric emergency facilities to the Child Life Foundation’s network, one at the Lyari General Hospital, one at Korangi 5, and one at the Abbasi Shaheed Hospital, totaling five state-of-the-art PEADS ER units in Karachi.

In 2019, ICI Pakistan Limited signed a Memorandum of Understanding (MoU) with the Child Life Foundation (CLF) through which it is partially sponsoring the Fast Track OPD (FTO) Block in the Sindh Government Lyari General & Teaching Hospital Karachi’s new Children’s Emergency.

Marie Adelaide Leprosy Centre (MALC)

“The Khewra community had limited access or awareness of basic health needs such as child nutrition. However, in 2016, ICI Pakistan Limited in collaboration with MALC set up a child and mother healthcare clinic which has benefited over 16,337 mothers and 15,391 children.”

Rabia Riaz
Assistant Manager – Resource Mobilisation Dept./Eye Coordinator

Marie Adelaide Leprosy Centre

Since 2016, ICI Pakistan Limited has been working closely with MALC at its mother and child healthcare community clinics in Khewra and Sheikhpura. After the establishment of a successful mother and child healthcare community clinic in Khewra in 2016, a similar clinic for the Sheikhpura community was formally inaugurated in October 2018. The clinic has proven to be a valuable addition to the local healthcare infrastructure.



Roshan Lyari Programme

“The youth of Lyari was passionate to learn technical and professional skills but had little opportunities to do so. Through this programme, the youth of the area has been empowered to stand on their feet and earn livelihood for their families. The Sindh Skills Development Centre and the youth of Lyari is thankful to the Company for initiating this programme.”

Abdul Latif Dorai

Chairman

Sindh Skills Development Centre

In Karachi, the Roshan Lyari Programme was launched in 2016 to promote literacy and enhance capacity-building skills within the Lyari youth community. The programme offers short-term vocational training courses of fashion designing, stitching and tailoring, beauty and makeup, to the female population of the community. To date, more than 350 youth have been benefitted from this programme. In which 85% are girls. Over 60% of the graduates, including women, are now employed or entrepreneurs with some running their own beauty salons etc.



Montessori Teachers Training Course – Kakapir

“For me completing the Montessori Teachers Training Course was a dream come true. I come from Younusabad which is a remote area with limited facilities and no opportunities of training courses for teachers especially women. ICI Pakistan Limited initiated this programme and aided people like me in polishing skills and enabling us to teach our students better. I learned a lot during the course which will not help me in my professional life but also my personal life. The best part was that we were taught not only how to teach students but also how to groom them to be better individuals and shape their personalities. I am extremely grateful for this opportunity.”

Naheed Begum

Teacher








Bahria College Campus SRE Khalid, Younusabad










Besides regular teachers training sessions for the school faculty, in August 2019, ICI Pakistan Limited kicked off a six-month Montessori Teachers Training Course in collaboration of Global Education Consultants at the Government Girls and Boys Primary School, Kakapir (Sandspit), Karachi. In addition to the school faculty, the surrounding school teachers were invited to participate in the course. A total of 34 participants attended this course, with an attendance rate of 95%. The training course now boasts a waiting list of nearly 40 students for the second batch.

GRI Content Index

Full Compliance: 

Partial Compliance: 

GRI STANDARD CORE DISCLOSURES			
Disclosures		Response	Compliance
General Disclosures			
GRI 102: General Disclosures 2016			
Organizational Profile			
102-1	Name of the organisation	Section: ICI Pakistan Limited at a Glance– Page 6	
102-2	Activities, brands, products and services	Section: ICI Pakistan Limited at a Glance - Page 6-7 Section: Soda Ash Business - Page 106-109 Section: Pharmaceuticals - Page 116-119 Section: Animal Health – Page 120-123 Section: Chemicals & Agri Sciences – Page 124-129 Section: Polyester - Page 110-115	
102-3	Location of headquarters	Section: ICI Pakistan Limited at a Glance- Page 8	
102-4	Location of operations	Section: ICI Pakistan Limited at a Glance - Page 8	
102-5	Ownership and legal form	Section: : ICI Pakistan Limited at a Glance - Page 6-9 Section: Corporate Governance and Compliance - Page 56-63, F68-F69	
102-6	Markets served	Section: ICI Pakistan Limited at a Glance - Page 6-8	
102-7	Scale of the organisation	Section: ICI Pakistan Limited at a Glance - Page 6-9 Section: Report of the Directors for the Year Ended – Page 86-100 Section: ICI Pakistan Limited Unconsolidated Financial Statement - Page F06-F09	




102-8	Information on employees and other workers	<p>Section: ICI Pakistan Limited Unconsolidated Financial Statement - F50</p> <p>Section: Diversity and Equal Opportunity - Page 173</p> <p>Response: Permanent – 1644 (Male 1538, Female 106) Temporary Staff – 154 (116 contractual and 38 Trainees) Trainees (38) are employees on temporary employment contracts. Employees perform significant portion of ICI Pakistan Limited's activities. No variations in the numbers reported. Data was compiled by the Corporate HR Department as per actual and no assumptions are made. ICI Pakistan Limited will be reporting Region wise data in next year's report</p>	
102-9	Supply chain	<p>Section: Sourcing - Page 155</p>	
102-10	Significant changes to the organisation and its supply chain	<p>Section: Sourcing - Page 155</p> <p>Section: IA Rich Legacy of Corporate Leadership- Page 5</p>	
102-11	Precautionary principle or approach	<p>Section: Corporate Governance and Compliance: Code of Conduct - Page 18, 56-63</p>	
102-12	External initiatives	<p>Response: GRI Standards adopted for the 2019-20 Sustainability Report and United Nation Sustainable Development Goals.</p>	
102-13	Membership of associations	<p>Response: Chamber of Commerce, EPA – All Provinces, Competition Commission of Pakistan, National Board of Boilers and Pressure Vessels, National Environmental Quality Standards, Pakistan Business Council (PBC), Pakistan Institute of Corporate Governance, MAP, OICCI</p>	
Strategy			
102-14	Statement from senior decision-maker	<p>Section: Message from CE - Page 22, 134</p>	
Ethics and integrity			
102-16	Values, principles, standards and norms of behaviour	<p>Section: Our Vision, Mission and Values - Page 14</p> <p>Section: Our Code of Conduct - Page 18</p> <p>Section: Sustainability Strategy – Page 138</p>	
Governance			
102-18	Governance structure	<p>Section: Board and Management Committees - Page 76</p> <p>Section: Company Information - Page 77</p> <p>Section: ICI Pakistan Limited at a Glance – Page 9</p> <p>Section: Sustainability Strategy & Sustainability Council - Page 138-139</p>	

Stakeholder Engagement			
102-40	List of stakeholder groups	Section: Stakeholder Engagement - Page 146	
102-41	Collective bargaining agreements	Response: Response: 714 employees (43%) covered by collective bargaining agreements (of employees) – Total number of employees: management 1644; Contractual 116; trainees 38	
102-42	Identifying and selecting stakeholders	Section: Stakeholder Engagement - Page 146-147	
102-43	Approach to stakeholder engagement	Section: Stakeholder Engagement - Page 146-147	
102-44	Key topics and concerns raised	Section: Stakeholder Engagement -Page 148	
Reporting Practice			
102-45	Entities included in the consolidated financial statements	Response: ICI Pakistan Limited at a Glance – Page 9	
102-46	Defining report content and topic Boundaries	Section: About the Report - Page 143 Section: Materiality Assessment - Page 144-145	
102-47	List of material topics	Section: Materiality Assessment - Page 144-145	
102-48	Restatements of information	Response: Not Applicable - no restatements of information given	
102-49	Changes in reporting	Section: About the Report - Page 143	
102-50	Reporting period	Section: About the Report - Page 143	
102-51	Date of most recent report	Response: August 16, 2019	
102-52	Reporting cycle	Section: About the Report - Page 143	
102-53	Contact point for questions regarding the report	Section: About the Report - Page 143	
102-54	Claims of reporting in accordance with the GRI Standards	Section: About the Report - Page 143	
102-55	GRI Content Index	Section: GRI Index – Page 180-191	
102-56	External Assurance	Section: About the report - Page 143 Section: External Assurance – Page 194-195	


Material Topics			
Category: Economic			
ECONOMIC PERFORMANCE			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Economic Performance Management Approach - Page -153, 76	
103-3	Evaluation of management approach	Section: Economic Performance Management Approach - Page 153 Section: Corporate Governance and Compliance 56-63	
GRI 201: Economic Performance 2016			
201-1	Direct economic value generated and distributed	See ICI Pakistan Limited Financial Statements Page F06-F08	
MARKET PRESENCE			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Economic Performance Management Approach - Page 153 Section: Corporate Governance and Compliance 56	
103-3	Evaluation of management approach	Section: Economic Performance Management Approach - Page 153 Section: Corporate Governance and Compliance 56	
GRI 202: Market Presence 2016			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Response: ICI Pakistan Limited adheres to all local and federal laws with regards to minimum wage and the ratio of entry level wage by gender is above than the minimum wages at all location of operations.	
202-2	Proportion of senior management hired from the local community	Response: Karachi: 75%, Islamabad: Nil, Sheikhpura: Nil Khewra: Nil, Lahore: 100% Senior Management – G37 plus excluding EMT; Local: Residence and belonging to the significant location identified	

INDIRECT ECONOMIC IMPACTS




GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Economic Performance Management Approach - Page 153 Section: Corporate Governance and Compliance 56	
103-3	Evaluation of management approach	Section: Economic Performance Management Approach - Page 153 Section: Corporate Governance and Compliance 56	


GRI 203: Indirect Economic Impacts 2016

203-1	Infrastructure investments and services supported	Section: Local community - Page 176-179	
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ANTI-COMPETITIVE BEHAVIOR

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Economic Performance Management Approach - Page 153 Section: Corporate Governance and Compliance 56-59	
103-3	Evaluation of management approach	Section: Economic Performance Management Approach - Page 153 Section: Corporate Governance and Compliance 56-59	


GRI 206: Anti-competitive Behavior

302-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Section: Diversity and Equal Opportunity 174	
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Compliance

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Economic Performance Management Approach Page -153, Section: Corporate Governance and Compliance 56-63	
103-3	Evaluation of management approach	Section: Economic Performance Management Approach Page -153 Section: Corporate Governance and Compliance 56-63	

GRI 419: Socioeconomic Compliance

419-1	Non-compliance with laws and regulations in the social and economic area	Section: Integrity Management – 154	
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Category: Environmental**ENERGY****GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Environmental Performance Management Approach - Page 157-158	
103-3	Evaluation of management approach	Section: Environmental Performance Management Approach - Page 157-158	

GRI 302: Energy 2016

302-1	Energy Consumption within the organization	Section: Energy - Page 161 Response: Standard calorific values of fuels are used for conversion	
302-3	Energy intensity	Section: Energy - Page 161	
302-4	Reduction of energy consumption	Section: Energy - Page 162	

WATER**GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Environmental Performance Management Approach - Page 157-158	
103-3	Evaluation of management approach	Section: Environmental Performance Management Approach - Page 157-158	

GRI 303: Water 2016






303-1	Water withdrawal by source	Section: Water - Page 163	
303-3	Water recycled and reused	Section: Water - Page 163	

EMISSIONS**GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Water - Page 163	
103-3	Evaluation of management approach	Section: Environmental Performance Management Approach - Page 157-158	




GRI 305: Emissions 2016

305-1	Direct (Scope 1) GHG emissions	Section: Emissions - Page 164 Response: ICI Pakistan Limited reporting is compliant with National Environmental Quality Standards (NEQs) Factors used in the calculation of emissions are based on the current International Energy Agency	
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305-2	Energy indirect (Scope 2) GHG emissions	Section: Emissions - Page 164	
305-4	GHG emissions intensity	Section: Emissions - Page 164	
305-5	Reduction of GHG emissions	Section: Emissions – Page 164	
305-6	Emissions of ozone-depleting substance (ODS)	Section: No chemical classified as an ODS is listed in the Chemical Substance Inventory of ICI Pakistan Limited	
305-7	Nitrogen oxides (NOx), sulfur oxides (Sox), and other significant air emissions	Section: Emissions - Page 164	

EFFLUENTS AND WASTE

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Environmental Performance Management Approach - Page 157-158	
103-3	Evaluation of management approach	Section: Environmental Performance Management Approach - Page 157-158	




GRI 306: Effluents and Waste 2016

306-2	Waste by type and disposal method	Section: Effluents and Waste - Page 165	
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Category: Social

EMPLOYMENT AND LABOUR RELATIONS


GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Social Performance Management Approach- Page 168-169	
103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 168-169	

GRI 401: Employment 2016

401-1	New employee hires and employee turnover	Section: Diversity and Equal Opportunity – Page 174	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Section: Life Insurance, Health Care, Disability Coverage, Parental Leave, Retirement Provision Significant locations of operation are all ICI Pakistan manufacturing sites, offices and warehouses.	

GRI 402: LABOR/MANAGEMENT RELATIONS 2016

402-1	Minimum notice periods regarding operational change	Section: 4 weeks Also mentioned in collective agreements	
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OCCUPATIONAL HEALTH AND SAFETY

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Social Performance Management Approach- Page 168-169	
103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 168-169	

GRI 403: Occupational Health and Safety 2016

403-1	Workers representation in formal joint management-worker health and safety committees	<p>Response: Our manufacturing sites have different systems in place to promote such programs. Monthly joint management and worker safety meetings are one such process, steered by line managers and occasionally section head of all functional departments. The agenda is set by the HSE&S department and feedback is recorded.</p> <p>These meetings ensure 100% participation by the workforce</p>	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Response: Occupational Health & Safety - Page 170	
403-3	Workers with high incidence or high risk of diseases related to their occupation	<p>Response: Workers involved in occupational activities that have a high risk of specific diseases are trained on, and well-versed in, the appropriate health and safety protocols, provided appropriate equipment, and regularly monitored. For example, laboratory employees are provided with protective equipment and training, and are assessed for lung-related diseases that may rise due to fume inhalation. Similarly, employees working in high noise areas are provided with appropriate protective equipment and are annually checked for any hearing loss. These procedures are as per the ICI Pakistan HSE&S Management System and the Company's Occupational Health Policy. Areas at all manufacturing sites have been assessed for health risks and accordingly Health Monitoring Programs have been developed for employees.</p>	

TRAINING AND EDUCATION

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
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103-2	The management approach and its components	Section: Social Performance Management Approach- Page 168-169	████████████████████
103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 168-169	████████████████████

GRI 404: Training and Education 2016

404-1	Average hours of training per year per employee	Section: Training and Education – Page 171-172	██████████ ██████████
404-2	Programs for upgrading employee skills and transition assistance programs	<p>Response: Leadership Essentials: Code of Conduct, HSE Awareness, Performance Management System, HR for Non HR Managers, Discovering the Leadership Within, Behavioral based interviewing skills</p> <p>Leadership Development Roadmap</p> <p>Leadership Development Journey, Leading Beyond, Leading and Developing Teams, Self-development Program, Creative Thinking & Collaboration, Greater Self, Leading Teams for Impact</p> <p>Functional skills development programs</p> <p>Core Development Program for engineers</p> <p>E-modules Toolkit</p> <p>A core technical training program for engineers comprises of e-modules on Success Factors.</p>	████████████████████
404-3	Percentage of employees receiving regular performance and career development reviews	Section: Training & Education - Page 171-172	██████████ ██████████

DIVERSITY AND EQUAL OPPORTUNITY

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	████████████████████
103-2	The management approach and its components	Section: Social Performance Management Approach- Page 168-169	████████████████████
103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 168-169	████████████████████

GRI 405: Diversity and Equal Opportunity 2016

405-1	Diversity of governance bodies and employees	Section: Diversity & equal Opportunity - Page 173	
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NON-DISCRIMINATION**GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Social Performance Management Approach- Page 168-169	
103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 168-169	

GRI 406: Non-Discrimination 2016

406-1	Incidents of discrimination and corrective actions taken	Section: Non-discrimination – Page 175	
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CHILD LABOUR**GRI 103: Management Approach 2016**

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Social Performance Management Approach- Page 168-169	
103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 168-169	

GRI 408: Child Labour 2016

408-1	Operations and suppliers at significant risk for incidents of child labour	Section: Integrity Management – Page 154	
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FREEDOM OF ASSOCIATION

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	[REDACTED]
103-2	The management approach and its components	Section: Social Performance Management Approach- Page 168-169	[REDACTED]
103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 168-169	[REDACTED]

GRI 407: Freedom of Association and Collective Bargaining 2016

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Section: Integrity Management – Page 154	[REDACTED]
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LOCAL COMMUNITIES

GRI 103: Management Approach 2016

103-1	Explanation of the material topic and its Boundary	Section: Materiality Assessment - Page 144-145	
103-2	The management approach and its components	Section: Social Performance Management Approach- Page 168-169	
103-3	Evaluation of management approach	Section: Social Performance Management Approach- Page 168-169	

GRI 413: Local Communities 2016

413-1	Operations with local community engagement, impact assessments, and development programs	Section: Local Communities - Page 176-179	
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SDGs Index

SDGs		PAGE NO.	GRI STANDARDS DISCLOSURE
	End poverty in all its forms everywhere	183	202-1
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	F06-F08, 176-179	201-1, 203-1
	Ensure healthy lives and promote well-being for all at all ages	164, 165, 170, 187	305-1, 305-2, 305-6, 305-7, 306-2, 403-2, 403-3
	Ensure inclusive and quality education for all and promote lifelong learning	171-172	404-1
	Achieve gender equality and empower all women and girls	F06-F08 183, 176-179, 174, 171-172, 173, 175	201-1, 202-1, 203-1, 401-1, 404-1, 404-3, 405-1, 406-1
	Ensure access to water and sanitation for all	163, 165	303-1, 303-3, 306-2
	Ensure access to affordable, reliable, sustainable and modern energy for all	F06-F08, 176-179, 161, 162	201-1, 203-1, 302-1, 302-3, 302-4

SDGs		PAGE NO.	GRI STANDARDS DISCLOSURE
	Promote inclusive and sustainable economic growth, employment and decent work for all	F50, 173, 182, F06-F08, 183, 161, 162, 163, 174, 186, 187, 170, 171-172, 188, 154	102-8, 102-41, 201-1, 202-1, 202-2, 302-1, 302-3, 302-4, 303-3, 401-1, 401-2, 402-1, 403-1, 403-2, 403-3, 404-1, 404-2, 404-3, 405-1, 407-1, 408-1
	Build resilient infrastructure, promote sustainable industrialization and foster innovation	F06-F08 176-179	201-1, 203-1
	Make cities inclusive, safe, resilient and sustainable	176-179	203-1
	Ensure sustainable consumption and production patterns	161, 162, 163, 164, 185, 165	302-1, 302-3, 302-4, 303-3, 305-1, 305-2, 305-6, 305-7, 306-2
	Take urgent action to combat climate change and its impacts	161, 162, 164	302-1, 302-3, 302-4, 305-1, 305-2, 305-4
	Conserve and sustainably use the oceans, seas and marine resources	164	305-1, 305-2, 305-4, 305-5, 305-7
	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	164	305-1, 305-2, 305-4, 305-5, 305-7
	Promote just, peaceful and inclusive societies	14, 18, 138, 174, 175, 154	102-16, 206-1, 406-1, 408-1, 419-1
	Revitalize the global partnership for sustainable development	141-142	Not Applicable



Independent Assurance Statement for the ICI Pakistan Limited Sustainability Report 2020

Corporate Social Responsibility Centre Pakistan (CSRCP) was engaged by ICI Pakistan Limited to carry out an independent review of the ICI Pakistan Limited Sustainability Report 2020, which was prepared 'in accordance' with Global Reporting Initiative's (GRI) Standards' Core option. The objective of the critical independent review is to provide ICI Pakistan Limited's Management with an independent opinion about the quality of the report and adherence to the principles of Inclusivity, Materiality, and Responsiveness.

Responsibility of ICI Pakistan Limited and of CSRCP

The Management of ICI Pakistan Limited is responsible for the preparation of the Sustainability Report and for the information and statements contained within it. The Management is responsible for determining the sustainability goals, performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Our responsibility is to express independently a conclusion on the Sustainability Report as defined within the scope of work to The Management of ICI Pakistan Limited only in accordance with the terms of reference agreed with them. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance placed on the report by any third party is entirely at its own risk

Scope of Assurance

CSRCP was engaged to express an opinion in relation to the review scope, which includes the following aspects:

- Review of the policies, initiatives, practices and performance described in the non-financial - qualitative and quantitative information (sustainability performance) reported and referenced in the report.
- Evaluation of the disclosed information in the report to check adherence to the GRI's Universal and Topic Specific Standards.
- Adherence to International Standard on Assurance Engagement (ISAE) 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Statements' to provide limited assurance on performance data within the Sustainability Report.
- Adherence to the principles of Inclusivity, Materiality and Responsiveness.
- Review of the Sustainable Development Goals (SDG) linkage with GRI Standards General and Topic Specific Disclosures reported in the SDG Index.

Assurance methodology

We carried out a desk review of the final draft report. We communicated with ICI Pakistan Limited to determine the accuracy and authenticity of the report content, data points, methodologies

and policies around the organization's social, environmental and economic data and activities.

Our procedures on this engagement included:

- Critical review of the Sustainability Report 2020 and respective Content Index to check consistency and adherence to GRI's Universal and Topic-Specific Standards
- Evaluation of report adherence to the in accordance: Core option
- Critical review of the Sustainability Report to obtain limited assurance about whether the Sustainability Report is free from material misstatement
- Analysis of the report content against principles of Inclusivity, Materiality and Responsiveness
- Review of the SDGs Index to check correctness of references with GRI Standards General and Topic Specific Disclosures
- Elaboration of the adjustment report
- Final review of the report content

Our assurance activities were planned and conducted to provide limited, rather than absolute assurance and we believe that the desk review of the ICI Pakistan Limited Sustainability Report completed by CSRCP provides an appropriate basis for our conclusions.

Opinion

GRI Standards in accordance option

ICI Pakistan Limited declares the report to be in accordance with GRI Standards: Core option. CSRCP evaluated the quality of the application of GRI Universal and Topic Specific Standards. Based on the evaluation, CSRCP made a series of recommendations to complete the content or adjust the disclosure level in the Content Index, which have been accepted by the company. Based on the rectifications and acknowledging the fact that the Disclosures on Management Approach (DMA) and specific standard disclosures need a more detailed disclosure for achieving full compliance in future reports, we can confirm that the report is attending the above mentioned 'in accordance' option, giving a complete overview of ICI Pakistan Limited's sustainability governance and management systems in place to report on a relevant set of disclosures related to the identified material topics.

Main Conclusions on Adherence to Principles of Inclusivity, Materiality and Responsiveness

Inclusivity – addresses the stakeholders' participation in the process of developing and implementing a transparent and strategic sustainability management process.

- ICI Pakistan Limited report addresses how company identifies and engages with different stakeholders, including ICI Pakistan Limited focus for engagement and ICI Pakistan

Limited response to stakeholders' concerns. The material issues emerging from the stakeholder engagement were collected, prioritized and the results are fairly reflected in the report.

- It would be recommendable to carry out a report specific stakeholders' engagement to better align information on material topics with stakeholders' requirements and demonstrate how stakeholders' input is utilized in strategic decision making at Sustainability Council.

Materiality – issues required by stakeholders to make decisions on the organization's economic, environmental and social performance.

- Material issues have been identified by ICI Pakistan Limited, considering the influence on stakeholder assessment and decisions and the significance of environmental, social and economic impacts, using a commonly accepted approach. The parameters of risks and opportunities were considered in the materiality determination process, which makes the process more focused on prioritizing issues relevant to ICI Pakistan Limited.
- The report demonstrates addition of new Material issues i.e. Compliance, Anti-Competitive Behavior, Child Labor and Freedom of Association. It would be recommendable to refresh the list of material issues in the context of acquisition, restructuring and input from report specific stakeholders' engagement.

Responsiveness – addresses the action taken by the organization as a result of specific stakeholders' demands.

- ICI Pakistan Limited has appropriate policies and externally certified quality, environmental and health & safety management systems, which involve a high level of analysis of risks, non-compliance and corrective actions.
- Sustainability management at ICI Pakistan Limited maintains high level support in the shape of Sustainability Council, conforming ICI Pakistan Limited's commitment to address sustainability challenges, stakeholder concerns, and promoting sustainable practices in its supply chain.
- The report demonstrates activities supporting safety, health and environment practices at supply chain partners to reduce environmental footprint. It would be recommendable to include aspects of social impact while promoting sustainability management practices in supply chain.
- ICI Pakistan Limited reiterates its commitment with the UNGC Ten Principles, has adopted SDGs relevant to ICI Pakistan Limited operations and activities and exhibited alignment of its activities with UN Sustainable Development Goals (SDGs). ICI Pakistan Limited undertook a leading role to share best

practices with industry on SDGs 12 and promote sustainability practices among industry. It would be recommendable to demonstrate how ICI Pakistan Limited is capitalizing the opportunities offered by the SDGs and the impact of ICI products and services to meeting SDGs.

Statement of conclusion

Based on the scope of our work and the assurance procedures we performed using the International Standard on Assurance Engagement (ISAE) 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Statements, we conclude that nothing has come to our attention that causes us to believe that the information in ICI Pakistan Limited's Sustainability Report 2020 is in all material aspects not fairly stated.

We confirm that the report is aligned with the requirements of the GRI Standards and reports its material topics in an adequate manner. The compliance with GRI Standards has been disclosed in more detail in the Content Index which provides overview of which standards have been fully complied and which have been partially complied in the report. In our opinion ICI Pakistan Limited has appropriate systems for collection, aggregation and analysis of the data presented in the report.

For the next report, we recommend the company to disclose information of supply chain impacts related to material topics and the approach and criteria used to screen its suppliers against the most important social and environmental topics.

Limitations and exclusions

Excluded from the scope of our work is any verification of information relating to:

- Physical verification of data, content of ICI Pakistan Limited's Sustainability Report;
- Positional statements (expression of opinion, belief, aim or future intention of ICI Pakistan Limited) and statements of future commitment.

Statement of independence, impartiality and competence

CSRCP operates strict conflict of interest checks and has confirmed our independence to work on this engagement with ICI Pakistan Limited. The members of the review team have not provided consulting services and were not involved in the preparation of any part of the report. CSRCP is a consulting firm specialized in sustainability. The review team has the required combination of education, experience, training and skills for this engagement.

Islamabad, August 27, 2020



Muhammad Arfan Nazir,
Director,
Corporate Social Responsibility Centre Pakistan.



Muhammad Imran,
Muhammad Imran & Co.,
Cost & Management Accountants Pakistan.
ICMAP Membership # 1382





Financial Performance

Possibilities to Create Value

The performance of the Company reflects our commitment to serve and remain a partner of choice. Through our growth and diversification objectives, we create value not only for the Company and its shareholders, but also for the millions of lives we touch upon on a daily basis.

This section provides a complete record of ICI Pakistan Limited's financials for 2019-20.

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ICI PAKISTAN LTD.

ICI Pakistan Limited
Financial Statements



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Independent Auditors' Report

To the members of ICI Pakistan Limited

Report on the Audit of unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **ICI Pakistan Limited** (the Company), which comprise the statement of financial position as at **30 June 2020**, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30 June 2020** and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. First time adoption of IFRS 16	
<p>As referred to in note 48.1 to the unconsolidated financial statements, the Company has adopted IFRS 16 'Leases' (the standard) with effect from July 1, 2019.</p>	<p>Our audit procedures to review the application of IFRS 16, amongst others, include the following:</p>
<p>The standard has introduced a new accounting model for operating lease contracts from the standpoint of a lessee. As per the new requirements, the Company is required to recognise right-of-use assets for leased assets and liabilities for the lease payments over the lease term.</p>	<ul style="list-style-type: none"> - We evaluated the appropriateness of the new accounting policies for recognition, measurement, presentation and disclosure of lease contracts in the unconsolidated financial statements;
<p>The application of the new standard requires management to make significant estimates and judgements such as determination of lease term and appropriate discount rate for measurement of lease liability.</p>	<ul style="list-style-type: none"> - we obtained an understanding of the process and controls in place for identification of in-scope lease contracts (considering recognition exemption available under the standard i.e. short-term leases and leases of low value assets);
<p>We considered the adoption of the standard as a key audit matter due to the significance of the accounting change and the involvement of significant management judgements in respect of the application of the new standard.</p>	<ul style="list-style-type: none"> - we corroborated the completeness of leases identified by the management by reviewing and analysing the existing lease arrangements as of the date of initial application and reviewing the rent expense ledgers for the year;
	<ul style="list-style-type: none"> - we performed independent checks of lease accounting computations for a sample of lease contracts through reperformance of such computations and tracing the terms with the relevant contracts;



Key audit matter

How our audit addressed the key audit matter

- we evaluated the appropriateness of the assumptions used by the management in measuring lease liabilities such as discount rate, lease term etc.; and
- we assessed the adequacy and appropriateness of disclosures in the unconsolidated financial statements as required under the standard and applicable financial reporting framework.

2. Impact of COVID-19

As disclosed in note 1.1 to the unconsolidated financial statements, the COVID-19 pandemic caused significant and unprecedented curtailment in economic and social activities from March 2020 in line with the directives of the Government. This situation posed a range of business and financial challenges to the businesses globally and across various sectors of the economy in Pakistan.

In relation to the accounting and reporting obligations, the management assessed the impact of COVID-19 related events in its unconsolidated financial statements particularly effects of the outbreak on the Company's assessment of the appropriateness of the use of the going concern basis including financial (debt covenant compliance concerns, renegotiation of debt agreements, liquidity and funding concerns) and non-financial (disruption of supply chain, logistics, fluctuating demand, workforce management and employee health issue) considerations; and assumptions used and estimates associated with measurement of various assets and liabilities in the financial statements.

In view of the unique nature of these events and its possible impacts on the business operations and financial reporting, we considered this area as a key audit matter to identify specific risks in relation to the financial statements and devise our audit strategy accordingly.

Our audit procedures, amongst others, included the following:

- we obtained an overall understanding of the impact due to remote working environment on the financial reporting process and underlying controls in order to determine the appropriate audit strategy;
- we assessed the authenticity of the confirmations received through emails, by performing call back procedures;
- we checked the key debt covenants of the loan agreements and checked that the Company is in compliance with these covenants;
- we checked subsequent recoveries, on a sample basis, and assessed the reasonableness of forward-looking factors used by the management in determination of expected credit loss for trade debts;
- we evaluated whether any impairment indicators exist that could trigger impairment for tangible assets;
- we checked the assumptions and forecasts used by the management for the assessment of impairment testing of intangible assets and related support of the economic data used;
- we checked the reasonableness of the inputs used for calculation of NRV of inventories held to assess the adequacy of relevant provisions;
- we evaluated management's going concern assessment by reviewing the future projections and assessed whether going concern assumption is appropriate; and
- we checked the adequacy of the disclosures made by the Company under the applicable financial reporting framework.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our Auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



Independent Auditors' Report

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent Auditors' report is **Arif Nazeer**.

Date: 02 September, 2020
Karachi

EY Ford Rhodes
EY Ford Rhodes
Chartered Accountants

Unconsolidated Statement of Financial Position

As at June 30, 2020

		Amounts in PKR '000	
	Note	June 30, 2020	June 30, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	6	19,521,939	20,329,199
Intangible assets	7	1,689,611	931,806
Right-of-use assets	8	318,278	-
		21,529,828	21,261,005
Long-term investments	9	3,186,776	3,913,076
Long-term loans	10	510,683	434,114
Long-term deposits and prepayments	11	37,885	39,231
		3,735,344	4,386,421
		25,265,172	25,647,426
Current assets			
Stores, spares and consumables	12	988,580	984,992
Stock-in-trade	13	9,327,845	9,841,165
Trade debts	14	2,288,996	2,388,029
Loans and advances	15	595,180	559,563
Trade deposits and short-term prepayments	16	408,056	278,987
Other receivables	17	1,013,061	1,647,518
Taxation - net		1,990,113	2,637,613
Cash and bank balances	18	246,383	237,374
		16,858,214	18,575,241
Total assets		42,123,386	44,222,667

		Amounts in PKR '000	
	Note	June 30, 2020	June 30, 2019
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
1,500,000,000 (June 30, 2019: 1,500,000,000) ordinary shares of PKR 10 each			
		15,000,000	15,000,000
Issued, subscribed and paid-up capital	19	923,591	923,591
Capital reserves	20	309,643	309,643
Surplus on revaluation of property, plant and equipment - net of tax	20	531,249	598,103
Revenue reserve - unappropriated profit		18,998,572	17,375,706
Total equity		20,763,055	19,207,043
Non-current liabilities			
Provisions for non-management staff gratuity	21	112,493	93,982
Long-term loans	22	6,129,340	6,763,257
Lease liabilities	8	253,591	-
Deferred tax liability - net	23	1,611,661	1,792,308
		8,107,085	8,649,547
Current liabilities			
Trade and other payables	24	8,231,439	7,185,136
Accrued mark-up		227,281	340,156
Short-term financing	25	3,399,161	7,056,373
Current portion of long-term loans	22	1,227,787	1,690,894
Current portion of lease liabilities	8	79,256	-
Unclaimed dividend		88,322	93,518
		13,253,246	16,366,077
Total equity and liabilities		42,123,386	44,222,667
Contingencies and commitments	26		

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.


Muhammad Sohail Tabba
 Chairman / Director


Asif Jooma
 Chief Executive


Muhammad Abid Ganatra
 Chief Financial Officer

Unconsolidated Statement of Profit or Loss

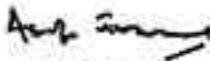
For the year ended June 30, 2020

Amounts in PKR '000

	Note	For the year ended June 30, 2020	For the year ended June 30, 2019
Net turnover	28.1	53,598,537	58,328,849
Cost of sales	28.2	(43,136,319)	(48,877,125)
Gross profit		10,462,218	9,451,724
Selling and distribution expenses	30	(3,389,472)	(3,170,316)
Administration and general expenses	31	(1,497,669)	(1,345,994)
Operating result		5,575,077	4,935,414
Other charges	32	(332,930)	(272,230)
Finance costs	33	(1,594,776)	(1,455,747)
Exchange loss		(366,978)	(435,699)
		(2,294,684)	(2,163,676)
Other income	34	955,328	408,768
Profit before taxation		4,235,721	3,180,506
Taxation	35	(1,206,718)	(875,594)
Profit after taxation		3,029,003	2,304,912
Basic and diluted earnings per share (PKR)	36	32.80	24.96

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.


Muhammad Sohail Tabba
 Chairman / Director


Asif Jooma
 Chief Executive


Muhammad Abid Ganatra
 Chief Financial Officer

Unconsolidated Statement of Other Comprehensive Income

For the year ended June 30, 2020

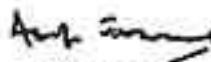
Amounts in PKR '000

	For the year ended June 30, 2020	For the year ended June 30, 2019
Profit after taxation	3,029,003	2,304,912
Other comprehensive (loss) / income		
Items not to be reclassified to unconsolidated statement of profit or loss:		
Remeasurement of defined benefit plans:	(52,516)	28,378
Income tax effect	11,091	(7,013)
	(41,425)	21,365
Total comprehensive income for the year	2,987,578	2,326,277

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements:



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Unconsolidated Statement of Changes in Equity

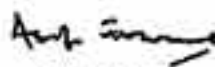
For the year ended June 30, 2020

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
As at June 30, 2018	923,591	309,643	669,495	16,178,705	18,081,434
Final dividend for the year ended June 30, 2018 @ PKR 8.50 per share	-	-	-	(785,052)	(785,052)
Interim dividend for the year ended June 30, 2019 @ PKR 4.50 per share	-	-	-	(415,616)	(415,616)
	-	-	-	(1,200,668)	(1,200,668)
Profit for the year	-	-	-	2,304,912	2,304,912
Other comprehensive income for the year - net of tax	-	-	-	21,365	21,365
Total comprehensive income	-	-	-	2,326,277	2,326,277
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 20.3	-	-	(71,392)	71,392	-
	-	-	(71,392)	71,392	-
As at June 30, 2019	923,591	309,643	598,103	17,375,706	19,207,043
Final dividend for the year ended June 30, 2019 @ PKR 4.50 per share	-	-	-	(415,616)	(415,616)
Interim dividend for the year ended June 30, 2020 @ PKR 11.00 per share	-	-	-	(1,015,950)	(1,015,950)
	-	-	-	(1,431,566)	(1,431,566)
Profit for the year	-	-	-	3,029,003	3,029,003
Other comprehensive loss for the year - net of tax	-	-	-	(41,425)	(41,425)
Total comprehensive income	-	-	-	2,987,578	2,987,578
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 20.3	-	-	(66,854)	66,854	-
	-	-	(66,854)	66,854	-
As at June 30, 2020	923,591	309,643	531,249	18,998,572	20,763,055

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.


Muhammad Sohail Tabba
 Chairman / Director


Asif Jooma
 Chief Executive


Muhammad Abid Ganatra
 Chief Financial Officer

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2020

Amounts in PKR '000

	For the year ended June 30, 2020	For the year ended June 30, 2019
Cash flows from operating activities		
Cash generated from operations - Note 37	9,984,563	7,034,995
Payments for:		
Staff retirement benefit plans - Note 21.3.2	(63,358)	(63,804)
Non-management staff gratuity and eligible retired employees' medical scheme	(30,484)	(33,063)
Taxation	(666,594)	(1,044,333)
Interest	(1,676,272)	(1,365,229)
Net cash generated from operating activities	7,547,855	4,528,566
Cash flows from investing activities		
Capital expenditure	(1,604,329)	(2,539,071)
Proceeds from disposal of operating fixed assets	11,772	15,698
Interest received on bank deposits	10,093	1,351
Investment in subsidiary	(255,000)	-
Dividend from subsidiary	30,000	75,000
Dividend from associate	800,000	180,000
Net cash used in investing activities	(1,007,464)	(2,267,022)
Cash flows from financing activities		
Payment of lease liability	(78,958)	-
Long-term loans obtained*	438,171	300,000
Long-term loans repaid*	(1,539,015)	(1,046,390)
Dividends paid	(1,436,762)	(1,196,529)
Net cash used in financing activities	(2,616,564)	(1,942,919)
Net increase in cash and cash equivalents	3,923,827	318,625
Cash and cash equivalents at the beginning of the year	(6,818,999)	(7,137,624)
Transfer upon Amalgamation - Note 4	(257,606)	-
Cash and cash equivalents at the end of the year	(3,152,778)	(6,818,999)
Cash and cash equivalents at the end of the year comprise of:		
Cash and bank balances - Note 18	246,383	237,374
Short-term financing - Note 25	(3,399,161)	(7,056,373)
	(3,152,778)	(6,818,999)

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

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.


Muhammad Sohail Tabba
 Chairman / Director


Asif Jooma
 Chief Executive


Muhammad Abid Ganatra
 Chief Financial Officer

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

1 Status and nature of business

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

These are the separate financial statements of the Company in which investment in subsidiaries and associates are stated at cost less impairment losses, if any.

Geographical location and addresses of major business units including mills / plants of the Company are as under:

Location	Purpose
Karachi ICI House, 5 West Wharf S-33, Hawksbay road, S.I.T.E	Head Office and Production Plant Production Plant
Lahore ICI House, 63 Mozang road 30-Km, Sheikhpura road, Lahore 45-Km, Off Multan road, Lahore	Regional Office Regional Office and Production Plant Production Plant
Khewra ICI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	Regional Office and Production Plant
Haripur Plot No.32/2A Phase III, Industrial Estate Hattar, District Haripur	Production Plant
Islamabad Islamabad Corporate Center, 2nd Floor, H-13, Islamabad	Regional Office

- 1.1 The COVID-19 pandemic caused significant and unprecedented curtailment in economic and social activities during the period from March 2020 in line with the directives of the Government. This situation posed a range of business and financial challenges to the businesses globally and across various sectors of the economy in Pakistan. The lockdown however excluded companies involved in the business of necessary consumer supplies. Complying with the lockdown, the Company temporarily suspended operations of certain divisions.

The lockdown was subsequently relaxed from the month of May, and the Company resumed operations in stages, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees. The management has ensured all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity.

The Company's operations were disrupted due to the circumstances arising from COVID-19 including the suspension of production, sales and operations in certain divisions. Due to this, the management has assessed the accounting implications of these developments on these unconsolidated financial statements, including but not limited to expected credit losses under IFRS 9, 'Financial Instruments', the impairment of tangible and intangible assets under IAS 36, 'Impairment of non-financial assets', the net realisable value of inventory under IAS 2, 'Inventories', deferred tax assets in accordance with IAS 12, 'Income taxes', provisions and contingent liabilities under IAS 37, including onerous contracts, and going concern assumption used for the preparation of these unconsolidated financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these unconsolidated financial statements.

2 Summary of significant accounting policies

2.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

2.2 Basis of preparation

These unconsolidated financial statements have been prepared under the historical cost convention, except:

- a) Certain classes of property, plant and equipment (i.e. freehold land, buildings on freehold, leasehold land and plant and machinery) have been measured at revalued amounts;
- b) Provision for management staff gratuity and non-management staff gratuity are stated at present value;
- c) Stores and spares and stock-in-trade which are stated at the lower of cost or net realisable value; and
- d) Employee loans are stated at present value.

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historic experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the unconsolidated financial statements in subsequent years are stated in note 47.

2.3 Property, plant and equipment and depreciation

Property, plant and equipment (except freehold land, buildings on freehold and leasehold land and plant and machinery) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land, buildings on freehold and leasehold land and plant and machinery are stated at revalued amounts less subsequent accumulated depreciation and subsequent impairment losses, if any. Capital work-in-progress is stated at cost less impairment, if any. Cost of certain property, plant and equipment comprises historical cost. Such cost includes the cost of replacing parts of the property, plant and equipment and the cost of borrowings for long-term construction projects, if the recognition criteria is met.

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, the increase is recorded in the unconsolidated statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognised in the unconsolidated statement of profit or loss however, a decrease is recorded in the unconsolidated statement of other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same assets.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

Depreciation charge is based on the straight-line method whereby the cost or revalued amount of an asset is written off to unconsolidated statement of profit or loss over its estimated useful life after taking into account residual value, if material. The cost of leasehold land is depreciated in equal installments over the lease period. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month of disposal.

Spare parts and servicing equipment are classified as property, plant and equipment under plant and machinery rather than store, spares and loose tools where they meet the definition of property, plant and equipment. Available for use capital spares, and servicing equipment are depreciated over their useful lives, or the remaining life of principle asset, whichever is lower.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed at each reporting date and adjusted, if appropriate.

Maintenance and normal repairs are charged to unconsolidated statement of profit or loss as and when incurred. Improvements are capitalised when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably. Assets replaced, if any, are derecognized.

Gains and losses on disposal of assets are taken to the unconsolidated statement of profit or loss, and the related surplus / deficit on revaluation of property, plant and equipment is transferred directly to unappropriated profit.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

2.4 Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in business combinations is their fair value at the date of acquisition.

Intangible assets with finite useful lives are amortized over useful lives and assessed for impairment whenever there is indication that the asset may be impaired. Intangible assets with indefinite lives are not amortized, but are tested for impairment annually, either individually or at the cash generated unit (CGU) level, as appropriate. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, a change in useful life from indefinite to finite is made on a prospective basis.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in unconsolidated statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

2.5 Stores, spares and consumables

Stores, spares and consumables are stated at the lower of weighted average cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less net estimated costs to sell, which is generally equivalent to replacement cost.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

2.6 Stock-in-trade

Stock-in-trade is valued at the lower of weighted average cost and estimated net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and sell.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

2.7 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the unconsolidated statement of profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in unconsolidated statement of other comprehensive income, respectively.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognised using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside unconsolidated statement of profit or loss is recognised outside unconsolidated statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in unconsolidated statement of other comprehensive income or directly in equity.

Further, the Company recognises deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus.

Sales Tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the unconsolidated statement of financial position.

2.8 Cash and cash equivalents

These are carried at cost. Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks, which are subject to insignificant risk of change. Short term finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

2.9 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for asset is required then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining the fair value less cost of disposal, recent market transaction are taken into account, if no such transaction can be identified appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or available fair value budgets. The company bases its impairment calculation on detailed budget and forecast calculation, which are prepared separately for each of the Company CGU to which individual assets are allocated. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the unconsolidated statement of profit or loss .

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

2.10 Staff retirement benefits

The Company's retirement benefit plans comprise of provident funds, pensions, gratuity schemes and a medical scheme for eligible retired employees.

Defined benefit plans

The Company operates a funded pension scheme and a funded gratuity scheme for management staff. The pension and gratuity schemes are salary schemes providing pension and lump sums, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Company also operates gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. The pension and gratuity plans are final salary plans. The pensioner's medical plan reimburses actual medical expenses to pensioners as per entitlement. The Company recognises expense in accordance with IAS 19 "Employee Benefits".

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

An actuarial valuation of all defined benefit schemes except eligible retired employees' medical scheme is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the unconsolidated statement of other comprehensive income.

All past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or termination benefits.

Defined contribution plans

The Company operates two registered contributory provident funds for its entire staff and a registered defined contribution superannuation fund for its management staff, who has either opted for this fund by July 31, 2004 or have joined the Company after April 30, 2004.

Compensated absences

The Company recognises the accruals based on actuarial valuation for compensated absences in respect of employees for which these are earned up to the reporting date.

2.11 Borrowing cost

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

2.12 Provisions

A provision is recognised in the unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. They are reviewed at each reporting date and adjusted prospectively.

2.13 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pak Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pak Rupees at the foreign exchange rates at the reporting date. Exchange differences are taken to the unconsolidated statement of profit or loss.

2.14 Functional and presentation currency

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. The unconsolidated financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.15 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved. However, if these are approved after the reporting period but before the financial statement are authorised for issue, disclosure is made in the unconsolidated financial statements.

2.16 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditures. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

For management purposes, the Company is organised into business units based on its products and services and has five reportable segments, namely Polyester, Soda Ash, Animal Health, Pharma and Chemicals and Agri Sciences. No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the unconsolidated financial statements.

2.17 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in note 2.18 to these unconsolidated financial statements.

In order for a financial asset to be classified and measured at amortised cost, or fair value through OCI it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the unconsolidated statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the unconsolidated statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the unconsolidated statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's unconsolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions note 47
- Trade debts note 14

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For all other financial assets, the Company applies the general approach.

The Company considers a financial asset in default when contractual payments are 60 - 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the unconsolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the unconsolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the unconsolidated statement of profit or loss. This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 22.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

The difference in the respective carrying amounts is recognised in the unconsolidated statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.18 Revenue from contracts with customers

The Company is in the business of sale of goods. Revenue from contracts with customers is recognised at a point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 47.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., right of returns, volume rebates). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration. Contracts with the Company's customers provide them with a right of return, price adjustments and volume rebates and are considered as variable consideration.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Volume rebates

The Company provides retrospective volume rebates (discounts) to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Contract balances

Trade debts

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note 2.17 to these unconsolidated financial statements.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer.

The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Cost to obtain a contract

The Company pays sales commission to its sales agents for certain contracts. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions because the amortisation period of the asset that the Company otherwise would have used is one year or less.

Trade debts

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Performance obligations

Information about the Company's performance obligations are summarised below:

Soda Ash

The performance obligation is satisfied upon transfer of physical possession of the goods to the customer (i.e. ex-works) for local sales whereas for export sales, performance obligation is satisfied when the customer has accepted the goods.

Payment is generally due within 30 to 90 days from delivery.

Polyester

The performance obligation is satisfied when the physical possession of the goods has passed to the customers for local sales whereas for export sales, performance obligation is satisfied when the risk and rewards in respect of the goods are transferred to the customer. Payment is generally due within 30 to 90 days from delivery.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

Pharma, Animal Health and Chemicals, Agri Sciences

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from delivery. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

Commission income is recognised on the date of shipment from suppliers.

Profit on short-term deposits is accounted for using the effective interest rate method.

Dividend income is recognised when the right to receive dividend is established.

Toll manufacturing income is recognised when services are rendered.

Other income is recognised on accrual basis.

3 New accounting policies under IFRS 16 - Leases effective for period beginning on July 01, 2019

During the year, the Company has adopted IFRS 16 which became applicable on July 01, 2019. This has resulted in change in accounting policies of the Company for leases. The changes are discussed in note 48.1 to these unconsolidated financial statements.

The new accounting policies for leases are as follows:

3.1 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.1.1 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and building	2 to 9 years
Motor vehicles	4 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the note 2.9 to these unconsolidated financial statements for policy on impairment of non-financial assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date, where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.1.2 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of regional sales offices, warehouses, summer houses and beach huts (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. For such contracts, the management has competitive options available in the market and the replacement costs are estimated to be minimal.

3.1.3 Ijarah contracts

Payments made under ijarah contract are charged to the unconsolidated statement of profit or loss on a straight line basis over the period of the lease as per IFAS 2.

4 Amalgamation

During the year, Cirin Pharmaceuticals (Private) Limited ("Cirin") (a wholly owned subsidiary of the Company) amalgamated with the Company through a Scheme of Arrangement (The Scheme). The Scheme had taken effect from March 1, 2020. Cirin was engaged in manufacturing and marketing of pharmaceutical products.

The Board of Directors of the Company and Cirin in their meetings held on December 07, 2019 and December 09, 2019 respectively, approved the Scheme under Section 284 (1) of the Companies Act, 2017 and was duly registered by the Company with SECP vide their letter # ICI/Comsec/2020/23 dated 12-03-2020. Acknowledgment was issued by SECP vide their letter dated March 26, 2020. The objective and salient features of Scheme is as follows:

- a) the entire undertaking, comprising all the assets, liabilities and obligations, of Cirin shall, simultaneously, as at the effective date (i.e. March 01, 2020), stand merged with, transferred to, vested in, and be assumed by the Company;
- b) The drugs manufacturing license in name of Cirin has been transferred to the Company;
- c) upon merger and transfer of Cirin, the Company shall, without winding up, stand dissolved and the shares of the Company held by the Company and its nominees shall be cancelled without any payment or other consideration being issued in terms of the requirement of Section 284(1b)(i) of the Companies Act, 2017 under the Scheme as of March 01, 2020; and
- d) the Scheme, as approved by the Board of Directors of each of the companies, is to be binding on the Company and Cirin along with all the shareholders, creditors, employees, customers, contracting parties, tax authorities and any other regulatory / statutory bodies of or with respect to the Company and Cirin respectively, in accordance with the terms thereof.

Acquired assets and assumed liabilities have been recognised at the carrying amount in the consolidated financial statements as of the date of the legal merger (i.e. March 01, 2020)

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

	March 01, 2020
ASSETS	
NON - CURRENT ASSETS	
Property, plant and equipment	251,226
Intangible assets	764,083
Right-of-use asset	34,135
Long-term loans	7,174
Long-term deposits and prepayments	7,776
Deferred tax asset - net	21,101
	1,085,495
CURRENT ASSETS	
Consumables	2,939
Stock-in-trade	370,650
Trade debts	46,086
Loans and advances	22,313
Trade deposits and short-term prepayments	51,252
Other receivables	784
Taxation - net	41,079
Cash and bank balances	47,229
	582,332
Total assets	1,667,827
NON-CURRENT LIABILITIES	
Long-term financing	1,052
Lease liability	31,230
	32,282
CURRENT LIABILITIES	
Trade and other payables	341,925
Short term finances	304,835
Current portion of non-current liabilities	8,079
	654,839
Total liabilities	687,121
Net assets transferred	980,706

5 Details of related parties of the Company

Details of related parties with whom the Company has entered into transactions with or has arrangements / agreements in place during the year are as follows:

Name of related party	Basis of relationship
ICI Pakistan PowerGen Limited	Wholly owned subsidiary & Common directorsip
Cirin Pharmaceutical (Private) Limited - note 4	Wholly owned subsidiary & Common directorsip
NutriCo Morinaga (Private) Limited	Subsidiary & Common Directorship
Arabian Sea Country Club Limited	Equity Investment
NutriCo Pakistan (Private) Limited	Common directorship & Associate
Lucky Cement Holdings (Private) Limited	Group Company & Common Directorship
Lucky Holdings Limited	Group Company & Common Directorship
Lucky Cement Limited	Group Company & Common Directorship
Yunus Textile Mills Limited	Group Company & Common Directorship
Lucky Textile Mills Limited	Group Company & Common Directorship
Gadoon Textile Mills Limited	Group Company & Common Directorship
Kia Lucky Motors Limited	Group Company & Common Directorship
Lucky Knits (Private) Limited	Group Company & Common Directorship
Lucky Foods (Private) limited	Group Company & Common Directorship
ICI Pakistan Management Staff Provident Fund	Common Directorship
ICI Pakistan Management Staff Gratuity Fund	Common Directorship
ICI Pakistan Management Staff Defined Contribution Superannuation Fund	Common Directorship
ICI Pakistan Non-Management Staff Provident Fund	Common Directorship
ICI Pakistan Management Staff Pension Fund	Common Directorship
ICI Pakistan Foundation	Common Directorship
Lahore University of Management Sciences	Common Directorship
Pakistan Business Council	Common Directorship
Global Commodities Limited	Common Directorship
Pakistan Cables Limited	Common Directorship
Jubilee Life Insurance Company Limited	Common Directorship
Askari Bank Limited	Common Directorship
Aziz Tabba Foundation	Common Directorship
Tabba Heart Institute, Karachi	Common Directorship
National Bank of Pakistan	Common Directorship
YB Pakistan Holdings Private Limited	Common Directorship
Gadoon Holdings Private Limited	Common Directorship
Lucky Textile Holdings Private Limited	Common Directorship
Yunus Textile Holdings Private Limited	Common Directorship
Asif Jooma	Key Management Personnel
M Abid Ganatra	Key Management Personnel
Arshaduddin Ahmed	Key Management Personnel
Aamer Mahmud Malik	Key Management Personnel
Fariha Salahuddin	Key Management Personnel
Nausheen Ahmed	Key Management Personnel
Eqan Ali Khan	Key Management Personnel

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

6 Property, plant and equipment

6.1 The following is a statement of property plant and equipment:

	As at June 30, 2020	As at June 30, 2019
Operating fixed assets - note 6.2	18,290,752	19,270,985
Capital work-in-progress - note 6.9	1,231,187	1,058,214
	19,521,939	20,329,199

6.2 The following is a statement of operating fixed assets:

	Land		Lime beds on freehold land	Buildings		Plant and machinery	Rolling stock and vehicles	Furniture and equipment	Total
	Freehold	Leasehold		On freehold land	On leasehold land				
	Note 6.3 and 6.4			Note 6.3 and 6.4		Note 6.3 and 6.4			
	As at June 30, 2020								
Net carrying value basis									
Opening net book value (NBV)	754,645	-	317,888	762,717	3,004,741	14,002,675	55,028	373,291	19,270,985
Transfer upon amalgamation - note 4	10,000	-	-	60,815	-	131,335	6,556	39,461	248,267
Additions / transfers - note 6.2.1	-	-	76,146	1,177	132,440	1,101,115	3,684	53,519	1,368,081
Disposals (at NBV)	-	-	-	-	-	(9,864)	-	(479)	(10,343)
Depreciation charge - note 6.7	-	-	(23,487)	(63,180)	(216,042)	(2,189,947)	(14,473)	(109,109)	(2,586,238)
Closing net book value	764,645	-	370,547	761,229	2,921,139	13,065,314	51,195	356,683	18,290,752
Gross carrying value basis									
Cost / revaluation	764,645	562,166	591,822	3,253,314	4,815,104	37,517,346	175,607	1,132,525	48,812,929
Accumulated depreciation	-	(562,166)	(221,275)	(2,492,085)	(1,893,965)	(24,452,032)	(124,412)	(775,842)	(30,521,777)
Closing net book value	764,645	-	370,547	761,229	2,921,139	13,065,314	51,195	356,683	18,290,752
Depreciation rate % per annum									
	-	2 to 4	5 to 25	5 to 25	3 to 33.33	3.33 to 50	10 to 33.33	10 to 50	

As at June 30, 2019

Net carrying value basis									
Opening net book value (NBV)	729,209	-	259,059	807,414	2,594,310	15,054,155	21,972	244,832	19,710,551
Additions / transfers - note 6.2.1	25,436	-	79,304	15,240	605,989	1,218,292	42,460	225,440	2,212,161
Disposals (at NBV)	-	-	-	-	(29)	(10,498)	(203)	(71)	(10,887)
Depreciation charge - note 6.7	-	-	(20,475)	(59,937)	(195,529)	(2,259,274)	(9,115)	(95,510)	(2,540,840)
Closing net book value	754,645	-	317,888	762,717	3,004,741	14,002,675	55,028	373,291	19,270,985
Gross carrying value basis									
Cost / revaluation	754,645	562,166	515,676	3,192,763	4,699,895	36,430,347	157,001	1,052,655	47,365,138
Accumulated depreciation	-	(562,166)	(197,788)	(2,430,046)	(1,695,144)	(22,427,672)	(101,973)	(579,364)	(28,094,153)
Closing net book value	754,645	-	317,888	762,717	3,004,741	14,002,675	55,028	373,291	19,270,985
Depreciation rate % per annum									
	-	2 to 4	5 to 25	5 to 25	3 to 33.33	3.33 to 50	10 to 33.33	10 to 50	

	Amounts in PKR '000	
	As at June 30, 2020	As at June 30, 2019
6.2.1 Additions to plant and machinery include transfer from capital work-in-progress which includes borrowing cost for projects determined using an average capitalisation rate of 12.77% (June 30, 2019: 10.56%) amounting to:	15,808	32,692
6.2.2 Operating fixed assets include the following major spare parts and stand by equipment having:		
Cost	402,338	572,627
Net book value	155,559	186,238

6.3 Subsequent to revaluations on October 1, 1959, September 30, 2000, December 15, 2006 and December 31, 2011 which had resulted in a surplus of PKR 14,207 million, PKR 1,569,869 million, PKR 667,967 and PKR 712,431 million respectively. As at June 30, 2016, further revaluation was conducted resulting in revaluation surplus net of deferred tax liability of PKR 320,701 million. The valuation was conducted by an independent valuer. Valuations for plant and machinery and building were based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence. Land was valued on the basis of fair market value. The fair value of the assets subject to revaluation model fall under level 2 of fair value hierarchy (i.e. significant observable inputs).

	As at June 30, 2020
6.4 Forced sale value as per the last revaluation report as of June 30, 2016 - note 6.4.1	
Asset class	Forced sale value
Freehold land	392,164
Limebeds on freehold land	93,829
Building on freehold land	579,593
Building on leasehold land	982,684
Plant and machinery	8,056,593
Total	10,104,863

6.4.1 The above amount does not contain assets which are capitalized from 01st July 2016 to 30th June 2020.

6.5 Particulars of immovable asset of the Company are as follows:

Location	Addresses	Usage of immovable property	Covered Area (sq. ft.)
Karachi	ICI House 5 West Wharf, Karachi	Head Office and Production Plant	117,619
	S-35, Hawksbay road, S.I.T.E	Production Plant	11,500
Lahore	ICI House 63 Mozang Road, Lahore	Regional Office	28,454
	30-Km, Sheikhpura road, Lahore	Production Plant	1,328,910
	45-Km, Off Mullan Road, Lahore	Production Plant	14,601
Khewra	ICI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	Regional Office and Production Plant	2,744,404
Haripur	Plot No 32/2A Phase II, Industrial Estate Hattar, District Haripur	Production Plant	39,916

	As at June 30, 2020	As at June 30, 2019
6.6 Plant and machinery including equipment held with Searle Pakistan Limited for tal manufacturing is as follows:		
Cost	8,608	7,412
Net book value	1,702	2,664

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

	For the year ended June 30, 2020	For the year ended June 30, 2019
6.7 The depreciation charge for the year has been allocated as follows:		
Cost of sales - note 29	2,509,966	2,571,772
Selling and distribution expenses - note 30	49,784	38,265
Administration and general expenses - note 31	26,488	30,803
	2,586,238	2,640,840
	As at June 30, 2020	As at June 30, 2019

6.8 Had there been no revaluation, the net book value of specific classes of property, plant and equipment would have amounted to:		
Net book value		
Freehold land	434,994	434,994
Buildings	3,408,103	3,553,708
Plant and machinery	12,193,530	13,262,220
	16,036,627	17,250,928

	Civil works and buildings	Plant and machinery	Miscellaneous equipment	Advances to suppliers / contractors	Designing, consultancy and engineering fee	Total
6.9 The following is the movement in capital work-in-progress during the year:						
	As at June 30, 2020					
Balance at the beginning of the year	186,297	673,965	77,771	81,379	38,802	1,058,214
Transfer upon amalgamation - note 4				2,958		2,958
Additions during the year	141,337	921,192	209,041	14,279	236,035	1,621,884
Transferred to operating fixed assets during the year	(192,562)	(974,337)	(108,577)	(76,393)	-	(1,351,869)
Balance at the end of the year	135,072	620,820	178,235	22,223	274,837	1,231,187

	Civil works and buildings	Plant and machinery	Miscellaneous equipment	Advances to suppliers / contractors	Designing, consultancy and engineering fee	Total
	As at June 30, 2019					
Balance at the beginning of the year	125,758	479,098	40,902	206,264	13,760	865,782
Additions during the year	252,016	1,078,621	92,555	873,864	25,042	2,322,998
Transferred to operating fixed assets during the year	(191,477)	(883,754)	(55,686)	(98,749)	-	(2,129,666)
Balance at the end of the year	186,297	673,965	77,771	81,379	38,802	1,058,214

6.9.1 This includes interest charged in respect of long-term loans obtained for projects, determined using an average capitalisation rate of 12.77% (June 30, 2019: 10.68%) amounting to:	48,326	13,035
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6.10 Details of operating fixed assets disposal having net book value in excess of PKR 500,000 are as follows:

For the year ended June 30, 2020								
	Mode of disposal	Cost / revalued amount	Accumulated depreciation	Net book value	Sales proceed	Gain / (loss)	Relationship of purchaser with the Company	Particulars of buyers
DCS - Software	Scrap	2,031	1,320	711	-	(711)	N/A	N/A
DCS - Control panel and Control stations	Scrap	28,347	23,517	4,830	3,020	(1,810)	Third party	Ghulam Raza Trader, Lahore
Calcliner 4 - Gas pipes and gearboxes	Scrap	2,500	1,872	628	30	(598)	Third party	Shahid Hanif Ghouri Mandi Bahauddin
For the year ended June 30, 2019								
Humidity Chamber	Sale	800	250	550	550	-	Subsidiary	Cinn Pharmaceuticals (Private) Limited

Amounts in PKR '000

7 Intangible assets

As at June 30, 2020					
Net carrying value basis	Brands	Goodwill	Software	Licenses	Total
Opening net book value (NBV)	753,460	126,510	14,565	37,271	931,806
Transfer upon Amalgamation - note 4	684,219	79,864	-	-	764,083
Additions / transfers	-	-	6,666	2,911	9,577
Amortisation charge - note 7.1	-	-	(8,761)	(7,094)	(15,855)
Closing net book value	1,437,679	206,374	12,470	33,088	1,689,611
Gross carrying amount					
Cost	1,437,679	206,374	211,463	241,779	2,097,295
Accumulated amortisation	-	-	(198,993)	(208,691)	(407,684)
Closing net book value	1,437,679	206,374	12,470	33,088	1,689,611
Amortisation rate % per annum	-	-	20	20 to 50	
As at June 30, 2019					
Net carrying value basis	Brands	Goodwill	Software	Licenses	Total
Opening net book value (NBV)	753,460	126,510	5,743	38,581	924,294
Additions / transfers	-	-	18,421	2,000	20,421
Amortisation charge - note 7.1	-	-	(9,599)	(3,310)	(12,909)
Closing net book value	753,460	126,510	14,565	37,271	931,806
Gross carrying amount					
Cost	753,460	126,510	204,797	238,868	1,323,635
Accumulated amortisation	-	-	(190,232)	(201,597)	(391,829)
Closing net book value	753,460	126,510	14,565	37,271	931,806
Amortisation rate % per annum	-	-	20	20 to 50	

For the	For the
year ended	year ended
June 30, 2020	June 30, 2019

7.1 The amortisation charge for the year has been allocated as follows:

Cost of sales - note 29	2,792	2,274
Selling and distribution expenses - note 30	1,021	831
Administration and general expenses - note 31	12,042	9,804
	15,855	12,909

7.2 Impairment testing of goodwill, intangibles with indefinite lives

Goodwill and brands acquired through business combinations and intangibles with indefinite useful lives have been allocated and monitored at the Pharma division of the Company. Intangible assets with indefinite useful lives include Brands. The Company has performed its annual impairment test as at June 30, 2020.

The recoverable amount is determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the senior management covering a five year period and applying the expected value approach. The discount rate applied to cash flow projections is 17.2 percent for goodwill impairment testing and 17.2 percent for intangibles with indefinite useful lives. The growth rate used to extrapolate the cash flows beyond the five-year period is 4.2 percent. As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of PKR 206.374 million and intangibles with indefinite useful lives (Brands) of PKR 1,437.679 million are allocated.

Key assumptions used in value-in-use calculations

The calculation of value-in-use is most sensitive to the following assumptions:

- Discount rates
- Key business assumptions

Discount rates

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The discount rate reflects the target Weighted Average Cost of Capital of the Company.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

Key business assumptions

These assumptions are based on industry data for growth rates, management assess how the unit's position, relative to its competitors, might change over the projected period. Management expects revenues and margins to improve on the basis of multiple strategies planned including increase in sales volume and price.

Sensitivity to changes in assumptions

Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

8 Right-of-use assets and lease liabilities

The Company has lease contracts for various items of land and buildings and vehicles used in its operations. Leases of land and buildings generally have lease terms between 2 to 9 years, while motor vehicles generally have lease terms of between 4 to 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of sales offices, warehouses, summer houses and beach huts with lease terms of 12 months or less. The Company applies the 'short-term lease' exemptions for these leases. For such contracts, the management has competitive options available in the market and the replacement costs are estimated to be minimal.

	Motor Vehicles	Land and Buildings	As at June 30, 2020
Net carrying value basis			
Opening	13,445	349,995	363,440
Transfer upon Amalgamation	-	34,135	34,135
Depreciation charged note 8.1	(4,918)	(74,379)	(79,297)
Closing	8,527	309,751	318,278

Set out below is the carrying amount of lease liability and the movement during the year:

As at July 1, 2019	336,623
Transfer upon Amalgamation	36,541
Accretion of interest	38,641
Payments	(78,958)
As at June 30, 2020	332,847
Current maturity of lease liabilities	79,256
Non-current lease liabilities	253,591
	332,847

For the
year ended
June 30, 2020

The following are the amounts recognised in the unconsolidated statement of profit or loss:

Depreciation expense of right-of-use assets (note 8.1)	79,297
Interest expense on lease liabilities	38,641
Expenses related to short-term leases (note 8.2)	64,928
	182,866

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

8.1 Allocation of depreciation expense

Cost of sales - note 29	27,645
Selling and distribution expenses - note 30	26,748
Administration and general expenses - note 31	24,904
	79,297

Amounts in PKR '000

	For the year ended June 30, 2020
8.2 Allocation of short-term leases expense	
Selling and distribution expenses - note 30	64,928

	As at June 30, 2020	As at June 30, 2019
9 Long-term investments		
Unquoted - at cost		
Subsidiaries		
- ICI Pakistan PowerGen Limited (wholly owned) 7,100,000 ordinary shares (June 30, 2019: 7,100,000) of PKR 100 each - note 9.1 and 9.3 Provision for impairment loss - note 9.1	710,000 (209,524) 500,476	710,000 (209,524) 500,476
- NutriCo Morinaga (Private) Limited (51% holding) 17,238,000 ordinary shares (June 30, 2019: 14,688,000) of PKR 100 each - note 9.2 and 9.3	1,723,800	1,468,800
- Cirin Pharmaceuticals (Private) Limited June 30, 2019: 112,000 of PKR 100 each and premium of PKR 8,661.61 per share - note 9.5	-	981,300
Associate		
- NutriCo Pakistan (Private) Limited (40% holding) 200,000 ordinary shares (June 30, 2019: 200,000) of PKR 1,000 each and premium of PKR 3,800 per share	960,000	960,000
Others		
Equity		
-Arabian Sea Country Club Limited 250,000 ordinary shares (June 30, 2019: 250,000) of PKR 10 each	2,500	2,500
	3,186,776	3,913,076

- 9.1** As of the reporting date, the value of the Company's investment on the basis of net assets of ICI Pakistan PowerGen Limited (the Subsidiary) as disclosed in its financial statements was:
- | | | |
|--|---------|---------|
| | 750,096 | 727,141 |
|--|---------|---------|
- 9.2** On 6th March 2017, the Company entered into a joint venture with Morinaga Milk Industry Company Limited ("Morinaga") of Japan and Unibrands (Private) Limited ("Unibrands") to set up a plant for manufacturing infant/growing up formula. To initiate this project, a new Company NutriCo Morinaga (Private) Limited has been incorporated which is a subsidiary of ICI Pakistan Limited in which 51% shareholding is held by ICI Pakistan Limited. During the current year, the Company has subscribed for right issues resulting in no change in shareholding percentage and has considered the same as Strategic Investment. As of the reporting date, the value of the Company's investment on the basis of net assets as disclosed in its financial statements:
- | | | |
|--|-----------|-----------|
| | 1,578,079 | 1,496,315 |
|--|-----------|-----------|
- 9.3** The Company has reassessed the recoverable amount of the subsidiaries as at the reporting date and based on its assessment no material adjustment is required to the carrying amount stated in the unconsolidated financial statements.
- 9.4** Investment in subsidiaries and associates have been made in accordance with the requirements of the Act.
- 9.5** On December 23rd, 2016, the Company acquired 100% voting shares of Cirin Pharmaceuticals (Private) Limited ("Cirin"). Cirin was a private limited incorporated in Pakistan, which was involved in manufacturing and sale of pharmaceutical products. During the year Cirin has been merged into the Company pursuant to the scheme, as described in note 4 to these unconsolidated financial statements.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

		Amounts in PKR '000	
		As at June 30, 2020	As at June 30, 2019
10	Long-term loans		
	Considered good - secured		
	Due from executives and employees - note 10.1	510,683	434,114
10.1	Due from executives and employees		
		Motor Vehicle	House building
		Total	Total
	Due from executives - note 10.2	88,635	46,674
	Receivable within one year	(14,961)	(30,121)
		73,674	16,553
	Due from employees - note 10.2		538,704
	Receivable within one year		(118,248)
			420,456
		510,683	434,114
	Outstanding for period:		
	- less than three years but over one year		168,573
	- more than three years		342,110
			510,683
			434,114
10.2	Loans for purchase of motor cars and house building are repayable between two to ten years. These loans are interest free and granted to the employees, including executives of the Company, in accordance with their terms of employment.		
11	Long-term deposits and prepayments		
	Deposits	37,502	36,912
	Prepayments	383	2,319
		37,885	39,231
12	Stores, spares and consumables		
	Stores - note 12.1	44,515	65,409
	Spares - note 12.1	936,221	921,069
	Consumables	141,487	126,002
		1,122,223	1,112,570
	Provision for slow moving and obsolete stores and spares - note 12.2	(133,643)	(127,578)
		988,580	984,992
12.1	The above include stores and spares in transit amounting to	15,859	35,017
12.2	Movement of provision for slow moving and obsolete stores and spares is as follows:		
	Balance at the beginning of the year	127,578	114,527
	Charge for the year - note 31	6,065	13,051
	Balance at the end of the year	133,643	127,578
13	Stock-in-trade		
	Raw and packing material includes in-transit PKR 1,656.873 million (June 30, 2019: PKR 2,189.446 million) - note 13.3	5,480,270	5,531,241
	Work-in-process	250,271	216,709
	Finished goods include in-transit PKR 7.184 million (June 30, 2019: PKR 16.445 million)	3,848,522	4,252,131
		9,579,063	10,000,081
	Provision for slow moving and obsolete stock-in-trade - note 13.1		
	- Raw material	(110,116)	(48,850)
	- Finished goods	(141,102)	(110,066)
		(251,218)	(158,916)
		9,327,845	9,841,165

		Amounts in PKR '000	
		As at June 30, 2020	As at June 30, 2019
13.1	Movement of provision for slow moving and obsolete stock-in-trade is as follows:		
	Balance at the beginning of the year	158,916	16,101
	Transfer upon Amalgamation	50,400	-
	Charge for the year - note 31	122,461	148,798
	Reversal during the year	(19,315)	-
	Write-off during the year	(61,244)	(5,983)
	Balance at the end of the year	251,218	158,916
13.2	Stock amounting to PKR 777.761 million (June 30, 2019: PKR 3,924.490 million) is measured at net realisable value and expense amounting to PKR 75.381 million (June 30, 2019: PKR 56.616 million reversal) has been recognised in cost of sales after taking into consideration global pandemic and economic situation.		
13.3	Includes raw and packing materials held with various toll manufacturers:		
	Searle Pakistan Limited	426,703	415,187
	Nova Med Pharmaceuticals	32,462	34,150
	Breeze Pharma Islamabad	11,999	14,527
	Others	10,396	11,111
		481,560	474,975
14	Trade debts		
	Considered good		
	- Secured	744,622	1,029,170
	- Unsecured		
	Due from associated companies - note 14.1 and 14.2	14,054	26,441
	Others	1,851,305	1,772,529
		2,609,981	2,828,140
	Considered doubtful - note 14.3	235,521	236,233
		2,845,502	3,064,373
	- Allowance for ECL - note 14.3	(235,522)	(236,233)
	- Provision for price adjustments and discounts	(320,984)	(440,111)
		(556,506)	(676,344)
		2,288,996	2,388,029
14.1	The above balances include amounts due from the following related parties which are neither past due nor impaired as of the reporting date:		
	Unsecured		
	Lucky Cement Limited	60	142
	Lucky Textile Mills Limited	2,258	1,594
	Yunus Textile Mills Limited	10,130	17,879
	Lucky Knits (Private) Limited	-	893
	Lucky Foods (Private) Limited	1,576	5,692
	NutriCo Morinaga (Private) Limited	30	-
	Cirin Pharmaceutical (Private) Limited	-	241
		14,054	26,441
14.2	The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:		
	Unsecured		
	Lucky Cement Limited	60	6,741
	Lucky Textile Mills Limited	3,020	7,099
	Yunus Textile Mills Limited	10,130	17,879
	Lucky Knits (Private) Limited	-	1,042
	Lucky Foods (Private) Limited	3,279	5,692
	NutriCo Morinaga (Private) Limited	89	-
	Cirin Pharmaceutical (Private) Limited	-	241
		16,578	38,694

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

	As at June 30, 2020	As at June 30, 2019
14.3 Allowance for ECL		
Balance at beginning of the year	236,233	212,454
Transfer upon amalgamation	10,600	-
(Reversal) / Charge during the year - net - note 44.7	(10,682)	28,927
Allowance no longer required	-	(3,974)
Write - Off - note 44.7	(629)	(1,174)
Balance at end of the year	235,522	236,233
15 Loans and advances		
Considered good		
Loans due from:		
Executives - note 15.1	45,082	55,929
Employees	118,248	96,996
	163,330	152,925
Advances to:		
Executives	14,851	15,855
Employees	2,634	2,684
Contractors and suppliers	410,209	385,278
Others	4,156	2,821
	431,850	406,638
	595,180	559,563
Considered doubtful		
	17,742	16,120
	612,922	575,683
Allowance for ECL on loans and advances - note 44.7	(17,742)	(16,120)
	595,180	559,563
15.1 The maximum amount outstanding loans to executives at any time during the year calculated with reference to month end balances are as follows:		
	54,747	56,952
16 Trade deposits and short-term prepayments		
Trade deposits	262,668	153,554
Short-term prepayments	145,388	125,433
	408,056	278,987
17 Other receivables		
Considered good		
Duties, sales tax and octroi refunds due	632,970	1,181,859
Commission and discounts receivable	101,554	127,514
Due from subsidiaries - note 17.1	16,875	79,315
Receivable from principal	63,947	78,810
Others	197,715	180,020
	1,013,061	1,647,518
Considered doubtful		
	9,007	2,798
	1,022,068	1,650,316
Allowance for ECL on receivables - note 17.3	(9,007)	(2,798)
	1,013,061	1,647,518
17.1 Due from related parties which are neither past due nor impaired includes the following		
Un-Secured		
ICI Pakistan PowerGen Limited	1,875	61,875
Cirin Pharmaceutical (Private) Limited	-	2,440
NutriCo Morinaga (Private) Limited	16,000	15,000
	16,875	79,315

Amounts in PKR '000

	As at June 30, 2020	As at June 30, 2019
17.2 The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:		
Un-Secured		
ICI Pakistan PowerGen Ltd	1,875	61,875
Cinn Pharmaceutical (Private) Limited	-	2,646
NutriCo Morinaga (Private) Limited	15,000	15,000
	16,875	79,521

17.3 Movement of allowance for ECL on receivables

Balance at the beginning of the year	2,798	24,320
Charge for the year	6,209	64
Write offs	-	(21,586)
Balance at the end of the year	9,007	2,798

18 Cash and bank balances

Cash at banks:		
- Short-term deposits - note 18.1	124,000	123,560
- Current accounts	115,837	104,562
Cash in hand	6,546	9,252
	246,383	237,374

18.1 Represent security deposits from customers that are placed with various separate bank accounts at pre-agreed rate maturing at various dates. These are interest based arrangements. The mark-up percentage on these deposits during the year was ranging from 8% to 11% (June 30, 2019: 7% to 10%) and these term deposits are readily encashable without any penalty.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

19 Issued, subscribed and paid-up capital			As at June 30, 2020	As at June 30, 2019
As at June 30, 2020 (Numbers)	As at June 30, 2019		As at June 30, 2020	As at June 30, 2019
83,734,062	83,734,062	Ordinary shares of PKR 10 each fully paid in cash	837,341	837,341
211,925	211,925	Ordinary shares of PKR 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation (note 19.1)	2,119	2,119
16,786	16,786	Ordinary shares of PKR 10 each issued as fully paid bonus shares	168	168
8,396,277	8,396,277	Ordinary shares issued pursuant to the previous scheme as fully paid for consideration of investment in associate (note 19.2)	83,963	83,963
92,359,050	92,359,050		923,591	923,591
<p>19.1 The process for amalgamation of three companies namely Paintex Limited, ICI Pakistan Manufacturers Limited and Imperial Chemical Industries Limited resulted in a new company as ICI Pakistan Limited on April 01, 1987.</p> <p>19.2 With effect from October 01, 2000, the Pure Terephthalic Acid (PTA) business of the Company was demerged under a scheme of arrangement dated December 12, 2000 approved by the shareholders and sanctioned by the High Court of Sindh.</p> <p>19.3 During the year, pursuant to the merger/ amalgamation of Lucky Cement Limited and its wholly owned subsidiary Lucky Cement Holdings (Private) Limited (LCHPL), 55% shareholding previously held by LCHPL was transferred and vested in Lucky Cement Limited. There was no change in the ultimate beneficial ownership.</p> <p>As at June 30, 2020, the Parent Company Lucky Cement Limited together with Yunus Textile Holdings Private Limited, Gadoon Textile Mills Limited, Lucky Textile Mills Limited, YB Pakistan Holdings Private Limited and Gadoon Holdings Private Limited held 84.93% (June 30, 2019: 84.94%) while institutions held 8.74% (June 30, 2019: 7.42%) and individuals, others held the balance of 6.33% (June 30, 2019: 7.64%) Voting rights, board selection, & other shareholder's rights are in proportion to their shareholding.</p>				
			As at June 30, 2020	As at June 30, 2019
20 Capital reserves				
Share premium - note 20.1			309,057	309,057
Capital receipts - note 20.2			586	586
			309,643	309,643
Surplus on revaluation of property, plant and equipment - note 20.3			531,249	598,103
<p>20.1 Share premium includes the premium amounting to PKR 0.902 million received on shares issued for the Company's Polyester Plant installation in 1980 and share premium of PKR 308.982 million representing the difference between nominal value of PKR 10 per share of 8,396,277 ordinary shares issued by the Company and the market value of PKR 392.958 million of these shares corresponding to 25% holding acquired in Lotte Pakistan PTA Limited, an ex-associate, at the date of acquisition i.e. November 2, 2001 and the number of shares that have been issued were determined in accordance with the previous scheme in the ratio between market value of the shares of two companies based on the mean of the middle market quotation of the Karachi Stock Exchange now Pakistan Stock Exchange (Limited) over the ten trading days between October 22, 2001 to November 2, 2001.</p> <p>20.2 Capital receipts represent the amount received from various ICI plc group companies overseas for the purchase of property, plant and equipment. The remitting companies have no claim to their repayments.</p> <p>20.3 Surplus on revaluation of property, plant and equipment</p>				
Balance at the beginning of the year			598,103	609,495
Transferred to unappropriated profit in respect of incremental depreciation during the year - net of deferred tax			(66,854)	(71,392)
Balance at the end of the year			531,249	598,103

Amounts in PKR '000

	As at June 30, 2020	As at June 30, 2019
21 Provisions for non-management staff gratuity	112,493	93,982

21.1 As stated in note 2.10 to these unconsolidated financial statements, The Company is continuing with a funded defined benefit pension scheme and a funded defined benefit gratuity scheme for its management staff who joined prior to August 1, 2004 for Pension Scheme and prior to March 21, 2016 for Gratuity scheme. The pension and gratuity schemes are salary schemes providing pension / commutation of pension and lump sum payments, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Company also operates defined benefit gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. Further, as a part of its defined contribution plan, the Company operates two registered contributory provident funds for its entire staff and a registered defined contribution superannuation fund for its management staff. Actuarial valuation of defined benefit plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2020.

21.2 Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1982, Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plans. Responsibility for governance of the Plans, including investment and funding decisions and contribution schedules lies with the Board of Trustees. The Company appoints the trustees.

21.3 Staff retirement benefits

	2020			2019			
	Pension	Funded Gratuity	Total	Unfunded Non Management gratuity	Pension	Funded Gratuity	Total

21.3.1 The amounts recognised in the unconsolidated statement of profit or loss against defined benefit schemes are as follows:

Current service cost	11,018	38,114	49,132	3,761	11,341	45,078	56,419	4,618
Interest cost	94,037	70,950	164,987	11,896	80,644	56,397	137,041	8,424
Expected return on plan assets	(110,642)	(64,632)	(175,274)	-	(93,758)	(47,379)	(141,137)	-
Net (reversal) / charge for the year	(5,587)	44,432	38,845	15,657	(1,773)	54,096	52,323	13,042
Other comprehensive income:								
Loss / (gain) on obligation	100,049	(5,429)	94,620	14,847	(68,615)	(106,157)	(174,772)	(8,730)
(Gain) / loss on plan assets	(43,594)	(13,358)	(56,952)	-	94,945	60,179	155,124	-
Net (gain) / loss	56,455	(18,787)	37,668	14,847	26,330	(45,978)	(19,648)	(8,730)

21.3.2 Movement in the net assets / (liability) recognised in the unconsolidated statement of financial position are as follows:

Opening balance	125,318	(79,339)	45,979	(93,982)	149,875	(135,025)	14,850	(96,007)
Net reversal / (charge) - note 21.3.1	5,587	(44,432)	(38,845)	(15,657)	1,773	(54,096)	(52,323)	(13,042)
Other comprehensive income / (loss)	(56,455)	18,787	(37,668)	(14,847)	(26,330)	45,978	19,648	8,730
Contributions / payments during the year	-	63,358	63,358	11,993	-	63,804	63,804	9,337
Closing balance	74,450	(41,626)	32,824	(112,493)	125,318	(79,339)	45,979	(93,982)

21.3.3 The amounts recognised in the statement of financial position are as follows:

Fair value of plan assets - note 21.3.5	917,233	555,128	1,472,361	-	907,068	495,849	1,402,917	-
Present value of defined benefit obligation - note 21.3.4	(842,783)	(596,754)	(1,439,537)	(112,493)	(781,750)	(575,188)	(1,356,938)	(93,982)
Net asset / (liability)	74,450	(41,626)	32,824	(112,493)	125,318	(79,339)	45,979	(93,982)

The recognized asset / liability of funded gratuity is netted off against recognized asset / liability of funded pension and recorded accordingly.

21.3.4 Movement in the present value of defined benefit obligation:

Opening balance	781,750	575,188	1,356,938	93,982	1,084,919	706,992	1,791,911	96,007
Current service cost	11,018	38,114	49,132	3,761	11,341	45,078	56,419	4,618
Interest cost	94,037	70,950	164,987	11,896	80,644	56,397	137,041	8,424
Benefits paid	(144,071)	(82,069)	(226,140)	(11,993)	(326,539)	(127,122)	(453,661)	(9,337)
Actuarial loss / (gain)	100,049	(5,429)	94,620	14,847	(68,615)	(106,157)	(174,772)	(8,730)
Closing balance	842,783	596,754	1,439,537	112,493	781,750	575,188	1,356,938	93,982

21.3.5 Movement in the fair value of plan assets:

Opening balance	907,068	495,849	1,402,917	-	1,234,794	571,967	1,806,761	-
Expected return	110,642	64,632	175,274	-	93,758	47,379	141,137	-
Contributions	-	63,358	63,358	-	-	63,804	63,804	-
Benefits paid	(144,071)	(82,069)	(226,140)	-	(326,539)	(127,122)	(453,661)	-
Actuarial gain	43,594	13,358	56,952	-	(94,945)	(60,179)	(155,124)	-
Closing balance - note 21.3.7	917,233	555,128	1,472,361	-	907,068	495,849	1,402,917	-

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21.3.6 Historical information	June 30				
	2020	2019	2018	2017	2016
Present value of defined benefit obligation	1,439,537	1,358,938	1,791,911	1,802,300	1,688,067
Fair value of plan assets	(1,472,361)	(1,402,917)	(1,800,761)	(2,096,728)	(2,009,194)
Net (asset) / liability	(32,824)	(45,979)	(14,850)	(294,428)	(321,127)

21.3.7 Major categories / composition of plan assets are as follows:	2020	2019
	Debt instruments	84.03%
Equity at market value	17.01%	24.17%
Cash / Others	-1.04%	25.92%

Fair value of plan asset	Pension		Gratuity	
	As at June 30, 2020		As at June 30, 2019	
Investment				
National Savings deposits	307,107	-	-	-
Government bonds	479,573	399,236	611,768	-
Mutual funds - equity	-	29,918	19,622	80,064
Mutual funds - fixed income	-	256	-	88,415
Corporate bonds	-	50,989	-	-
Shares	145,635	74,935	209,204	30,149
Cash and term deposits	16,336	7,884	57,469	276,380
(Benefit due) / income receivable	(31,418)	(8,090)	9,005	20,835
Total	917,233	555,128	907,068	495,849

Mortality of active employees and pensioners is represented by the 70% of EFU (61-66). The table has been rated down three years for mortality of female pensioners and widows.

	2020	2019
Actual return on plan assets during the year	232,226	(13,987)

21.3.8 The principal actuarial assumptions at the reporting date were as follows:

Discount rate The discount rate for the valuations has been determined as 8.25% with reference to the duration and Pakistan Investment Bond yields on the valuation date. In response to the economic slowdown that followed the onset of the COVID-19 pandemic, the Government forced interest rates down by 5% to provide cheaper borrowing for industry.	8.25%	13.25%
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Future salary increases - Management	3.00%	8.00%
Future salary increases - Non-management The Company's Management's estimates of increases in plan members' salaries over this period will average 6% per annum for Management Staff and 7% for Non Management Staff members. These rates have been adjusted downward with reference to the underlying long-term interest rate of 11.25% and the valuation discount rate of 8.25%. The salary increase assumption has been set at 3% for Management Staff and 4% for Non-Management Staff.	4.00%	6.00%

Future pension increases Pension Fund Rules guarantee an annual increase of 6%. After adjusting for the difference between the valuation discount rate and the underlying long-term interest rate, the pension increase assumption for June 30, 2020 is 3%.	3.00%	6.00%
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21.3.9 Impact of changes in assumptions on defined benefit scheme is as follows:

Assumption	1% Increase	1% Decrease
Discount rate	(75,503)	84,140
Salary increase	52,610	(48,068)
Pension increase	35,099	(31,765)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the unconsolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

	Amounts in PKR '000	
	As at June 30, 2020	As at June 30, 2019
21.3.10 During the year, the Company contributed in the fund as follows:		
Provident fund - note 21.4	145,452	120,626
Defined contribution superannuation fund - note 21.4	120,604	88,855

21.3.11 The Company contributes to the pension and gratuity funds on the advice of the funds' actuary. The contributions are equal to the current service cost with adjustment for any deficit. If there is a surplus, the Company takes a contribution holiday. The expected contributions for the financial year ending June 30, 2021 for management staff gratuity PKR 9 888 million.

The weighted average duration of the defined benefit obligation is 5.7 years (2019: 5.5 years).

The gratuity scheme poses the following risks:

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit

Investment risk

The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plans.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Risk of sufficiency of assets

This was managed by making regular contributions to the gratuity fund as advised by the actuary.

Withdrawal risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the defined benefit obligation. The movement of the liability can go either way.

21.4 Investments out of provident fund and defined contribution superannuation fund have been made in accordance with the provisions of section 218 of the Companies Act 2017 and the rules formulated for this purpose.

22	Long-term loans	6,129,340	6,763,257
	Loans from banking companies / financial institutions:		
	Interest based arrangement		
	Long-term finance facility - note 22.1	1,954,307	2,287,484
	Other long-term loan - note 22.2	202,120	5,266,667
	Payroll Finance Scheme - note 22.3	439,820	-
	Shariah compliant		
	Islamic term finance - note 22.4	4,760,880	900,000
		7,357,127	8,454,151
	Current portion shown under current liabilities	(1,227,787)	(1,690,894)
		6,129,340	6,763,257

Notes to the Unconsolidated Financial Statements

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- 22.1** Represents the long term loans availed from various banks. These loans are secured against fixed assets of Soda Ash Business and Polyester Business amounting to PKR 2,500 million and PKR 11,000 million respectively. The markup on LTF ranges from SBP Rate + 0.30% to 0.50% and the limit stands at PKR 2,665.82 million (June 30, 2019: PKR 2,665.82 million). The maturity of these loans ranges from 1 to 6 years.
- 22.2** Represents other conventional long term loans, on which markup ranges from 3 months KIBOR + 0.25%. The limit stands at PKR 1,200 million (June 30, 2019: PKR 6,400 million). The maturity of this loan will occur next year.
- The markup on all long-term loans is payable on quarterly and semi-annual basis.
- 22.3** The Company has obtained the SBP Refinancing Facility from a scheduled bank, in order to finance salaries and wages, under the SBP COVID scheme of payroll financing for businesses. The amount due is repayable in quarterly installments, following the end of 6 month grace period, commencing from January 2021 over a term of 1 year 9 months ending October 2022. The facility carries a markup of 1% per annum and is secured against a hypothecation charge over present and future current assets of the company.
- 22.4** Represents Shariah compliant loans. The limits for these Islamic loans stand at PKR 5,400 million (June 30, 2019: PKR 1,000 million) while the profit rate on Islamic term finance is 6 months KIBOR + 0.05%. The maturity of Islamic loans ranges from 6 to 8 years.

	As at June 30, 2020				As at June 30, 2019		
	Opening	Transfer upon Amalgamation	(Reversal) / Charge	Closing	Opening	(Reversal) / Charge	Closing
23	Deferred tax liability - net						
	Deductible temporary differences						
Provisions for retirement benefits, doubtful debts and others	(307,243)	(19,416)	17,598	(309,061)	(252,072)	(55,171)	(307,243)
Retirement fund provisions - note 23.1	(103,478)	(1,101)	(11,090)	(115,669)	(110,491)	7,013	(103,478)
Minimum Tax	-	-	-	-	(57,147)	57,147	-
	Taxable temporary differences						
Property, plant and equipment	2,203,029	(584)	(166,054)	2,036,391	2,331,606	(128,577)	2,203,029
	1,792,308	(21,101)	(169,546)	1,611,661	1,911,896	(119,588)	1,792,308

- 23.1** Includes amount PKR 11,000 million (2019: PKR 7,013 million) routed through unconsolidated statement of other comprehensive income.

	As at June 30, 2020	As at June 30, 2019
24	Trade and other payables	
Trade creditors - note 24.1	1,833,037	2,099,799
Bills payable	2,055,669	1,226,035
Accrued expenses	3,084,760	2,859,180
Technical service fee / royalty - note 24.2	51,437	5,157
Workers' profit participation fund - note 24.3	51,659	174,085
Workers' welfare fund	203,624	128,992
Distributors' security deposits - payable on termination of distributorship - note 24.4	128,550	124,632
Contractors' earnest / retention money	24,246	26,136
Contract Liabilities (Running account with customers) - note 24.5	612,782	281,223
Payable for capital expenditure	62,272	118,928
Accrual for compensated absences	31,500	31,500
Others	91,903	109,469
	8,231,439	7,185,136

- 24.1** This amount includes payable to ICI Pakistan PowerGen Limited, a related party on account of purchase of electricity.
- 24.2** This amount includes royalty payable to associate company namely "Lucky Holdings Limited" registered on the specified address 6-A, Mohammad Ali Society A, Aziz Hashim Tabba Street Karachi - 75350, Pakistan

Amounts in PKR '000

	As at June 30, 2020	As at June 30, 2019
24.3 Workers' profit participation fund		
Balance at the beginning of the year	174,085	18,932
Transfer upon Amalgamation	12,501	-
Allocation for the year - note 32	223,012	167,403
	409,598	186,335
Interest on funds utilised in the Company's businesses at 97.5 % (June 30, 2019: 135%) per annum	1,516	1,431
Payment to the fund	(359,455)	(13,681)
Balance at the end of the year	51,659	174,085
24.4 Interest on security deposits from certain distributors that are placed with various separate bank account is payable at ranging from 8% to 11% (June 30, 2019: 7% to 10%) per annum as specified in the respective agreements. These security deposits are non utilizable. Further, the Company has not utilized any such deposit. for the purpose of its business during the year.		
24.5 During the year, contract liabilities as at June 30th, 2019 have been recognised as revenue. Contract liabilities as at the year end will be recognised as revenue during next financial year.		
25 Short-term financing	3,399,161	7,056,373
Export refinance	-	200,000
Money Market	-	1,750,000
FE 25 Facility - note 25.1	958,664	-
Short-term running finance - secured - note 25.2 and 25.3	2,440,697	5,106,373
25.1 Represents FE-25 facility carrying floating rate at 3 Month LIBOR + 1% and fixed rate at 2.85% per annum.		
25.2 Represents Short-term facilities wherein, Islamic Facilities have a limit of PKR 6,915 Million (June 30, 2019: PKR 5,400 Million). These facilities carry mark-up ranging from KIBOR + 0.05 % to KIBOR + 1.00 % per annum with an average mark-up rate of relevant KIBOR + 0.34 % (June 30, 2019: relevant KIBOR + 0.05 % to KIBOR + 1 % per annum with an average mark-up rate of relevant KIBOR + 0.30 %). The conventional short term facilities, have a limit amounting to PKR 7,331 million (June 30, 2019: PKR 7,946 million). These facilities carry mark-up ranging from KIBOR + 0.05 % to KIBOR + 0.30 % per annum with an average mark-up rate of relevant KIBOR + 0.15 % (June 30, 2019: relevant KIBOR + 0.05 % to KIBOR + 0.30 % per annum with an average mark-up rate of relevant KIBOR + 0.13 %).		
25.3 Includes facility from National Bank of Pakistan (a related party) amounting to PKR 33,950 million, against a total limit of PKR 2,000 million, carrying mark-up at the rate of 3 month KIBOR + 0.15 %. The Company has executed other transactions mainly for payments to Government and related authorities in the ordinary course of business.		
26 Contingencies and Commitments		
Claims against the Company not acknowledged as debts are as follows:		
Local bodies	81,500	71,583
Others	22,979	11,318
	104,479	82,901

26.1 Details of material cases

Collectorate of customs - classification issue in PCT heading

Collectorate of customs raised demand of PKR 17.4 million on January 10, 2015, against the Company on the ground that Company is classifying its imported product Wannate 8019 in wrong PCT Heading. During the prior year, consignments were withheld by Customs Appraisement due to classification issue. For clearance of these consignments, Company paid PKR 15.8 million as Security Deposit for getting Provisional clearance till the final decision of Classification Committee and Appellate forums, which is still awaited.

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For one other product Wannate PM 2010/ 8221, consignments were again withheld by Customs Intelligence on Classification issue. Company paid PKR 94.0 million as Security Deposit for Provisional Clearance of these consignments till final decision. Classification committee through a Public notice dated 12th June, 2017 gave its view on classification of the product against the Company. Customs after the issuance of this Public Notice raised further demand relating to period prior to issuance of Public Notice, amounting to PKR 65.0 million. Company being dissatisfied with the verdict filed a Suit in Sindh High Court on certain grounds including that applicability of public notice cannot be done retrospectively. The court has granted a stay in favor of the Company till the next date of hearing. The Company is confident that it has a strong grounds to defend the case and is hopeful of positive outcome.

The Company has received a notice dated March 11, 2016 issued by the Tehsil Municipal Administration Pin Dadan Khan, Tehsil Officer, whereby a sum of PKR 67.0 million was demanded as conversion fee with respect to land acquired/purchased in the years 2010 and 2015. The Company filed a response to the said notice as well as appeal before the Secretary Local Government Community (SLG). The SLG disposed of the appeal by stating that the land purchased was Banjar Qadeem and that MC was competent to charge conversion fee. Thereafter another notice was by issued by the MC on November 15, 2018 for payment of PKR 67.0 million.

The Company filed a Writ Petition No.225 of 2019 on January 17, 2019 before the Lahore High Court, Rawalpindi Bench against the Notices as well as order of SLG. On October 31, 2019 the Learned Judge was pleased to stay the operation of the impugned orders/notices, subject to the deposit of PKR 24.0 million with the Deputy Registrar Judicial, which was deposited through Pay Order No.05138957 on February 14, 2019.

The Company is confident that the above cases would be decided in Company's favor. Accordingly, no provision in this respect has been made in these unconsolidated financial statements.

26.2 Certain tax related matters are disclosed in note 47.1 to these unconsolidated financial statements

	As at June 30, 2020	As at June 30, 2019
26.3 Commitments		
26.3.1 Commitments in respect of capital expenditure including various projects :	395,192	602,942
26.3.2 Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:		
Year		
2019-20	-	28,679
2020-21	1,820	30,544
2021-22	1,939	32,529
2022-23	2,065	34,644
2023-24	2,199	-
	8,023	126,396
Payable not later than one year	1,820	28,679
Payable later than one year but not later than five years	6,203	97,717
	8,023	126,396
26.3.3 Outstanding letter of credit - Unutilized PKR 11,259.882 million (June 30, 2019: 12,906.784 million)	3,834,449	3,177,181
26.3.4 The above amount includes facility limit of 1,900 million from National bank of Pakistan (related party) Outstanding balance of PKR 988.500 million		
26.3.5 Commitments in respect of Post dated cheques	1,152,646	567,784

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

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	For the year ended June 30, 2020	For the year ended June 30, 2019
28. Reconciliations of reportable segment net turnover, cost of sales, assets and liabilities		
28.1 Net turnover		
Total net turnover for reportable segments - note 27	53,610,578	58,333,699
Elimination of inter-segment net turnover - note 27	(12,041)	(4,850)
Total net turnover	53,598,537	58,328,849
28.2 Cost of sales		
Total cost of sales for reportable segments - note 29	43,148,360	48,881,975
Elimination of inter-segment purchases - note 29	(12,041)	(4,850)
Total cost of sales	43,136,319	48,877,125
	As at June 30, 2020	As at June 30, 2019
28.3 Assets		
Total assets for reportable segments	37,446,973	38,172,454
Taxation recoverable	1,990,113	2,637,613
Long-term investments	2,686,300	3,412,600
Total assets	42,123,386	44,222,667
28.4 Liabilities		
Total liabilities for reportable segments	10,288,440	9,071,428
Short-term borrowing and running finance - note 25	3,399,161	7,056,373
Long-term loan - note 22	7,357,127	8,454,151
Accrued mark-up	227,281	340,156
Unclaimed dividends	88,322	93,518
Total liabilities	21,360,331	25,015,624

Amounts in PKR '000

29. Cost of Sales

	Polyester		Soda Ash		Pharms		Animal Health		Chemicals & Agri Sciences		Company	
	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019
Raw and packing materials consumed												
Opening stock	1,864,192	1,307,531	5,308,718	7,328,911	1,120,343	1,002,410	206,678	206,804	889,664	962,019	5,492,391	4,497,676
Transfer upon Amalgamation	-	-	-	-	224,800	-	-	-	-	-	224,800	-
Purchases												
Inter segment	5,796	2,798	-	-	6,281	2,064	-	-	-	-	12,841	4,830
Others	14,627,660	13,657,064	4,241,629	4,697,726	2,625,741	2,656,215	668,793	694,958	3,462,894	3,262,768	25,024,116	30,170,731
	16,307,548	21,047,361	6,549,747	5,426,637	3,874,354	3,660,689	877,367	701,762	4,143,568	3,024,787	30,842,548	34,663,236
Closing stock - note 13	(1,431,826)	(1,864,192)	(1,767,313)	(1,308,718)	(1,218,343)	(1,120,343)	(218,974)	(206,804)	(749,667)	(962,019)	(5,179,154)	(4,497,676)
Raw material consumed	14,862,526	19,183,169	3,842,434	4,117,919	2,656,011	2,540,346	658,393	495,158	3,393,901	2,062,768	25,672,394	29,165,960
Salaries, wages and benefits - note 29.1	444,527	531,129	1,068,373	1,000,518	326,788	319,719	89,888	40,259	198,391	195,103	2,147,868	1,994,726
Stores and spares consumed	263,191	293,469	253,732	221,365	58,364	49,826	14,262	612	12,798	16,143	884,437	592,065
Commission fee paid to contract manufacturers	-	-	-	-	336,942	333,853	2,171	3,600	32,218	26,877	378,305	306,336
Oil, gas and electricity	1,637,369	1,746,534	4,165,344	4,813,317	99,283	66,368	7,267	4,600	32,943	32,019	5,942,796	6,676,939
Rent, rates and taxes	1,501	1,471	3,569	1,825	1,787	2,045	260	25,029	68	4	6,235	36,174
Insurance	25,000	26,229	43,916	43,102	4,166	3,898	671	774	664	8	74,299	75,611
Repairs and maintenance	16,323	14,750	3,446	10,369	14,195	9,129	2,776	4,579	14,314	10,412	56,954	49,326
Depreciation and amortization charge - note 6.7, 7.1 & 8.1	693,947	758,576	1,626,426	1,673,584	111,641	93,132	38,136	11,021	79,263	36,731	2,640,403	2,574,048
Traveling	66,698	69,572	16,664	20,280	8,162	7,531	917	720	1,680	2,551	91,621	100,668
Contracted Services	181,784	144,921	231,382	206,031	-	81	469	-	12,861	8,996	465,896	361,138
General expenses	46,124	43,130	81,348	87,588	36,802	17,550	6,186	5,980	15,511	24,670	175,671	179,143
Opening stock of work-in-process	148,741	39,659	-	-	34,089	10,498	6,448	3,623	27,425	6,872	216,709	63,752
Transfer upon Amalgamation	-	-	-	-	80,506	-	-	-	-	-	80,506	-
Closing stock of work-in-process - note 13	(223,579)	(148,741)	-	-	(21,681)	(36,096)	7,468	(6,444)	(12,483)	(27,423)	(260,271)	(216,709)
Cost of goods manufactured	16,414,148	22,704,028	11,328,534	12,202,022	3,685,180	3,476,704	794,867	587,635	3,746,814	3,062,491	37,964,646	42,022,780
Opening stock of finished goods	891,258	1,242,681	543,831	264,903	284,478	736,538	750,481	877,706	1,872,817	1,464,309	4,142,865	4,186,137
Transfer upon Amalgamation	-	-	-	-	68,144	-	-	-	-	-	68,144	-
Finished goods Inventory	129,329	(118,474)	-	(7,141)	626,524	1,006,300	2,053,875	2,432,491	1,986,664	3,566,745	4,885,362	6,963,921
	19,434,735	23,828,235	11,872,365	12,464,639	4,671,926	5,189,542	3,699,229	3,557,832	7,699,796	8,141,545	46,978,241	53,172,838
Closing stock of finished goods - note 13	(196,589)	(891,258)	(471,937)	(243,031)	(447,444)	(284,478)	(688,430)	(750,481)	(1,522,789)	(1,872,817)	(3,797,428)	(4,142,865)
Provision for slow moving and obsolete stocks - note 13.1				(1,327)	(66,413)	(77,534)	(93,248)	(18,817)	(23,729)	(51,640)	(122,891)	(144,726)
	19,238,146	22,936,977	11,400,428	12,120,299	4,158,069	4,815,960	3,506,031	2,786,054	6,153,278	6,216,588	43,148,366	48,883,375
29.1 Staff retirement benefits												
Salaries, wages and benefits includes amount in respect of staff retirement benefits											137,841	111,300

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

30. Selling and distribution expenses

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals & Agri. Sciences		Company	
	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019
Salaries and benefits - note 30.1	65,611	60,437	48,369	45,406	482,431	355,361	264,094	276,640	364,344	296,075	1,224,848	1,030,199
Repairs and maintenance	897	891	834	781	3,224	2,959	1,496	1,170	13,877	8,302	19,338	13,443
Advertising and publicity expenses	21,758	43,483	-	32,864	168,840	169,116	14,179	10,544	93,998	85,821	263,768	336,640
Rent, sales and lease	283	317	522	3,106	3,264	8,707	4,548	9,205	7,964	5,824	24,081	27,436
Insurance	-	-	349	1,160	7,243	8,629	7,464	8,732	11,311	11,733	26,248	28,469
Lighting, heating and cooling	82	122	2,889	1,750	3,688	3,143	3,899	4,608	9,271	7,869	19,941	17,502
Depreciation and amortisation charge - note 6.7, 7.1 & 8.1	-	-	2,041	69	15,565	7,387	22,856	13,861	37,101	17,569	77,652	39,036
Outward freight and handling	58,336	44,055	218,655	189,764	89,736	83,006	139,479	120,381	146,336	166,722	636,534	563,828
Travelling expenses	8,925	13,002	3,486	2,243	141,757	136,497	72,443	64,944	87,362	93,564	313,975	312,278
Postage, telegram, telephone and telex	1,347	1,906	4,931	1,888	14,899	15,519	6,371	5,400	18,613	9,472	36,389	32,139
Royalty fees - note 2	197,949	220,885	165,314	154,397	-	-	-	-	-	-	392,483	375,000
Godown expenses	-	-	45,896	2,126	47,837	53,816	55,671	32,468	199,279	523,460	236,862	211,864
General expenses	15,685	10,356	431	5,744	58,382	60,278	11,521	16,812	75,792	73,489	167,811	164,177
	378,343	395,222	481,804	422,334	806,686	605,436	548,899	567,935	919,246	879,309	3,389,472	3,105,156

30.1 Staff retirement benefits

Salaries and benefits includes amount in respect of staff retirement benefits

81,214 85,418

30.2 Royalty amounting to PKR 362,483 million (June 30, 2019: PKR 375,000 million) is charged by the Associate Company namely "Lucky Holding Limited" registered on the specified address 6-A, Mohammed Ali Society A, Aziz Hashim Talika Street Karachi - 75200, Pakistan

31. Administration and general expenses

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals		Company	
	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019
Salaries and benefits - note 31.1	178,681	156,410	292,938	240,207	488,226	347,063	68,829	51,908	245,312	185,205	978,626	780,710
Repairs and maintenance	2,269	2,317	5,129	5,253	3,878	4,429	1,443	1,397	2,118	1,762	14,928	15,156
Advertising and publicity expenses	1,542	4,762	3,638	10,480	1,391	3,901	475	1,168	1,213	3,483	8,298	23,675
Rent, sales and lease	467	5,394	464	3,677	722	1,743	301	410	189	1,210	2,263	12,624
Insurance	1,134	945	2,904	1,669	3,049	3,379	1,365	1,010	1,098	508	9,388	7,500
Lighting, heating and cooling	3,984	4,069	3,767	4,451	8,642	10,320	3,068	3,251	4,543	10,704	23,344	32,759
Depreciation and amortisation charge - note 6.7, 7.1 & 8.1	12,894	7,527	21,378	15,672	55,718	7,337	2,971	1,526	16,441	8,510	83,424	46,607
Allowance / reversal of allowance for ECL on trade debts	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances / Other receivables	-	(50)	3,614	-	8,641	6,792	7,472	25,354	(22,381)	(7,741)	(2,719)	24,355
Provision / reversal for slow moving and obsolete stock - trade note 13.1	-	-	-	1,357	66,413	77,194	53,258	16,497	23,796	11,640	122,461	148,798
Provision for slow moving and obsolete stores and spares - note 12.2	-	-	4,965	12,300	-	-	-	-	-	609	6,965	13,011
Travelling expenses	6,257	7,625	5,916	10,129	8,546	12,152	2,874	3,354	3,126	7,893	24,916	41,183
Postage, telegram, telephone and telex	2,134	2,501	3,964	3,605	2,367	2,955	942	894	2,647	3,789	11,754	13,744
General expenses	44,115	40,199	64,124	55,515	79,895	46,128	21,526	10,038	35,732	39,852	276,552	291,644
	292,473	291,654	412,928	364,401	976,672	725,203	143,734	119,000	319,868	307,744	1,497,698	1,345,094

31.1 Staff retirement benefits

Salaries and benefits includes amounts in respect of staff retirement benefits

193,348 87,939

		Amounts in PKR '000	
		For the year ended June 30, 2020	For the year ended June 30, 2019
32	Other charges		
	Auditors' remuneration - note 32.1	7,394	6,731
	Donations - note 32.2	30,993	40,000
	Workers' profit participation fund	223,012	167,403
	Workers' welfare fund	69,531	54,596
	Others	2,000	3,500
		332,930	272,230
32.1	Auditors' remuneration		
	Statutory audit fee	3,465	3,300
	Half yearly review	1,617	1,540
	Out of pocket expenses	508	484
	Other certifications	1,804	1,407
		7,394	6,731
32.2	Represents provision in respect of donation to ICI Pakistan Foundation (Head office, Karachi). Mr. Asif Joona, Chief executive of the Company, Mr. Muhammad Abid Ganatra, Mr. Arshaduddin Ahmed, Mr. Aamer Mahmud Malik, Ms. Nausheen Ahmad and Ms. Fariha Salahuddin, Executives of the Company are amongst the Trustees of the Foundation.		
33	Finance costs		
	Mark-up on financing	1,380,127	1,277,040
	Interest on workers' profit participation fund - note 24.3	1,516	1,431
	Discounting charges on receivables	161,603	172,996
	Guarantee fee and others	12,889	4,280
	Accretion of interest on lease liabilities	38,641	-
		1,594,776	1,455,747
34	Other income		
	<i>Income from financial assets</i>		
	<i>Income from related party</i>		
	Interest on loan from subsidiary	3,148	2,440
	Service fee from related party - note 34.1	1,980	1,980
	<i>Income from other financial assets</i>		
	Profit on interest bearing short-term and call deposits	10,093	1,351
		15,221	5,771
	<i>Income from non-financial assets</i>		
	Scrap sales	59,491	61,085
	Gain on disposal of property, plant & equipment	1,429	4,811
	Provisions and accruals no longer required written back	19,315	3,974
	Dividend from associate	800,000	180,000
	Dividend from subsidiary	30,000	135,000
	Sundries	29,872	18,127
		955,328	408,768

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

		Amounts in PKR '000	
		For the year ended June 30, 2020	For the year ended June 30, 2019
34.1	This represents amount charged by the Company for certain management and other services rendered to its wholly owned subsidiary, ICI Pakistan PowerGen Limited in accordance with the service agreement.		
35. Taxation			
	Current	1,355,173	1,087,751
	Prior	-	(85,556)
	Deferred	(148,455)	(126,601)
	Net tax charged - note 35.1	1,206,718	875,594
35.1 Tax reconciliation			
	Profit before taxation	4,235,721	3,180,506
	Tax @ 29% (2019: 29%)	1,228,359	922,326
	Effect of credit under section 65B	-	(17,515)
	Tax impact of Prior Years	-	(85,556)
	Effect of lower rate of dividend income	(120,700)	(59,850)
	Others	99,059	116,189
	Net tax charged	1,206,718	875,594
	Average effective tax rate	28.49%	27.53%
36 Basic and diluted earnings per share (EPS)			
	Profit after taxation	3,029,003	2,304,912
		Number of shares	
	Weighted average number of ordinary shares outstanding during the year	92,359,050	92,359,050
		PKR	
	Basic and diluted earnings per share (EPS)	32.80	24.96

Amounts in PKR '000

	For the year ended June 30, 2020	For the year ended June 30, 2019
37 Cash flows from operating activities		
Profit before taxation	4,235,721	3,180,506
Adjustments for:		
Depreciation and amortisation - note 6.7, 7.1 and 8.1	2,681,390	2,653,749
Gain on disposal of operating fixed assets - note 34	(1,429)	(4,811)
Provision for staff retirement benefit plan - note 21.3.1	38,845	52,323
Provision for non-management staff gratuity and eligible retired employees' medical scheme	37,256	37,517
Interest on short-term bank deposits	(10,093)	(1,351)
Dividend from subsidiary - note 34	(30,000)	(135,000)
Dividend from associate - note 34	(800,000)	(180,000)
Interest expense	1,594,776	1,455,747
Allowance for ECL - note 31	(2,752)	24,355
Provision for slow moving and obsolete stock-in-trade - note 13.1	122,461	148,798
Provision for slow moving and obsolete stores and spares - note 12.2	6,065	13,051
Provisions and accruals no longer required written back	-	(3,974)
	7,872,240	7,240,910
Movement in:		
Working capital - note 37.1	2,172,596	(200,803)
Long-term loans	(69,395)	(3,019)
Long-term deposits and prepayments	9,122	(2,003)
	9,984,563	7,034,995
37.1 Movement in working capital		
<i>Decrease / (Increase) in current assets</i>		
Stores, spares and consumables	(6,714)	(117,009)
Stock-in-trade	761,509	(1,252,309)
Trade debts	147,871	193,434
Loans and advances	(13,304)	(35,416)
Trade deposits and short-term prepayments	(117,790)	58,296
Other receivables	635,241	(246,387)
	1,406,813	(1,399,481)
<i>Increase in current liabilities</i>		
Trade and other payables	765,783	1,198,678
	2,172,596	(200,803)

38 Remuneration of Chief Executive, Director and other executives

The amounts charged in the unconsolidated financial statements for the remuneration, including all benefits, to the Chief Executive, Director and other executives of the Company were as follows:

	Chief Executive		Director		Other Executives		Total	
	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019
Managerial remuneration	62,183	57,755	40,817	38,048	847,427	700,210	950,427	802,013
Gratuity	2,929	2,729	2,085	1,943	41,503	38,136	46,517	42,808
Provident Fund	3,529	3,288	2,512	2,341	68,566	55,731	74,607	61,300
Pension	3,741	3,486	2,662	2,482	64,853	51,931	71,256	57,899
Rent and house maintenance	2,273	2,011	-	-	281,667	228,563	283,940	230,574
Utilities	1,064	943	-	-	69,305	55,933	70,369	56,876
Medical and others	102	322	49	180	29,669	29,136	29,820	29,638
Bonus paid	11,135	21,432	7,474	12,634	109,368	187,654	127,977	221,720
	86,956	91,966	55,599	57,628	1,512,358	1,353,294	1,654,913	1,502,888
Number of persons as at the reporting date	1	1	1	1	278	230	280	232

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

		Amounts in PKR '000	
		For the year ended June 30, 2020	For the year ended June 30, 2019
38.1	Remuneration paid to Chairman during the year	-	-
38.2	During the year fee paid to six non-executive directors for attending board and other meetings, which is not part of remuneration amounts to:	5,138	5,004
		As at and for the year ended June 30, 2020	As at and for the year ended June 30, 2019
38.3	Total number of employees as at the reporting date	1,995	1,729
	Average number of employees during the year	1,862	1,606
38.4	Total number of Factory employees as at the reporting date	846	793
	Average number of Factory employees during the year	820	698

39. Transactions with related parties

The related parties comprise the Holding Company (Lucky Cement Limited) and related group companies, associated company, subsidiary company, directors of the Company, companies where directors also hold directorship, key employees (note 38) and staff retirement funds (note 21). All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Group. Details of transactions with related parties other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

		For the year ended June 30, 2020	For the year ended June 30, 2019
Relationship with the Company	Nature of transaction		
Holding company:			
<i>Lucky Cement Limited</i>	Purchase of goods, materials and services	1,671	2,456
	Sale of goods and materials	14,788	20,330
Subsidiary companies:			
<i>ICI Pakistan PowerGen Limited</i>	Sale of goods and material	184	-
	Purchase of electricity	373,014	862,681
	Provision of services	1,980	1,900
	Dividend income	30,000	135,000
<i>Cirin Pharmaceutical (Private) Limited</i>	Sale of goods and material	2,948	3,033
	Loan issued / received	35,000	100,000
	Interest on loan	3,148	2,440
	Purchase of goods and material	17,051	3,867
<i>NutriCo Morinaga (Private) Limited</i>	Sale of goods and material	46,332	-
	Reimbursement of expenses	8,043	21,114
	Investment in subsidiary	255,000	-
	Purchase of goods and material	238	-
Associated companies	Purchase of goods, materials and services	3,468,943	652,837
	Sale of goods and materials	1,985,849	1,754,047
	Dividend received from associate	800,000	180,000
	Reimbursement of expenses	64,200	70,333
	Royalty	398,306	423,750
	Dividend paid to associates	1,216,022	1,026,793
	Donations paid	15,338	2,300
Others	Staff retirement benefits	329,491	273,248
Key management personnel	Remuneration paid	325,180	237,790
	Post employment benefits	39,613	33,237
	Dividends paid	7,564	6,723
	Director meeting fee	5,138	5,004

Amounts in PKR '000

40. Plant capacity and annual production

- in metric tonnes:

	For the year ended June 30, 2020		For the year ended June 30, 2019	
	Annual Name Plate Capacity	Production	Annual Name Plate Capacity	Production
Polyester	122,250	108,339	122,250	121,585
Soda Ash - note 40.1	425,000	372,518	425,000	422,168
Sodium Bicarbonate	40,000	38,122	40,000	40,353

40.1 Out of total production of 372,518 metric tonnes soda ash, 34,312 metric tonnes was transferred for production of 38,122 tonnes of Sodium Bicarbonate.

40.2 The capacity of Chemicals, Pharma, Animal Health and Nutraceuticals segment is indeterminable because these are multi-product with multiple dosage and multiple pack size plants. The reason for shortfall in the annual production against name plate capacity are the prevailing market conditions during the year.

41. Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these financial statements approximate to their fair value.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, the Company does not have any financial assets carried at fair value that required categorisation in Level 1, Level 2 and Level 3.

42. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

42.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

43. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk.

43.1 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were:

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

	Carrying Amount	
	As at June 30, 2020	As at June 30, 2019
Fixed rate instruments		
Financial assets - note 18	124,000	123,560
Financial liabilities - note 22 and 24	(2,522,677)	(2,412,116)
	(2,398,677)	(2,288,556)
Variable rate instruments		
Financial liabilities - note 22 and 25	(8,362,161)	(13,223,040)
	(8,362,161)	(13,223,040)

Sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the year would have been: PKR 83.622 million (June 30, 2019: PKR 132,230 million).

43.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company is exposed to foreign currency risk on sales and purchases which are entered in a currency other than Pak Rupees. When the management expects future depreciation of Pak Rupee, the Company enters into forward foreign exchange contracts in accordance with State Bank of Pakistan instructions and the Company's treasury policy. The policy allows the Company to take currency exposure within predefined limits while open exposures are rigorously monitored.

Following is the gross exposure classified into separate foreign currencies:

	CNY	EURO	USD	GBP
	As at June 30, 2020			
Other receivables	-	-	22,832	-
Cash and bank balances	-	-	104,388	-
	-	-	127,220	-
Trade and other payables	(355,588)	(5,043)	(1,210,179)	(1,943)
Gross exposure	(355,588)	(5,043)	(1,082,959)	(1,943)
	As at June 30, 2019			
Other receivables	105	1,600	115,094	-
Cash and bank balances	-	-	104,562	-
	105	1,600	219,656	-
Trade and other payables	(365,402)	(101,427)	(461,405)	(305)
Gross exposure	(365,297)	(99,827)	(241,749)	(305)

Significant exchange rates applied during the year were as follows:

PKR per	Average rate		Spot rate	
	For the year ended June 30, 2020	For the year ended June 30, 2019	As at June 30, 2020	As at June 30, 2019
	PKR		PKR	
EURO	175.06	155.07	188.61	182.32
USD	158.26	136.20	168.05	160.05
GBP	199.63	176.06	206.50	203.01
CNY	22.51	19.95	23.76	23.31

Amounts in PKR '000

Sensitivity analysis

Every 1% increase or decrease in exchange rate with all other variables held constant will decrease or increase profit before tax for the year by PKR 14,455 million (June 30, 2019: PKR 7,072 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2020, if Pak Rupee (PKR) had weakened / strengthened by 1% against other currencies, with all other variables held constant, the effect on the Company profit before tax at June 30, 2020 and June 30, 2019 would be as follows:

	Increase / decrease in exchange rates	Effect on Profit before tax (CNY)	Effect on Profit before tax (EURO)	Effect on Profit before tax (USD)	Effect on Profit before tax (GBP)
2020					
Pak Rupee	+1%	3,556	50	10,830	19
Pak Rupee	-1%	(3,556)	(50)	(10,830)	(19)
2019					
Pak Rupee	+1%	3,653	998	2,417	3
Pak Rupee	-1%	(3,653)	(998)	(2,417)	(3)

44. Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

The Company's gross maximum exposure to credit risk at the reporting date is as follows:

	As at June 30, 2020	As at June 30, 2019
44.1 Financial assets		
Long-term investments - note 9	962,500	962,500
Long-term loans - note 10	510,683	434,114
Long-term deposits - note 11	37,502	36,912
Trade debts - note 14	2,288,996	2,388,029
Loans and advances - note 15	595,180	559,563
Trade deposits - note 16	262,668	153,554
Other receivables - note 17	380,091	465,659
Bank balances - note 18	239,837	228,122
	5,277,457	5,228,453
44.2 The Company has placed its funds with banks which are rated A1, A1+, A3 and AA3 as per the short term rating by PACRA / Moody's / JCR-VIS.		
44.3 Financial assets		
- Secured	1,418,378	1,618,628
- Unsecured	3,859,079	3,609,825
	5,277,457	5,228,453

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For the year ended June 30, 2020

Amounts in PKR '000

	As at June 30, 2020	As at June 30, 2019
44.4 The ageing of trade debts and loans and advances at the reporting date is as follows:		
Not past due	2,442,613	2,678,197
Past due but not impaired:		
Not more than three months	436,422	282,474
Past due and impaired:		
More than three months and not more than six months	57,383	28,871
More than six months and not more than nine months	5,275	12,781
More than nine months and not more than one year	6,989	68,528
More than one year	188,758	129,094
	694,827	521,748
Allowance for ECL:		
- on trade debts - note 14	(235,522)	(236,233)
- on loans and advances - note 15	(17,742)	(16,120)
	(253,264)	(252,353)
	2,884,176	2,947,592

44.5 There were no past due or impaired receivables from related parties.

44.6 The maximum exposure to credit risk for past due at the reporting date by type of counterparty was:

Wholesale customers	324,177	243,425
Retail customers	370,650	278,323
	694,827	521,748
Allowance for ECL:		
- on trade debts - note 14	(235,522)	(236,233)
- on loans and advances - note 15	(17,742)	(16,120)
	(253,264)	(252,353)
	441,563	269,395

44.7 Movement of allowance for ECL on trade debts, loans and advances

	Trade debts	Loans and advances	Total 2020	Total 2019
Balance at the beginning of the year	236,233	16,120	252,353	239,708
Transfer upon amalgamation	10,600	-	-	-
Charge during the year - note 14.3 and 15	(10,682)	1,721	(8,961)	24,291
Allowance no longer required / reversal	-	-	-	(3,974)
Written off during the year	(629)	(99)	(728)	(7,672)
Balance at the end of the year	235,522	17,742	242,664	252,353

44.8 Concentration risk

The sector wise analysis of receivables, comprising trade debts, loans and advances and bank balances are given below:

Textile and Chemicals	582,168	593,104
Glass	354,119	138,956
Paper and Board	97,216	31,463
Life Sciences	414,012	881,500
Paints	142,292	70,704
Banks	246,383	237,374
Others	1,547,633	1,484,218
	3,383,823	3,437,319
Allowance for ECL:		
- trade debts - note 14	(235,522)	(236,233)
- loans and advances - note 15	(17,742)	(16,120)
	(253,264)	(252,353)
	3,130,559	3,184,966

Amounts in PKR '000

44.9 Other price risk is the risk that the value of future cash flows of the financial instrument will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the reporting date, the Company is not materially exposed to other price risk except investment in subsidiary which is carried at cost against which provision for impairment has been provided in these unconsolidated financial statements.

45. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the maturity date.

	Carrying amount	Contractual cash flows	Less than one year
As at June 30, 2020			
Financial liabilities			
Trade creditors - note 24	1,833,037	(1,833,037)	(1,833,037)
Bills payable - note 24	2,055,669	(2,055,669)	(2,055,669)
Accrued mark-up	227,281	(227,281)	(227,281)
Lease liabilities - note 8	332,847	(332,847)	(79,256)
Accrued expenses - note 24	2,299,602	(2,299,602)	(2,299,602)
Technical service fee / royalty - note 24	51,437	(51,437)	(51,437)
Distributors' security deposits - payable on termination of distributorship - note 24	128,550	(141,405)	(141,405)
Contractors' earnest / retention money - note 24	24,246	(24,246)	(24,246)
Unclaimed dividends	88,322	(88,322)	(88,322)
Payable for capital expenditure - note 24	62,272	(62,272)	(62,272)
Others - note 24	91,903	(91,903)	(91,903)
Long-term loans - note 22	7,357,127	(7,357,127)	(1,227,787)
Short-term financing - note 25	3,399,161	(3,399,161)	(3,399,161)
	17,951,454	(17,964,309)	(11,581,378)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

	Carrying amount	Contractual cash flows	Less than one year
As at June 30, 2019			
Financial liabilities			
Trade creditors - note 24	2,099,799	(2,099,799)	(2,099,799)
Bills payable - note 24	1,226,035	(1,226,035)	(1,226,035)
Accrued mark-up	340,156	(340,156)	(340,156)
Accrued expenses - note 24	2,082,180	(2,082,180)	(2,082,180)
Technical service fee / royalty - note 24	5,157	(5,157)	(5,157)
Distributors' security deposits - payable on termination of distributorship - note 24	124,632	(137,095)	(137,095)
Contractors' earnest / retention money - note 24	26,136	(26,136)	(26,136)
Unclaimed dividends	93,518	(93,518)	(93,518)
Payable for capital expenditure - note 24	118,928	(118,928)	(118,928)
Others - note 24	109,469	(109,469)	(109,469)
Long-term loans - note 22	8,454,151	(8,454,151)	(1,690,894)
Short-term financing - note 25	7,056,373	(7,056,373)	(7,056,373)
	21,736,534	(21,748,997)	(14,985,740)

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46 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The gearing ratio as at June 30, 2020 and June 30, 2019 is as follows:

	As at June 30, 2020	As at June 30, 2019
Long-term loans - note 22	7,357,127	8,454,151
Short-term financing - note 25	3,399,161	7,056,373
Total debt	10,756,288	15,510,524
Cash and bank balances - note 18	(246,383)	(237,374)
Net debt	10,509,905	15,273,150
Share capital	923,591	923,591
Capital reserves	309,643	309,643
Surplus on revaluation of property, plant and equipment	531,249	598,103
Revenue reserve - unappropriated profit	18,998,572	17,375,706
Equity	20,763,055	19,207,043
Capital	31,272,960	34,480,193
Gearing ratio (Net debt / (Net debt + Equity))	33.61%	44.30%

47 Accounting estimates and judgements**47.1 Income and sales tax**

The Company takes into account current income and sales tax laws and decisions taken by the appellate authorities. Instances where the Company's view differs from the view taken by the authorities at the assessment stage and where the Company, in consultation with its external counsel, considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities (unless there is remote possibility of transfer of benefits). The details of the tax matters are as follows:

In case of assessment year [AY] 1998-99, the Appellate Tribunal Inland Revenue (The Tribunal) on September 19, 2008 had set aside the assessments made by FBR. The re-assessment was finalized by the department on June 29, 2010 in which the issues pertaining to date of commissioning of PTA's plant and the tax depreciation claimed thereon, restriction of cost of capitalization of PTA plant and addition to income in respect of trial production stocks were decided against the Company. The Company had filed an appeal against the said order before the Commissioner (Appeals) [CIR(A)] which was decided on November 24, 2015 in which the issue of date of commissioning of PTA's plant and the tax depreciation claimed thereon along with the issue of addition to income in respect of trial production stocks were decided in Company's favor. However, the issue of restriction of cost of capitalization of PTA plant was decided against the Company. The Company and FBR have filed the appeals on respective matters decided against them in Tribunal, hearing of which is pending disposal.

In the case of AY 2002-2003, on receipt of notice under section 62 of the Income Tax Ordinance, 1979, the Company had filed a writ petition in the Supreme Court, after its earlier petition being dismissed by the Sindh High Court on maintainability, challenging FBR's notice which stated that the effective date of PTA's demerger was August 6, 2001 (falling in AY 2002-03) rather than the effective date given in the Scheme of Arrangement as October 1, 2000 (which falls in AY 2001-02). The notice also raised certain issues relating to vesting of PTA assets by the Company. On March 18, 2015, the Supreme Court passed an interim order stating that this case has nexus with the case of AY 2001-02 and hearing will take place once the High Court decides the case in AY 2001-02. The High Court decided the same in favor of the Company and stated that the assessment for AY 2001-02 is time barred. The department then filed an appeal in the Supreme Court against the order of the High Court. On March 13, 2017, the Supreme Court dismissed the appeal of the department pertaining to AY 2001-02, endorsed the directions of the High Court, adjudged the case as being barred by limitation and thereby restoring the position in the original order whereby unabsorbed depreciation was allowed.

Further, the Honorable Supreme Court gave directions to the Company vide its order dated March 14, 2017 to file its reply to the notice dated May 26, 2005 with respect to AY 2002-03. Thereafter, the Company submitted its response to the department in consultation with its external counsel. On May 15, 2017 the DCIR passed its assessment order disallowing depreciation relating to PTA assets, capital gain on transfer of PTA plant, capital gain on exchange of shares, financial charges on loans subordinate to Pakistan PTA, excess perquisites, discounts, interest paid to ICI Japan, provisions and write offs.

An appeal against this assessment order was preferred before CIR(A) who, vide his appellate Order dated January 19, 2018, decided majority of the issues against the Company. Consequently, the department issued appeal effect order dated March 1, 2018 giving effect to the findings of CIR(A) order. The Company has then preferred an appeal, against the CIR(A) order, before Tribunal which is pending disposal. Moreover, demand created vide appeal effect order dated March 1, 2018 has also been stayed by the High Court.

Depreciation relating to PTA assets pertaining to AY 2001-02 was absorbed against tax payable in AY 2002-03 to 2010. As a result of order dated May 15, 2017 for the AY 2002-03 whereby a certain portion of the said depreciation was disallowed, the department on June 15, 2017 issued orders for the Tax Years 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010 through which spillover impact of the disallowed depreciation in AY 2002 - 03 was incorporated. This resulted in tax payable by the Company for the Tax Years 2008, 2009 and 2010. Appeals against these orders were filed before CIR(A), who vide his combined appellate Order dated January 19, 2018 decided the case against the Company.

Consequently, the department issued rectified orders for Tax Years 2003 to 2010, all dated March 2, 2018, giving consequential effect to the Combined CIR(A) order, in line with the revised position in AY 2002-03. The Company then preferred an appeal against the combined CIR(A) order dated January 19, 2018, before the Tribunal which is pending disposal. Moreover, demand created vide rectified orders for Tax Years 2008, 2009, 2010 dated March 2, 2018 has also been stayed by the High Court.

In addition to the above orders, for Tax Years 2003 to 2010, FBR had made disallowances on the matters related to provisions charged under various heads, financial charges, gain on disposal of fixed assets, exchange loss, proration of expenses against capital gains and interest free loans offered to employees. The CIR(A) allowed all the issues in Tax Years 2003 to 2010 in Company's favor (except for two issues in tax year 2003 and 2010) against which appeals have been filed by FBR in the Tribunal. Out of the 2 issues decided against the Company, one relates to disallowance of financial charges of PKR 46.38 million in tax year 2003 which has now been decided in company's favor vide appeal effect order dated June 15, 2017. With respect to the issue of disallowances of provisions of PKR 78.67 million charged under various heads for tax year 2010, an appeal in the Tribunal has been filed, which is pending disposal.

The Additional Commissioner Inland Revenue (ACIR) through its order dated June 07, 2012 disallowed tax loss on disposal of fixed assets of PKR 6.46 million for Tax Year 2009 on the grounds that the same were sold through negotiations and not through auction as required by law. An appeal against the said order was filed with the CIR(A), who decided the appeal in company's favor. Consequently, the department being dissatisfied with the CIR(A) order filed an appeal with the ATIR who vide its order dated December 01, 2016 decided the matter against the Company. The Company has preferred an appeal before the Honorable High Court against the said order, which is pending disposal.

In Tax Year 2016, the company paid dividend to Lucky Holdings, without tax deduction, based on the exemption as per clause 103A, Part 1, 2nd Schedule of Income Tax Ordinance, 2001 [ITO, 2001] under Group Relief - section 59B of the ITO, 2001. Dividend was also paid to Mutual Funds and Banks, without tax deduction, based on the specific exemption available under ITO, 2001. However, the tax officer vide Order dated September 2, 2016, created tax demand of PKR 138.26 million on account of non-deduction of income tax on such dividends along with penalties and default surcharge. The Company had then preferred an appeal before CIR(A) who, vide order dated January 19, 2018, maintained the demand raised on account of Lucky Holdings whereas remaining issue was remanded back for fresh verification. An appeal on the issue decided against the Company has been filed before Tribunal which is pending disposal whilst remand back proceedings are yet to be initiated.

In addition to the above orders, for Tax Years 2003 to 2010, FBR had made disallowances on the matters related to provisions charged under various heads, financial charges, gain on disposal of fixed assets, exchange loss, proration of expenses against capital gains and interest free loans offered to employees. The CIR(A) allowed all the issues in Tax Years 2003 to 2010 in Company's favor (except for two issues in tax year 2003 and 2010) against which appeals have been filed by FBR in the Tribunal. Out of the 2 issues decided against the Company, one relates to disallowance of financial charges PKR 46.38 million in tax year 2003 which has now been decided in company's favor vide appeal effect order dated June 15, 2017. With respect to the issue of disallowances of provisions of PKR 78.67 million charged under various heads for tax year 2010, an appeal in the Tribunal has been filed, which is pending disposal.

The Additional Commissioner Inland Revenue (ACIR) through its order dated June 07, 2012 disallowed tax loss on disposal of fixed assets of PKR 6.46 million for Tax Year 2009 on the grounds that the same were sold through negotiations and not through auction as required by law. An appeal against the said order was filed with the CIR(A), who decided the appeal in company's favor. Consequently, the department being dissatisfied with the CIR(A) order filed an appeal with the ATIR who vide its order dated December 01, 2016 decided the matter against the Company. The Company has preferred an appeal before the Honorable High Court against the said order, which is pending disposal.

In Tax Year 2016, the company paid dividend to Lucky Holdings Limited, without tax deduction, based on the exemption as per clause 103A, Part 1, 2nd Schedule of the Income Tax Ordinance, 2001 [ITO, 2001] under Group Relief - section 59B of the ITO, 2001. Dividend was also paid to Mutual Funds and Banks, without tax deduction, based on the specific exemption available under ITO, 2001. However, the tax officer vide Order dated September 2, 2016, created tax demand of PKR 138.26 million on account of non-deduction of income tax on such dividends along with penalties and default surcharge. The Company had then preferred an appeal before CIR(A) who, vide order dated January 19, 2018, maintained the demand raised on account of Lucky Holdings Limited whereas remaining issue was remanded back for fresh verification. An appeal on the issue decided against the Company has been filed before the Tribunal which is pending disposal whilst remand back proceedings are yet to be initiated.

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While conducting sales tax audit for the period July 2012 to June 2013, the Deputy Commissioner Inland Revenue [DCIR] raised certain issues with respect to the declaration of exempt and zero / reduced rate sales in monthly sales tax returns and vide order dated September 12, 2014, raised a demand of PKR 952 million. An appeal was filed with CIR(A) who decided majority of the issues against the Company, while giving directions to the assessing officer to amend the original order if the returns are revised by the Company. The Company had then filed several applications for approval of revision of returns, which are pending with the FBR. An appeal against the CIR(A) order has also been filed before the Tribunal, which is pending disposal.

Sales tax audit for tax period July 2014 to June 2015 was finalized by the DCIR vide order dated September 25, 2018 through which sales tax demand of PKR 25.5 million on various issues was raised. The Company, while discharging the said demand, preferred an appeal against the order before the CIR(A) who, vide appellate order dated April 15, 2019, had remanded back all the issues. Consequently, the department being dissatisfied with the order has filed an appeal before the ATIR which is pending disposal.

Sales tax audit for the period July 2013 to June 2014 was finalized vide order dated May 29, 2019, through which sales tax demand of PKR 17.27 million was raised on various issues. The Company, while discharging the demand, preferred an appeal against the order before the CIR(A) who, vide appellate Order dated August 23, 2019, has remanded back all the issues. Remand back proceedings are yet to be initiated by the department.

The CIR(A) passed an appellate order dated March 20, 2019 against the income tax assessment for tax year 2014, amended vide order dated December 31, 2016. Through the appellate order, majority of the issues have been decided in Company's favor, whereas an appeal on the issues decided against the Company has been filed before Tribunal which is pending disposal.

During the year, income tax audit for tax year 2016 has also been finalized by the department vide assessment order dated December 30, 2019. Through said order, income tax demand of PKR 35.600 million has been raised on various issues. Although the demand has been discharged under protest, an appeal against the order has been filed before the Commissioner (Appeals) which is pending disposal.

During the year, the department also finalized monitoring proceedings vide order dated September 26, 2019 relating to tax year 2017 through which demand of PKR 11.83 million was raised. The Company, while discharging the said demand, filed an appeal against the order before the Commissioner (Appeals) who, vide appellate order dated February 10, 2020, has remanded back all the issues to the department. Remand back proceedings are yet to be initiated by the department.

The department has also finalized monitoring proceedings for tax year 2018 vide order dated January 30, 2020 through which demand of PKR 15 million was raised. Although the said demand was discharged, the Company preferred an appeal against the order before the Commissioner (Appeals) who, vide appellate order dated June 10, 2020, has remanded back all the issues to taxation officer for fresh adjudication. Remand back proceedings are yet to be initiated.

The Company is confident that the above cases would be decided in Company's favor. Accordingly, no provision in this respect has been made in these unconsolidated financial statements.

- 47.1.1** In making the estimates for income taxes, the Company takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The management consider tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

47.2 Pension and Gratuity

Certain actuarial assumptions have been adopted as disclosed in note 21 to the unconsolidated financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

47.3 Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. The future cash flows used in the impairment testing of assets is based on management's best estimates which may change in future periods. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

47.4 Provision for expected credit losses of certain financial assets

The Company uses a provision matrix to calculate ECLs for trade debts and other receivables. The provision rates are based on days past due for Groupings of various customer segments that have similar loss patterns.

Considering the nature of the financial assets, the Company has applied the simplified approach as per IFRS 9 for trade debts and has calculated ECL based on life-time ECL. The Company has applied general approach for all other assets.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's financial assets exposed to credit risk is disclosed in note 44.

47.5 Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of equipment with volume rebates, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract.

The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

47.6 Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

47.7 Leases - Estimating the incremental borrowing rate

Where the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates).

47.8 Stock-in-trade and stores and spares

The Company reviews the net realisable value of stock-in-trade and stores and spares to assess any diminution in the respective carrying values and also review the inventories for obsolescence.

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47.9 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future event that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Other disclosures relating to the Company's exposure to risks and uncertainties includes capital risk management, Financial instruments risk management and policies and sensitivity analyses disclosures, as disclosed in notes 33, 32.3 and 32.3.1 to these financial statements.

47.10 Impairment of goodwill and intangible assets having indefinite useful lives

The Company assesses annually at year end and when circumstances indicate that the carrying value may be impaired. Impairment for goodwill and intangible having indefinite useful lives is determined by assessing the recoverable amount using Level 1 of fair value hierarchy of cash generating unit (i.e. at the Company level) to which these assets relates. When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised.

47.11 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Impairment losses of continuing operations are recognised in the unconsolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the unconsolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at June 30 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at June 30 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

48. New standards, amendments to approved accounting standards and new interpretations

48.1 New standards, amendments, interpretation and improvements effective during the current year

The Company has adopted the following standards, amendments, interpretation and improvements to International Financial Reporting Standards (IFRSs) which became effective for the current year.

Amounts in PKR '000

Standard, Amendment or Interpretation

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 14 - Regulatory Deferral Accounts

IFRS 16 - Leases

IFRS 16 - COVID 19 Related Rent Concessions (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over income tax treatments

Improvements to Accounting Standards issued by the IASB (2015-2017 cycle)

IFRS 3 - Business Combinations - Previously held Interests in a joint operation

IFRS 11 - Joint Arrangements - Previously held Interests in a joint operation

IAS 12 - Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments, interpretations and improvements to the accounting standards did not have any material effect on the Company's financial statements except for IFRS 16. The impact of adoption of IFRS 16 is described below.

IFRS 16 - Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of July 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at July 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. However, as per relevant guidelines issued by Institute of Chartered Accountants of Pakistan, contracts underjarah will continue to be treated as operating leases under IFAS 2.

The Securities and Exchange Commission of Pakistan (SECP) vide S.R.O 986(I)/2019 dated September 2, 2019 has granted exemption from certain requirements of International Financial Reporting Standards to all companies that have executed their power purchase agreements before January 1, 2019 which include the adoption of IFRS 16 - Leases, to the extent of the execution of power purchase agreement before the effective date of IFRS 16 (i.e. July 1, 2019 for the Company). The Company has executed the power purchase agreement with ICI Pakistan PowerGen Limited (a subsidiary company) on June 10, 2008 and accordingly, qualifies for the exemption.

The effect of adoption IFRS 16 as at July 1, 2019 [increase/(decrease)] is, as follows:

	As at July 01, 2020
Right-of-use assets	363,440
Prepayments	(26,817)
Total assets	336,623
Lease liabilities	336,623
Total liabilities	336,623

The Company has lease contracts for land and buildings, warehouses, sales offices, vehicles, summer houses and beach huts. Before the adoption of IFRS 16, the Companies classified each of its leases (as lessee) at the inception date as an operating lease.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 4.1 to these unconsolidated financial statements for the accounting policy beginning July 1, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application, where the rate implicit in the lease was not determinable.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at July 1, 2019:

- Right-of-use assets of PKR 363,440 million were recognised and presented separately in the unconsolidated statement of financial position.
- Lease liabilities of PKR 336,623 million were recognised.
- Prepayments of PKR 26,817 million related to previous operating leases were derecognised.

For the year ended June 30, 2020:

• Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase in right-of-use assets). This resulted in increases in 'Cost of sales', 'Selling and distribution expenses' and 'Administrative and general expenses' of PKR 27,645 million, PKR 26,748 million and PKR 24,904 million respectively.

• Rent expense included in 'Cost of sales', 'Selling and distribution expenses' and 'Administrative and general expenses', relating to previous operating leases, decreased by PKR 30,551 million, PKR 48,543 million and PKR 11,643 million respectively.

• Finance costs increased by PKR 38,641 million relating to the interest expense on lease liabilities recognised

• 'Deferred tax expense' decreased by PKR 8,137 million relating to the tax effect of these changes in expenses.

• Cash outflows from operating activities decreased by PKR 78,958 million and cash outflows from financing activities increased by the same amount, relating to decrease in operating lease payments and increases in principal and interest payments of lease liabilities.

The lease liabilities as at July 1, 2019 can be reconciled to the operating lease commitments as of June 30, 2019, as follows:

	As at July 1, 2020
Operating lease commitments as at June 30, 2019	376,580
Weighted average incremental borrowing rate as at July 01, 2019	11.77%
Discounted operating lease commitments as at July 01, 2019	376,459
Less:	
Commitments relating to leases of short-term leases	(11,157)
jarah and others	(28,679)
Lease liabilities as at July 1, 2019	336,623

Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or interpretation	Effective date (annual periods beginning on or after)
IFRS 3 Definition of a Business (Amendments)	01 January 2020
IFRS 3 Reference to the Conceptual Framework (Amendments)	01 January 2022
IFRS 9 / IAS 39 / IFRS 7 Interest Rate Benchmark Reform (Amendments)	01 January 2020
IFRS 10 / IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IAS 1 / IAS 8 Definition of Material (Amendments)	01 January 2020
IAS 1 Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022*
IAS 16 Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022

*The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

Improvements to Accounting Standards issued by the IASB (2018-2020 cycle)

IFRS 9	Financial Instruments – Fees in the ‘10 percent’ test for derecognition of financial liabilities	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022

The above standards and amendments are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan

Standard or Interpretation	IASB effective date (annual periods beginning on or after)
IFRS 17 Insurance Contracts	01 January 2023

49 Post reporting date events - dividends

The Directors in their meeting held on August 20, 2020 have recommended a final dividend of PKR 5.00 per share (June 30, 2019: PKR 4.50 per share) in respect of year ended June 30, 2020. This dividend is in addition to interim dividend paid of PKR 11.00 per share during the current year. The unconsolidated financial statements for the year ended June 30, 2020 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

50 Date of authorisation

These financial statements were authorised for issue in the Board of Directors meeting held on August 20, 2020.

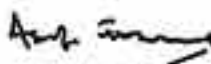
51. General

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

51.2 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

Comparison of Results for Ten Years

As at December 31 / June 30

	12 months			
	January - December			
	2011 Restated	2012 Restated	2012-13 Restated	
Statement of Financial Position				
Equity	9,066,723	9,024,890	9,788,989	
Revaluation Reserves	824,207	740,656	698,536	
Total Equity and Revaluation Reserve	9,890,930	9,765,546	10,487,525	
Non Current Liability	1,340,306	1,593,267	3,067,815	
Current Liability	9,280,988	9,355,282	7,389,365	
Total Equity and Liabilities	20,512,224	20,714,095	20,944,705	
Non Current Assets	9,154,438	10,898,077	11,330,538	
Current Assets	11,357,786	9,816,018	9,614,167	
Total Assets	20,512,224	20,714,095	20,944,705	
Statement of Profit or Loss				
Turnover	38,348,591	37,809,433	39,627,119	
Net Turnover	35,516,114	34,681,563	36,267,761	
Cost of Sales	30,910,029	30,688,097	32,193,170	
Gross profit	4,606,085	3,993,466	4,074,592	
Operating Result	2,378,449	1,624,634	1,986,737	
Profit before taxation	2,294,653	1,496,223	1,749,207	
Profit after taxation	1,531,430	973,661	1,158,701	
Summary of Cash Flows				
Cash generated from / (used in) operations	4,127,104	(1,963,689)	(164,272)	
Net cash generated from / (used in) operating activities	2,875,020	(3,176,714)	(971,364)	
Net cash used in investing activities	(509,814)	(2,125,793)	(940,727)	
Net cash generated from / (used in) financing activities	(2,151,436)	(796,407)	1,453,483	
Cash and cash equivalents at December 31 / June 30	4,633,322	(1,465,592)	(1,924,200)	

Amounts in PKR '000

12 months							
July - June							
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	11,237,427	12,717,080	14,416,528	16,183,900	17,411,939	18,608,940	20,231,806
	639,372	576,458	829,645	743,948	669,495	598,103	531,249
	11,876,799	13,293,538	15,246,173	16,927,848	18,081,434	19,207,043	20,763,055
	3,486,365	2,762,532	5,174,242	6,243,246	10,248,010	8,649,547	8,107,085
	7,574,254	10,613,713	10,167,615	12,984,767	14,818,685	16,366,077	13,253,246
	22,937,418	26,669,783	30,588,030	36,155,861	43,148,129	44,222,667	42,123,386
	12,500,614	15,843,044	18,909,694	22,996,164	25,881,937	25,647,426	25,265,172
	10,436,804	10,826,739	11,678,336	13,159,697	17,266,192	16,575,241	16,858,214
	22,937,418	26,669,783	30,588,030	36,155,861	43,148,129	44,222,667	42,123,386
	42,698,659	42,593,948	42,689,368	47,548,639	55,591,275	65,383,069	64,781,646
	38,233,477	37,515,328	36,954,437	41,363,695	49,107,580	58,328,849	53,598,537
	33,581,636	31,725,574	30,475,911	33,598,220	40,553,323	48,877,125	43,136,319
	4,651,841	5,789,754	6,478,526	7,765,475	8,554,257	9,451,724	10,462,218
	2,225,934	3,044,107	3,478,707	4,043,576	4,397,841	4,935,414	5,575,077
	1,980,964	2,703,494	3,498,266	4,394,370	3,650,402	3,180,506	4,235,721
	1,702,216	2,125,708	2,843,186	3,296,091	3,059,704	2,304,912	3,029,003
	4,818,897	5,015,304	4,788,015	5,569,176	358,766	7,034,995	9,984,563
	3,806,585	3,748,417	3,680,106	4,824,855	(1,401,590)	4,528,566	7,547,855
	(2,400,932)	(4,372,472)	(4,138,316)	(4,930,518)	(5,752,562)	(2,267,022)	(1,007,464)
	933,274	(1,554,652)	404,044	(52,869)	1,993,226	(1,942,919)	(2,616,564)
	414,727	(1,763,980)	(1,818,146)	(1,976,698)	(7,137,624)	(6,818,999)	(3,152,778)

Pattern of Shareholding

as at June 30, 2020

No. of Shareholders	Categories		No. of Shares
	From	To	
6,112	1	100	205,139
2,464	101	500	591,637
588	501	1,000	434,379
602	1,001	5,000	1,334,776
96	5,001	10,000	695,462
49	10,001	15,000	600,086
18	15,001	20,000	318,876
8	20,001	25,000	173,599
8	25,001	30,000	205,726
3	30,001	35,000	100,785
3	35,001	40,000	109,512
5	40,001	45,000	211,038
4	45,001	50,000	192,671
3	50,001	55,000	155,300
1	55,001	60,000	55,018
2	65,001	70,000	131,400
3	70,001	75,000	216,267
1	80,001	85,000	84,300
1	90,001	95,000	94,750
2	100,001	105,000	202,517
1	105,001	110,000	109,700
1	115,001	120,000	119,687
1	140,001	145,000	142,050
1	200,001	205,000	204,679
1	210,001	215,000	212,520
1	215,001	220,000	219,695
1	305,001	310,000	307,281
1	440,001	445,000	440,600
1	455,001	460,000	456,920
1	465,001	470,000	468,800
1	670,001	675,000	673,950
1	785,001	790,000	787,323
1	995,001	1,000,000	1,000,000
1	1,100,001	1,105,000	1,103,985
1	2,225,001	2,230,000	2,229,188
1	3,115,001	3,120,000	3,118,030
1	5,750,001	5,755,000	5,751,130
1	5,980,001	5,985,000	5,980,917
1	12,120,001	12,125,000	12,121,357
1	50,795,001	50,800,000	50,798,000
9,993			92,359,050

Pattern of Shareholding

as at June 30, 2020

S.NO.	Shareholders Category	No. of Shareholders	No. of Shares	Percentage %
1	Directors, Chief Executive Officer, and their spouse and minor children	2	471,420	0.50
2	Associated Companies, Undertakings and Related Parties	6	78,443,384	84.93
3	NIT and ICP	3	7,102	0.01
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	28	1,791,188	1.94
5	Insurance Companies	18	3,452,791	3.74
6	Modarabas and Mutual Funds	66	2,816,127	3.05
7	Share holders holding 10%	2	62,919,357	68.12
8	General Public :			
	a. local	9,636	3,690,134	4.00
	b. Foreign	-	-	-
9	Others	234	1,686,904	1.83
Total (excluding : share holders holding 10%)		9,993	92,359,050	100.00

Pattern of Shareholding

as at June 30, 2020

Shareholder's category	Number of Shareholders	Number of share held	%
i. Associated Companies, Undertaking and Related Parties (name wise details)			
GADOON HOLDINGS (PRIVATE) LIMITED	1	673,950	0.73
GADOON TEXTILE MILLS LIMITED	1	5,980,917	6.48
LUCKY CEMENT LIMITED	1	50,798,000	55.00
LUCKY TEXTILE MILLS LIMITED	1	5,751,130	6.23
YB PAKISTAN HOLDINGS (PRIVATE) LIMITED	1	3,118,030	3.38
YUNUS TEXTILE HOLDINGS (PRIVATE) LIMITED	1	12,121,357	13.12
	6	78,443,384	84.93
ii. Mutual Funds (name wise details)			
GOLDEN ARROW SELECTED STOCKS FUND	1	7	0.00
MCBFSL - TRUSTEE JS VALUE FUND	1	13,650	0.01
CDC - TRUSTEE JS LARGE CAP. FUND	1	9,250	0.01
CDC - TRUSTEE ATLAS STOCK MARKET FUND	1	72,000	0.08
CDC - TRUSTEE MEEZAN BALANCED FUND	1	101,416	0.11
CDC - TRUSTEE JS ISLAMIC FUND	1	25,000	0.03
CDC - TRUSTEE FAYSAL STOCK FUND	1	3,500	0.00
CDC - TRUSTEE ALFALAH GHP VALUE FUND	1	7,130	0.01
CDC - TRUSTEE UNIT TRUST OF PAKISTAN	1	25,810	0.03
CDC - TRUSTEE AKD INDEX TRACKER FUND	1	3,388	0.00
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	1	204,679	0.22
CDC - TRUSTEE MEEZAN ISLAMIC FUND	1	1,103,985	1.20
CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	1	3,040	0.00
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	1	65,500	0.07
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	1	20,000	0.02
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1	70,367	0.08
CDC - TRUSTEE NBP STOCK FUND	1	142,050	0.15
CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUI	1	212,520	0.23
CDC - TRUSTEE APF-EQUITY SUB FUND	1	3,300	0.00
CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	1	8,000	0.01
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	1	9,787	0.01
CDC - TRUSTEE APIF - EQUITY SUB FUND	1	6,600	0.01
MC FSL - TRUSTEE JS GROWTH FUND	1	52,300	0.06
CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY AC	1	5,900	0.01
CDC - TRUSTEE ALFALAH GHP STOCK FUND	1	11,070	0.01
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	1	7,450	0.01
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	33,569	0.04
CDC - TRUSTEE ABL STOCK FUND	1	52,600	0.06
CDC - TRUSTEE FIRST HABIB STOCK FUND	1	3,000	0.00
CDC - TRUSTEE LAKSON EQUITY FUND	1	73,900	0.08
CDC-TRUSTEE HBL ISLAMIC STOCK FUND	1	33,800	0.04
CDC - TRUSTEE HBL EQUITY FUND	1	41,800	0.05
CDC - TRUSTEE HBL IPF EQUITY SUB FUND	1	3,000	0.00
CDC - TRUSTEE HBL PF EQUITY SUB FUND	1	5,000	0.01
CDC-TRUSTEE FIRST HABIB ISLAMIC STOCK FUND	1	3,000	0.00
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	1	35,150	0.04
CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOU	1	12,900	0.01
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	1	12,600	0.01
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	1	4,600	0.00
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	1	10,200	0.01
CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB I	1	13,200	0.01
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB I	1	10,300	0.01
CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	1	13,750	0.01
CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	1	2,030	0.00
CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	1	1,750	0.00
CDC-TRUSTEE ALHAMRA ISLAMIC PENSION FUND - EQUITY SUB I	1	7,700	0.01
CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	1	9,500	0.01
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	1	65,900	0.07
CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	1	3,160	0.00
CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	1	12,200	0.01
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	1	50,400	0.05

Pattern of Shareholding

as at June 30, 2020

CDC - TRUSTEE LAKSON TACTICAL FUND	1	9,250	0.01
CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	1	4,070	0.00
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	1	13,000	0.01
CDC - TRUSTEE AGIPF EQUITY SUB-FUND	1	760	0.00
CDC - TRUSTEE AGPF EQUITY SUB-FUND	1	350	0.00
CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	1	1,733	0.00
CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	1	25,300	0.03
CDC - TRUSTEE JS ISLAMIC DEDICATED EQUITY FUND (JSIDEF)	1	400	0.00
CDC - TRUSTEE UBL DEDICATED EQUITY FUND	1	50	0.00
MCBFSL - TRUSTEE HBL ISLAMIC DEDICATED EQUITY FUND	1	1,800	0.00
CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	1	4,650	0.01
CDC - TRUSTEE FAYSAL ISLAMIC DEDICATED EQUITY FUND	1	38,500	0.04
	63	2,802,571	3.03
iii. Directors and their spouse(s) and minor children (name wise details)			
ASIF JOOMA	1	456,920	0.49
KHAWAJA IQBAL HASSAN	1	14,500	0.02
	2	471,420	0.51
iv. Executives	8	1,131	0.00
v. Public Sector Companies and Corporations	3	2,536,748	2.76
vi. Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds	70	2,944,870	3.19
vii. Shareholder Holding five percent or more voting Rights in the Listed Company (name wise details)			
GADOON TEXTILE MILLS LIMITED	1	5,980,917	6.48
LUCKY CEMENT LIMITED	1	50,798,000	55.00
LUCKY TEXTILE MILLS LIMITED	1	5,751,130	6.23
YUNUS TEXTILE HOLDINGS (PRIVATE) LIMITED	1	12,121,357	13.12
	4	74,651,404	80.83
viii. Others & General Public	9,841	5,158,926	5.59
Total (excluding: Shareholders holding 5%)	9,993	92,359,050	100.00

ix. Details of trading in the shares by the Directors, CEO, CFO, Company Secretary and their spouses

During the year, Khawaja Iqbal Hasan bought 5,500 shares and sold 3,500 shares of the company through CDC.

Notice of 69th Annual General Meeting

Notice is hereby given that the Sixty-Ninth (69th) Annual General Meeting ("AGM") of ICI Pakistan Limited (the "Company") will be held on Tuesday, September 29, 2020, at 10.30 a.m. virtually via video-link (as permitted by Securities and Exchange Commission of Pakistan). Instructions with regard to participation appear in the notes below. While convening the AGM, through video-link, the Company will observe the quorum provisions and will comply with all the regulatory requirements.

The AGM is being held to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the annual financial statements of the Company for the year ended June 30, 2020 alongwith, the report of the Auditors thereon and the report of the Directors.
2. To declare and approve Final Cash dividend @ 50% i.e. PKR 5/-per ordinary share of PKR 10/- each for the year ended June 30, 2020, as recommended by the Directors, payable to the Members whose names appear in the Register of the Members as at September 21, 2020.
3. To appoint the Auditors of the Company for the year 2020-21 and to fix their remuneration.

SPECIAL BUSINESS:

To approve by way of Special Resolution with or without modification the following Resolutions in respect of related party transactions in which the majority of Directors of the Company are interested in terms of Section 207 & 208 (to the extent applicable) of the Companies Act, 2017:

"RESOLVED THAT related parties transactions in which the majority of the Directors are interested carried out by the Company with Lucky Cement Holdings (Pvt.) Ltd, Yunus Textile Holdings (Pvt.) Ltd, Lucky Cement Limited, Gadoon Textile Mills Limited, Lucky Textile Mills Limited, YB Pakistan Holdings (Pvt.) Ltd, Gadoon Holdings (Pvt.) Ltd., Yunus Textile Mills Limited, Lucky Textile Holdings (Pvt.) Ltd, Lucky Holdings Limited, Global Commodities Limited, Lucky Knits (Private) Limited, NutriCo Pakistan (Private) Limited, NutriCo Morinaga (Private) Limited, Lucky Foods (Private) Limited, Cirin Pharmaceuticals (Private) Limited, ICI Pakistan PowerGen Limited, Kia Lucky Motors Pakistan Limited, and other such related parties to the extent of PKR 9,078,481,646/- (PKR nine billion seventy eight million four hundred eighty one thousand six hundred and forty six only) during the year ended June 30, 2020 as reported in the financial statements for the said period, be and are hereby ratified and confirmed.

RESOLVED FURTHER THAT the Company may carry out transactions from time to time including, but not limited to, the purchase and sale of goods, materials, sales of various chemicals, soda ash, electricity, purchase of cement, availing or rendering of services, payment of royalty, donations, fees, dividends or subscription of shares with related parties in which the majority of the Directors are interested including but not limited to Lucky Cement Limited, Gadoon Textile Mills Limited, Lucky Textile Mills Limited, , Yunus Textile Mills Limited, Global Commodities Limited, Lucky Knits (Private) Limited, NutriCo Pakistan (Private) Limited, NutriCo Morinaga (Private) Limited, Lucky Foods (Private) Limited, ICI Pakistan PowerGen Limited, Kia Lucky Motors Pakistan Limited and other such related parties to the extent of approximately PKR 8,500,000,000/- (PKR eight billion five hundred million only) during the financial year ending June 30, 2021. The Shareholders have noted that for the aforesaid transactions a majority of the Directors may be interested. Notwithstanding, the Shareholders hereby grant an advance

authorisation to the Board Audit Committee and the Board of Directors of the Company to review and approve all related party transactions for the aforesaid companies as noted above based on the recommendation of the Board Audit Committee.

RESOLVED FURTHER THAT the related party transactions as aforesaid for the period ended June 30, 2021 would subsequently be presented to the Shareholders at the next Annual General Meeting for ratification and confirmation.”

The Statement under section 134(3) of the Companies Act, 2017 pertaining to the Special Resolution is being sent along with the Notice to the Members.

September 8, 2020
Karachi.

By Order of the Board

Nausheen Ahmad
Company Secretary

NOTES:

1. Closure of Share Transfer Books.

Share Transfer Books of the Company will remain closed from September 22, 2020 to September 29, 2020 (both days inclusive). Transfers received in order at the office of our Shares Registrar, FAMCO Associates (Pvt) Limited, 8-F, Block-6, P.E.C.H.S., Shahra-e-Faisal, Karachi, by the close of business on **September 21, 2020**, will be considered in time, to entitle the transferees to the Final Cash dividend and to attend the Annual General Meeting.

2. Participation in the Meeting.

Members whose names appearing in the Register of Members as of September 21, 2020, are entitled to attend and vote at the Meeting. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote for him/her. A proxy must be a Member of the Company.

An instrument of proxy applicable for the Meeting is being provided with the Notice sent to Members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: <http://www.ici.com.pk>. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must, to be valid, be deposited through email on AGM2020@ici.com.pk not less than 48 hours before the time of AGM.

Members are requested to submit a copy of their Computerized National Identity Card/Smart National Identity Card (CNIC/SNIC), if not already provided and notify immediately changes, if any, in their registered address to our Shares Registrar, FAMCO Associates (Pvt.) Ltd.

3. Attendance of AGM through Video-Link:

As permitted by Circular No. 5 of 2020 issued by SECP and in the interest of the Company's shareholders, Directors and employees, the AGM will be held virtually via video-link.

Notice of 69th Annual General Meeting

- a. To attend the AGM through the video-link members are requested to register themselves by providing the following information through email at AGM2020@ici.com.pk at least 48 hours before the AGM.

Name of Shareholder	CNIC Number	Folio Number/ CDC Account No.	Cell Number	Email Address

- b. Members are registered, after necessary verification as per the above requirement, will be provided a video-link by the Company via email
- c. The login facility will remain open from 10:15 a.m. till the end of AGM.
- d. Members can also share their comments/ suggestions on the agenda of election of Directors on WhatsApp number at [0301-1177529](tel:0301-1177529) or by email at AGM2020@ici.com.pk

4. Guidelines for Central Depository Company of Pakistan Limited ('CDC') Account Holders.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

A. For Attending the AGM:

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by sharing a copy of his/her CNIC/SNIC or passport through email (as mentioned in the notes) at least 48 hours before the AGM.

(ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be shared through email (as mentioned in the notes) (unless it has been provided earlier) at least 48 hours before the AGM.

B. For Appointing Proxies:

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

(ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC/SNIC numbers shall be mentioned on the form.

(iii) Copies of CNIC/SNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form through email (as mentioned in the notes)

(iv) The proxy shall produce his original CNIC/SNIC or original passport at the time of the Meeting.

(v) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company through email (as mentioned in the notes).

5. Consent for Circulation of Audited Financial Statements and Notice of AGM through E-Mail.

Circulation of Annual Audited Accounts via Email/CD/USB/DVD or any other media pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 that have allowed the companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditor's and Director's Report) to its members through Email/CD/USB/DVD or any other Electronic Media at their registered Addresses. Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the attached "Standard Request Form" (also available on the company's website <http://www.ici.com.pk>) and send us at the Company address.

6. Consent for Video Conference Facility.

Pursuant to Section 134(1)(b) of the Companies Act, 2017, if the Company receives a request from member(s) holding an aggregate ten percent (10%) or more shareholding residing at another city, such member(s) may request a video conferencing facility for the purposes of participating in the meeting at such a location by sending a request to the Company at least 10 (ten) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to the availability of such facility in that city. To avail such facility, please submit the following form with the requisite information at the registered office of the Company.

I/we _____ of _____ being a member of ICI Pakistan Limited, holding _____ ordinary shares as per registered Folio/ CDC Account No. _____ hereby opt for video conference facility at _____.

Name and signature Date

The Company will intimate members regarding venue of video conference facility at least 7 days before the date of Annual General Meeting along with complete information necessary to enable them to access such facility.

7. Submission of CNIC/SNIC/NTN (Mandatory).

Pursuant to the directives of the SECP, the dividends of Shareholders whose CNIC/SNIC or NTN (in case of corporate entities) are not available with the Share Registrar could be withheld. Shareholders are therefore, requested to submit a copy of their valid CNIC/SNIC (if not already provided) to the Company's Share Registrar, FAMCO Associates (Pvt.) Ltd. 8-F, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi. In the absence of a member's valid CNIC/SNIC, the Company will be constrained to withhold dispatch of dividend warrants to such members.

8. Dividend Mandate (Mandatory).

In accordance with the provisions of Section 242 of the Companies Act 2017, and Regulation 4 of the Companies (Distribution of Dividends) Regulations 2017, a listed company is required to pay cash dividend to the shareholders **ONLY** through electronic mode directly into the bank account designated by the entitled shareholders. In compliance with the above law, in order to receive dividends directly in your bank account, you are requested to provide the information mentioned in the Form placed at the Company's website <http://www.ici.com.pk> otherwise the Company would be constrained to withhold payment of dividend (if any) in terms of Regulation 6 of the Companies (Distribution of Dividends) Regulations 2017. Shareholders shall submit the

Notice of 69th Annual General Meeting

information directly to their brokers / Central Depository Company Ltd. If the shares are held in the electronic form or to the Company's Shares Registrar if the shares are held in physical form.

9. Revised Treatment of Withholding Tax.

Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and pursuant to Finance Act 2020, effective July 1, 2020, withholding of tax on dividend based on 'Active' and 'Non-Active' status of shareholders shall be @ 15% and 30% respectively where 'Active' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (<http://www.fbr.gov.pk/>) and 'Non-Active' means a person whose name is not being appeared on the Active Taxpayers List.

Furthermore, according to clarification provided by the FBR; in case a Folio/CDS Account is jointly held, each joint-holder is to be treated separately as Active or Non-Active. In terms of the said clarification, tax of each joint-holder has been deducted on the gross dividend amount determined by bifurcating the shareholding of each joint-holder on equal proportions, except where shareholding proportion of joint-holder(s) is pre-defined as per the records of the Company's Share Registrar and thus tax rates are applied in line with respective proportions.

Those shareholders who are holding Folio/CDS jointly, are requested to notify (in writing) any change in their shareholding proportions to Company's Share Registrar (in case of physical shareholding) or their Participants/CDC Investor Account Services so that their revised shareholding proportions are considered by the Company in all prospective dividend payouts of the Company, if any.

10. Exemption from Deduction of Income Tax / Zakat.

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring no deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

11. Placement of Financial Statements on Website: The Financial Statements of the Company for the year ended June 30, 2020 along with reports have been placed on the website of the Company: <https://www.ici.com.pk/investor-relations/financial-reports/>.

12. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e., May 30, 2017.

The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

Statement Under Section 134(3) of the Companies Act, 2017 Pertaining to Special Resolution

This Statement sets out the material facts pertaining to the Special Resolution described in the Notice of Annual General Meeting ("AGM"), intended to be transacted at the 69th AGM of ICI Pakistan Limited (the "Company/ICI") that is scheduled to be held on September 29, 2020.

The Company carries out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulations. Certain related party transactions require Shareholder approval under Section 207 and 208 (to the extent applicable) of the Companies Act, 2017 as a majority of Directors on the ICI Pakistan Ltd. Board are interested in the transaction (by virtue of being shareholders or directors in related entities).

The details of transaction where majority of Directors are interested are as under:

S/n	Company Name	Transaction Nature
1	Lucky Cement Holdings (Pvt.) Limited	Dividend
2	Yunus Textile Holdings (Pvt.) Limited	Dividend
3	Gadoon Textile Mills	Sale of goods materials and services and Dividend
4	Lucky Textile Mills Limited	Sale of goods materials and services and Dividend
5	YB Pakistan Holdings (Pvt.) Ltd.	Dividend
6	Gadoon Holdings (Pvt.) Ltd.	Dividend
7	Lucky Textile Holdings (Pvt.) Ltd.	Dividend
8	Lucky Holdings Limited	Dividend & Royalty
9	Global Commodities Limited	Purchase of goods, materials and services
10	Kia Lucky Motors Pakistan Limited	Purchase of goods materials and services
11	Lucky Cement Ltd.	Purchase & sale of goods materials and services
12	Yunus Textile Mills	Sale of goods, materials and services
13	Lucky Foods Private Limited	Sale of goods, materials and services
14	Lucky Knits Private Limited	Sale of goods, materials and services
15	NutriCo Pakistan (Private) Limited	Reimbursement of expenses/ Dividend income
16	NutriCo Morinaga (Private) Limited	Purchase & sale of goods, materials and services & reimbursement of expenses & others
17	Cirin Pharmaceuticals (Private) Limited	Sale and Purchase of goods, materials and services & others
18	ICI Pakistan PowerGen Limited	Purchase of electricity, sale of goods, materials and services and Dividend income

All related party transactions are in accordance with ICI policies and comply with all legal requirements. These are primarily transactions conducted in the ordinary course of business and on an arms' length basis. Under the ICI Pakistan Policy for Related Party Transactions all related party transactions are reviewed periodically by the Board Audit Committee which is chaired by an independent Director. Following review by the Board Audit Committee, the said transactions are placed before the Board of Directors for approval.

The Shareholders are requested to ratify the transactions with related parties in which the majority of the Directors are interested as disclosed in the financial statements for the year ended June 30, 2020 and further to authorize the Company to conduct certain related party transactions in which the majority of Directors are interested for the Financial Year ending June 30, 2021.

Shareholder approval is also sought to authorize and grant power to the Board to periodically review and approve such transactions based on the recommendation of the Board Audit Committee.

The Shareholders are informed that in the Special Resolution described in the Notice of AGM, the Company has provided its best estimate of the quantum of related party transactions to be undertaken in the period ending June 30, 2021. The Company will present the actual figures for subsequent ratification and confirmation by the Shareholders, at the next AGM.

Statement Under Section 134(3) of the Companies Act, 2017 Pertaining to Special Resolution

Based on the aforesaid the Shareholders are requested to pass the Special Resolution with or without modification as stated in the Notice.

The Directors who are interested in this subject matter are as follows:

- Mr. Muhammad Sohail Tabba
- Mr. Muhammad Ali Tabba
- Mrs. Amina A Aziz Bawany
- Mr. Jawed Yunus Tabba
- Mr. Asif Jooma
- Mr. Muhammad Abid Ganatra

Form of Proxy

Annual General Meeting

I / We _____

of _____

being member(s) of ICI Pakistan Limited holding _____

ordinary shares hereby appoint _____

of _____ or failing him / her _____

of _____ who is / are also member(s) of ICI Pakistan Limited as my/our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the 69th Annual General Meeting of the Company to be held on September 29, 2020 at 10:30 a.m. through video link and at any adjournment thereof.

As witness my / our hand / seal this _____ day of _____ 2020.

Signed by the said _____

in the presence of 1. _____

2. _____

Folio / CDC Account No.

Signature

This signature should agree with the specimen registered with the Company.

Important:

1. The scanned copy of Proxy Form, duly completed and signed, must be received at the email address AGM2020@ici.com.pk not less than 48 hours before the time of holding the meeting. Additionally, the information specified in the Notice of Annual General Meeting dated September 8, 2020 to attend by video link will have to be provided.
2. No person shall act as proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

In addition to the above the following requirements have to be met:

- i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC / SNIC (Computer National Identity Card / Smart National Identity Card) numbers shall be mentioned on the form.
- ii) Scanned attested copies of CNIC / SNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form on the mailing address mentioned above.
- iii) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be shared on the mailing address mentioned above (unless it has been provided earlier) along with proxy form to the Company.



The Company Secretary
ICI Pakistan Limited
ICI House
5 West Wharf
Karachi-74000

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ICI PAKISTAN LTD.

ICI Pakistan Limited
and its Subsidiary Companies
Consolidated Financial Statements

Report of the Directors

for the year Ended June 30, 2020

The Directors are pleased to present their report together with the audited Group results of ICI Pakistan Limited for the year ended June 30, 2020. The ICI Pakistan Group comprises of ICI Pakistan Limited, ICI Pakistan PowerGen Limited (PowerGen), Cirin Pharmaceuticals (Private) Limited (Cirin) and NutriCo Morinaga (Private) Limited as its subsidiaries.

The Directors' Report, which provides a commentary on the performance of ICI Pakistan Limited for the year ended June 30, 2020, has been presented separately.

Net turnover of PowerGen for the year ended stood at PKR 375 million, being 50% lower as compared to last year of PKR 751 million. Sale of electricity units to Polyester business decreased by 61% compared to last year, as the company shifted to in-house Coal based energy source towards end of Q1 2019-20. Consequently, operating profit fell by 60% from PKR 117 million to PKR 46 million against last year.

Cirin was successfully amalgamated into ICI Pakistan Limited effective March 1, 2020 and the post amalgamation results have been presented in the Directors' Report of ICI Pakistan Limited. During the pre-amalgamation period of eight months, Cirin achieved net sales of PKR 738 million, 3% higher as compared to the SPLY. The growth was achieved despite the temporary ban on imports from India, which led to a significant loss of sales of life-saving medicines during the period under review. Operating profit for the pre-amalgamation period was PKR 97 million, which shows an increase of 244% over the SPLY. The improved results were achieved mainly due to improved manufacturing efficiencies and strict cost controls.

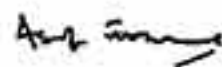
The construction of a state-of-the-art NutriCo Morinaga manufacturing facility was completed and the plant inaugurated in September 2019. Following the inauguration, commercial production commenced during the second quarter of the year under review with the commercial release of products in January 2020. During the period, the Company made net sales of PKR 978 million with a gross profit of PKR 176 million. However, the gross profit translated into a Loss After Tax of PKR 340 million primarily due to high initial advertisement and administration expenses along with finance cost on the financing obtained for the project.

On a consolidated basis (including the results of the Company's subsidiaries: PowerGen, Cirin and NutriCo Morinaga), net turnover for the year under review was PKR 55,256 million which was a 7% decrease over SPLY. Whereas operating result at PKR 5,520 million was higher by 12% in comparison to the last year.

Profit After Tax (PAT) for the year was PKR 2,362 million of which loss of PKR 166 million is attributable to non-controlling interests. This translates into PAT attributable to owners of Holding Company at PKR 2,528 million and an EPS of PKR 27.37 which is almost in line with the last year. During the year, the Company recognised PKR 431 million as a share of profit from NutriCo Pakistan (Private) Limited as compared to PKR 526 million recognised last year.



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive

Dated: August 20, 2020

Karachi



EY Ford Rhodes
Chartered Accountants
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Independent Auditors' Report

To the members of ICI Pakistan Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **ICI Pakistan Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at **30 June 2020**, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<p>1. First time adoption of IFRS 16</p> <p>As referred to in note 48.1 to the unconsolidated financial statements, the Group has adopted IFRS 16 'Leases' (the standard) with effect from July 1, 2019.</p> <p>The standard has introduced a new accounting model for operating lease contracts from the standpoint of a lessee. As per the new requirements, the Group is required to recognise right-of-use assets for leased assets and liabilities for the lease payments over the lease term.</p> <p>The application of the new standard requires management to make significant estimates and judgements such as in related to determination of lease term and appropriate discount rate for measurement of lease liability.</p> <p>We considered the adoption of the standard as a key audit matter due to the significance of the accounting change and the involvement of significant management judgements in respect of the application of the new standard.</p>	<p>Our audit procedures to review the application of IFRS 16, amongst others, include the following:</p> <ul style="list-style-type: none"> • We evaluated the appropriateness of the new accounting policies for recognition, measurement, presentation and disclosure of lease contracts in the unconsolidated financial statements; • we obtained an understanding of the process and controls in place for identification of in-scope lease contracts (considering recognition exemption available under the standard i.e. short-term leases and leases of low value assets); • we corroborated the completeness of leases identified by the management by reviewing and analysing the existing lease arrangements as of the date of initial application and reviewing the rent expense ledgers for the year; • we performed independent checks of lease accounting computations for a sample of lease contracts through reperformance of such computations and tracing the terms with the relevant contracts; • we evaluated the appropriateness of the assumptions used by the management in measuring lease liabilities such as discount rate, lease term etc.; and • we assessed the adequacy and appropriateness of disclosures in the unconsolidated financial statements as required under the standard and applicable financial reporting framework.



Independent Auditors' Report

Key audit matter

2. Impact of COVID-19

As disclosed in note 1.1 to the consolidated financial statements, the COVID-19 pandemic caused significant and unprecedented curtailment in economic and social activities from March 2020 in line with the directives of the Government. This situation posed a range of business and financial challenges to the businesses globally and across various sectors of the economy in Pakistan.

In relation to the accounting and reporting obligations, the management assessed the impact of COVID-19 related events in its consolidated financial statements particularly effects of the outbreak on the Group's assessment of the appropriateness of the use of the going concern basis including financial (debt covenant compliance concerns, renegotiation of debt agreements, liquidity and funding concerns) and non-financial (disruption of supply chain, logistics, fluctuating demand, workforce management and employee health issue) considerations; and assumptions used and estimates associated with measurement of various assets and liabilities in the financial statements.

In view of the unique nature of these events and its possible impacts on the business operations and financial reporting, we considered this area as a key audit matter to identify specific risks in relation to the financial statements and devise our audit strategy accordingly.

How our audit addressed the key audit matter

Our audit procedures, amongst others, included the following:

- we obtained an overall understanding of the impact due to remote working environment on the financial reporting process and underlying controls in order to determine the appropriate audit strategy;
- we assessed the authenticity of the confirmations received through emails, by performing call back procedures;
- we checked the key debt covenants of the loan agreements and checked that the Group is in compliance with these covenants;
- we checked subsequent recoveries, on a sample basis, and assessed the reasonableness of forward-looking factors used by the management in determination of expected credit loss for trade debts;
- we evaluated whether any impairment indicators exist that could trigger impairment for tangible assets;
- we checked the assumptions and forecasts used by the management for the assessment of impairment testing of intangible assets and related support of the economic data used;
- we checked the reasonableness of the inputs used for calculation of NRV of inventories held to assess the adequacy of relevant provisions;
- we evaluated management's going concern assessment by reviewing the future projections and assessed whether going concern assumption is appropriate; and
- we checked the adequacy of the disclosures made by the Group under the applicable financial reporting framework.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is **Arif Nazeer**.

Date: 02 September, 2020
Karachi

EY Ford Rhodes
EY Ford Rhodes
Chartered Accountants

Consolidated Statement of Financial Position

As at June 30, 2020

Amounts in PKR '000

	Note	June 30, 2020	June 30, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	6	25,312,799	25,873,777
Intangible assets	7	1,704,435	1,695,889
Right-of-use assets	8	318,279	-
		27,335,513	27,569,666
Long-term investments	9	1,109,287	1,478,273
Long-term loans	10	530,122	452,038
Long-term deposits and prepayments	11	38,045	43,518
		1,677,454	1,973,829
		29,012,967	29,543,495
Current assets			
Stores, spares and consumables	12	1,053,481	1,052,054
Stock-in-trade	13	10,224,760	10,105,003
Trade debts	14	2,386,116	2,449,659
Loans and advances	15	637,072	583,691
Trade deposits and short-term prepayments	16	413,875	322,889
Other receivables	17	1,977,327	2,277,781
Taxation - net		2,129,847	2,682,961
Cash and bank balances	18	549,559	423,888
		19,372,037	19,897,926
Total assets		48,385,004	49,441,421

Amounts in PKR '000

	Note	June 30, 2020	June 30, 2019
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
1,500,000,000 (June 30, 2019: 1,500,000,000) ordinary shares of PKR 10 each		15,000,000	15,000,000
Issued, subscribed and paid-up capital	19	923,591	923,591
Capital reserves	20	309,643	309,643
Surplus on revaluation of property, plant and equipment - net of tax	20	673,116	744,266
Revenue reserve - unappropriated profit		19,101,349	17,977,449
Attributable to the equity holders of the Holding Company		21,007,699	19,954,949
Non-controlling interests		1,516,175	1,437,617
Total equity		22,523,874	21,392,566
Non-current liabilities			
Provisions for non-management staff gratuity	21	114,703	113,012
Long-term loans	22	8,715,446	9,454,188
Lease liabilities	8	253,591	-
Deferred tax liability - net	23	1,480,473	1,748,366
		10,564,213	11,315,566
Current liabilities			
Trade and other payables	24	8,638,939	7,155,477
Accrued mark-up		297,754	433,649
Short-term financing	25	4,898,672	7,356,142
Current portion of long-term loans	22	1,293,974	1,694,503
Current portion of lease liabilities	8	79,256	-
Unclaimed dividend		88,322	93,518
		15,296,917	16,733,289
Total equity and liabilities		48,385,004	49,441,421
Contingencies and commitments	26		

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.


Muhammad Sohail Tabba
 Chairman / Director


Asif Jooma
 Chief Executive


Muhammad Abid Ganatra
 Chief Financial Officer

Consolidated Statement of Profit or Loss

For the year ended June 30, 2020


Amounts in PKR '000

	Note	For the year ended June 30, 2020	For the year ended June 30, 2019
Net turnover	28.1	55,256,473	59,382,411
Cost of sales	28.2	(44,339,713)	(49,637,402)
Gross profit		10,916,760	9,745,009
Selling and distribution expenses	30	(3,762,672)	(3,344,129)
Administration and general expenses	31	(1,634,542)	(1,457,445)
Operating result		5,519,546	4,943,435
Other charges	32	(350,705)	(273,180)
Finance costs	33	(1,891,014)	(1,485,754)
Exchange loss		(378,943)	(437,615)
		(2,620,662)	(2,196,549)
Other income	34	162,617	131,305
Share of profit from an associate	9	431,014	525,769
Profit before taxation		3,492,515	3,403,960
Taxation	35	(1,130,899)	(867,330)
Profit after taxation		2,361,616	2,536,630
Attributable to:			
Owners of the Holding Company		2,528,058	2,525,221
Non-controlling interests		(166,442)	11,409
		2,361,616	2,536,630
Basic and diluted earnings per share (PKR)	36	27.37	27.34

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.


Muhammad Sohail Tabba
 Chairman / Director


Asif Jooma
 Chief Executive


Muhammad Abid Ganatra
 Chief Financial Officer

Consolidated Statement of Other Comprehensive Income

For the year ended June 30, 2020

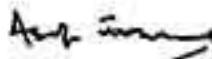
Amounts in PKR '000

	For the year ended June 30, 2020	For the year ended June 30, 2019
Profit after taxation	2,361,616	2,536,630
Other comprehensive (loss) / income		
Items not to be reclassified to consolidated statement of profit or loss:		
Remeasurement of defined benefit plans	(52,516)	31,530
Income tax effect	11,091	(7,760)
	(41,425)	23,770
Total comprehensive income for the year	2,320,191	2,560,400
Attributable to:		
Owners of the Holding Company	2,486,633	2,548,991
Non-Controlling interests	(166,442)	11,409
	2,320,191	2,560,400

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended June 30, 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 equity
As at June 30, 2018	923,591	309,643	821,982	16,551,410	17,683,035	1,426,208	20,032,834
Final dividend for the year ended June 30, 2018 @ PKR 8.50 per share	-	-	-	(785,052)	(785,052)	-	(785,052)
Interim dividend for the year ended June 30, 2019 @ PKR 4.50 per share	-	-	-	(415,616)	(415,616)	-	(415,616)
	-	-	-	(1,200,668)	(1,200,668)	-	(1,200,668)
Profit attributable to non-controlling interest for the year	-	-	-	-	-	11,409	11,409
	-	-	-	-	-	11,409	11,409
Profit for the year	-	-	-	2,525,221	2,525,221	-	2,525,221
Other comprehensive loss for the year - net of tax	-	-	-	23,770	23,770	-	23,770
Total comprehensive income	-	-	-	2,548,991	2,548,991	-	2,548,991
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 20.3	-	-	(77,716)	77,716	-	-	-
	-	-	(77,716)	77,716	-	-	-
As at June 30, 2019	923,591	309,643	744,266	17,977,449	19,031,358	1,437,617	21,392,566
Final dividend for the year ended June 30, 2019 @ PKR 4.50 per share	-	-	-	(415,616)	(415,616)	-	(415,616)
Interim dividend for the year ended June 30, 2020 @ PKR 11.00 per share	-	-	-	(1,015,950)	(1,015,950)	-	(1,015,950)
	-	-	-	(1,431,566)	(1,431,566)	-	(1,431,566)
Shares issued to non-controlling interests	-	-	-	-	-	245,000	245,000
Profit attributable to non-controlling interest for the year	-	-	-	-	-	(166,442)	(166,442)
	-	-	-	-	-	78,558	78,558
Profit for the year	-	-	-	2,525,741	2,525,741	-	2,525,741
Other comprehensive income for the year - net of tax	-	-	-	(41,425)	(41,425)	-	(41,425)
Total comprehensive income	-	-	-	2,484,316	2,484,316	-	2,484,316
Transfer from surplus on revaluation of property, plant and equipment - incremental depreciation for the year - net of deferred tax - note 20.3	-	-	(71,150)	71,150	-	-	-
	-	-	(71,150)	71,150	-	-	-
As at June 30, 2020	923,591	309,643	673,116	19,101,349	20,084,108	1,516,175	22,523,874

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer

Consolidated Statement of Cash Flows

For the year ended June 30, 2020

Amounts in PKR '000

	For the year ended June 30, 2020	For the year ended June 30, 2019
Cash flows from operating activities		
Cash generated from operations - note 37	9,414,379	6,610,959
Payments for :		
Staff retirement benefit plans - note 21.3.2 and eligible retired employees'	(63,409)	(64,007)
Taxation	(47,724)	(43,169)
Interest	(834,587)	(1,120,623)
	(1,985,332)	(1,303,601)
Net cash generated from operating activities	6,483,327	4,079,559
Cash flows from investing activities		
Capital expenditure	(2,334,122)	(6,347,240)
Proceeds from disposal of operating fixed assets	11,830	19,136
Interest received on bank deposits	37,155	39,160
Dividend from associate	800,000	180,000
Net cash used in investing activities	(1,485,137)	(6,108,944)
Cash flows from financing activities		
Issuance of shares to non-controlling interests*	245,000	-
Long-term loans obtained *	461,769	2,985,024
Long-term loans repaid *	(1,601,040)	(1,046,389)
Payment against finance lease liability *	(84,017)	-
Dividends paid	(1,436,762)	(1,196,529)
Net cash (used in) / generated from financing activities	(2,415,050)	742,106
Net increase in cash and cash equivalents	2,583,140	(1,287,279)
Cash and cash equivalents at the beginning of the year	(6,932,253)	(5,644,975)
Cash and cash equivalents at the end of the year	(4,349,113)	(6,932,254)
Cash and cash equivalents at the end of the year comprise of:		
Cash and bank balances - note 18	549,559	423,888
Short-term financing - note 25	(4,898,672)	(7,356,142)
	(4,349,113)	(6,932,254)

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

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.


Muhammad Sohail Tabba
 Chairman / Director


Asif Jooma
 Chief Executive


Muhammad Abid Ganatra
 Chief Financial Officer

Notes to the Consolidated Financial Statements

For the year ended June 30, 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 ("Morinaga").

The Holding Company is incorporated in Pakistan and is listed on the Pakistan Stock Exchange Limited. The Holding Company's registered office is situated at 5 West Wharf, Karachi. 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. It also acts as an indenting agent and toll manufacturer.

PowerGen is incorporated in Pakistan as an unlisted public company and is a wholly owned subsidiary company of ICI Pakistan Limited. PowerGen is engaged in generating, selling and supplying electricity to the Group.

Morinaga is incorporated in Pakistan as a private limited company. ICI Pakistan Limited has 51% ownership in Morinaga. Morinaga is engaged in manufacturing of infant and grown up formula.

On December 23rd, 2016, the Holding Company acquired 100% voting shares of Cirin Pharmaceuticals (Private) Limited ("Cirin"). Cirin was a private limited incorporated in Pakistan, which was involved in manufacturing and sale of pharmaceutical products. During the year effective from March 01, 2020, Cirin has been amalgamated into the Holding Company, pursuant to the Scheme of Arrangement, as described in note 4 to the unconsolidated financial statements of the Holding Company. Accordingly, as of the effective date, the net assets of Cirin have been transferred to the Holding Company without any consideration.

Geographical location and addresses of major business units including mills/plants of the Group are as under:

Karachi	Purpose
ICI House, 5 West Wharf	Head Office and Production Plant
S-33, Hawksbay road, S.I.T.E	Production Plant
Lahore	
ICI House, 63 Mozang road	Regional Office
30-Km, Sheikhpura road, Lahore	Regional Office and Production Plant
45-Km, Off Multan road, Lahore	Production Plant
Khewra	
ICI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	Regional Office and Production Plant
Haripur	
Plot No.32/2A Phase III, Industrial Estate Hattar, District Haripur	Production Plant
Islamabad	
Islamabad Corporate Center, 2nd Floor, H-13, Islamabad	Head Office

- 1.1 The COVID-19 pandemic caused significant and unprecedented curtailment in economic and social activities during the period from March 2020 in line with the directives of the Government. This situation posed a range of business and financial challenges to the businesses globally and across various sectors of the economy in Pakistan. The lockdown however excluded companies involved in the business of necessary consumer supplies. Complying with the lockdown, the Group temporarily suspended operations of certain divisions.

The lockdown was subsequently relaxed from the month of May, and the Group resumed operations in stages, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees. The management has ensured all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity.

The Group's operations were disrupted due to the circumstances arising from COVID-19 including the suspension of production, sales and operations in certain divisions. Due to this, the management has assessed the accounting implications of these developments on these consolidated financial statements, including but not limited to expected credit losses under IFRS 9, 'Financial Instruments', the impairment of tangible and intangible assets under IAS 36, 'Impairment of non-financial assets', the net realisable value of inventory under IAS 2, 'Inventories', deferred tax assets in accordance with IAS 12, 'Income taxes', provisions and contingent liabilities under IAS 37, including onerous contracts, and going concern assumption used for the preparation of these consolidated financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these consolidated financial statements.

2 Basis of preparation

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

2.2 Accounting Convention

These consolidated financial statements have been prepared under the historical cost convention, except:

- a) Certain classes of property, plant and equipment (i.e. freehold land, buildings on freehold, leasehold land and plant and machinery) have been measured at revalued amounts;
- b) Provision for management staff gratuity and non-management staff gratuity are stated at present value;
- c) Stores and spare and stock-in-trade which is stated at the lower of cost or net realisable value; and
- d) Employee loans are stated at present value.

The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historic experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the consolidated financial statements in subsequent years are stated in note 47.

2.3 Basis of consolidation

Subsidiaries are those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in consolidated statement of profit or loss and is not reversed in future periods.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements.

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Subsidiaries have same reporting period as that of the Holding Company. The accounting policies of subsidiaries have been changed to confirm with accounting policies of the Group, wherever needed.

2.4 Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method of accounting. Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised or separately tested for impairment.

The Group's share of its associate's post-acquisition profits or losses is recognised in the consolidated statement of profit or loss, and its share of profit of post-acquisition movements in reserve is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the investment. When the Group's share of losses in the associate equals or exceeds its interest in associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within "Share of profit of an associate and a joint venture" in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3 Summary of significant accounting policies

3.1 Property, plant and equipment and depreciation

Property, plant and equipment (except freehold land, buildings on freehold and leasehold land and plant and machinery) are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land, buildings on freehold and leasehold land and plant and machinery are stated at revalued amounts less subsequent accumulated depreciation and subsequent impairment losses, if any. Capital work-in-progress is stated at cost less impairment, if any. Cost of certain property, plant and equipment comprises historical cost. Such cost includes the cost of replacing parts of the property, plant and equipment and the cost of borrowings for long-term construction projects, if the recognition criteria is met.

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation surplus in equity. However, the increase is recorded in the consolidated statement of profit or loss to the extent it reverses a revaluation deficit of the same asset previously. A decrease as a result of revaluation is recognised in the consolidated statement of profit or loss however, a decrease is recorded in consolidated statement of other comprehensive income to the extent of any credit balance entry in revaluation surplus in respect of same assets.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and the depreciation based on assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to unappropriated profit.

Depreciation charge is based on the straight-line method whereby the cost or revalued amount of an asset is written off to consolidated statement of profit or loss over its estimated useful life after taking into account residual value, if material. The cost of leasehold land is depreciated in equal installments over the lease period. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month of disposal.

Spare parts and servicing equipment are classified as property, plant and equipment under plant and machinery rather than store, spares and loose tools where they meet the definition of property, plant and equipment. Available for use capital spares, and servicing equipment are depreciated over their useful lives, or the remaining life of principal asset, whichever is lower.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed at each reporting date and adjusted, if appropriate.

Maintenance and normal repairs are charged to consolidated statement of profit or loss as and when incurred. Improvements are capitalised when it is probable that respective future economic benefits will flow to the Group and the cost of the item can be measured reliably. Assets replaced, if any, are derecognized.

Gains and losses on disposal of assets are taken to the consolidated statement of profit or loss, and the related surplus / deficit on revaluation of property, plant and equipment is transferred directly to unappropriated profit.

3.2 Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in business combinations is their fair value at the date of acquisition.

Intangible assets with finite useful lives are amortised over useful lives and assessed for impairment whenever there is indication that the asset may be impaired. Intangible assets with indefinite lives are not amortized, but are tested for impairment annually, either individually or at the cash generated unit (CGU) level, as appropriate. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, a change in useful life from indefinite to finite is made on a prospective basis.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

3.3 Stores, spares and consumables

Stores, spares and consumables are stated at the lower of weighted average cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less net estimated costs to sell, which is generally equivalent to replacement cost.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

3.4 Stock-in-trade

Stock-in-trade is valued at the lower of weighted average cost and estimated net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and sell.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

3.5 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in consolidated statement of other comprehensive income, respectively.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognised using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Group recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside consolidated statement of profit or loss is recognised outside consolidated statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in consolidated statement of other comprehensive income or directly in equity.

Further, the Group recognises deferred tax asset / liability on deficit / surplus on revaluation of property, plant and equipment which is adjusted against the related deficit / surplus.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

3.6 Cash and cash equivalents

These are carried at cost. Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks, which are subject to insignificant risk of change. Short term finance facilities availed by the Group, which are payable on demand and form an integral part of the Group's cash management are included as part of cash and cash equivalents for the purpose of consolidated statement of cash flows.

3.7 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for asset is required then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining the fair value less cost of disposal, recent market transaction are taken into account, if no such transaction can be identified appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or available fair value budgets. The Group bases its impairment calculation on detailed budget and forecast calculation, which are prepared separately for each of the Group CGU to which individual assets are allocated. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss .

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

3.8 Staff retirement benefits

The Group's retirement benefit plans comprise of provident funds, pensions, gratuity schemes and a medical scheme for eligible retired employees.

Defined benefit plans

The Group operates a funded pension scheme and a funded gratuity scheme for management staff. The pension and gratuity schemes are salary schemes providing pension and lump sums, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Group also operates gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. The pension and gratuity plans are final salary plans. The pensioner's medical plan reimburses actual medical expenses to pensioners as per entitlement. The Group recognises expense in accordance with IAS 19 "Employee Benefits".

An actuarial valuation of all defined benefit schemes except eligible retired employees' medical scheme is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the consolidated statement of other comprehensive income.

All past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Group has recognised related restructuring or termination benefits.

Defined contribution plans

The Group operates two registered contributory provident funds for its entire staff and a registered defined contribution superannuation fund for its management staff, who has either opted for this fund by July 31, 2004 or have joined the Group after April 30, 2004. In addition to this the Group also provides group insurance to all its employees.

Compensated absences

The Group recognises the accrual for compensated absences based on actuarial valuation in respect of employees for which these are earned up to the reporting date.

3.9 Borrowing cost

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

3.10 Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. They are reviewed at each reporting date and adjusted prospectively.

3.11 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pak Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pak Rupees at the foreign exchange rates at the reporting date. Exchange differences are taken to the consolidated statement of profit or loss.

3.12 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

3.13 Dividend

Dividend distribution to the Group's shareholders is recognised as a liability in the period in which the dividends are approved. However, if these are approved after the reporting period but before the consolidated financial statement are authorised for issue, disclosure is made in the consolidated financial statements.

3.14 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditures. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

For management purposes, the Group is organised into business units based on its products and services and has five reportable segments, namely Polyester, Soda Ash, Animal Health, Pharma, Chemicals & Agri Sciences, Morinaga and others. No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

3.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade debts, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in note 3.16 to these consolidated financial statements.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the consolidated statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions note 47
- Trade debts note 14

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For all other financial assets, the Group applies the general approach.

The Group considers a financial asset in default when contractual payments are 60 - 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 22.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.16 Revenue from contracts with customers

The Group is in the business of sale of goods. Revenue from contracts with customers is recognised at a point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 47.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., right of returns, volume rebates). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration. Contracts with the Group's customers provide them with a right of return, price adjustments and volume rebates and are considered as variable consideration.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Volume rebates

The Group provides retrospective volume rebates (discounts) to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Contract balances

Trade debts

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note 3.15 to these consolidated financial statements.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer.

The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Cost to obtain a contract

The Group pays sales commission to its sales agents for certain contracts. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions because the amortisation period of the asset that the Group otherwise would have used is one year or less.

Trade debts

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Performance obligations

Information about the Group's performance obligations are summarised below:

Soda Ash

The performance obligation is satisfied upon transfer of physical possession of the goods to the customer (i.e. ex-works) for local sales whereas for export sales, performance obligation is satisfied when the customer has accepted the goods.

Payment is generally due within 30 to 90 days from delivery.

Polyester

The performance obligation is satisfied when the physical possession of the goods has passed to the customers for local sales whereas for export sales, performance obligation is satisfied when the risk and rewards in respect of the goods are transferred to the customer. Payment is generally due within 30 to 90 days from delivery.

Chemicals, Agri Sciences, Pharma and Animal Health

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from delivery. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

Power generation

Performance obligation for transmission of electricity to customers is satisfied as the electricity is transmitted and payment is generally due within 30 to 90 days from transmission.

Commission income is recognised on the date of shipment from suppliers.

Profit on short-term deposits is accounted for using the effective interest rate method.

Dividend income is recognised when the right to receive dividend is established.

Toll manufacturing income is recognised when services are rendered.

Other income is recognised on accrual basis.

4 New accounting policies under IFRS 16 - Leases effective for period beginning on July 01, 2019

During the year, the Group has adopted IFRS 16 which became applicable on July 01, 2019. This has resulted in change in accounting policies of the Group for leases. The changes are discussed in note 48.1 to these consolidated financial statements.

The new accounting policies for leases are as follows:

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

4.1 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

4.1.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land & buildings	2 to 9 years
Motor vehicles	4 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the note 3.7 to these consolidated financial statements for policy on impairment of non-financial assets.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date, where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

4.1.2 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of regional sales offices, warehouses, summer houses and beach huts (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.1.3 Ijarah contracts

Payments made under ijarah contract are charged to the consolidated statement of profit or loss on a straight line basis over the period of the lease as per IFAS 2.

5 Details of related parties of the Group

Details of related parties with whom the Group has entered into transactions with or has arrangements / agreements in place during the year are as follows:

Name of related party	Basis of relationship
ICI Pakistan Management Staff Provident Fund	Common Directorship
ICI Pakistan Management Staff Gratuity Fund	Common Directorship
ICI Pakistan Management Staff Defined Contribution Superannuation Fund	Common Directorship
ICI Pakistan Non-Management Staff Provident Fund	Common Directorship
ICI Pakistan Management Staff Pension Fund	Common Directorship
ICI Pakistan Foundation	Common Directorship
Arabian Sea Country Club Limited	Equity Investment
NutriCo Pakistan (Private) Limited	Common directorship & Associate
Lucky Foods (Private) limited	Group Company & Common Directorship
Lucky Cement Holdings (Private) Limited	Group Company & Common Directorship
Lucky Holdings Limited	Group Company & Common Directorship
Lucky Cement Limited	Group Company & Common Directorship
Yunus Textile Mills Limited	Group Company & Common Directorship
Lucky Textile Mills Limited	Group Company & Common Directorship
Gadoon Textile Mills Limited	Group Company & Common Directorship
Kia Lucky Motors Limited	Group Company & Common Directorship
Lucky Knits (Private) Limited	Group Company & Common Directorship
Pakistan Business Council	Common Directorship
Global Commodities Limited	Common Directorship
Pakistan Cables Limited	Common Directorship
Jubilee Life Insurance Company Limited	Common Directorship
Askari Bank Limited	Common Directorship
Aziz Tabba Foundation	Common Directorship
Tabba Heart Institute, Karachi	Common Directorship
National Bank of Pakistan	Common Directorship
YB Pakistan Holdings Private Limited	Common Directorship
Gadoon Holdings Private Limited	Common Directorship
Lucky Textile Holdings Private Limited	Common Directorship
Yunus Textile Holdings Private Limited	Common Directorship
Morinaga Milk Industry - note 5.1	Group Company
Asif Jooma	Key Management Personnel
M Abid Ganatra	Key Management Personnel
Arshaduddin Ahmed	Key Management Personnel
Aamer Mahmud Malik	Key Management Personnel
Fariha Salahuddin	Key Management Personnel
Nausheen Ahmed	Key Management Personnel
Eqan Ali Khan	Key Management Personnel

5.1 Morinaga Milk Industry Co., Limited is incorporated in Japan. It is situated at 33-1 Shiba 5 - chome, Minato - KU, Tokyo 108-8384, Japan.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

	As at June 30, 2020	As at June 30, 2019
6 Property, plant and equipment		
6.1 The following is a statement of property, plant and equipment:		
Operating fixed assets - note 6.2	24,044,009	19,906,253
Capital work-in-progress - note 6.9	1,268,790	5,907,524
	25,312,799	25,813,777

6.2 The following is a statement of operating fixed assets:

	Land		Lime beds on freehold land	Buildings		Plant and machinery	Rolling stock and vehicles	Furniture and equipment	Total
	Freehold	Lease hold		On freehold land	On leasehold land				
	Note 6.3 and 6.4			Note 6.3 and 6.4		Note 6.3 and 6.4			
	As at June 30, 2020								
Net carrying value basis									
Opening net book value (NBV)	1,118,134	-	317,888	823,301	3,004,741	14,175,087	66,305	400,797	19,906,253
Additions / transfers - note 6.2.1	-	-	76,146	2,046,600	132,440	4,587,391	4,174	106,003	6,952,754
Disposals (at NBV)	-	-	-	-	-	(9,864)	-	(479)	(10,343)
Depreciation charge - note 6.7	-	-	(23,487)	(118,933)	(216,042)	(2,309,065)	(18,013)	(119,116)	(2,804,658)
Closing net book value	1,118,134	-	370,547	2,750,968	2,921,139	16,443,549	52,466	387,206	24,044,009
Gross carrying value basis									
Cost / Revaluation	1,118,134	562,166	591,822	5,366,403	4,815,104	41,928,638	175,991	1,167,940	55,726,398
Accumulated depreciation	-	(562,166)	(221,275)	(2,615,435)	(1,893,965)	(26,485,289)	(123,525)	(780,734)	(31,682,389)
Closing net book value	1,118,134	-	370,547	2,750,968	2,921,139	16,443,549	52,466	387,206	24,044,009
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 50	3 to 33.33	3.33 to 50	10 to 33.33	10 to 50	
	As at June 30, 2019								
Net carrying value basis									
Opening net book value (NBV)	1,092,698	-	259,059	873,877	2,594,310	15,213,385	42,720	274,789	20,350,838
Additions / transfers - note 6.2.1	25,436	-	79,304	15,240	605,989	1,270,417	42,460	231,579	2,220,425
Disposals (at NBV)	-	-	-	-	(29)	(10,498)	(4,439)	(71)	(15,037)
Depreciation charge - note 6.7	-	-	(20,475)	(85,816)	(195,529)	(2,298,217)	(14,430)	(105,500)	(2,699,973)
Closing net book value	1,118,134	-	317,888	823,301	3,004,741	14,175,087	66,305	400,797	19,906,253
Gross carrying value basis									
Cost / Revaluation	1,118,134	562,166	515,676	3,329,423	4,699,885	37,510,030	106,567	1,115,916	49,046,707
Accumulated depreciation	-	(562,166)	(197,788)	(2,506,122)	(1,695,144)	(23,334,943)	(129,262)	(715,119)	(29,140,544)
Closing net book value	1,118,134	-	317,888	823,301	3,004,741	14,175,087	66,305	400,797	19,906,253
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 50	3 to 33.33	3.33 to 50	10 to 33.33	10 to 50	
							As at June 30, 2020	As at June 30, 2019	
6.2.1 Additions to plant and machinery include transfer from capital work-in-progress which includes borrowing cost for projects determined using an average capitalization rate of 13.43% (June 30, 2019: 10.56%) amounting to:							219,586	32,692	
6.2.2 Operating fixed assets include the following major spare parts and stand by equipment having:									
Cost							606,011	576,298	
Net book value							155,559	186,738	

Amounts in PKR '000

6.3 Subsequent to revaluation on October 1, 1959, September 30, 2000, December 15, 2005 and December 31, 2011 which had resulted in a surplus of PKR 14,207 million, PKR 1,589,889 million, PKR 704,752 million and PKR 848,191 million respectively as at June 30, 2016 further revaluation was conducted resulting in revaluation surplus net of deferred tax liability of PKR 340,721 million. The valuation was conducted by an independent valuer. Valuations for plant and machinery and building were based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence. Land was valued on the basis of fair market value. The fair value of the assets subject to revaluation model fall under level 2 of fair value hierarchy (i.e. significant observable inputs).

6.4 Forced sale value as per the last revaluation report as of June 30, 2016 - note 6.4.1

Asset Class	Forced Sale Value
Freehold land	302,164
Leaseholds on freehold land	579,573
Building on freehold land	982,684
Building on leasehold land	93,829
Plant & Machinery	8,050,503
Total	10,104,643

6.4.1 The above amount does not contain assets which are capitalized from July 1, 2015 to June 30, 2020.

6.5 Particulars of immovable assets of the Group

Location	Addresses	Usage of Immovable property	Covered Area (sq.ft)
Karachi	ICI House 5 West Wharf Karachi 74000	Head Office and Production Plant	117,019
	S-33, Hawksbay road, S.I.T.E 75730	Production Plant	11,500
Lahore	ICI House 63 Mozang Road Lahore 54000	Regional Office	28,454
	30 Km, Sheekhupura road Lahore	Production Plant	1,028,910
	45-Km, Off Multan Road Lahore	Production Plant	14,001
Khewra	ICI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	Regional Office and Production Plant	2,744,404
Haripur	Plot No.32/2A Phase III, Industrial Estate Hattar, District Haripur	Production Plant	39,916
			As at June 30, 2020
			As at June 30, 2019

6.6 Plant and machinery including equipment held with Seale Pakistan Limited for toll manufacturing is as follows:

Cost	8,508	7,412
Net book value	1,702	2,064
	For the year ended June 30, 2020	For the year ended June 30, 2019

6.7 The depreciation charge for the year has been allocated as follows:

Cost of sales - note 29	2,724,280	2,625,440
Selling and distribution expenses - note 30	51,526	40,337
Administration and general expenses - note 31	28,849	33,612
Transfer to capital work-in-progress	-	584
	2,804,655	2,699,973

6.7.1 Depreciation charge is inclusive of the incremental depreciation due to revaluation.

	As at June 30, 2020	As at June 30, 2019
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6.8 Had there been no revaluation, the net book value of specific classes of property, plant and equipment would have amounted to:

Net book value		
Freehold land	780,157	780,157
Buildings	5,368,800	3,544,735
Plant and machinery	15,995,617	13,327,155
	21,764,574	17,652,047

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

6.9 The following is the movement in capital work-in-progress during the year

	Civil works and buildings	Plant and machinery	Misc. equipment	Advances to suppliers / contractors	Designing, consultancy and engineering fee	Total
As at June 30, 2020						
Balance at the beginning of the year	1,623,857	3,528,088	558,058	140,707	116,814	5,967,524
Additions during the year	238,299	1,009,874	788,744	(45,049)	236,300	2,228,168
Transferred to operating fixed assets during the year	(1,727,084)	(3,917,142)	(1,130,964)	(73,435)	(78,277)	(6,926,902)
Balance at the end of the year	138,072	620,820	215,838	22,223	274,837	1,268,790
As at June 30, 2019						
Balance at the beginning of the year	670,344	578,076	132,225	571,118	73,350	2,025,105
Transfer upon amalgamation						
Additions during the year	1,129,311	3,880,069	482,939	599,963	50,053	6,122,338
Transferred to operating fixed assets during the year	175,798	910,057	57,106	1,030,368	8,589	2,179,916
Balance at the end of the year	1,623,857	3,528,088	558,058	140,707	116,814	5,967,524

	As at June 30, 2020	As at June 30, 2019
6.9.1 This includes interest charged in respect of long-term loans obtained for various projects determined using capitalization rate of 13.43% (June 30, 2019: 10.97%) amounting to:	373,746	150,882

6.10 Details of operating fixed assets disposal having net book value in excess of PKR 500,000 are as follows:

For the year ended June 30, 2020								
	Mode of sale	Cost / Revised Amount	Accumulated depreciation	Net book value	Sale proceeds	Gain / Loss	Relationship of purchaser with the Group	Particulars of buyer
DCS - Polyester	Scrap	2,031	1,320	711	-	(711)	N/A	N/A
DCS - Soda Ash	Scrap	28,347	23,517	4,830	3,020	(1,810)	Third Party	Ghulam Raza Trader, Lahore
Calciner 4 gas main and gearboxes	Scrap	2,500	1,872	628	30	(598)	Third Party	Shahid Hanif Ghouri Mandi Bahauddin
For the year ended June 30, 2019								

Note: There is no disposal having net book value in excess of PKR 500,000 during the year ended June 30, 2019.

Amounts in PKR '000

7 Intangible assets					
As at June 30, 2020					
Net carrying value basis	Goodwill	Brands	Software	Licenses	Total
Opening net book value (NBV)	206,374	1,437,679	14,565	37,271	1,695,889
Additions / transfers	-	-	21,490	2,911	24,401
Amortisation charge - note 7.1	-	-	(8,761)	(7,094)	(15,855)
Closing net book value	206,374	1,437,679	27,294	33,088	1,704,435
Gross carrying amount					
Cost	206,374	1,437,679	226,287	241,779	2,112,119
Accumulated amortisation	-	-	(198,993)	(208,691)	(407,684)
Closing net book value	206,374	1,437,679	27,294	33,088	1,704,435
Amortisation rate % per annum	-	-	20	20 to 50	
As at June 30, 2019					
Net carrying value basis					
Opening net book value (NBV)	206,374	1,437,679	5,743	38,581	1,688,377
Additions / transfers	-	-	18,421	2,000	20,421
Amortisation charge - note 7.1	-	-	(9,599)	(3,310)	(12,909)
Closing net book value	206,374	1,437,679	14,565	37,271	1,695,889
Gross carrying amount					
Cost	206,374	1,437,679	204,797	238,868	2,087,718
Accumulated amortisation	-	-	(190,232)	(201,597)	(391,829)
Closing net book value	206,374	1,437,679	14,565	37,271	1,695,889
Amortisation rate % per annum	-	-	20	20 to 50	
				For the year ended June 30, 2020	For the year ended June 30, 2019

7.1 The amortisation charge for the year has been allocated as follows:

Cost of sales - note 29	2,792	2,274
Selling and distribution expenses - note 30	1,021	831
Administration and general expenses - note 31	12,042	9,804
	15,855	12,909

7.2 Impairment testing of goodwill, intangibles with indefinite lives

The Group has performed its annual impairment test on the following cash generating units as at June 30, 2020.

Goodwill acquired through business combinations and intangibles with indefinite useful lives have been allocated and monitored at the Pharma division of the Group. Intangible assets with indefinite useful lives include Brands. The Group has performed its annual impairment test as at June 30, 2020.

The recoverable amount is determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the senior management covering a five year period and applying the expected value approach. The discount rate applied to cash flow projections is 17.2 percent for goodwill impairment testing and 17.2 percent for intangibles with indefinite useful lives. The growth rate used to extrapolate the cash flows beyond the five-year period is 4.2 percent. As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of Rs. 206,374 million and intangibles with indefinite useful lives (Brands) of Rs. 1,437,679 million are allocated.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

Key assumptions used in value-in-use calculations

The calculation of value-in-use is most sensitive to the following assumptions:

- Discount rates
- Key business assumptions

Discount rates

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The discount rate reflects the target Weighted Average Cost of Capital of the Group.

Key business assumptions

These assumptions are based on industry data for growth rates, management assess how the unit's position, relative to its competitors, might change over the projected period. Management expects revenues and margins to improve on the basis of multiple strategies planned including increase in sales volume and price.

Sensitivity to changes in assumptions

Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

8 Right-of-use assets

The Group has lease contracts for various items of land and buildings and vehicles used in its operations. Leases of land and buildings generally have lease terms between 2 to 9 years, while motor vehicles generally have lease terms of between 4 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of sales offices, warehouses, summer houses and beach huts with lease terms of 12 months or less. The Group applies the 'short-term lease' exemptions for these leases. For such contracts, the management has competitive options available in the market and the replacement costs are estimated to be minimal.

Set out below is the carrying amount of right-of-use asset recognised and the movement during the year:

	Motor Vehicles	Land and Buildings	As at June 30, 2020
Opening	13,445	389,382	402,827
Depreciation charged note 8.1	(4,918)	(79,630)	(84,548)
Closing	8,527	309,752	318,279

Set out below is the carrying amount of lease liability and the movement during the year:

As at July 1, 2019	375,287
Accretion of interest	41,577
Payments	(84,017)
As at June 30, 2020	332,847
Current maturity of lease liability	79,256
Non-current lease liability	253,591
	332,847

For the year ended June 30, 2020

The following are the amounts recognised in statement of profit or loss:

Depreciation expense of right-of-use asset - note 8.1	84,548
Interest expense on lease liability	41,577
Expenses related to short-term leases - note 8.2	64,928
	191,053

Amounts in PKR '000

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

	For the year ended June 30, 2020
8.1 Allocation of depreciation expense	
Cost of sales - note 29	27,645
Selling and distribution expenses - note 30	26,748
Administration and general expenses - note 31	30,155
	84,548
8.2 Allocation of short-term leases expense	
Selling and distribution expenses - note 30	64,928
	64,928

	As at June 30, 2020	As at June 30, 2019
9 Long-term investments		
<i>Unquoted at equity method</i>		
Associate		
- NutriCo Pakistan (Private) Limited 40% holding 200,000 ordinary shares (June 30, 2019: 200,000) of PKR 1,000 each and premium of PKR 3,800 per share	960,000	960,000
Post acquisition profits at the beginning	515,773	170,004
Share of profit for the year	431,014	525,769
Dividend received	(800,000)	(180,000)
Carrying Value of Associate	1,106,787	1,475,773
<i>Others</i>		
Equity		
-Arabian Sea Country Club Limited 250,000 ordinary shares (June 30, 2019: 250,000) of PKR 10 each	2,500	2,500
	1,109,287	1,478,273

Investment in an associate has been made in accordance with the requirements of Act.

	As at and for the year ended June 30, 2020	As at and for the year ended June 30, 2019
9.1 The summary of financial information of an associate as at the reporting date is as follows:		
Total assets	5,807,174	5,466,489
Total liabilities	3,030,643	1,777,492
Total equity and reserves	2,776,531	3,688,997
Turnover	9,523,528	10,307,149
Profit for the year	1,077,534	1,314,422

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

			As at June 30, 2020	As at June 30, 2019
10	Long-term loans			
	Considered good - secured			
	Due from executives and employees - note 10.1		530,122	452,038
10.1	Due from executives and employees			
		Motor Vehicle	House Building	Total
				Total
	Due from executives - note 10.2	94,277	46,674	140,951
	Receivable within one year	(15,915)	(30,121)	(46,036)
		78,362	16,553	94,915
	Due from employees - note 10.2			556,187
	Receivable within one year			(120,980)
				433,557
				435,207
				333,277
				530,122
				452,038
	Outstanding for period:			
	- less than three years but over one year		174,990	149,215
	- more than three years		355,132	302,823
			530,122	452,038
10.2	Loans for purchase of motor cars and house building are repayable between two to ten years. These loans are interest free and granted to the employees, including executives of the Group, in accordance with their terms of employment.			
11	Long-term deposits and prepayments			
	Deposits		37,662	41,199
	Prepayments		383	2,319
			38,045	43,518
12	Stores, spares and consumables			
	Stores - note 12.1		44,515	72,403
	Spares - note 12.1		1,005,542	984,328
	Consumables		157,767	143,601
			1,207,824	1,200,332
	Provision for slow moving and obsolete stores and spares - note 12.2		(154,343)	(148,278)
			1,053,481	1,052,054
12.1	The above amounts include stores and spares in transit:		15,859	36,230
12.2	Movement of provision for slow moving and obsolete stores and spares is as follows:			
	Balance at the beginning of the year		148,278	135,227
	Charge for the year - note 31		6,065	13,051
	Balance at the end of the year		154,343	148,278

Amounts in PKR '000

	As at June 30, 2020	As at June 30, 2019
13 Stock-in-trade		
Raw and packing material include in-transit PKR 1,656.873 million (June 30, 2019: PKR 2,230,042 million) - note 13.3	6,102,533	5,734,475
Work-in-process	250,271	242,921
Finished goods include in-transit PKR 7,184 million (June 30, 2019: PKR 16.445 million)	4,123,174	4,323,971
	10,475,978	10,301,367
Provision for slow moving and obsolete stock-in-trade - note 13.1		
- Raw materials	(110,116)	(70,754)
- Work in process	-	(2,105)
- Finished goods	(141,102)	(123,505)
	(251,218)	(196,364)
	10,224,760	10,105,003
13.1 Movement of provision for slow moving and obsolete stock-in-trade is as follows		
Balance at the beginning of the year	196,364	18,524
Charge for the year - note 31	135,413	183,823
Reversal during the year	(19,315)	-
Write-off during the year	(61,244)	(5,983)
Balance at the end of the year	251,218	196,364
13.2 Stock amounting to PKR 777,761 million (June 30, 2019: PKR 3,924,490 million) is measured at net realisable value and expense amounting to PKR 75,381 million (June 30, 2019: PKR 56,616 million reversal) has been recognised in cost of sales after taking into consideration global pandemic and economic situation.		
13.3 Raw and packing materials held with various toll manufacturers:		
Searle Pakistan Limited	426,703	415,187
Nova Med Pharmaceuticals	32,462	34,150
Breeze Pharma Islamabad	11,999	14,527
Others	10,396	11,111
	481,560	474,975
14 Trade debts		
Considered good		
- Secured	746,111	1,029,170
- Unsecured		
Due from associated companies - note 14.1 and 14.2	14,024	26,200
Others	1,946,965	1,834,400
	2,707,100	2,889,770
Considered doubtful - note 14.3	235,521	258,309
	2,942,621	3,148,079
Allowance for ECL - note 14.3	(235,521)	(258,309)
Provision for price adjustments and discounts	(320,984)	(440,111)
	(556,505)	(698,420)
	2,386,116	2,449,659

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

	As at June 30, 2020	As at June 30, 2019
14.1	The above balances include amounts due from the following associated undertakings which are neither past due nor impaired as of the reporting date:	
	<i>Unsecured</i>	
	60	142
Lucky Cement Limited	2,258	1,594
Lucky Textile Mills Limited	10,130	17,879
Yunus Textile Mills Limited	-	893
Lucky Knits (Private) Limited	1,576	5,692
Lucky Foods (Private) Limited	14,024	26,200
14.2	The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:	
	<i>Unsecured</i>	
	60	6,741
Lucky Cement Limited	3,020	7,099
Lucky Textile Mills Limited	10,130	17,879
Yunus Textile Mills Limited	-	1,042
Lucky Knits (Private) Limited	3,279	5,692
Lucky Foods (Private) Limited	16,489	38,453
14.3	Allowance for ECL	
	258,309	219,903
Balance at the beginning of the year	(22,159)	43,555
(Reversal) / Charge for the year	-	(3,974)
Allowance no longer required	(629)	(1,175)
Write - off	235,521	258,309
Balance at end of the year	15 Loans and advances	
	<i>Considered good</i>	
	Loans due from:	
	46,036	55,929
Executives - note 15.1	120,980	100,280
Employees	167,016	156,209
	Advances to:	
	14,851	15,968
Executives	2,634	6,338
Employees	415,306	402,351
Contractors and suppliers	37,265	2,825
Others	470,056	427,482
	637,072	583,691
	17,742	16,120
<i>Considered doubtful</i>	654,814	599,811
	(17,742)	(16,120)
Allowance for ECL on loans and advances - note 44.4 and 44.6	637,072	583,691
15.1	The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows:	
	54,747	56,952
16	Trade deposits and short-term prepayments	
	264,048	189,366
Trade deposits	149,827	133,523
Short-term prepayments	413,875	322,889

Amounts in PKR '000

			As at June 30, 2020	As at June 30, 2019	
17	Other receivables				
	<i>Considered good</i>				
	Duties, sales tax and octroi refunds due		1,561,744	1,798,224	
	Commission and discounts receivable		101,554	127,514	
	Receivable from principal		63,947	78,810	
	Others		250,082	273,233	
			1,977,327	2,277,781	
	<i>Considered doubtful</i>		9,007	2,798	
			1,986,334	2,280,579	
	Allowance for ECL on receivables - note 17.1		(9,007)	(2,798)	
			1,977,327	2,277,781	
17.1	Movement of allowance for ECL on receivables				
	Balance at the beginning of the year		2,798	24,320	
	Charge for the year		6,209	64	
	Write-off during the year		-	(21,586)	
	Balance at the end of the year		9,007	2,798	
18	Cash and bank balances				
	Cash at bank:				
	- Short-term deposits - note 18.1		124,000	123,560	
	- Current accounts		414,844	175,573	
	- Saving accounts - note 18.2 and 18.3		3,875	114,117	
	Cash in hand		6,840	10,638	
			549,559	423,888	
18.1	Represent security deposits from distributors that are placed with various separate bank accounts at pre-agreed rate maturing at various dates. These are interest based arrangements. The mark-up percentage on these deposits during the year was ranging from 8% to 11% (June 30, 2019: 7% to 10%) and these term deposits are readily encashable without any penalty.				
18.2	These carry interest at the rates ranging from 5.25% to 10% (June 30, 2019: 5.00% to 9.00%) per annum.				
18.3	Includes cash at bank, held in saving accounts with National Bank of Pakistan, a related party.				
19	Issued, subscribed and paid-up capital				
		As at June 30, 2020	As at June 30, 2019	As at June 30, 2020	As at June 30, 2019
		(Numbers)			
	83,734,062	83,734,062	Ordinary shares of PKR 10 each fully paid in cash	837,341	837,341
			Ordinary shares of PKR 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation - (note 18.1)	2,119	2,119
	211,925	211,925			
			Ordinary shares of PKR 10 each issued as fully paid bonus shares	168	168
	16,786	16,786			
			Ordinary shares issued pursuant to the previous scheme as fully paid for consideration of investment in associate (note 19.2)	83,963	83,963
	8,396,277	8,396,277			
	92,359,050	92,359,050		923,591	923,591

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- 19.1** The process for amalgamation of three companies namely Paintex Limited, ICI Pakistan Manufacturers Limited and Imperial Chemical Industries Limited resulted in a new company as ICI Pakistan Limited on April 01, 1987.
- 19.2** With effect from October 01, 2000, the Pure Terephthalic Acid (PTA) business of the Company was demerged under a scheme of arrangement dated December 12, 2000 approved by the shareholders and sanctioned by the High Court of Sindh.
- 19.3** During the year, pursuant to the merger/ amalgamation of Lucky Cement Ltd and its wholly owned subsidiary Lucky Cement Holdings (Private) Limited (LCHPL), 55% shareholding previously held by LCHPL was transferred and vested in Lucky Cement Limited. There was no change in the ultimate beneficial ownership.

As at June 30, 2020, the Parent Company Lucky Cement Limited together with Yunus Textile Holdings Private Limited, Gadoon Textile Mills Limited, Lucky Textile Mills Limited, YB Pakistan Holdings Private Limited and Gadoon Holdings Private Limited held 84.93% (June 30, 2019: 84.94%) while institutions held 8.74% (June 30, 2019: 7.42%) and individuals, others hold the balance of 6.33% (June 30, 2019: 7.64%) Voting rights, board selection, & other shareholder's rights are in proportion to their shareholding.

	As at June 30, 2020	As at June 30, 2019
20 Capital reserves		
Share premium - note 20.1	309,057	309,057
Capital receipts - note 20.2	586	586
	309,643	309,643
Surplus on revaluation of property, plant and equipment - note 20.3	673,116	744,266
20.1 Share premium includes the premium amounting to PKR 0.902 million received on shares issued for the Holding Company's Polyester Plant installation in 1980 and share premium of PKR 308,982 million representing the difference between nominal value of PKR 10 per share of 8,396,277 ordinary shares issued by the Holding Company and the market value of PKR 392,958 million of these shares corresponding to 25% holding acquired in Lotte Pakistan PTA Limited, an ex-associate, at the date of acquisition i.e. November 2, 2001 and the number of shares that have been issued were determined in accordance with the previous scheme in the ratio between market value of the shares of two companies based on the mean of the middle market quotation of the Karachi Stock Exchange now Pakistan Stock Exchange (Limited) over the ten trading days between October 22, 2001 to November 2, 2001.		
20.2 Capital receipts represent the amount received from various ICI plc group companies overseas for the purchase of property, plant and equipment. The remitting companies have no claim to their repayments.		
20.3 Surplus on revaluation of property, plant and equipment		
Balance at the beginning of the year	744,266	821,982
Transferred to unappropriated profit in respect of incremental depreciation during the year - net of deferred tax	(71,150)	(77,716)
	673,116	744,266
21 Provisions for non-management staff gratuity	114,703	113,012

Amounts in PKR '000

21.1 As stated in note 3.8 to these consolidated financial statements, The Group is continuing with a funded defined benefit pension scheme and a funded defined benefit gratuity scheme for its management staff who joined prior to August 1, 2004 for Pension Scheme and prior to March 21, 2016 for Gratuity scheme. The pension and gratuity schemes are salary schemes providing pension / commutation of pension and lump sum payments, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Group also operates defined benefit gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. Further, as a part of its defined contribution plan, the Group operates two registered contributory provident funds for its entire staff and a registered defined contribution superannuation fund for its management staff. Actuarial valuation of defined benefit plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2020.

21.2 Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plans. Responsibility for governance of the Plans, including investment and funding decisions and contribution schedules lies with the Board of Trustees. The Group appoints the trustees.

21.3 Staff retirement benefits

	2020				2019			
	Funded		Total	Unfunded Non - management gratuity	Funded		Total	Unfunded Non - management gratuity
	Pension	Gratuity			Pension	Gratuity		
21.3.1 The amounts recognised in the consolidated statement of profit or loss account against defined benefit schemes are as follows:								
Current service cost	11,018	38,167	49,185	4,182	11,341	45,281	56,622	8,613
Interest cost	94,037	70,950	164,987	11,895	80,644	56,397	137,041	10,138
Expected return on plan assets	(110,642)	(64,632)	(175,274)	-	(93,758)	(47,379)	(141,137)	-
Net (reversal) / charge for the year	(5,587)	44,485	38,898	16,077	(1,773)	54,299	52,526	18,751
Other comprehensive income:								
Loss / (gain) on obligation	100,049	(5,429)	94,620	14,847	(68,615)	(106,157)	(174,772)	(11,882)
(Gain) / loss on plan assets	(43,594)	(13,358)	(56,952)	-	94,945	60,179	155,124	-
Net (gain) / loss	56,455	(18,787)	37,668	14,847	26,330	(45,978)	(19,648)	(11,882)

21.3.2 Movement in the net assets / (liability) recognised in the consolidated statement of financial position are as follows:

Opening balance	125,318	(79,381)	45,937	(113,012)	149,875	(135,067)	14,808	(125,586)
Net reversal / (charge) - note 21.3.1	5,587	(44,485)	(38,898)	(16,077)	1,773	(54,299)	(52,526)	(18,751)
Other comprehensive income / (loss)	(56,455)	18,787	(37,668)	(14,847)	(26,330)	45,978	19,648	11,882
Contributions / payments during the year	-	63,409	63,409	29,233	-	64,007	64,007	19,443
Closing balance	74,450	(41,670)	32,780	(114,703)	125,318	(79,381)	45,937	(113,012)

21.3.3 The amounts recognised in the consolidated statement of financial position are as follows:

Fair value of plan assets - note 21.3.5	917,233	556,453	1,473,686	-	907,068	497,123	1,404,191	-
Present value of defined benefit	(842,783)	(598,123)	(1,440,906)	(114,703)	(781,750)	(576,504)	(1,358,254)	(113,012)
Net asset / (liability)	74,450	(41,670)	32,780	(114,703)	125,318	(79,381)	45,937	(113,012)

The recognized asset / liability of funded gratuity is netted off against recognized asset / liability of funded pension and recorded accordingly.

21.3.4 Movement in the present value of defined benefit obligation:

Opening balance	781,750	576,504	1,358,254	113,012	1,084,919	708,105	1,793,024	125,586
Current service cost	11,018	38,167	49,185	4,182	11,341	45,281	56,622	8,613
Interest cost	94,037	70,950	164,987	11,895	80,644	56,397	137,041	10,138
Benefits paid	(144,071)	(82,069)	(226,140)	(29,233)	(326,539)	(127,122)	(453,661)	(19,443)
Actuarial loss / (gain)	100,049	(5,429)	94,620	14,847	(68,615)	(106,157)	(174,772)	(11,882)
Closing balance	842,783	598,123	1,440,906	114,703	781,750	576,504	1,358,254	113,012

21.3.5 Movement in the fair value of plan assets:

Opening balance	907,068	497,123	1,404,191	-	1,234,794	573,038	1,807,832	-
Expected return	110,642	64,632	175,274	-	93,758	47,379	141,137	-
Contributions	-	63,409	63,409	-	-	64,007	64,007	-
Benefits paid	(144,071)	(82,069)	(226,140)	-	(326,539)	(127,122)	(453,661)	-
Actuarial gain / (loss)	43,594	13,358	56,952	-	(94,945)	(60,179)	(155,124)	-
Closing balance - note 21.3.7	917,233	556,453	1,473,686	-	907,068	497,123	1,404,191	-

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

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21.3.6 Historical information	June 30				
	2020	2019	2018	2017	2016
Present value of defined benefit obligation	1,440,906	1,358,254	1,793,024	1,803,204	1,688,958
Fair value of plan assets	(1,473,686)	(1,404,191)	(1,807,832)	(2,097,590)	(2,010,056)
Net asset	(32,780)	(45,937)	(14,808)	(294,386)	(321,098)

21.3.7 Major categories / composition of plan assets are as follows:	2020	2019
Debt instruments	84.04%	49.80%
Equity at market value	17.00%	24.14%
Cash / Others	-1.04%	25.99%

Fair value of plan asset	Pension		Gratuity	
	As at June 30, 2020		As at June 30, 2019	
Investment				
National savings deposits	307,107	-	-	-
Government bonds	479,573	400,560	611,768	-
Mutual funds - equity	-	29,918	19,622	80,064
Mutual funds - fixed income	-	256	-	88,415
Corporate bonds	-	50,989	-	-
Shares	145,635	74,935	200,204	30,149
Cash and term deposits	16,336	7,884	57,469	276,386
(Benefit due) / Income receivable	(31,418)	(8,089)	9,005	22,109
Total	917,233	556,453	907,068	497,123

Mortality of active employees and pensioners is represented by the EFU (61.66). The table has been rated down three years for mortality of female pensioners and widows.

Actual return on plan assets during the year: **232,226** (13,987)

21.3.8 The principal actuarial assumptions at the reporting date were as follows:

Discount rate The discount rate for the valuations has been determined as 8.25% with reference to this duration and Pakistan Investment Bond yields on the valuation date. In response to the economic slowdown that followed the onset of the COVID-19 pandemic, the Government forced interest rates down by 5% to provide cheaper borrowing for industry.	8.25%	13.25%
Future salary increases - Management	3.00%	8.00%
Future salary increases - Non - Management The Group's Management's estimates of increases in plan members' salaries over this period will average 6% per annum for Management Staff and 7% for Non Management Staff members. These rates have been adjusted downward with reference to the underlying long-term interest rate of 11.25% and the valuation discount rate of 8.25%. The salary increase assumption has been set at 3% for Management Staff and 4% for Non-Management Staff.	4.00%	6.00%
Future pension increases Pension Fund Rules guarantee an annual increase of 6%. After adjusting for the difference between the valuation discount rate and the underlying long-term interest rate, the pension increase assumption for June 30, 2020 is 3%.	3.00%	6.00%

21.3.9 Impact of changes in assumptions on defined benefit scheme is as follows:

Assumption	1% Increase	1% Decrease
Discount rate	(75,503)	84,140
Salary increase	52,610	(48,065)
Pension increase	35,099	(31,765)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

		Amounts in PKR '000	
		As at June 30, 2020	As at June 30, 2019
21.3.10	During the year, the Group contributed in the fund as follows:		
	Provident fund	145,452	120,626
	Defined contribution superannuation fund	120,504	88,855
21.3.11	The Group contributes to the pension and gratuity funds on the advice of the funds' actuary. The contributors are equal to the current service cost with adjustment for any deficit. If there is a surplus, the Group takes a contribution holiday. The expected contributions for the financial year ending June 30, 2021 for management staff gratuity PKR 9.888 million.		
	The weighted average duration of the defined benefit obligation is 5.7 years (2019: 5.5 years).		
	The gratuity scheme poses the following risks:		
	Mortality risks		
	The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.		
	Investment risk		
	The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plans.		
	Final salary risks		
	The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.		
	Risk of sufficiency of assets		
	This was managed by making regular contributions to the gratuity fund as advised by the actuary.		
	Withdrawal risk		
	The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the defined benefit obligation. The movement of the liability can go either way.		
21.4	Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.		
22	Long-term loans	8,715,446	9,454,188
	Loans from banking companies / financial institutions		
	Interest based arrangement		
	Long-term finance facility - note 22.1	1,954,308	2,207,484
	Other long-term loan - note 22.2	202,120	5,266,667
	Payroll Finance Scheme - note 22.3	439,620	-
	Shariah compliant		
	Islamic term finance - note 22.4 and 22.5	7,413,172	3,994,540
		10,009,420	11,148,691
	Current portion shown under current liabilities	(1,293,974)	(1,694,503)
		8,715,446	9,454,188

Notes to the Consolidated Financial Statements

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- 22.1** Represents the long term loans availed from various banks. These loans are secured against fixed assets of Soda Ash Business and Polyester Business amounting to PKR 2,500 million and PKR 11,900 million respectively. The markup on LTF ranges from SBP Rate + 0.30% to 0.50% and the limit stands at PKR 2,665.82 million (June 30, 2019: PKR 2,665.82 million). The maturity of these loans ranges from 1 to 6 years.
- 22.2** Represents other conventional long term loans, on which markup ranges from 3 months KIBOR + 0.25%. The limit stands at PKR 1,200 million (June 30, 2019: PKR 6,400 million). The maturity of this loan will occur next year.
- The markup on all long-term loans is payable on quarterly and semi-annual basis.
- 22.3** The Group has obtained the SBP Refinancing Facility from a scheduled bank, in order to finance salaries and wages, under the SBP COVID scheme of payroll financing for businesses. The amount due is repayable in quarterly installments, following the end of 6 month grace period, commencing from January 2021 over a term of 1 year 9 months to 2 years. The facility carries a markup of 1% per annum and is secured against a pari passu and hypothecation charge over present and future current assets of the Group.
- 22.4** Represents Shariah compliant loans. The limits for these Islamic loans stand at PKR 8,120 million while the profit rate on Islamic term finance ranges from 3 month KIBOR to 6 month KIBOR + 0.05% to 1.15%. The maturity of Islamic loans ranges from 6 to 8 years.
- 22.5** Includes diminishing musharka facility from National Bank of Pakistan (a related party) amounting to PKR 1,200 million, repayable in six annual installments, carrying mark-up at the rate of 3 month KIBOR + 0.5%.

	As at June 30, 2020			As at June 30, 2019		
	Opening	Charge / (Reversal)	Closing	Opening	Charge / (Reversal)	Closing
23						
Deferred tax liability - net						
Deductible temporary differences						
doubtful debts and others	(322,714)	18,068	(304,646)	(255,942)	(66,772)	(322,714)
Retirement funds provisions	(104,622)	(11,090)	(115,712)	(112,382)	7,760	(104,622)
Business Loss	(26,847)	(484,794)	(511,641)	-	(20,847)	(26,847)
Minimum Tax	-	-	-	(57,147)	57,147	-
Taxable temporary differences						
Property, plant and equipment	2,202,549	209,923	2,412,472	2,328,565	(126,016)	2,202,549
	1,748,366	(267,893)	1,480,473	1,903,094	(154,728)	1,748,366

- 23.1** Includes amount PKR 11,090 million (2019 : PKR 7,760 million) routed through consolidated statement of other comprehensive income.

	As at June 30, 2020	As at June 30, 2019
24		
Trade and other payables		
Trade creditors	1,834,033	1,667,805
Bills payable	2,062,021	1,263,934
Accrued expenses	3,280,543	2,896,400
Technical service fee / royalty - note 24.1	51,437	5,157
Workers' profit participation fund - note 24.2	52,726	188,258
Workers' welfare fund	216,932	145,436
Distributors' security deposits - payable on termination of distributorship - note 24.4	128,550	124,632
Contractors' earnest / retention money	194,795	231,605
Contract liability (running account with customers)	621,183	333,357
Payable for capital expenditure	63,537	119,238
Provision for compensated absences - note 24.3	31,500	31,500
Others	101,682	148,155
	8,638,939	7,155,477

- 24.1** This amount includes royalty payable to associate company, namely "Lucky Holdings Limited" having registered office at 6-A, Mohammad Ali Society A, Aziz Hashim Tabba Street Karachi - 75350, Pakistan.

	26,420	5,157
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24.2 Workers' profit participation fund

Balance at the beginning of the year	188,258	36,060
Allocation for the year - note 32	228,486	168,489
	416,744	204,549
Interest on funds utilised in the Group's businesses at 97.5% (June 30, 2019: 135%) per annum - note 33	2,302	1,419
Payment to the fund	(366,320)	(17,710)
Balance at the end of the year	52,726	188,258

Amounts in PKR '000

	As at June 30, 2020	As at June 30, 2019
24.3	This figure is based on actuarial valuation and estimation.	
24.4	Interest on security deposits from certain distributors that are placed with various separate bank account is payable at ranging from 8% to 11% (June 30, 2019: 7% to 10%) per annum as specified in the respective agreements. These security deposits are non-usable. Further, the Group has not utilized any such deposit for the purpose of its business during the year.	
24.5	During the year, contract liabilities as at June 30th, 2019 have been recognised as revenue. Contract liabilities as at the year end will be recognised as revenue during next financial year.	
25	4,898,672	7,356,142
Short-term financing		
Export refinance	-	200,000
Money Market - note 25.1	100,000	1,750,000
FE 25 Facility - note 25.2	958,564	-
Short-term running finance - secured - note 25.3 and 25.4	3,840,108	5,406,142
25.1	Represents money market loan secured from scheduled bank carrying markup KIBOR + 1.25%. The facility is scheduled for maturity on July 30, 2020 and October 02, 2020.	
25.2	Represents FE-25 facility carrying floating rate at 3 Month LIBOR + 1% and fixed rate at 2.85% per annum.	
25.3	Represents Short-term facilities wherein, Islamic Facilities have a limit of PKR 8,465 Million. These facilities carry mark-up ranging from KIBOR + 0.05 % to KIBOR + 1.25 % per annum with an average mark-up rate of relevant KIBOR + 0.40 % (June 30, 2019: relevant KIBOR + 0.05 % to KIBOR + 1 % per annum with an average mark-up rate of relevant KIBOR + 0.30 %). The conventional short term facilities, have a limit amounting to PKR 7,331 million (June 30, 2019: PKR 7,046 million). These facilities carry mark-up ranging from KIBOR + 0.05 % to KIBOR + 0.30 % per annum with an average mark-up rate of relevant KIBOR + 0.15 % (June 30, 2019: relevant KIBOR + 0.05 % to KIBOR + 0.30 % per annum with an average mark-up rate of relevant KIBOR + 0.13 %).	
25.4	Includes facility from National Bank of Pakistan (a related party) amounting to PKR 33.950 million, against a total limit of PKR 2,000 million, carrying mark-up at the rate of 3 month KIBOR + 0.15 %. The Group has executed other transactions mainly for payments to Government and related authorities in the ordinary course of business.	
26	Contingencies and commitments	
	Claims against the Group not acknowledged as debts are as follows:	
Local bodies - note 26.1	81,500	71,583
Others	22,979	11,318
	104,479	82,901

26.1 Details of material cases

Collectorate of customs - classification issue in PCT heading

Collectorate of customs raised demand of PKR 17.4 million on January 10, 2015, against the Group on the ground that Group is classifying its imported product Wannate 8019 in wrong PCT Heading. During the prior year, consignments were withheld by Customs Appraisalment due to classification issue. For clearance of these consignments, Group paid PKR 15.8 million as Security Deposit for getting Provisional clearance till the final decision of Classification Committee and Appellate forums, which is still awaited.

For one other product Wannate PM 2010/ 8221, consignments were again withheld by Customs Intelligence on Classification issue. Group paid PKR 94.0 million as Security Deposit for Provisional Clearance of these consignments till final decision. Classification committee through a Public notice dated 12th June, 2017 gave its view on classification of the product against the Group. Customs after the issuance of this Public Notice raised further demand relating to period prior to issuance of Public Notice, amounting to PKR 65.0 million. Group being dissatisfied with the verdict filed a Suit in Sindh High Court on certain grounds including that applicability of public notice cannot be done retrospectively. The court has granted a stay in favor of the Group till the next date of hearing. The Group is confident that it has a strong grounds to defend the case and is hopeful of positive outcome.

The Group has received a notice dated March 11, 2016 issued by the Tehsil Municipal Administration Pin Dadan Khan, Tehsil Officer, whereby a sum of PKR 67.0 million was demanded as conversion fee with respect to land acquired/purchased in the years 2010 and 2015. The Group filed a response to the said notice as well as appeal before the Secretary Local Government Community (SLG). The SLG disposed of the appeal by stating that the land purchased was Banjar Qadeem and that MC was competent to charge conversion fee. Thereafter another notice was issued by the MC on November 15, 2018 for payment of PKR 67.0 million.

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The Group filed a Writ Petition No.225 of 2019 on January 17, 2019 before the Lahore High Court, Rawalpindi Bench against the Nobcos, as well as order of SLG. On October 31, 2019 the Learned Judge was pleased to stay the operation of the impugned orders/notices, subject to the deposit of PKR 24.0 million with the Deputy Registrar Judicial, which was deposited through Pay Order No.05138957 on February 14, 2019.

The Group is confident that the above cases would be decided in Group's favor. Accordingly, no provision in this respect has been made in these consolidated financial statements.

26.2 Certain tax related matters are disclosed in note 47.1 to these consolidated financial statements.

	As at June 30, 2020	As at June 30, 2019
26.3 Commitments		
26.3.1 Commitments in respect of capital expenditure including various projects	537,860	820,100
26.3.2 Commitments for rentals under ijarah contracts in respect of vehicles are as follows:		
Year		
2019-20	-	28,679
2020-21	2,313	30,544
2021-22	2,464	32,529
2022-23	2,626	34,644
2023-24	2,795	-
	10,197	126,396
Payable not later than one year	2,313	28,679
Payable later than one year but not later than five years	7,884	97,717
	10,197	126,396
26.3.3 Outstanding letter of credit: Utilized PKR 11,364,538 million (June 30, 2019: 13,338,413 million)	4,223,441	3,539,282
26.3.4 The above amount includes facility limit of 1,900 million from National bank of Pakistan (related party). Outstanding balance of PKR 988,500 million		
26.3.5 Commitments in respect of Post dated cheques	1,152,646	567,784

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Amounts in PKR '000

	For the year ended June 30, 2020	For the year ended June 30, 2019
28 Reconciliations of reportable segment net turnover, cost of sales, assets and liabilities		
28.1 Net turnover		
Total net turnover for reportable segments - note 27	55,701,224	60,138,204
Elimination of inter-segment net turnover - note 27	(12,041)	(4,850)
Elimination of inter-segment net turnover from the subsidiary	(432,710)	(750,943)
Total net turnover	55,266,473	59,382,411
28.2 Cost of sales		
Total cost of sales for reportable segments - note 27	44,784,464	50,393,195
Elimination of inter-segment purchases - note 27	(12,041)	(4,850)
Elimination of inter-segment purchases from the subsidiary	(432,710)	(750,943)
Total cost of sales	44,339,713	49,637,402
	As at June 30, 2020	As at June 30, 2019
28.3 Assets		
Total assets for reportable segments	45,285,604	45,325,535
Taxation recoverable	1,990,113	2,637,613
Long-term investments - note 9	1,109,287	1,478,273
Total assets	48,385,004	49,441,421
28.4 Liabilities		
Total liabilities for reportable segments	14,789,239	12,104,657
Short-term borrowings and running finance	3,399,161	7,056,373
Long-term loan	7,367,127	8,454,151
Accrued mark-up	227,281	340,156
Unclaimed dividend	88,322	93,518
Total liabilities	25,861,130	28,048,855

Amounts in PKR '000

	Furniture		Sole-Sub		Phone		Automobiles		Chemicals & Light Sciences		Mach. & Machine		Others		Group	
	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019
20 Cost of sales																
Raw and packing materials consumed																
Opening stock	1,864,192	1,587,533	1,328,911	1,367,343	1,165,321	1,068,874	206,804	963,964	362,019				18,324	24,328	5,685,632	4,672,874
Purchases	309,270	880,487	4,097,726	6,193	2,064	688,782	404,905	3,182,964	3,292,765	109,236			15,033	427,499	26,832,125	893,484
Manufacturing	14,520,298	15,704,263	4,241,023	2,894,885	3,242,076	688,782	404,905	3,182,964	3,292,765	1,375,242			274,001	519,646	36,832,125	30,433,406
Others	14,297,548	21,047,281	5,428,637	4,201,531	4,201,300	877,267	201,782	4,143,508	3,624,787	1,450,479			290,328	533,897	27,793,824	21,799,202
Closing stock - note 13	13,435,029	11,864,192	13,792,313	13,259,265	13,259,465	12,818,754	1,748,574	17,685,071	1,992,566	1,999,279			224,688	13,224	15,992,417	15,693,721
Raw and packaging material	14,962,828	13,192,163	3,842,428	2,342,191	3,123,911	658,393	493,106	3,334,651	2,644,223	800,364			287,637	543,673	26,963,032	30,336,103
Salaries, wages and benefits - note 20.1	814,427	821,129	1,022,576	400,688	426,644	48,888	48,209	128,291	100,103	28,211			13,882	20,122	2,301,936	2,134,779
Stores and spares consumed	263,191	293,859	253,732	84,373	91,014	14,262	612	11,768	16,143	(149,235)			18,679	23,702	475,548	636,565
Commission fee paid to contract manufacturers				328,962	328,966	2,111	3,009	32,218	28,927						329,353	362,469
Oil, gas and electricity	1,627,569	1,746,534	4,813,317	121,849	102,217	7,287	4,080	32,943	32,019	42,146			708	307	6,008,192	8,699,304
Rent, rates and taxes	1,001	1,471	4,520	3,420	3,907	206	15,029	168	4						426,420	32,546
Insurance	28,000	26,229	43,918	45,102	6,042	371	774	684	8	229			1,214	1,137	77,378	79,202
Repairs and maintenance	91,323	14,730	8,448	26,153	22,715	2,376	4,579	14,314	10,432	8,402			139	141	67,584	63,066
Depreciation and amortisation charge - note 5.7, 7.1 and 8.1	693,347	790,578	1,873,584	132,467	111,714	38,126	11,021	70,263	36,731	179,298			33,090	35,096	2,754,711	2,627,714
Excise duty													3,716	7,430	3,716	7,430
Technical fee										27,037					27,037	
Training	66,498	69,972	15,984	6,162	7,931	917	719	1,460	2,261	3					91,824	100,608
Contracted services	161,764	144,021	231,262	208,091	46,502	669	563	12,641	8,995	8,923			540	540	415,359	262,170
General expenses	46,324	43,135	81,349	49,784	46,102	8,185	3,398	15,513	24,878	3,822			554	820	202,449	208,528
Opening stock of work-in-process	188,741	20,059		60,311	47,877	8,444	3,023	27,425	9,972						282,951	101,101
Closing stock of work-in-process - note 13	(223,879)	(148,741)		(21,681)	(26,209)	7,468	(8,444)	(12,482)	(27,425)						(290,271)	(240,102)
Cost of goods manufactured	16,414,148	22,704,029	11,329,531	12,202,922	4,261,127	794,967	687,624	3,740,914	3,002,491	1,629,696			328,267	633,683	26,760,842	43,811,685
Opening stock of finished goods	891,298	1,242,681	343,031	366,893	786,940	750,481	477,706	1,972,817	1,464,308						4,216,390	4,239,508
Finished goods purchased	129,329	(119,474)	(3,191)	398,012	1,520,289	2,653,876	2,462,493	3,986,064	3,564,745	46,826					4,324,718	7,059,202
Closing stock of finished goods - note 13	(706,566)	(891,298)	(471,193)	(447,444)	(242,876)	(958,430)	(750,481)	(1,932,766)	(1,872,817)	(274,652)					(4,398,072)	(4,200,466)
Provision / Reversal for slow moving and obsolete stock-in-trade - note 13			(1,397)	(78,388)	(112,129)	(33,258)	(18,497)	(23,796)	(51,940)						(718,413)	(181,828)
20.1 Staff retirement benefits																
Salaries, wages and benefits includes amounts in respect of staff retirement benefits	18,728,146	22,026,877	11,201,263	12,120,290	4,046,632	3,046,498	3,046,528	6,093,245	5,216,509	891,274			328,267	633,683	44,194,444	50,333,796
															126,063	126,063

Amounts in PKR '000

	For the year ended June 30, 2020	For the year ended June 30, 2019
32 Other charges		
Auditors' remuneration - note 32.1	8,365	7,833
Donations - note 32.2	30,993	40,558
Workers' profit participation fund - note 24.2	228,486	168,489
Workers' welfare fund	71,496	52,416
Others	11,365	3,884
	350,705	273,180
32.1 Auditors' remuneration		
Statutory audit fee	5,499	4,604
Half yearly review	1,617	1,540
Out of pocket expenses	712	614
Other certifications	537	1,075
	8,365	7,833
32.2 Represents provision in respect of donation to ICI Pakistan Foundation (Head office, Karachi), Mr. Asif Jooma, Chief executive of the Company, Mr. Muhammad Abid Ganatra, Mr. Arshaduddin Ahmed, Mr. Aamer Mahmud Malik, Ms. Nausheen Ahmad and Ms. Fariha Salahuddin. Executives of the Company are amongst the Trustees of the Foundation.		
33 Finance costs		
Mark-up on financing	1,665,338	1,297,513
Interest on workers' profit participation fund - note 24.2	2,302	1,419
Discounting charges on receivables	165,066	177,817
Accretion of interest on lease liabilities	41,577	-
Guarantee fee and others	16,731	9,005
	1,891,014	1,485,754
34 Other income		
Income from financial assets		
Profit on interest bearing short-term and call deposits	37,155	39,160
Income from non-financial assets		
Scrap sales	92,095	63,903
Sales from scrap raw materials	17,296	-
Gain on disposal of operating fixed assets - note 37	1,487	4,099
Provisions and accruals no longer required written back	(19,344)	3,974
Exchange gain	15	127
Sundries	33,913	20,042
	162,617	131,305
35 Taxation		
Current	1,387,701	1,115,374
Prior	-	(85,556)
Deferred	(256,802)	(162,488)
Net tax charged - note 35.1	1,130,899	867,330

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

	For the year ended June 30, 2020	For the year ended June 30, 2019
35.1 Tax reconciliation:		
Profit before tax	3,492,515	3,403,960
Tax @ 29% (June 30, 2019: 29%)	1,012,829	987,268
Effect of exempt income	(8,700)	(34,650)
Effect of share of profit from associate	16,470	(25,200)
Effect of credit under section 65B	-	(17,515)
Effect of Amalgamation	35,056	-
Effect of prior year charge	-	(85,556)
Others	75,244	42,983
Net tax charged	1,130,699	867,330
Average effective tax rate	32.38%	25.48%
36 Basic and diluted earnings per share (EPS)		
Profit after taxation for the year	2,528,058	2,525,221
	Number of shares	
Weighted average number of ordinary shares in issue during the year	92,359,050	92,359,050
	PKR	
Basic and diluted earnings per share (EPS)	27.37	27.34

Amounts in PKR '000

	For the year ended June 30, 2020	For the year ended June 30, 2019
37 Cash flows from operating activities		
Profit before taxation	3,492,515	3,403,960
Adjustments for:		
Depreciation and amortization - note 6.7, 7.1 and 8.1	2,905,058	2,712,298
Gain on disposal of operating fixed assets - note 34	(1,487)	(4,099)
Impairment charge of fixed asset	-	-
Provision for staff retirement benefit plan - note 21.3.1	38,898	52,526
Provisions for non-management staff gratuity and eligible retired employees' medical scheme	37,287	43,227
Interest on short-term bank deposits	(37,155)	(39,160)
Share of profit from associate	(431,014)	(525,769)
Interest expense	1,891,014	1,485,754
Allowance for ECL	(14,229)	38,983
Provision for slow moving and obsolete stock-in-trade - note 13.1	135,413	183,823
Provision for slow moving stores and spares - note 12.2	6,065	13,051
Provisions and accruals no longer required written back	29	(3,974)
	8,022,364	7,390,620
Movement in:		
Working capital - note 37.1	1,464,627	(741,499)
Long-term loans	(78,084)	(8,247)
Long-term deposits and prepayments	5,472	85
	9,414,379	6,610,959
37.1 Movement in working capital		
<i>(Increase) / Decrease in current assets</i>		
Stores, spares and consumables	(7,492)	(118,463)
Stock-in-trade	(255,170)	(1,278,192)
Trade debts	77,743	229,478
Loans and advances	(53,381)	(26,905)
Trade deposits and short-term prepayments	(131,865)	30,733
Other receivables	300,454	(779,615)
	(69,711)	(1,943,024)
<i>Increase in current liabilities</i>		
Trade and other payables	1,534,338	1,201,525
	1,464,627	(741,499)

38 Remuneration of Chief Executive, Director and other executives

The amounts charged in the consolidated financial statements for the remuneration, including all benefits, to the Chief Executive, Directors and other executives of the Group are as follows:

	Chief Executive		Director		Other executives		Total	
	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019	For the year ended June 30, 2020	For the year ended June 30, 2019
Managerial remuneration	62,183	57,755	40,817	38,048	847,427	728,229	950,427	824,032
Gratuity	2,929	2,729	2,085	1,943	41,503	39,744	46,517	44,416
Provident Fund	3,529	3,288	2,512	2,341	68,556	57,088	74,607	62,715
Pension	3,741	3,486	2,662	2,482	64,853	52,786	71,256	58,754
Group insurance								
Rent and house maintenance	2,273	2,011	-	-	281,667	228,563	283,940	230,574
Utilities	1,064	943	-	-	70,037	55,933	71,101	56,876
Medical and others	102	322	49	180	30,759	29,345	30,910	29,847
Bonus paid	11,135	21,432	7,474	12,634	112,131	190,410	130,740	224,482
	86,956	81,966	55,699	57,628	1,516,943	1,382,102	1,659,498	1,531,695
Number of persons as at the reporting date	1	1	1	1	282	237	284	239

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

	For the year ended June 30, 2020	For the year ended June 30, 2019
38.1 Remuneration paid to Chairman during the year	-	-
38.2 During the year fee paid to six non-executive directors for attending board and other meetings, which is not part of remuneration amounts to:	5,138	5,094
	As at and for the year ended June 30, 2020	As at and for the year ended June 30, 2019
38.3 Total number of employees as at the reporting date	2,047	2,143
Average number of employees during the year	2,095	2,136
Total number of factory as at the reporting date	885	1,022
Average number of factory during the year	954	1,026
38.4 As per revised requirement of the Act, executive means an employee, other than chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year		

39 Transactions with related parties

The related parties comprise the Holding Company (Lucky Cement Limited) and related group companies, local associated companies, directors of the Group, companies where directors also hold directorship, key employees (note 38) and staff retirement funds (note 21). All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Group. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

		For the year ended June 30, 2020	For the year ended June 30, 2019
Relationship with the Group	Nature of transaction		
Holding Company	Purchase of goods, materials and services	1,671	2,450
	Sale of goods and materials	14,788	20,330
Associated companies	Purchase of goods, materials and services	4,371,361	763,925
	Sale of goods and materials	1,935,849	1,754,047
	Dividend received from associate	800,000	180,000
	Reimbursement of expenses	364,217	85,897
	Dividend paid to associates	1,216,022	1,029,249
	Royalty	398,306	375,000
	Donations paid	15,338	2,300
Others	Staff retirement benefits	329,800	274,775
Key management personnel	Remuneration paid	325,180	237,790
	Post employment benefits	39,613	33,237
	Dividends paid	7,564	6,723
	Director meeting fee	5,138	5,094

40 Plant capacity and annual production

- in metric tonnes except PowerGen which is in thousands of Megawatt hours

	For the year ended June 30, 2020		For the year ended June 30, 2019	
	Annual Name Plate Capacity	Production	Annual Name Plate Capacity	Production
Polyester	122,250	108,339	122,250	121,585
Soda Ash - note 40.1	425,000	372,518	425,000	422,168
Moninaga - note 40.4	12,000	853	-	-
Sodium Bicarbonate	40,000	38,122	40,000	40,353
PowerGen - note 40.3	122,640	17,514	122,640	34,454

40.1 Out of total production of 372,518 metric tonnes soda ash, 34,312 metric tonnes was transferred for production of 38,122 tonnes of Sodium Bicarbonate.

Amounts in PKR '000

- 40.2** The capacity of Chemicals, Nutraceuticals, Animal health and Pharma is indeterminable because these are multi-product with multiple dosage and multiple pack size plants. The reason for shortfall in the annual production against name plate capacity are the prevailing market conditions during the year.
- 40.3** Electricity by PowerGen is produced as per demand of the Group.
- 40.4** Morinaga plant was commenced its operations during the year from January 2020.

41 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in those financial statements approximate to their fair value.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, the Group does not have any financial assets carried at fair value that required categorisation in Level 1, Level 2 and Level 3.

42 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

42.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

43 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

43.1 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances. At the reporting date the interest rate profile of Group's interest-bearing financial instruments were:

	Carrying Amount	
	As at June 30, 2020	As at June 30, 2019
Fixed rate instruments		
Financial assets - note 18	127,875	237,677
Financial liabilities - note 8, 22 and 24	(2,189,831)	(2,412,116)
	(2,061,956)	(2,174,439)
Variable rate instruments		
Financial liabilities - note 22 and 24	(12,513,964)	(16,217,349)

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect the consolidated statement of profit or loss.

Notes to the Consolidated Financial Statements

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Amounts in PKR '000

Sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the year would have been: PKR 125.140 million (June 30, 2019: PKR 162.173 million).

43.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into and are denominated in foreign currencies. The Group is exposed to foreign currency risk on sales and purchases which are entered in a currency other than Pak Rupees. When the management expects future depreciation of Pak Rupees, the Group enters into forward foreign exchange contracts in accordance with State Bank of Pakistan instructions and the Group's treasury policy. The policy allows the Group to take currency exposure within predefined limits while open exposures are rigorously monitored.

Following is the gross exposure classified into separate foreign currencies:

	CNY	EURO	USD	GBP	JPY
As at June 30, 2020					
Other receivables	-	-	22,832	-	-
Cash and bank balances	-	-	104,388	-	-
	-	-	127,220	-	-
Trade and other payables	(355,588)	(6,119)	(1,365,679)	(1,943)	(105,941)
Gross statement of financial position exposure	(355,588)	(6,119)	(1,238,459)	(1,943)	(105,941)
As at June 30, 2019					
Other receivables	105	1,600	115,094	-	-
Cash and bank balances	-	-	104,562	-	-
	105	1,600	219,656	-	-
Trade and other payables	(385,402)	(101,427)	(461,405)	(305)	-
Gross statement of financial position exposure	(385,297)	(99,827)	(241,749)	(305)	-

Significant exchange rates applied during the year were as follows:

	Average rate		Spot rate	
	For the year ended	For the year ended	As at June 30, 2020	As at June 30, 2019
PKR per	PKR		PKR	
EURO	175.06	155.07	188.61	182.32
USD	158.26	130.20	168.05	160.05
GBP	199.63	170.06	206.50	203.01
CNY	22.51	19.95	23.76	23.31
JPY	1.50	1.22	1.57	1.49

Sensitivity analysis

Every 1% increase or decrease in exchange rate with all other variables held constant will decrease or increase profit before tax for the year by PKR 17,080 million (June 30, 2019: PKR 7,072 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2020, if Pak Rupee (PKR) had weakened / strengthened by 1% against other currencies, with all other variables held constant, the effect on the Group profit before tax at June 30, 2020 and June 30, 2019 would be as follows:

	Increase / decrease in exchange rates	Effect on Profit before tax (CNY)	Effect on Profit before tax (EURO)	Effect on Profit before tax (USD)	Effect on Profit before tax (GBP)	Effect on Profit before tax (JPY)
2020						
Pak Rupee	+1%	3,556	61	12,385	19	1,059
Pak Rupee	-1%	(3,556)	(61)	(12,385)	(19)	(1,059)
2019						
Pak Rupee	+1%	3,653	998	2,417	3	-
Pak Rupee	-1%	(3,653)	(998)	(2,417)	(3)	-

44 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Group does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered doubtful of recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

Amounts in PKR '000

As at June 30, 2020	As at June 30, 2019
------------------------	------------------------

The Group's gross maximum exposure to credit risk at the reporting date is as follows:

44.1 Financial assets

Long-term investment - note 9	1,109,287	1,478,273
Long-term loans - note 10	530,122	452,038
Long-term deposits - note 11	37,662	41,199
Trade debts - note 14	2,386,116	2,449,659
Loans and advances - note 15	637,072	583,691
Trade deposits - note 16	264,048	189,366
Other receivables - note 17	416,583	479,557
Bank balances - note 18	542,719	413,250
	5,922,609	6,087,033

44.2 The Group has placed its funds with banks which are rated A1, A1+, A3 and AA3 as per the short term rating by PACRA / Moody's / JCR-VIS.

44.3 Financial assets

- Secured	1,460,734	1,650,723
- Unsecured	4,461,875	4,427,310
	5,922,609	6,087,033

44.4 The ageing of trade debts and loans and advances at the reporting date is as follows:

Not past due	2,484,450	2,730,415
Past due but not impaired:		
Not more than three months	533,596	315,062
Past due and impaired:		
More than three months and not more than six months	57,383	45,717
More than six months and not more than nine months	5,275	12,781
More than nine months and not more than one year	8,989	68,528
More than one year	188,758	135,276
	792,001	577,364
Allowance for ECL:		
- on trade debts - note 14	(235,521)	(258,309)
- on loans and advances - note 15	(17,742)	(16,120)
	(253,263)	(274,429)
	3,023,188	3,033,350

44.4.1 There were no past due or impaired receivables from related parties.

44.5 The maximum exposure to credit risk for past due at the reporting date by type of counterparty was:

Wholesale customers	595,060	220,378
Retail customers	81,947	355,374
End-user customers	114,994	1,612
	792,001	577,364
Allowance for ECL:		
- on trade debts - note 14	(235,521)	(258,309)
- on loans and advances - note 15	(17,742)	(16,120)
	(253,263)	(274,429)
	538,738	302,935

44.6 Movement of allowance for ECL on trade debts, loans and advances

	Trade debts	Loans and advances	Total	Total
Balance at the beginning of the year	258,309	16,120	274,429	247,157
Additional provision	(22,159)	1,721	(20,438)	39,019
Written off during the year	(629)	(99)	(728)	(7,673)
Allowance no longer required/reversal	-	-	-	(3,974)
Balance at the end of the year	235,521	17,742	253,263	274,429

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Amounts in PKR '000

	As at June 30, 2020	As at June 30, 2019
44.7 Concentration risk		
The sector wise analysis of receivables, comprising trade debts, loans and advances and bank balances are given below:		
Textile and chemicals	592,168	593,104
Glass	354,119	138,956
Paper and board	97,216	31,463
Life Sciences	414,012	966,719
Paints	142,292	70,704
Banks	549,559	423,888
Others	2,007,628	1,046,945
	4,146,994	4,171,778
Allowance for ECL:		
- trade debts - note 14	(235,521)	(258,309)
- loans and advances - note 15	(17,742)	(16,120)
	(253,263)	(274,429)
	3,893,731	3,897,349

44.8 Other price risk is the risk that the value of future cash flows of the financial instrument will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the reporting date, the Group is not materially exposed to other price risk.

45 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position to the maturity date.

	Carrying amount	Contractual cash flows	Less than one year
As at June 30, 2020			
Financial liabilities			
Trade creditors - note 24	1,834,033	(1,834,033)	(1,834,033)
Bills payable - note 24	2,062,021	(2,062,021)	(2,062,021)
Accrued mark-up	297,754	(297,754)	(297,754)
Accrued expenses - note 24	2,346,227	(2,346,227)	(2,346,227)
Technical service fee / Royalty - note 24	51,437	(51,437)	(51,437)
Distributors' security deposits - payable on termination of distributorship - note 24	128,550	(141,405)	(141,405)
Contractors' earnest / retention money - note 24	194,795	(194,795)	(194,795)
Unclaimed dividends	88,322	(88,322)	(88,322)
Payable for capital expenditure - note 24	63,537	(63,537)	(63,537)
Others - note 24	101,682	(101,682)	(101,682)
Long-term loans - note 22	10,009,420	(10,009,420)	(8,715,446)
Liabilities subject to finance lease - note 8	332,847	(332,847)	79,256
Short-term financing - note 25	4,898,672	(4,898,672)	(4,898,672)
	22,409,297	(22,422,152)	(20,716,075)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amount.

	As at June 30, 2019		
Financial liabilities			
Trade creditors - note 24	1,667,805	(1,667,805)	(1,667,805)
Bills payable - note 24	1,263,934	(1,263,934)	(1,263,934)
Accrued mark-up	433,649	(433,649)	(433,649)
Accrued expenses - note 24	2,119,400	(2,119,400)	(2,119,400)
Technical service fee / royalty - note 24	5,157	(5,157)	(5,157)
Distributors' security deposits - payable on termination of distributorship - note 24	124,832	(137,095)	(137,095)
Contractors' earnest / retention money - note 24	231,605	(231,605)	(231,605)
Unclaimed dividends	93,518	(93,518)	(93,518)
Payable for capital expenditure - note 24	119,238	(119,238)	(119,238)
Others - note 24	148,155	(148,155)	(148,155)
Long-term loan - note 22	11,148,691	(11,148,691)	(1,094,503)
Short-term financing - note 25	7,356,142	(7,356,142)	(7,356,142)
	24,711,926	(24,724,390)	(15,270,201)

Amounts in PKR '000

46 Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, trade and other payables, less cash and bank balances. Capital signifies equity as shown in the consolidated statement of financial position plus net debt. The gearing ratio as at June 30, 2020 and June 30, 2019 is as follows:

	As at June 30, 2020	As at June 30, 2019
Long-term loans - note 22	10,009,420	11,148,691
Short-term financing - note 25	4,898,672	7,356,142
Total debt	14,908,092	18,504,833
Cash and bank balances - note 18	(549,559)	(423,888)
Net debt	14,358,533	18,080,945
Share capital	923,591	923,591
Capital reserves	309,643	309,643
Surplus on revaluation of property, plant and equipment	673,116	744,266
Revenue reserve - unappropriated profit	19,101,349	17,977,449
Equity	21,007,699	19,954,949
Capital	35,366,232	38,035,894
Gearing ratio (Net debt / (Net debt + Equity))	40.60%	47.54%

47 Accounting estimates and judgements**47.1 Income and sales tax**

The Group takes into account current income and sales tax laws and decisions taken by the appellate authorities. Instances where the Group's view differs from the view taken by the authorities at the assessment stage and where the Group, in consultation with its external counsel, considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities (unless there is remote possibility of transfer of benefits). The details of the tax matters are as follows:

In case of assessment year [AY] 1998-99, the Appellate Tribunal Inland Revenue (The Tribunal) on September 19, 2008 had set aside the assessments made by FBR. The re-assessment was finalized by the department on June 29, 2010 in which the issues pertaining to date of commissioning of PTA's plant and the tax depreciation claimed thereon, restriction of cost of capitalization of PTA plant and addition to income in respect of trial production stocks were decided against the Group. The Group had filed an appeal against the said order before the Commissioner (Appeals) [CIR(A)] which was decided on November 24, 2015 in which the issue of date of commissioning of PTA's plant and the tax depreciation claimed thereon along with the issue of addition to income in respect of trial production stocks were decided in Group's favor. However, the issue of restriction of cost of capitalization of PTA plant was decided against the Group. The Group and FBR have filed the appeals on respective matters decided against them in Tribunal, hearing of which is pending disposal.

In the case of AY 2002-2003, on receipt of notice under section 62 of the Income Tax Ordinance, 1979, the Group had filed a writ petition in the Supreme Court, after its earlier petition being dismissed by the Sindh High Court on maintainability, challenging FBR's notice which stated that the effective date of PTA's demerger was August 6, 2001 (falling in AY 2002-03) rather than the effective date given in the Scheme of Arrangement as October 1, 2000 (which falls in AY 2001-02). The notice also raised certain issues relating to vesting of PTA assets by the Group. On March 18, 2015, the Supreme Court passed an interim order stating that this case has nexus with the case of AY 2001-02 and hearing will take place once the High Court decides the case in AY 2001-02. The High Court decided the same in favor of the Group and stated that the assessment for AY 2001-02 is time barred. The department then filed an appeal in the Supreme Court against the order of the High Court. On March 13, 2017, the Supreme Court dismissed the appeal of the department pertaining to AY 2001-02, endorsed the directions of the High Court, adjudged the case as being barred by limitation and thereby restoring the position in the original order whereby unabsorbed depreciation was allowed.

Further, the Honorable Supreme Court gave directions to the Group vide its order dated March 14, 2017 to file its reply to the notice dated May 26, 2005 with respect to AY 2002-03. Thereafter, the Group submitted its response to the department in consultation with its external counsel. On May 15, 2017 the DCIR passed its assessment order disallowing depreciation relating to PTA assets, capital gain on transfer of PTA plant, capital gain on exchange of shares, financial charges on loans subordinate to Pakistan PTA, excess perquisites, discounts, interest paid to ICI Japan, provisions and write offs.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

An appeal against this assessment order was preferred before CIR(A) who, vide his appellate Order dated January 19, 2018, decided majority of the issues against the Group. Consequently, the department issued appeal effect order dated March 1, 2018 giving effect to the findings of CIR(A) order. The Group has then preferred an appeal, against the CIR(A) order, before Tribunal which is pending disposal. Moreover, demand created vide appeal effect order dated March 1, 2018 has also been stayed by the High Court.

Depreciation relating to PTA assets pertaining to AY 2001-02 was absorbed against tax payable in AY 2002-03 to 2010. As a result of order dated May 15, 2017 for the AY 2002-03 whereby a certain portion of the said depreciation was disallowed, the department on June 15, 2017 issued orders for the Tax Years 2003, 2004, 2005, 2006, 2007, 2008, 2009 and 2010 through which spillover impact of the disallowed depreciation in AY 2002 - 03 was incorporated. This resulted in tax payable by the Group for the Tax Years 2008, 2009 and 2010. Appeals against these orders were filed before CIR(A), who vide his combined appellate Order dated January 19, 2018 decided the case against the Group.

Consequently, the department issued rectified orders for Tax Years 2003 to 2010, all dated March 2, 2018, giving consequential effect to the Combined CIR(A) order, in line with the revised position in AY 2002-03. The Group then preferred an appeal against the combined CIR(A) order dated January 19, 2018, before the Tribunal which is pending disposal. Moreover, demand created vide rectified orders for Tax Years 2008, 2009, 2010 dated March 2, 2018 has also been stayed by the High Court.

In addition to the above orders, for Tax Years 2003 to 2010, FBR had made disallowances on the matters related to provisions charged under various heads, financial charges, gain on disposal of fixed assets, exchange loss, proration of expenses against capital gains and interest free loans offered to employees. The CIR(A) allowed all the issues in Tax Years 2003 to 2010 in Group's favor (except for two issues in tax year 2003 and 2010) against which appeals have been filed by FBR in the Tribunal. Out of the 2 issues decided against the Group, one relates to disallowance of financial charges of PKR 46.38 million in tax year 2003 which has now been decided in Group's favor vide appeal effect order dated June 15, 2017. With respect to the issue of disallowances of provisions of PKR 78.67 million charged under various heads for tax year 2010, an appeal in the Tribunal has been filed, which is pending disposal.

The Additional Commissioner Inland Revenue (ACIR) through its order dated June 07, 2012 disallowed tax loss on disposal of fixed assets of PKR 6.46 million for Tax Year 2009 on the grounds that the same were sold through negotiations and not through auction as required by law. An appeal against the said order was filed with the CIR(A), who decided the appeal in Group's favor. Consequently, the department being dissatisfied with the CIR(A) order filed an appeal with the ATIR who vide its order dated December 01, 2016 decided the matter against the Group. The Group has preferred an appeal before the Honorable High Court against the said order, which is pending disposal.

In Tax Year 2016, the Group paid dividend to Lucky Holdings, without tax deduction, based on the exemption as per clause 103 A, Part 1, 2nd Schedule of Income Tax Ordinance, 2001 [ITO, 2001] under Group Relief - section 59B of the ITO, 2001. Dividend was also paid to Mutual Funds and Banks, without tax deduction, based on the specific exemption available under ITO, 2001. However, the tax officer vide Order dated September 2, 2016, created tax demand of PKR 138.26 million on account of non-deduction of income tax on such dividends along with penalties and default surcharge. The Group had then preferred an appeal before CIR(A) who, vide order dated January 19, 2018, maintained the demand raised on account of Lucky Holdings whereas remaining issue was remanded back for fresh verification. An appeal on the issue decided against the Group has been filed before Tribunal which is pending disposal whilst remand back proceedings are yet to be initiated.

In addition to the above orders, for Tax Years 2003 to 2010, FBR had made disallowances on the matters related to provisions charged under various heads, financial charges, gain on disposal of fixed assets, exchange loss, proration of expenses against capital gains and interest free loans offered to employees. The CIR(A) allowed all the issues in Tax Years 2003 to 2010 in Group's favor (except for two issues in tax year 2003 and 2010) against which appeals have been filed by FBR in the Tribunal. Out of the 2 issues decided against the Group, one relates to disallowance of financial charges PKR 46.38 million in tax year 2003 which has now been decided in Group's favor vide appeal effect order dated June 15, 2017. With respect to the issue of disallowances of provisions of PKR 78.67 million charged under various heads for tax year 2010, an appeal in the Tribunal has been filed, which is pending disposal.

The Additional Commissioner Inland Revenue (ACIR) through its order dated June 07, 2012 disallowed tax loss on disposal of fixed assets of PKR 6.46 million for Tax Year 2009 on the grounds that the same were sold through negotiations and not through auction as required by law. An appeal against the said order was filed with the CIR(A), who decided the appeal in Group's favor. Consequently, the department being dissatisfied with the CIR(A) order filed an appeal with the ATIR who vide its order dated December 01, 2016 decided the matter against the Group. The Group has preferred an appeal before the Honorable High Court against the said order, which is pending disposal.

In Tax Year 2016, the Group paid dividend to Lucky Holdings Limited, without tax deduction, based on the exemption as per clause 103A, Part I, 2nd Schedule of the Income Tax Ordinance, 2001 [ITO, 2001] under Group Relief - section 59B of the ITO, 2001. Dividend was also paid to Mutual Funds and Banks, without tax deduction, based on the specific exemption available under ITO, 2001. However, the tax officer vide Order dated September 2, 2016, created tax demand of PKR 138.26 million on account of non-deduction of income tax on such dividends along with penalties and default surcharge. The Group had then preferred an appeal before CIR(A) who, vide order dated January 19, 2018, maintained the demand raised on account of Lucky Holdings Limited whereas remaining issue was remanded back for fresh verification. An appeal on the issue decided against the Group has been filed before the Tribunal which is pending disposal whilst remand back proceedings are yet to be initiated.

While conducting sales tax audit for the period July 2012 to June 2013, the Deputy Commissioner Inland Revenue [DCIR] raised certain issues with respect to the declaration of exempt and zero / reduced rate sales in monthly sales tax returns and vide order dated September 12, 2014, raised a demand of PKR 952 million. An appeal was filed with CIR(A) who decided majority of the issues against the Group, while giving directions to the assessing officer to amend the original order if the returns are revised by the Group. The Group had then filed several applications for approval of revision of returns, which are pending with the FBR. An appeal against the CIR(A) order has also been filed before the Tribunal, which is pending disposal.

Sales tax audit for tax period July 2014 to June 2015 was finalized by the DCIR vide order dated September 25, 2018 through which sales tax demand of PKR 25.5 million on various issues was raised. The Group, while discharging the said demand, preferred an appeal against the order before the CIR(A) who, vide appellate order dated April 15, 2019, had remanded back all the issues. Consequently, the department being dissatisfied with the order has filed an appeal before the ATIR which is pending disposal.

Sales tax audit for the period July 2013 to June 2014 was finalized vide order dated May 29, 2019, through which sales tax demand of PKR 17.27 million was raised on various issues. The Group, while discharging the demand, preferred an appeal against the order before the CIR(A) who, vide appellate Order dated August 23, 2019, has remanded back all the issues. Remand back proceedings are yet to be initiated by the department.

The CIR(A) passed an appellate order dated March 20, 2019 against the income tax assessment for tax year 2014, amended vide order dated December 31, 2016. Through the appellate order, majority of the issues have been decided in Group's favor, whereas an appeal on the issues decided against the Group has been filed before Tribunal which is pending disposal.

During the year, income tax audit for tax year 2016 has also been finalized by the department vide assessment order dated December 30, 2019. Through said order, income tax demand of PKR 35.690 million has been raised on various issues. Although the demand has been discharged under protest, an appeal against the order has been filed before the Commissioner (Appeals) which is pending disposal.

During the year, the department also finalized monitoring proceedings vide order dated September 26, 2019 relating to tax year 2017 through which demand of PKR 11.83 million was raised. The Group, while discharging the said demand, filed an appeal against the order before the Commissioner (Appeals) who, vide appellate order dated February 10, 2020, has remanded back all the issues to the department. Remand back proceedings are yet to be initiated by the department.

The department has also finalized monitoring proceedings for tax year 2018 vide order dated January 30, 2020 through which demand of PKR 15 million was raised. Although the said demand was discharged, the Group preferred an appeal against the order before the Commissioner (Appeals) who, vide appellate order dated June 10, 2020, has remanded back all the issues to taxation officer for fresh adjudication. Remand back proceedings are yet to be initiated.

The Group is confident that the above cases would be decided in Group's favor. Accordingly, no provision in this respect has been made in these consolidated financial statements.

- 47.1.1** In making the estimates for income taxes, the Group takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Group's view differs with the view taken by the income tax department at the assessment stage and where the Group considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The management consider tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

47.2 Pension and Gratuity

Certain actuarial assumptions have been adopted as disclosed in note 21 to the consolidated financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

47.3 Property, plant and equipment

The estimates for revalued amounts, if any, of different classes of property, plant and equipment, are based on valuation performed by external professional valuer and recommendation of technical teams of the Group. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Group reviews the value of the assets for possible impairment on an annual basis. The future cash flows used in the impairment testing of assets is based on management's best estimates which may change in future periods. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

47.4 Provision for expected credit losses of certain financial assets

The Group uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision rates are based on days past due for Groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's financial assets exposed to credit risk is disclosed in Note 44.

47.5 Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of equipment with volume rebates, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

47.6 Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

47.7 Leases - Estimating the incremental borrowing rate

Where the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates).

47.8 Stock-in-trade and stores and spares

The Group reviews the net realisable value of stock-in-trade and stores and spares to assess any diminution in the respective carrying values and also review the inventories for obsolescence.

47.9 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Group, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future event that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Other disclosures relating to the Group's exposure to risks and uncertainties includes capital risk management, Financial instruments risk management and policies and sensitivity analyses disclosures, as disclosed in notes 33, 32.3 and 32.3.1 to these financial statements

47.10 Impairment of goodwill and intangible assets having indefinite useful lives

The Group assesses annually at year end and when circumstances indicate that the carrying value may be impaired. Impairment for goodwill and intangible having indefinite useful lives is determined by assessing the recoverable amount using Level 1 of fair value hierarchy of cash generating unit (i.e. at the Group level) to which these assets relates. When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised.

47.11 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at June 30 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

Amounts in PKR '000

Intangible assets with indefinite useful lives are tested for impairment annually as at June 30 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

48 New standards, amendments to approved accounting standards and new interpretations

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except as follows

48.1 Adoption of standards and amendments effective during the year

The Group has adopted the following accounting standards, the amendments and interpretations of IFRSs which became effective for the current year:

Standard, Amendment or Interpretation

IFRS 9 - Prepayment Features with Negative Compensation (Amendments)

IFRS 14 - Regulatory Deferral Accounts

IFRS 16 - Leases

IFRS 16 - COVID 19 Related Rent Concessions (Amendments)

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over income tax treatments

Improvements to Accounting Standards issued by the IASB (2015-2017 cycle)

IFRS 3 - Business Combinations - Previously held interests in a joint operation

IFRS 11 - Joint Arrangements - Previously held interests in a joint operation

IAS 12 - Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 - Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments, interpretations and improvements to the accounting standards did not have any material effect on the Group's financial statements except for IFRS 16. The impact of adoption of IFRS 16 is described below:

IFRS 16 - Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of July 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at July 1, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. However, as per relevant guidelines issued by Institute of Chartered Accountants of Pakistan, contracts under Ijarah will continue to be treated as operating leases under IAS 2.

The effect of adoption IFRS 16 as at July 1, 2019 [increase/(decrease)] is, as follows:

	As at July 01, 2019
Right-of-use assets	402,827
Prepayments	(27,540)
Total assets	375,287
Lease liabilities	375,287
Total liabilities	375,287

Amounts in PKR '000

The Group has lease contracts for land and buildings, warehouses, sales offices, vehicles, summer houses and beach huts. Before the adoption of IFRS 16, the Companies classified each of its leases (as lessee) at the inception date as an operating lease.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to note 4.1 to these consolidated financial statements for the accounting policy beginning July 1, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application, where the rate implicit in the lease was not determinable.

The Group also applied the available practical expedients wherein it

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Based on the above, as at July 1, 2019:

- Right-of-use assets of PKR 402,826 million were recognised and presented separately in the consolidated statement of financial position.
- Lease liabilities of PKR 375,267 million were recognised.
- Prepayments of PKR 27,539 million related to previous operating leases were derecognised.

For the year ended June 30, 2020:

- Depreciation expense increased because of the depreciation of additional assets recognised (i.e., increase in right-of-use assets). This resulted in increases in 'Cost of sales', 'Selling and distribution expenses' and 'Administrative and general expenses' of PKR 27,645 million, PKR 26,748 million and PKR 30,155 million respectively.
- Rent expense included in 'Cost of sales', 'Selling and distribution expenses' and 'Administrative and general expenses', relating to previous operating leases, decreased by PKR 30,551 million, PKR 48,543 million and PKR 11,643 million respectively.
- 'Finance costs' increased by PKR 41,577 million relating to the interest expense on lease liabilities recognised.
- 'Deferred tax expense' decreased by PKR 8,137 million relating to the tax effect of these changes in expenses.
- Cash outflows from operating activities decreased by PKR 84,017 and cash outflows from financing activities increased by the same amount, relating to decrease in operating lease payments and increases in principal and interest payments of lease liabilities.

The lease liabilities as at July 1, 2019 can be reconciled to the operating lease commitments as of June 30, 2019, as follows:

	As at July 1, 2019
Operating lease commitments as at June 30, 2019	376,580
Weighted average incremental borrowing rate as at July 01, 2019	11.77%
Discounted operating lease commitments as at July 01, 2019	376,459
Less:	
Commitments relating to leases of short-term leases	(11,157)
jarah and others	(28,679)
Lease liabilities as at July 1, 2019	336,623

Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Notes to the Consolidated Financial Statements

For the year ended June 30, 2020

IFRS 3	Definition of a Business (Amendments)	01 January 2020
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January 2022
IFRS 9 / IAS 39 / IFRS 7	Interest Rate Benchmark Reform (Amendments)	01 January 2020
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IAS 1 / IAS 8	Definition of Material (Amendments)	01 January 2020
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022*
IAS 16	Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022

*The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022

The above standards and amendments are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB effective date (annual periods beginning on or after)
IFRS 17 Insurance Contracts	01 January 2023

49 Post consolidated statement of financial position events - dividends

The Directors in their meeting held on August 20, 2020 have recommended a final dividend of PKR 5.00 per share (June 30, 2019: PKR 4.50 per share). This dividend is in addition to interim dividend paid of PKR 11.00 per share during the current year. The consolidated financial statements for the year ended June 30, 2020 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

50 Date of authorisation

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on August 20, 2020.

51 General

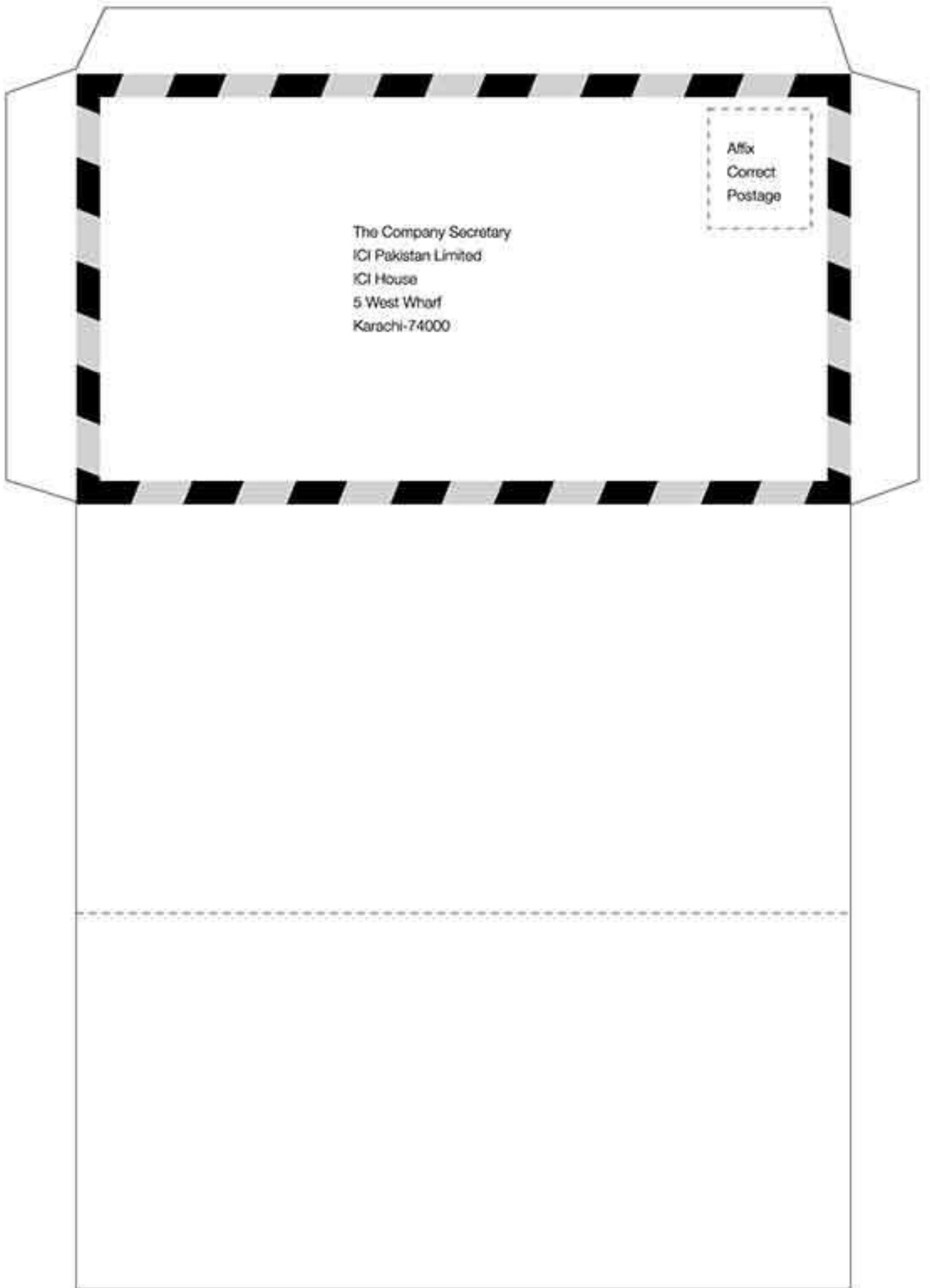
51.2 Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

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


Muhammad Sohail Tabba
Chairman / Director


Asif Jooma
Chief Executive


Muhammad Abid Ganatra
Chief Financial Officer



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Affix
Correct
Postage



Standard Request Form Circulation of Annual Audited Accounts

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ICI Pakistan Limited
ICI House, 5 West Wharf,
Karachi 74000

Subject: Circulation of Annual Audited Accounts via Email/CD/USB/DVD or Any Other Media

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 that have allowed the companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditor's Report, Directors' Report) and Chairman's Review Report along with Notice of General Meeting(s) to its members through Email/CD/DVD/USB/ or any other Electronic Media at their registered Addresses. In this connection, we request you to provide your email address.

Email Address.

Name of the Member/ Shareholder: _____

CNIC /SNIC # : _____

Folio / Shareholder Number/CDC Account No. : _____

Valid Email Address:

(To receive Annual Audited Accounts along with Notice of General Meeting(s) instead of hard copy, CD/DVD/USB).

Further, shareholders who wish to receive a hardcopy of Annual Audited Accounts should fill the form below and send the same to the Company's address.

In case Hard copy is requested.

Name of the Member/ Shareholder: _____

CNIC / SNIC #: _____

Folio / Shareholder Number/CDC Account No. : _____

Mailing Address:

I/We hereby confirm that the above – mentioned information is correct and in case of any change therein, I/we will immediately intimate to the Company's Shares Registrar. I/we further confirm that the transmission of Company's Annual Audited Accounts and Notice of General Meeting(s) through my/our above address would be taken as compliance with Section 223(6) of the Companies Act, 2017.

Shareholder's signature



The Company Secretary
ICI Pakistan Limited
ICI House
5 West Wharf
Karachi-74000

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Correct
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Revised Treatment of Withholding Tax

Dividend income on shares is liable to deduction of withholding tax under section 150 of the Income Tax Ordinance, 2001. Pursuant to Finance Act, 2020 effective July 1, 2020, withholding tax on dividend based on 'Active' and 'Non-Active' status of shareholders shall be @ 15% & 30%, respectively.

Furthermore, according to clarification provided by the FBR; in case a Folio/CDS Account is jointly held, each joint-holder is to be treated separately as Active or Non-Active. In this regard, all Shareholders of ICI Pakistan Limited ('the Company') who hold shares with joint shareholders are requested to provide shareholding proportions of Principal shareholder and Joint-Holder(s) in respect of shares held by them to the Company's Shares Registrar, FAMCO Associates (Pvt.) Limited, 8-F, Block-6, P.E.C.H.S. Nursery, Next to Hotel Faran, Shahrah-e-Faisal, Karachi.

Following are the details to be provided by Principal / Joint-Holder of the shares of ICI Pakistan Limited.

Principal Shareholder				Joint – Holder 1			
Folio/CDS Account #	Total Shares	Name and CNIC #	No. of Shares	Name and CNIC #	No. of Shares		
Joint – Holder 2			Joint – Holder 3				
Name and CNIC #		No. of Shares		Name and CNIC #		No. of Shares	

It is stated that the above mentioned information is correct and that I will intimate the changes in the above mentioned information to the company and its Shares Registrar as soon as these occur.

Signature of Principle Shareholder: _____

Signature of Joint-Holder 1: _____

Signature of Joint-Holder 2: _____

Name : _____
[NAME IN BLOCK LETTER] [NAME IN BLOCK LETTER]

Name : _____

Signature of Joint-Holder 3: _____

Name : _____
[NAME IN BLOCK LETTER]

Share Registrar,
FAMCO Associates (Pvt) Limited,
8-F, Block-6, P.E.C.H.S. Nursery,
Next to Hotel Fazan,
Shahrah-e-Faisal,
Karachi.

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ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2020

فیصد اضافہ ظاہر کرتا ہے۔ نتائج میں بہتری کی خاص وجہ موثر مینوفیکچرنگ مہارت اور اخراجات پر زبردست ضابطے کا نفاذ ہے۔

ہمارے جدید ترین نیوزری کو مورناگا مینوفیکچرنگ فیسبلٹی کی تعمیر مکمل ہوئی اور پلانٹ کا افتتاح ستمبر 2019 میں کیا گیا۔ افتتاح کے بعد زیر جائزہ سال کی دوسری سہ ماہی میں کمرشل پروڈکشن کے آغاز سے پروڈکشن کی کمرشل ریٹیز جنوری 2020 میں ہوئی۔ اس دوران کمپنی نے 978 ملین روپے کی سلا کے ساتھ 176 ملین روپے کا مجموعی منافع کمایا۔ تاہم یہ مجموعی منافع شروعاتی طور پر نامک ایڈورٹائزنگ اور انتظامی اخراجات، پروڈیکٹ کے لیے حاصل شدہ قرضہ جات کے اخراجات کی بدولت 340 ملین روپے بعد از ٹیکس نقصان میں تبدیل ہوا۔

مجموعی بنیادوں پر (کمپنی کے ذیلی اداروں پاور جن، سرن اور نیوزری کو مورناگا کے نتائج کے ساتھ) زیر جائزہ سال کے لیے مجموعی آمدنی 55,256 ملین روپے حاصل ہوئی جو گزشتہ سال کی اسی مدت کے مقابلے میں 7 فیصد کم ہے۔ جبکہ 5,520 ملین روپے کا آپریٹنگ رزلٹ گزشتہ سال کی اسی مدت کے مقابلے میں 12 فیصد نامک رہا۔

سال کے لیے بعد از ٹیکس منافع 2,362 ملین روپے بنتا ہے جس میں سے 166 ملین روپے ہان کنٹرولنگ انٹرسٹ سے بنتا ہے۔ اس کے نتیجے میں ہولڈنگ کمپنی کو بعد از ٹیکس منافع 2,528 ملین روپے اور فی شیئر منافع 27.37 روپے رہا جو کہ گزشتہ سال کے اسی عرصے کے تقریباً برابر ہے۔ دوران سال کمپنی نے نیوزری کو پاکستان (پرائیویٹ) لمیٹڈ کی جانب سے منافع کے حصے کے طور پر 431 ملین روپے اپنے نام کئے جو کہ گزشتہ سال کے اسی عرصے کے دوران 526 ملین روپے تھے۔

ڈائریکٹرز آئی سی آئی پاکستان لمیٹڈ کے آؤٹ شدہ گروپ رزلٹس برائے سال ختم شدہ 30 جون 2020 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ آئی سی آئی پاکستان گروپ، آئی سی آئی پاکستان لمیٹڈ، آئی سی آئی پاکستان پاور جن لمیٹڈ (پاور جن)، سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ (سرن) اور نیوزری کو مورناگا (پرائیویٹ) لمیٹڈ کے نام سے ذیلی اداروں پر مشتمل ہے۔

سال ختم شدہ 30 جون 2020 کیلئے آئی سی آئی پاکستان لمیٹڈ کی کارکردگی کی وضاحت پر مشتمل ڈائریکٹرز رپورٹ علیحدہ سے پیش کی جا چکی ہے۔

پاور جن کا مجموعی کاروبار سال ختم شدہ 30 جون 2020 کے لئے 375 ملین روپے بنتا ہے جو گزشتہ سال کے مقابلے میں 50 فیصد کم ہے جو کہ گزشتہ سال 751 ملین روپے تھا۔ پولیسٹرز بزنس کو بجلی کی فروخت میں گزشتہ سال کے مقابلے میں 61 فیصد کی واقع ہوئی کیونکہ کمپنی نے 2019-20 کی بجلی سہ ماہی کے آخر سے اپنے کٹے پر پیلنے والے توانائی کے ذریعے کو استعمال کرنا شروع کیا تھیں گزشتہ سال کے مقابلے میں کاروباری منافع 60 فیصد کی کے ساتھ 117 ملین روپے سے 46 ملین روپے رہا۔

سرن فارماسیوٹیکلز کا یکم مارچ 2020 سے آئی سی آئی پاکستان لمیٹڈ میں انضمام کامیابی کے ساتھ مکمل ہوا اور انضمام کے بعد کے نتائج آئی سی آئی پاکستان لمیٹڈ کی ڈائریکٹرز رپورٹ میں پیش کئے گئے ہیں۔ انضمام سے 8 ماہ قبل کی مدت کے دوران، سرن نے 738 ملین روپے کا مجموعی کاروبار کیا جو گزشتہ سال کے اسی عرصے کے مقابلے میں 3 فیصد نامک ہے۔ انڈیا سے درآمدات پر عارضی پابندی کے باوجود یہ قابل قدر نتائج حاصل کئے گئے، دوران سال خام مال کی درآمد پر عارضی پابندی کے سبب زندگی بچانے والی ادویات کی سلاز میں کمی سے نقصان ہوا۔ انضمام سے قبل کے لئے آپریٹنگ پرفارمنس 97 ملین روپے بنتا ہے جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 244

محمد آصف جمعد
چیف ایگزیکٹو

محمد سہیل شاہ
چیئر مین

تاریخ 20 اگست 2020

کراچی۔

دوران سال خواجہ اقبال حسن نے مختلف لائسنس میں 5000 اور 500 شیئرز کی خریداری کی، انہوں نے 13 جنوری 2020 اور 26 فروری 2020 کو بالترتیب 712.50 اوسط فی شیئر اور 680.00 روپے فی شیئر کے حساب سے خریداری کی۔ 17 جون 2020 کو انہوں نے 696.70 روپے فی شیئر کے حساب سے 3,500 شیئرز فروخت کئے۔

زیر غور مالی سال کے دوران دیگر ڈائریکٹرز، سی ایف او، کمپنی سیکرٹری اور ان کے شریک حیات اور چھوٹے بچوں نے کمپنی کے شیئرز میں کوئی لین دین نہیں کیا ہے۔

30 جون 2020 کے مطابق، متعلقہ کمپنی کئی سینٹ لینڈ بشمول یونٹس ٹیکسٹائل ہولڈنگز پر انویسٹ لینڈ، گڈون ٹیکسٹائل ٹریڈ لینڈ، کئی ٹیکسٹائل ٹریڈ لینڈ، واٹی بی پاکستان ہولڈنگز پر انویسٹ لینڈ اور گڈون ہولڈنگز پر انویسٹ لینڈ کے پاس 84.93 فیصد (30 جون 2019: 84.94 فیصد) جبکہ اسٹیشنریٹرز کے پاس 8.74 فیصد (30 جون 2019: 7.42 فیصد) اور انفرادی / دیگر کے پاس باقی 6.33 فیصد (30 جون 2019: 7.64 فیصد) شیئرز ہولڈنگ تھی۔ دو ٹنگ کے حقوق، بورڈ کا انتخاب اور شیئرز ہولڈرز کے دیگر حقوق ان کی شیئرز ہولڈنگ کے حساب سے ہوں گے۔

کمپنی میں شیئرز رکھنے کے طریقہ کار کا اسٹیٹمنٹ بشمول مزید معلومات برائے سال ختم شدہ 30 جون 2020 صفحہ نمبر 66-4 سے 69-4 تک ملاحظہ کریں۔

آئی سی آئی پاکستان لینڈ کے شیئرز کی سال 2019-20 کے دوران کم از کم اور زیادہ سے زیادہ مارکیٹ پر لائسنس درج ذیل تھی:

زیادہ سے زیادہ	29 جنوری 2020	754.98 روپے
کم از کم	4 ستمبر 2019	432.00 روپے

محمد آصف احمد
چیف ایگزیکٹو

محمد سہیل شاہ
چیرمین

بتاریخ 20 اگست 2020
کراچی۔

کمپنی میں شرکت کرنے پر ہر ایک کے لیے 75,000 روپے مشاہرہ ادا کیا جاتا ہے۔

ڈائریکٹرز اور چیف ایگزیکٹو کو دی جانے والی سالانہ مراعات کی تفصیلی معلومات فنانس اسٹیٹمنٹ کے نوٹ نمبر 38 پر ملاحظہ کریں۔

بورڈ کا جائزہ

کوڈ آف کارپورٹ گورننس کی تعمیل میں، بورڈ سالانہ بنیادوں پر اپنی کارکردگی کے خود کار جائزے کا اہتمام کرتا ہے۔ اس جائزے میں ایگزیکٹو ڈائریکٹرز، آزاد ڈائریکٹرز، ان کی سب کمیٹیوں کی کارکردگی کا جائزہ بھی شامل ہے۔ بورڈ آف ڈائریکٹرز اس بات پر یقین رکھتے ہیں کہ جائزہ لیتے رہنا اس بات کو سمجھنے کے لیے ناگزیر ہے کہ ڈائریکٹرز نے اپنے لیے متعین کردہ مقاصد اور اہداف کے مقابلے میں کس قدر موثر کارکردگی دکھائی ہے۔ نتائج کی بنیاد پر، بہتری کے مواقع کی نشاندہی اور درست ایکشن پلان تیار کئے جاتے ہیں۔

متعین پیرامیٹرز کی روشنی میں بورڈ کا جائزہ لیا جاتا ہے جس میں بورڈ کی تشکیل، دیانتداری، اہلیت اور فیصلہ سازی میں اعتماد، بورڈ کی اپنی کارکردگی سے متعلق تازگی، بورڈ اجلاسوں کی تیاری، مستعدی اور بورڈ کے موثر ہونے کی صلاحیت اور ممبران کی جانب سے شرکت کے معیار کو دیکھا جاتا ہے۔

منظور شدہ اہلیت کی بنیاد پر جائزے میں بورڈ اور اس کی سب کمیٹیوں کی مجموعی کارکردگی قابل اطمینان رہی۔

ڈائریکٹرز کی ٹریننگ

زیادہ تر ڈائریکٹرز، کوڈ آف کارپورٹ گورننس (CCG) کے شیڈول نمبر 20 کے مطابق ڈائریکٹرز ٹریننگ پروگرام کے استثنیٰ کے لئے مطلوب تجربہ اور تعلیم کے حامل ہیں۔ تمام ڈائریکٹرز کارپورٹ باؤنڈ کے ڈائریکٹرز کی حیثیت سے اپنی ذمہ داریوں سے بخوبی واقف ہیں۔

خطرے سے آگہی کا نظام

کمپنی کے خطرات سے نمٹنے کے فریم ورک اور داخلی ضابطے کے نظام کی تفصیلی صفحہ نمبر 68 سے 75 تک دی گئی ہے۔

پیٹرن آف شیئر ہولڈنگ

اپریل 2020 میں کئی سینٹ لینڈ کمپنی میں 55 فیصد شیئر ہولڈنگ کے حصول سے ہولڈنگ کمپنی بن گئی۔ اس سے قبل کئی سینٹ ہولڈنگز (پرائیویٹ) لینڈ کے 54.73 فیصد شیئر ہولڈنگ تھی۔

ڈائریکٹرز کی حاضری

زیر جائزہ سال کے دوران، چھ (06) بورڈ میٹنگز، پانچ (05) آڈٹ کمیٹی میٹنگز اور تین (03) بیسینس ریویو سیشنز میں ڈائریکٹرز کی حاضری (HR&RC) کی میٹنگز کا اہتمام کیا گیا۔ ہر ڈائریکٹر / ممبر / CFO / کمپنی سیکرٹری، متعلقہ بورڈ / سب کمیٹی کی حاضری درج ذیل ہے۔

ڈائریکٹر کا نام اور سیکرٹری	بورڈ آف ڈائریکٹرز میٹنگز	آڈٹ کمیٹی میٹنگز	بیسینس ریویو سیشنز کی میٹنگز
جناب محمد سہیل نیا	6	-	3
جناب محمد علی نیا	6	3	3
جناب جاوید یونس نیا	6	5	3
مسز امینہ اسے عزیز پادانی	3	-	-
جناب آصف جم	6	-	3
خواجہ اقبال حسن	6	5	3
جناب محمد عابد گنتراز	-	-	-
ڈائریکٹر اینڈ سی ایف او	6	-	-
جناب کمال اسے چنائے	3	-	-
سید محمد شہر زیدی	-	-	-
مس نوشین احمد	-	-	-
کمپنی سیکرٹری	6	-	-
مس فریحہ صلاح الدین سیکرٹری نو HR&RC	-	-	3
جناب محمد علی مرزا سیکرٹری نو دی BAC	-	5	-

جناب کمال اسے چنائے 28 اپریل 2020 کو بورڈ سے رٹائر ہوئے۔

سید محمد شہر زیدی کو 11 مئی 2020 کو آزاد ڈائریکٹر کے طور پر منتخب کیا گیا۔ ان کے انتخاب کے بعد سال میں کوئی بھی اجلاس منعقد نہیں ہوا۔

ڈائریکٹرز کا مشاہرہ

بورڈ کی منظوری سے ایک باضابطہ پالیسی برائے ڈائریکٹرز کا مشاہرہ مرتب کر دی گئی ہے۔ اس پالیسی میں کمپنیز ایکٹ 2017 اور سٹنڈ کمپنیز (کوڈ آف کارپورٹ گورننس) ریگولیشنز 2019 کی تعمیل میں ڈائریکٹرز کا مشاہرہ شفاف انداز میں متعین کرنے کی رہنمائی کی گئی ہے۔ مذکورہ پالیسی کے مطابق ڈائریکٹرز کو بورڈ یا اس کی سب

ریٹائرمنٹ فوائڈ میں سرمایہ کاری

موجودہ بورڈ کی تشکیل اس طرح ہے:

ڈائریکٹرز کی کل تعداد:
الف) مرد: 7
ب) خواتین: 1

تشکیل:

آزاد ڈائریکٹرز: 2
جان ایگزیکٹو ڈائریکٹرز: 4
ایگزیکٹو ڈائریکٹرز: 2

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

سید محمد شہزیدی
خواجہ اقبال حسن
محمد علی نسا
جاوید یونس نسا

ایچ آر اینڈ ریسیوزیشن کمیٹی

خواجہ اقبال حسن
محمد سہیل نسا
محمد علی نسا
جاوید یونس نسا
آصف جمہ

بینکنگ کمیٹی

آصف جمہ
محمد عابد گناترا
خواجہ اقبال حسن

شیئر ٹرانسفر کمیٹی

جاوید یونس نسا
آصف جمہ
محمد عابد گناترا

30 جون 2019
(PKR '000)

30 جون 2020
(PKR '000)

1- آئی سی آئی پاکستان ٹینجمنٹ اسٹاف سٹیشن فنڈ	907	917
2- آئی سی آئی پاکستان ٹینجمنٹ اسٹاف گریجویٹ فنڈ	496	555
3- آئی سی آئی پاکستان ٹینجمنٹ اسٹاف سٹیشن کنٹری بوشن سپروائیزیشن فنڈ	924	1,038
4- آئی سی آئی پاکستان ٹینجمنٹ اسٹاف پرائیڈنٹ فنڈ	999	1,144
5- آئی سی آئی پاکستان جان ٹینجمنٹ اسٹاف پرائیڈنٹ فنڈ	484	570

ڈائریکٹرز کا انتخاب

کمپنی کے ڈائریکٹرز کا انتخاب کرنے کے لیے 11 مئی 2020 کو غیر معمولی اجلاس منعقد کیا گیا۔ اس اجلاس میں 11 مئی 2020 سے شروع ہونے والی تین سالہ مدت کے لیے 8 ڈائریکٹرز بشمول 2 آزاد ڈائریکٹرز کو بلا مقابلہ منتخب کیا گیا۔ آزاد ڈائریکٹرز کے انتخاب میں ان کی اہلیت، تعلیمی قابلیت، تجربے کی وسعت، مہارت اور معلومات کو زیر غور لایا گیا۔

بورڈ کی تشکیل

CCG کے لوازمات کے مطابق، کمپنی اپنے بورڈ میں آزاد، جان ایگزیکٹو ڈائریکٹرز کے ساتھ منفی مساوات کو برقرار رکھتے ہوئے خواتین کی نمائندگی کے لیے بھی پرعزم ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کمپنی نے بہترین کارپوریٹ گورننس کو یقینی بنانے کے لیے تمام لازمی اقدامات اٹھائے ہیں۔ سسٹم کیسٹوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 ("CCG") کی تعمیل کے طور پر، ڈائریکٹرز درج ذیل تفصیل پیش کرتے ہیں:

• کمپنی انتظامیہ کی جانب سے تیار کئے گئے مالیاتی گوشواروں میں معاملات کی واضح صورت، اس کے انتظامی نتائج، کیش فلوز اور لیکویٹی کی تبدیلیوں کو واضح انداز میں پیش کیا گیا ہے۔

• کمپنی کے اکاؤنٹس بس درست انداز میں برقرار رکھے گئے ہیں۔

• مالیاتی گوشواروں اور اکاؤنٹنگ بیانات کی تیاری مناسب اور محتاط انداز میں متعلقہ اکاؤنٹنگ پالیسیز کے تحت کی گئی ہے۔

• مالیاتی گوشواروں کی تیاری پاکستان میں لاگو انٹرنیشنل فنانشل ریپورٹنگ اسٹینڈرڈز (IFRS) کے معیاروں کے مطابق کی گئی ہے اور اس سے کسی طرح کے انحراف کو باقاعدہ واضح کیا گیا ہے۔

• انٹرنل کنٹرول کا سسٹم اپنے ڈیزائن میں بہترین ہے اور اس پر بہترین انداز میں عمل درآمد اور نگرانی کی جاتی ہے۔

• کمپنی کے استحکام اور آگے بڑھنے کی صلاحیت پر کسی بھی شک و شبہ کی کوئی گنجائش نہیں۔

• کارپوریٹ گورننس پر بہترین انداز میں عمل درآمد سے کسی طرح کا بھی انحراف دیکھنے میں نہیں آیا۔

• انتظام اور مالیات سے متعلق گزشتہ 10 سال کی اہم معلومات صفحہ نمبر 30 سے 31 پر درج کی گئی ہے۔

• ہتھیار اور عیوض کی معلومات فنانشل اسٹیٹمنٹس کے نوٹس میں دی گئی ہے۔

• کمپنی کی انتظامیہ بہتر کارپوریٹ گورننس کے لیے پرعزم ہے اور بہترین تجربات پر عمل درآمد کے لئے مناسب اقدامات اٹھا رہی ہے۔

مکمل لاک ڈاؤن میں نری کے بعد معاشی سرگرمیوں میں کچھ بہتری آئی ہے تاہم اس میں بحالی بتدریج ہوگی۔ عالمی طور پر تیل کی قیمتوں کی بحالی اور تیلے میں قیمتوں کے بڑھ جانے سے مہنگائی کے ایک نئے دور کے آغاز کا امکان ہے۔ اس کے علاوہ پالیسی ریسٹ اور روپے کی قدر کو برقرار رکھنا ایک بڑا چیلنج ہوگا، جو کہ مناسب معاشی اور سرمایہ کاری کے ماحول کے لیے لازمی ہے۔ بیرونی قرضہ جات میں اضافہ اور سیاسی و جغرافیائی مسائل سے مستقبل کی پریشانی واضح ہوتی ہے۔

یہ سماجی اور معاشی مسائل ایک طرف معیشت کے لیے خطرہ بنے ہوئے ہیں تو دوسری جانب مواقع بھی پیدا کریں گے۔ چنانچہ پاکستان اکنامک گورڈر پر سرگرمیوں میں اضافہ، بڑے ڈیمز کے تعمیراتی کام کا آغاز اور تعمیراتی شعبے کی طرف خصوصی توجہ سے معیشت میں بہتری آنے کا امکان ہے۔

کمپنی پر اعتماد اور بھرپور انداز میں ان منفی اثرات کو کم کرنے اور شاندار نتائج کی فراہمی، اپنی پروڈکٹس میں توسیع اور آرگینک و ان آرگینک ترقی کے لئے نئے مواقع تلاش کرنے کے لیے پرعزم ہے۔ کیونکہ ہمارے برانڈ کا وعدہ ہی "ترقی کے لیے کوشاں" ہے۔

اظہار تشکر

کمپنی کے یہ نتائج ملازمین کی انتھک محنت اور گمن، صارفین، سپلائرز، سروس فراہم کرنے والوں اور شیئرز ہولڈرز کے کمپنی پر اعتماد کا نتیجہ ہیں۔ کمپنی تمام اسٹیک ہولڈرز کے اعتماد کو تسلیم کرتی ہے اور ان کا شکریہ ادا کرتی ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ارسٹ اینڈ یونگ فور ڈورڈز، چارٹرڈ اکاؤنٹنٹس ریٹائرڈ بورے ہیں اور اہلیت کی بنیاد پر آنے والے مالیاتی سال کے لئے خود کو دوبارہ انتخاب کے لئے پیش کیا ہے۔

آڈٹ کمپنی کی تجویز پر بورڈ نے میسرز ارسٹ اینڈ یونگ فور ڈورڈز، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے باضابطہ آڈیٹرز کے طور پر منظوری دی ہے۔ یہ انتخاب کمپنی کے آنے والے سالانہ اجلاس عام میں شیئرز ہولڈرز کی منظوری سے مشروط ہے۔

متعلقہ پارٹنرز ایکشنز

دوران سال، کمپنی نے اپنے متعلقہ پارٹنروں کے ساتھ لین دین اہم دی۔ ان پارٹنرز کی تفصیل اس رپورٹ کے ساتھ منسلک ان کنسالیڈیٹڈ فنانشل اسٹیٹمنٹ کے نوٹ نمبر 39 میں دی جا رہی ہے۔

دوران سال کمپنی نے مختلف بینکوں سے حاصل کردہ طویل المدتی اور قلیل المدتی مالیاتی سہولیات جاری رکھیں تاکہ کاروباری امور کی انجام دہی کے لئے ضروری اخراجات اور کاروباری توسیع کی ضروریات کو پورا کیا جاسکے۔ دوران سال، کمپنی نے مالیاتی اخراجات کو کم کرنے کے لیے اپنی اپورٹ L.C.s کے لیے سٹے فارن ایکسیچنگ قرضہ جات کا سہارا لیا، تاہم دوران سال سود کی زائد شرح کے نتیجے میں مالیاتی اخراجات میں گزشتہ سال کے مقابلے میں 10 فیصد اضافہ ہوا۔ مزید برآں، دوران سال امریکی ڈالر کے مقابلے میں پاکستان روپے کی قدر میں 5 فیصد کمی واقع ہوئی، نتیجتاً 367 ملین روپے زر مبادلہ کے نقصانات اٹھانے پڑے۔ ان فیکٹرز نے کسی حد تک کمپنی کی مجموعی کارکردگی اور منافع پر منفی اثرات مرتب کئے۔

اس کے علاوہ دیگر آمدنی گزشتہ سال کے مقابلے میں 134 فیصد زیادہ ہے جس کی وجہ اس سال نیٹری کو پاکستان (پرائیویٹ) لمیٹڈ (ذیلی کمپنی) کی جانب سے منافع منقسم کی آمدنی میں اضافہ ہوا ہے۔

بعد از ٹیکس منافع 3,029 ملین روپے جتا ہے جو کہ گزشتہ سال کے اسی عرصے کے مقابلے میں 31 فیصد زائد ہے۔

ہر شیئر پر منافع (EPS) گزشتہ سال کے مقابلے میں 31 فیصد اضافے کے ساتھ 32.80 روپے ہے۔

مستقبل پر نظر

سال 2020 میں پوری دنیا COVID-19 کے اثرات کی لپیٹ میں ہے، جس سے مستقبل کی غیر یقینی واضح ہے۔ لاکھوں افراد کی اموات اور کروڑوں افراد کو متاثر کرنے والی اس وبا سے امیر ترین اور غریب ممالک، کوئی محفوظ نہیں رہا۔

اس بیماری سے متاثر ہونے کے علاوہ دیگر شدید نقصانات کا سامنا ہے جس میں عالمی طور پر بنگالی صورتحال، صحت، زندگی اور معاشی طور پر ناقابل بیان نقصانات ہو چکے ہیں۔ وائرس کے ختم ہونے کی واضح علامات نہیں دیکھی جا رہی ہیں، ایسی صورتحال میں مسائل مزید پیچیدہ ہوں گے۔ دنیا بھر کی معیشتیں کئی-کئی سو فیصد سے اقتصادی بد حالی کا شکار ہیں؛ کمزور بیلتھ کیئر سسٹم پر دباؤ، تجارت اور سیاحت کا نقصان، ترسیل زر کی بری صورتحال، سرمایہ کے بہاؤ میں شدید کمی، طلب اور رسد میں رکاوٹیں، اور سخت معاشی حالات قرضہ بڑھانے کا سبب بنے ہوئے ہیں۔

اس عالمی وبا سے پاکستانی معیشت پہلے ہی متاثر ہو چکی ہے جس کی بدولت جی ڈی پی کی شرح منفی ہونے کے ساتھ مہنگائی اور بیروزگاری میں اضافہ ہوا ہے۔ ان منفی عوامل سے ترقی کے کئی سال پیچھے جانے اور لاکھوں افراد کے غربت کے عذاب میں مبتلا ہونے کا امکان ہے۔

دوران سال، نئے لگائے جانے والے ماسٹر پیج بزنس کو نئے صارفین کے حصول، دوبارہ آرڈر ملنے میں کامیابی اور ٹیکنیکی طور پر بہتر صلاحیت سے تقویت دی گئی اور انہی سے مثبت رجحان برقرار رکھا گیا۔ کاروبار عوام کے پیش نظر، بزنس نے کسٹمرز کی مخصوص ضروریات کو پورا کرنے کے لیے خصوصی پروڈکٹس کے لیے آرینڈ ڈی پر کام جاری رکھا ہوا ہے۔

علاوہ ازیں، بزنس اپنے نئے اور موجودہ صارفین کی قدر کو مستحکم کرنے کے لیے پرعزم ہے، اس کے لیے کاروباری مہارت اور جدت کا حصول جاری رکھنے کے ساتھ شاندار کاروباری نتائج حاصل کرنے پر بھرپور توجہ دی جا رہی ہے۔ COVID-19 کے پیش نظر، کیمیکلز اور ایگری سائنسز بزنس عام مال کی اپورٹس پر پابندی کے نتیجے میں مارکیٹ میں پیدا ہونے والے مواقع سے فائدہ اٹھانے کے لیے تیار ہے۔ لاک ڈاؤن کے بعد صارفین کی طلب میں استحکام اور مارکیٹ میں غیر یقینی کا ختم ہونا آئندہ سہ ماہی میں کاروباری مجموعی کارکردگی کو بہتر بنائے گا۔

بزنس کی تھابہ کا دار و مدار تاریخی حقائق، مارکیٹ کی صورتحال اور متوقع حالات کی بنیاد پر اندازوں پر مبنی ہے۔ مارکیٹ کی موجودہ غیر یقینی صورتحال کے سبب بزنس نے کمپنی کے کاروباری مقاصد کے تحت معتدل انداز سے لگائے ہیں۔

فنانس

کمپنی کی بیلنس شیٹ 30 جون 2020 پر کرنٹ ریٹو 1.27 (2019: 1.13) اور کوئیک ریٹو 0.49 (2019: 0.47) کے ساتھ مستحکم پوزیشن میں تھی۔

زیر جائزہ سال کا مجموعی کاروبار 53,599 ملین روپے رہا جو گزشتہ سال اسی عرصے کے مقابلے میں 8 فیصد کم ہے، جس کی وجہ ہمارے اپنٹل ہیلتھ بزنس کے علاوہ تمام بزنسز کی آمدنی میں کمی ہے۔

آمدنی میں کمی کے باوجود زیر جائزہ سال کا مجموعی منافع گزشتہ سال کے مقابلے میں 11 فیصد زائد ہے۔ اس کی وجہ مینوفیکچرنگ صلاحیتوں کا بہتر حصول، منافع کی موثر مینجمنٹ اور اخراجات پر کنٹرول ہے۔

اس سال سیلز اور ڈسٹری بیوٹن کے اخراجات گزشتہ سال کے اسی عرصے کے مقابلے میں 7 فیصد زیادہ ہیں جبکہ انتظامی اور عمومی اخراجات برائے سال گزشتہ سال کے مقابلے میں 11 فیصد زیادہ رہے۔ ان اخراجات میں اضافے کی بنیادی وجہ کمپنی کے ترقی اور توسیع سے متعلق عوام کے پیش نظر اسٹاف کے اخراجات میں اضافہ، آؤٹ ورڈ فریٹ میں اضافہ اور دیگر اخراجات میں مہنگائی کے اثرات ہیں۔

ہینٹل ہیلتھ

مجموعی کاروبار (ملین روپے)



آپریٹنگ رزلٹ (ملین روپے)



دودھ کی بڑھتی ہوئی طلب کے پیش نظر، فارمز زہنی دودھ کی پیداوار کو برقرار رکھنے کے لیے مزید فیڈ طلب کر رہے ہیں۔ گرمی کے موسم میں گرین فوڈ کی کمی نے دانہ کی طلب کو مستحکم بنا رکھا ہے۔ سالانہ کی قیمتوں میں کمی مارکیٹ کے لیے ایک چیلنج رہے گا۔

بریکنگ کی آف سیزن دو مہینوں تک برقرار رہے گی لیکن مارکیٹ پلیسٹرز کا پورٹ کسٹرز کے ساتھ تبادلہ خیال اور کاروبار جاری رکھیں گے کیونکہ اکتوبر 2020 سے شروع ہونے والی آئندہ بریکنگ سیزن کی سپلائی کے لیے معاہدے آخری مراحل میں ہیں۔

کیمیکل اینڈ ایگری سائنسز بزنس

مجموعی کاروبار (ملین روپے)



آپریٹنگ رزلٹ (ملین روپے)



COVID-19 جیسے غیر معمولی حالات اور مشکل معاشی صورتحال میں مختلف کسٹرز کی جانب سے طلب میں شدید کمی کے باوجود، کیمیکلز اور ایگری سائنسز بزنس نے زیر جائزہ سال کے دوران 8,023 ملین روپے کا مجموعی کاروبار کیا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں صرف ایک فیصد کم ہے۔

سال کے لیے بزنس کا آپریٹنگ رزلٹ 739 ملین روپے ریکارڈ کیا گیا جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 5 فیصد زائد ہے۔ COVID-19 وبا کے پیش نظر مشکل ترین حالات اور حکومت کی جانب سے سخت ریگولیشنز کے باوجود، بزنس نے منافع کے تعین اور کاروباری مہارت پر توجہ دیتے ہوئے منافع کی قابلیت کو برقرار رکھا۔

منافع کی موثر بینجمنٹ اور تمام ترپورٹ فولیو میں اخراجات پر قابو پانا سے مثبت نتائج حاصل کئے گئے، خاص طور پر ایگری سائنسز کے بزنس میں کاروباری مہارت کے مثبت نتائج ملے۔ انڈیا سے درآمد پر پابندی اور حکومتی ریگولیشن میں سختی کے باوجود، ایگری سائنسز بزنس نے کاروباری سمجھ بوجھ کے ذریعے موثر کارکردگی کا مظاہرہ کیا۔ کیمیکل بزنس کے نتائج معاشی سست روی اور آخری سہ ماہی میں COVID-19 کے سبب متاثر رہے۔

دوران سال، ہینٹل ہیلتھ بزنس نے گزشتہ سال کے مقابلے میں 5 فیصد اضافے کے ساتھ 3,909 ملین روپے کا مجموعی کاروبار کیا اور گزشتہ سال کی اسی مدت کے مقابلے میں 21 فیصد کمی کے ساتھ 203 ملین روپے کا آپریٹنگ رزلٹ پیش کیا۔ آمدنی کے اعتبار سے، زیر جائزہ سال کے دوران لائیو اسٹاک کے شعبے میں 21 فیصد ترقی جبکہ پالٹری کے شعبے میں 27 فیصد منفی کاروبار کا سامنا رہا۔

سال کے زیادہ تر حصے میں، ایک دن کے چوزوں کی فراہمی میں اضافے، فیڈ کی زائد قیمتوں اور ایک دن کے چوزے اور قابل فروخت چکن کی قیمتوں میں کمی کے سبب پالٹری کا شعبہ بری طرح متاثر رہا۔ زیر جائزہ سال کی آخری سہ ماہی کے دوران، بریڈر کمپنیوں نے براہمکری انہسٹری صلاحیت کو ریشلائز کیا۔ لیکو سٹری کے مسائل سے فارمز کو بڑے معاشی نقصانات کا سامنا ہوا اور انٹیگریوں کا پورا انکام شدید متاثر ہو کر رہ گیا۔

زیر جائزہ مدت میں قرض واری سے متعلق اٹھانے جانے والے درست اقدامات نے بھی پالٹری کی سیکلر کو متاثر کیا۔ پالٹری کا کاروبار کرنے والے صارفین کی طرف قرض میں کمی لانے والی منصوبہ بندی پر عمل درآمد اور انہیں نقد یا متبادل امکانات میں تبدیل کرنے کے دوران صارفین کا رد عمل سامنے آیا اور نتیجے میں سیکلر اور مارکیٹ شیئر میں کمی واقع ہوئی۔

بزنس اپنے مقامی طور پر تیار کردہ پورٹ فولیو پر توجہ دیتا رہا ہے اور مقامی طور پر تیار کردہ ایم ایس ڈی 7 کے متعلق اور فارمز چو اٹس پورٹ فولیو کی کارکردگی اس بات کا ثبوت ہیں۔ دانہ اور سالنچ نے بھی اپنا سٹرز جاری رکھے ہوئے، بزنس کے مقامی طور پر تیار کردہ پورٹ فولیو کو تقویت دے رہے ہیں۔

مارکیٹ نے اب COVID-19 کی صورتحال میں خود کو ڈھاننا شروع کیا ہے، تاہم پالٹری کے شعبے میں، براہمکری بڑا اور ایک دن کے چوزوں کی سیکلر میں کمی کے سبب مارکیٹ میں مرنے کی گشت کی طلب کے مقابلے میں سپلائی میں واضح کمی کا سامنا ہے۔ اس ضمن میں طلب اور رسد کے درمیان موجود خلا کو بتدریج پُر کیا جا رہا ہے۔

فارماسیوٹیکلز

مجموعی کاروبار (ملین روپے)

2019	6,325
2020	6,145

آپریٹنگ رزلٹ (ملین روپے)

2019	277
2020	553

مذکورہ بالا مسائل سے مجموعی کاروبار میں 3 فیصد کمی واقع ہوئی، تاہم آٹھ نئی پروڈکٹس کے آغاز سے اس کمی کی جزوی تلافی کرنے میں مدد ملی، نئی پروڈکٹس میں مرپن (میر ویشیم) کی فراہمی کو دوران سال 450 نئی پروڈکٹس میں سے انڈسٹری کی دوسری بہترین پروڈکٹ کے طور پر تسلیم کیا گیا۔

سال کا آپریٹنگ پروفٹ 553 ملین روپے رہا، جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں (277 ملین روپے منافع) یہ شاندار کارکردگی ہے۔ یہ کارکردگی اخراجات کے بہتر انتظام، ساتھ میں مختلف و بہترین پروڈکٹس کی فراہمی اور ٹیکنسٹری کی موثر اہلیت اور نامہ مقدار کی بدولت ہے۔

بزنس نے یکم مارچ 2020 کو سرن فارماسیوٹیکلز کے آئی سی آئی پاکستان میں انضمام کو کامیابی کے ساتھ مکمل کیا۔ جس میں مشکل ریگولیٹری منظور یوں اور ہیومن ریسورسز کے کئی مشکل مرحلے طے کئے گئے۔ انضمام سے لیکر، جون 2020 میں حطار پلانٹ پر SAP، انفارمیشن سسٹم لگایا گیا جو کہ آئی سی آئی پاکستان کے ERP سسٹم سے مربوط ہے۔ انضمام اور ERP کی تنصیب کے امور ریکارڈ کم وقت کے اندر اور کسی بھی کاروباری ریکارڈ کے بغیر کم سے کم خرچے میں مکمل کئے گئے۔ ان پروڈیکٹس نے بزنس کو اس قابل کیا ہے کہ اپنی پروڈکٹس میں توسیع کرے اور مستقبل کی کاروباری ترقی کے لیے درست پلیٹ فارم فراہم کرے۔

موجودہ وباء نے دنیا بھر میں سپلائی چین کو متاثر کر کے رکھ دیا ہے۔ اس وباء سے ہسپتالوں اور کلینکس کو سٹاک کے نقصان کے ساتھ، خام مال کی فراہمی میں تاخیر، خاص طور پر انڈیا سے فراہمی میں قفل سے بزنس کے ساتھ اس بڑی انڈسٹری کی سٹاک اور آئندہ مہینوں میں متوقع منافع کو شدید خطرات لاحق ہیں۔ روپے کی حالیہ ناقدری نے مجموعی طور پر کاروبار کے منافع پر منفی اثرات مرتب کئے ہیں۔ مزید ناقدری کی صورت میں اپورٹس مزید متنگی ہوں گی کیونکہ خام مال کی ترسیل کے اخراجات دنیا بھر میں بڑھ رہے ہیں۔ ایسی صورت میں پروڈکٹس کی مینوفیکچرنگ کے اخراجات بڑھ جائیں گے اور نتیجے میں ہماری سٹاک اور منافع دونوں متاثر ہوں گے۔

غیر یقینی معاشی اور ریگولیٹری ماحول میں، بزنس اپنی توجہ مریضوں کی ضروریات کو پورا کرنے والی نئی پروڈکٹس فراہم کرنے پر توجہ مرکوز رکھے گا۔ اس کے ساتھ مینوفیکچرنگ اور خدمات کے اخراجات میں کمی کے موثر طریقہ کار اپنانے کی کوششیں جاری رکھی جائیں گی۔

دوران سال فارماسیوٹیکلز بزنس نے 1.38 فیصد سے 1.54 فیصد تک ترقی کرتے ہوئے آئی سی آئی پاکستان کو فارماسیوٹیکلز انڈسٹری میں تیز ترین ترقی کرنے والے دوسرے ادارے کے طور پر اعزاز بخشا۔

فارماسیوٹیکلز بزنس صارف کی توجہ کا مرکز بننے کی طرف تبدیل ہو رہا ہے اس لئے فیصلہ سازی کے ہر موڑ پر صارف کے مثبت تجربے کے مقصد کو ترجیح دی جا رہی ہے۔ بزنس نے 4 نئے ڈیجیٹل پینلز کو فعال کیا ہے اور ان کے ذریعے بہترین تاثر اور زیادہ سے زیادہ تاثر تک پہنچنے کی کوشش جاری ہے۔ ویڈیو سٹوریٹس اور ڈیجیٹل ٹیکنیشن نے بزنس کو فعال بنایا، سٹریٹجک رسائی حاصل کرنے میں، جو کہ COVID-19 کے درمیان محدود تھی۔

نیکرو لیول پر، دوران سال فارماسیوٹیکلز انڈسٹری کو کئی چیلنجز کا سامنا رہا جن میں انڈیا کے ساتھ تجارت کی عارضی بندش، فیڈرل بجٹ میں ٹیکس ریٹائرمنٹ کا اعلان، اور حال ہی میں COVID-19 کا پھیلنا شامل ہے۔ انڈیا کے ساتھ تجارت کی عارضی بندش سے سپلائی چین متاثر ہونے کے سبب بزنس کی سٹاک میں واضح نقصان ہوا۔ اس کے ساتھ ٹیکس ریٹائرمنٹ کے سبب سال کے آغاز میں ہول سیل مارکیٹ نمایاں ست روئی کا شکار رہی۔ COVID-19 کا پھیلاؤ، وقفے وقفے سے ہونے والے لاک ڈاؤن اور پاکستان میں ادنیٰ ڈیز کی بندش نے فارماسیوٹیکلز انڈسٹری کی سٹاک کو شدید متاثر کیا۔ حالانکہ حکومت نے لاک ڈاؤن میں بڑی حد تک نرمی کر دی ہے لیکن بہت کم ادنیٰ ڈیز کھل پائی ہیں اور ان میں بھی مریضوں کی کم آمد سے ادویات کی تجویز بھی کم رہی۔ اس پوری صورتحال میں ادویات کی تعداد میں کمی کے نتیجے میں بزنس کو سٹاک میں کمی کا سامنا ہے۔

تحت پر ڈکشن شیڈول کا دوبارہ سے جائزہ لینا پڑا، اسی طرح، مینو فیکچررز کم منافع پر کام کرنے پر مجبور ہوئے۔ سلیکیٹ کے شعبے میں اس وبا کے پھیلنے کے بعد لاک ڈاؤن سے متاثر ہونے والی ٹیکنالوجی انڈسٹری سے طلب بری طرح متاثر ہوئی، تاہم ڈفرنٹ کے شعبے میں تیزی رہی کیونکہ اس وبا کے دوران صفائی پر زیادہ توجہ دینے سے صابن اور ڈفرنٹ کی طلب میں اضافہ ہوا۔ ریٹائنڈ سوڈیم ہائی کاربونیٹ کی طلب میں تبدوروں کے بند ہونے اور مارکیٹ کی سرگرمیاں ماند پڑ جانے سے طلب میں کمی کے سبب مندی کا رجحان دیکھنے میں آیا۔

عالمی طور پر قیمتوں میں کمی کے باوجود، بزنس نے اپنے تعلقات اور کسٹمرز سیکٹیوگ کی بدولت علاقائی لیکچورٹ مارکیٹ میں لہٹی رسائی برقرار رکھی۔ بزنس نے بنگلادیش، سری لنکا، متحدہ عرب امارات، افغانستان، قطر، متحدہ عرب امارات اور مصر کو لیکچورٹس جاری رکھی۔ پاکستان سے بھارت اپورٹس پر 200 فیصد برآمدی ڈیوٹی مانگ ہونے کے بعد بزنس نے فوری طور پر دیگر مارکیٹس میں رسائی کی کوششیں شروع کی اور آئی سی آئی سوڈا ایٹس برانڈ کو علاقائی مارکیٹ میں متعارف کرایا۔

دوران سال ترقی کے عزم کی روشنی میں، سوڈا ایٹس بزنس نے مارکیٹ کی طلب کو پورا کرنے کے لیے لہٹی پر ڈکشن میں توسیع کا کام جاری رکھتے ہوئے ڈیس بلش پلانٹ کی 70 ہزار ٹن سالانہ تک توسیع کی۔ ریٹائنڈ سوڈیم ہائی کاربونیٹ کے 14 ہزار ٹن سالانہ کے توسیعی منصوبے پر کام جاری ہے جس کی تکمیل 2020-21 کی پہلی سہ ماہی میں ہونے کی توقع ہے۔

سال کے دوران بزنس کا آپریٹنگ رزلٹ 3,551 ملین روپے رہا جو گزشتہ سال کی اسی مدت کے مقابلے میں 2 فیصد کم رہا۔ COVID-19 کے پھیلاؤ نے زیر جائزہ سال کے آخری حصے میں کاروبار شدید متاثر کیا، نتیجے میں سیلز کی مقدار میں کمی ہوئی۔ تاہم اس کمی کے اثرات کو پلانٹ کے موثر آپریشن اور توانائی کے اخراجات میں کمی سے حاصل ہونے والے بہتر منافع سے کم کرنے میں مدد ملی۔

مزید برآں، ترقی کا دارومدار ملک کی مجموعی معاشی صورتحال اور عالمی معیشت پر ہے۔ عالمی معیشت بدتر رجحان کی بحالی کی طرف گامزن ہے اس لیے کہ حکومتیں لاک ڈاؤن کے معاشی اور سماجی اثرات سے بحالی کی طرف گامزن ہونے کے لیے مصروف عمل ہیں۔ حکومت پاکستان خصوصی طور پر "نیا پاکستان ہاسٹنگ اسکیم" اور مختلف سی پیک پروجیکٹ کے لیے کوشاں ہے۔ ان اقدامات سے تعمیراتی شعبے کو ترقی ملے گی جس سے گھاس کے شعبے کی سیلز میں اضافہ ہوگا۔ اسی طرح، صفائی کے امور پر مسلسل توجہ دینے کی بدولت، صابن اور ڈفرنٹ انڈسٹری کی سیلز بہتر رہے گی۔ آخر میں، لاک ڈاؤن کی پابندیاں تقریباً ختم ہونے سے، توقع کی جا رہی ہے کہ مارکیٹ کی سرگرمیاں بحال ہوں گی اور اس سے تمام شعبہ جات کی سیلز میں بہتری واقع ہوگی۔

مزید برآں، جس طرح دنیا بھر کے ممالک نے نئی روٹین کو اپنا شروع کیا ہے، امید کی جاتی ہے کہ عالمی مارکیٹس میں بدتر رجحان بہتری آئے گی۔ فیڈ اسٹاک کی قیمتیں مستحکم سے مضبوط رہنے کی امید کی جا رہی ہے۔ تاہم ٹیکنالوجی انڈسٹری کو مشکلات لاحق ہونے کا خطرہ ہے کیونکہ اس شعبے کے لیے مارکیٹ کی طلب امید سے بہت کم ہے، اور علاقائی PSF پلیسٹرز کے پاس زائد انوسٹریز موجود ہیں، مذکورہ مینو فیکچررز کاروباری منافع کو برقرار رکھنے کے لیے اپنے اسٹاک کو ٹائل کے پیش نظر لیکچورٹ مارکیٹس کا رخ کریں گے۔ بڑے بڑے تجزیہ نگار یہ پیش گوئی کر رہے ہیں کہ 2021 کے اختتام تک، فابری کی طلب میں عالمی وبا سے قبل 2019 والی سطح حاصل ہوگی۔ بڑے پیمانے پر بیرونی گاری، ادائیگیوں میں کمی، کاروباری سست روی اور کرونا وائرس کی دوبارہ پھیلنے کے خطرے کے پیش نظر، صارفین بھی اپنے اخراجات کو کم کرنے کی کوشش کریں گے اور نتیجے میں ٹیکنالوجی اور ملبوسات کی سیلز میں تاخیر سے ریکوری کی پیش گوئی کی جا رہی ہے۔

سوڈا ایٹس بزنس

مجموعی کاروبار (ملین روپے)

جون 2019	16,538
جون 2020	15,647

آپریٹنگ رزلٹ (ملین روپے)

جون 2019	3,631
جون 2020	3,551

زیر جائزہ سال کے دوران سوڈا ایٹس مارکیٹ محدود ہو گئی کیونکہ COVID-19 کے پھیلنے سے اور اس کے بعد ہونے والے لاک ڈاؤن کے سبب پوری مارکیٹ کی سرگرمیاں ختم ہو کر رہ گئیں۔ نتیجے میں بزنس کا مجموعی کاروبار گزشتہ سال کے مقابلے میں 5 فیصد کم رہا جبکہ بزنس کی مجموعی سیلز کی مقدار بشمول لیکچورٹس گزشتہ سال کے مقابلے میں 12 فیصد گر گئی۔

مقامی سوڈا ایٹس مارکیٹ کے تمام شعبہ جات اس عالمی وبا کے نتیجے میں متاثر ہوئے۔ گھاس مینو فیکچررز کی جانب سے ڈاؤن اسٹریم ڈیمانڈ میں کمی سے سوڈا ایٹس کی طلب میں کمی واقع ہوئی جبکہ حمل لاک ڈاؤن کے بعد معیشت کے غیر اہم سیکٹرز کی جانب سے بھی طلب ختم ہو کر رہ گئی۔ تعمیراتی شعبے کی سرگرمیاں ختم ہو کر رہ جانے سے فلوٹ گھاس کی طلب محدود ہوئی۔ اسی طرح، ریسٹورنٹس، شادی ہالز، اور صارفین کی قوت خرید ختم ہو کر رہ جانے سے، نیبل دسٹر اور بیورج ہائڈروکسی طلب شدید متاثر ہوئی۔ پیپر کا شعبہ تعلیمی سیشن میں تھریٹی کے سبب بری طرح متاثر ہوا جس کے

کرنے پر مجبور ہوئیں۔ بہت ہی کم پائے ہونے کے برابر کاروباری سرگرمیاں باقی رہیں اور دنیا معاشی گراؤ کا شکار ہوئی، جیسا کہ انٹرنیشنل مانیٹری فنڈ نے 2020 کے لیے 4.9 فیصد کاروباری گراؤ کی پیش گوئی کی ہے۔ مئی 2020 کے بعد، ملکوں نے لاک ڈاؤن میں نرمی کرنا شروع کی تاکہ کاروباری سرگرمیاں بحال ہوں اور معیشت کو زندگی ملے۔ اس وقت دنیا اپنے آپ کو "نئی روٹین" میں لانے کے لیے سرگرداں ہے جیسا کہ مارکیٹس احتیاط کے ساتھ کھولنے اور اسٹینڈرڈ آپریٹنگ پروسیجرز (SOPs) پر عمل درآمد کرنا ہے۔ بہتر رجحانوں کے ذریعے جارحانہ حالات میں وہی کا آغاز زیر جائزہ سال کے اختتام کے قریب ہوا، اور سال کی آخری سہ ماہی شدید ترین متاثرہ تھی۔

زیر جائزہ سال کے دوران کروڈ آئل کی قیمتوں میں اوسطاً 24 فیصد کمی واقع ہوئی (52.26 امریکی ڈالر فی بیرل بمقابلہ 68.99 امریکی ڈالر فی بیرل)۔ PX کی قیمتوں میں 34 فیصد کمی واقع ہوئی (1706 امریکی ڈالر فی میٹرک ٹن بمقابلہ 11076 امریکی ڈالر فی میٹرک ٹن)۔ کروڈ آئل اور PX کی قیمتوں کی طرح، پی ٹی اے کی قیمتوں میں بھی 34 فیصد کمی ہوئی (580 امریکی ڈالر فی میٹرک ٹن بمقابلہ 876 امریکی ڈالر فی میٹرک ٹن) جبکہ MEG کی قیمتیں 29 فیصد گر گئیں (510 امریکی ڈالر فی میٹرک ٹن بمقابلہ 716 امریکی ڈالر فی میٹرک ٹن)۔ مقامی پی ایف کی قیمتوں میں گزشتہ سال کی اسی مدت کے مقابلے میں 7 فیصد کمی واقع ہوئی (PKR 178/kg vs PKR 190/kg)۔ دوسری جانب علاقائی PSF کی قیمتیں 26 فیصد کمی کا شکار ہوئیں (kg vs \$1.19/kg / \$0.89)۔ مقامی اور درآمد کردہ PSF کی قیمتوں میں فرق کے سبب PSF کی درآمد میں تیزی دیکھنے میں آئی۔

تیل کی قیمتوں میں تیزی کے رجحان کے ساتھ گیس R/LNG اور فرنیس آئل کی قیمتوں میں ہلچل 9 فیصد اور 10 فیصد تک اضافہ ہو گیا جبکہ کولے کی قیمتیں مستحکم رہیں۔ نتیجتاً گزشتہ سال کے اسی عرصے کے مقابلے میں اس سال توانائی کے اخراجات 6 فیصد بڑھ گئے۔

پاکستان کی مقامی نیکیسٹیل انڈسٹری خصوصی طور پر پولیسٹرز / کائون اور کائون سیلینٹ سب سے زیادہ متاثر ہوئے کیونکہ ان کا زیادہ تر درآمد امریکہ سے ہوتا ہے، امریکہ اور یورپین خریداروں کی جانب سے نیکیسٹیل سے وابستہ پروڈکٹس کی طلب میں کمی کی روشنی میں آرڈرز کی منسوخی یا تاخیر سے سیکڑ میں شدید منفی اثرات مرتب ہوئے۔ اس کے ساتھ ساتھ مقامی نیکیسٹیل انڈسٹری کے 45 دن تک لاک ڈاؤن نے مقامی PSF انڈسٹری کی سیکڑ کو شدید نقصان پہنچایا۔ مئی 2020 میں لاک ڈاؤن میں نرمی نے فوری بحالی کا کام کیا اور انڈسٹری پائپ لائن کو سہارا ملا تاہم حقیقی صورتحال کا جائزہ آنے والی سہ ماہی میں مارکیٹ کی بحالی کے بعد ہی لگایا جاسکتا ہے۔ مارکیٹ کی فیبر معمولی صورتحال کے باوجود، بزنس کو گزشتہ سال کے مقابلے میں صرف 12 فیصد سیکڑی مقدار کی کمی کا سامنا کرنا پڑا۔

کمپنی ایک مربوط انٹریڈرز سب سٹریٹجی (ERM) فریم ورک رکھتی ہے جو ادارے کو لاحق خطرات کی نشاندہی اور ان سے بروقت نبرد آزما ہونا یقینی بنائے گا۔ یہ فریم ورک امور کے باہر استعمال کیا جاتا ہے تاکہ کمپنی کو ایک نظام کے تحت خطرات کو پہچاننے، جائزہ لینے اور مناسب انداز میں ان کا سدباب کرنے میں مدد ملے۔ نشاندہی کردہ خطرات کو ان کے اثرات کے پیش نظر ترجیحی بنیادوں پر حل کرنے کے اقدامات کئے جاتے ہیں۔

خطرات پر قابو پانا ایک ہمہ وقتی ضرورت ہے، اس لئے خطرات، ان کے حل اور / یا درست اقدامات پر مشتمل اس سالانہ عمل میں یہ عبوری اپ ڈیٹس شامل ہیں۔

آئی سی آئی پاکستان لینڈ ڈاؤن ERM فریم ورک درج ذیل عوامل پر مشتمل ہے:

- ایک شفاف عمل کے تحت کمپنی کو لاحق خطرات سے متعلق ضروری ثبوتوں کی فراہمی
- خطرات اور اس سے متعلق امور کے لئے ایک سادہ سی زبان کا استعمال، اس سے تبادلہ خیال میں آسانی اور ہر ایک کو سمجھنے اور فیصلہ کرنے میں آسانی ہوتی ہے۔
- خطرات پر قابو پانے کے نظام میں شفاف احتساب اور انتظام کا نفاذ

کاروباری جائزہ

پولیسٹرز اسٹیشنل فائبر بزنس (PSF)

مجموعی کاروبار (ملین روپے)

جون 2019 23,629

جون 2020 19,887

آپریٹنگ رزلٹ (ملین روپے)

جون 2019 65

جون 2020 530

زیر جائزہ سال کے دوران COVID-19 کی عالمی وبا نے عالمی معیشت کو بھٹا دیا اور گلوبل مارکیٹ کو شدید ترین مشکلات کا سامنا کرنا پڑا۔ مالی سال 20-2019 کی پہلی ششماہی کے دوران، یعنی اس عالمی وبا سے پہلے کے دورانیہ میں دنیا کی دو بڑی معیشتوں، امریکہ اور چین کی تجارتی جنگ کے سبب عالمی مارکیٹس کو مندی کا سامنا تھا۔ جنوری 2020 میں کچھ ہی دنوں کے لیے تجارتی بحالی کا آغاز ہوا جب امریکہ اور چین کے درمیان تجارتی معاہدے پر دستخط ہوئے۔ بعد ازاں جلد ہی اس عالمی وبا نے پوری دنیا کو اپنی پیٹ میں لے لیا اور حکومتیں اپنے اپنے ممالک میں سخت لاک ڈاؤن

صنعتی مساوات اور شمولیت

اپنے ملازمین کو مکمل لائف اسٹائل پیش کرنے کے ساتھ ادارے میں اپنے کیریئر کی تکمیل کے بعد ملازمین کے رٹائرمنٹ پلانز پر خصوصی توجہ دی جاتی ہے۔ معاشی فوائد کے علاوہ ملازمین کی صحت اور بھلائی کے پیش نظر ان کے خاندان کے لیے ایک مربوط طبی سہولت کی پالیسی اور صحت کے پروگرام بھی پیش کئے جاتے ہیں۔

صنعتی تعلقات

آئی سی آئی پاکستان میں، تمام ملازمین کے سیکھنے کے ساتھ کام کرنے پر زور دیا جاتا ہے۔ پلانٹ سائنس بھی اسی نظریہ کی پیروی کرتی ہیں اور ٹیکنیکل ہارگیٹنگ ایجنٹ کے ساتھ شائستگی سے پیش آتے ہیں۔ کئی ان کے ساتھ امن معاہدوں کی بروقت تکمیل کے کام کو جاری رکھتی ہے۔

کسی بھی قسم کے اجتماعی یا انفرادی مشکلات یا مسائل کو ترمیم دیئے گئے فورمز کے استعمال سے گنت و شنید کے ساتھ حل کیا جاتا ہے اور صنعتی امن اور کام کی رکاوٹوں کو ختم کرنے کے سلسلے میں متعین طریقہ کار وضع کر دیا ہے۔

ہم لیگل ڈیپارٹمنٹ کے ساتھ تبادلہ خیال کی روشنی میں پر امن معاہدوں اور یو من ریسیورسز کی پالیسیوں پر قائم رہتے ہیں اور کئی کی معاونت کرتے ہیں تاکہ لیبر کو مصروف رکھنے کے ساتھ ان کی حوصلہ افزائی کا کام بھی جاری رہے۔

رہنما مینجمنٹ

خطرات پر قابو پانا اور پارتی اور تعمیر کے بنیادی اصولوں میں سے ایک ہے۔ آئی سی آئی پاکستان لینڈ میں بورڈ آف ڈائریکٹرز کو خطرات پر قابو پانے کے نظام کی نگرانی اور اندرونی نظام کے طریقوں کی مجموعی ذمہ داری سونپی گئی ہے۔

کئی میں خطرات سے نمٹنے کے امور مرتب کردہ ہیں تاکہ ہمارے اثاثے محفوظ رہیں اور کاروباری تسلسل کو لاحق ممکنہ خطرات پر بھی نظر ہو۔ مرتب کردہ امور کو مستقل جائزے کی ضرورت ہوتی ہے اسی طرح کاروباری، انتظامی، مالیاتی اور عملدرآمد کے مقاصد میں ممکنہ طور پر غلط ڈالنے والے امور سے متعلق بورڈ اور اعلیٰ انتظامیہ کو اطلاع دی جاتی ہے تاکہ بروقت ایکشن لیا جاسکے اور کئی کے آپریشن بلا تھقل جاری رہیں۔

آئی سی آئی پاکستان لینڈ اہلیات کے حوالے سے ایک صاف و شفاف اور واضح انتظامی نظام کی حامل ہے۔ کئی کی سیکرٹری مینجمنٹ عمل درآمد کے امور چلانے، خطرات پر نظر رکھنے اور مختلف ضابطوں کے اثر کو جانچنے کی ذمہ دار ہے۔

ادارے کے طور پر، کئی متنوع ورک فورس کی صلاحیتوں کی قدر کرتی ہے اور یکساں مواقع فراہم کرنے والے ادارے کی قدر کو پہچانتی ہے۔ اسی کے پیش نظر، یو من ریسیورسز یو این جی، جنس، لیسٹ، جسمانی اور ذہنی صلاحیت اور دیگر خصوصیات کی صورت میں وسعت کو ترجیح دیتا ہے تاکہ ملازمین کی صورت میں مختلف ثقافت اور صلاحیت کا ایک منفرد امتزاج قائم رہے۔

ادارے کو درج ذیل اقدامات اٹھاتے ہوئے فخر ہے کہ جن کی مدد سے وہ اپنی تنوع پذیر لیڈر حاصل کر سکتا ہے اور تمام اقدامات Impact کے بڑے اٹھائے جا رہے ہیں۔ Impact کارکنوں پر پروگرام کا مقصد خواتین کو اس کارکنوں کی فراہمی سے تاکہ وہ پاکستان کی مایہ ناز یونیورسٹیوں سے اپنے انڈرگریجویٹ ڈگری پروگرام مکمل کر سکیں۔ Impact دو مین ڈیویژن پر پروگرام (WDP) مختلف بیک گراؤنڈز سے خواتین اسٹوڈنٹس کے لیے 4 مہینوں پر محیط انٹرن شپ پروگرام ہے۔ اس پروگرام کا مقصد اعلیٰ ذہانت رکھنے والے اسٹوڈنٹس کو سیکھنے، نیٹ ورکنگ کے مواقع کی فراہمی اور آغاز میں ہی کارپوریٹ ماحول سے آشنا کر دیا جاسکے۔

آئی سی آئی پاکستان Impact سرکلز کے نام سے سیشن بھی منعقد کرتی ہے یہ 8 سے 12 ملازمین کا گروپ ہے جو D&I سے متعلق ذہن سازی اور تبادلہ خیال، ایک دوسرے کی مدد اور نئی اسکیمیں کرنے کے لیے مستقل طور پر ملتا رہتا ہے۔ ان ایکٹ سرکلز کا مقصد تنوع پذیری اور شمولیت سے متعلق تبادلہ خیال کی حوصلہ افزائی اور نیم بلڈنگ سرگرمیوں کے ذریعے ملازمین کے درمیان تعلق اور اعتماد کا قیام ہے۔

نیلنٹ کے حصول کے لیے، "سینڈر ڈائریکٹری بورڈ" کے ذریعے صنعتی مساوات کی شرح کو جانچا جاتا ہے اور اس کی بنیاد پر خواتین ملازمین کی شرح کے سالانہ رپورٹ (بزنس کے اعتبار سے) کا تعین کیا جاتا ہے۔ اس لئے مستقل بنیادوں پر D&I کئی کے اجلاس بلائے جاتے ہیں تاکہ کئی میں ان مہموں کی نشاندہی ہو سکے جن پر باصلاحیت خواتین ملازمین کو بھرتی کیا جائے۔

تنخواہ اور مراعات

آئی سی آئی میں ملازمین کی کامیابیوں کو منایا جاتا ہے اور کئی کے لیے ان کی کاوشوں کے بدلے میں انعامات سے نوازا جاتا ہے۔ کئی کی اقدار کے مطابق کاروباری ترجیحات پر معاونت کرنے والے ملازمین کی حوصلہ افزائی کئی کی ریورڈ فلاسافی میں بہت اہمیت کے حامل ہوتے ہیں۔ انعامات کے سیکٹرز کو کئی کے جنرالیٹی طور پر متنوع ورک فورس کی ضروریات کو پورا کرنے کے لیے مرتب کئے جاتے ہیں اور صنعتی معیاروں کے عین مطابق وضع کئے جاتے ہیں۔ اس کے علاوہ آئی سی آئی

ماحول

کے استحکام کے لیے برقرار رکھنے کی نشاندہی کرتا ہے۔ اس ضمن میں کمپنی کو سیلیپ بیسٹ ورک پلیس ایوارڈ سے نوازا گیا جو سیلیپ کی جانب سے دنیا کی بہت ہی اعلیٰ کام کا ماحول فراہم کرنے والی کمپنیوں کو تفویض کیا جاتا ہے۔ آئی سی آئی پاکستان ملک کی واحد کمپنی ہے جسے مسلسل دو سال کے لیے اس اعزاز سے نوازا گیا۔ مقامی طور پر اسے بیسٹ پلیس نو ورک ان دی مینوفیکچرنگ اینڈ انجینئرنگ اینڈ سٹریٹیجی ہائی پاکستانی سوسائٹی آف ہیومن ریسورس مینجمنٹ (PSHRM) اینڈ انجینئرنگ کنسلٹنگ کے طور پر پہچانا جاتا ہے۔

دوران سال، کمپنی نے اپنی سالانہ رپورٹ برائے مالی سال 19-2018 کی ترسیل، موری گا پلانٹ کے افتتاح اور دیگر مواقع پر 12,000 سے زائد مین ٹری سیز پیپر ٹیکس تقسیم کئے، اور لوگوں کی پودے لگانے کے لیے حوصلہ افزائی کی۔

ماحول میں بڑھتی ہوئی آلودگی کے پیش نظر کمپنی درخت لگانے کی مہم میں شامل ہونے کی روایت کو جاری رکھے ہوئے ہے۔

آئی سی آئی پاکستان ورک فورس کی بھرتی، ترقی اور دیر پا تقرر پر بھرپور توجہ مرکوز رکھے ہوئے ہے، اس ضمن میں کئی پروگراموں کے ذریعے ملازمین کی فلاح و بہبود سے لیکر تربیتی اکیڈمی کے تحت ٹیلنٹ کی افزائش کو یقینی بنایا جاتا ہے، اس کے علاوہ کمپنی تربیت، ترقی اور اپنی صلاحیتوں کو بروئے کار لانے کے مواقع فراہم کرنے کے لیے پرعزم ہے۔

ہمارے سی ایس آر اور کمیونٹی میں سرمایہ کاری کے اقدامات سے متعلق مزید معلومات کے لیے سالانہ رپورٹ کا صفحہ نمبر 176 سے 177 ملاحظہ کریں۔

ہیومن ریسورسز

ملازمین کی قدر سے متعلق جوبیز

جانشینی کی منصوبہ بندی
آئی سی آئی پاکستان لمیٹڈ میں جانشینی کی منصوبہ بندی سے متعلق ایک مربوط فورم موجود ہے جس کے امور کی نگرانی ایگزیکٹو مینجمنٹ ٹیم کرتی ہے۔

آئی سی آئی پاکستان لمیٹڈ اپنی پروکار ساکھ اور شاندار جارج سے متعلق شہرت رکھتی ہے، اور ملازمین کو ان مختلف مواقع کی فراہمی پر یقین رکھتی ہے جن سے وہ اپنی مقاصد کی تکمیل کے ساتھ اپنے پیشہ ورانہ زندگی باہر ترقی سے بہرہ ور ہوں گے۔ ایک پائپ لائن ویلج پرو پوزیشن (EVP)، "ایک ٹیم، کئی مواقع" آئی سی آئی پاکستان میں موجود منفرد، حوصلہ افزا اور وسیع مواقع اس بات کا مظہر ہیں۔

ٹیلنٹ کا جائزہ مستقل اور لازمی اتنا ہے جتنا کمپنی کے مایات کا جائزہ لازمی ہے۔ اس ضمن میں مستقل بنیادوں پر اجلاس اور نگرانی جاری رہتی ہے اور جانشینی کی اہلیت پر تبادلہ خیال کیا جاتا ہے۔ اندرونی ترقیوں کی حوصلہ افزائی سے صلاحیتوں کو آگے لانے پر توجہ دی جاتی ہے۔ گزشتہ سال جانشینی اور کیریئر پلاننگ سے متعلق تبادلہ خیال کی روشنی میں میسر اور ڈیولپ کے 31 فیصد ٹیلنٹ کو ترقی دی گئی۔

"ملازمین کی بھرتی کا جذبہ" آئی سی آئی کی اہم اقدار میں سے ایک ہے جو کمپنی کے EVP کی نشاندہی کرتا ہے، اور اس بات کو یقینی بناتا ہے کہ کمپنی مواقع کی فراہمی کو جاری رکھتے ہوئے موجودہ اور مستقبل کے ملازمین کو اپنی صلاحیتوں کے بدلے خوشحالی کا راستہ حاصل ہو۔ آئی سی آئی پاکستان اپنے بزنس اور افراد میں توسیع کے ذریعے اپنے ملازمین کو آگے بڑھنے، ترقی کرنے، تعمیر اور تازہ سازی کرنے کے مواقع فراہم کرتی ہے۔

آئی سی آئی پاکستان کے پاس مختلف النوع بزنس کی بدولت، ملازمین کو اپنا تجربہ بڑھانے کے ساتھ دیگر بزنسز میں کام کا موقع بھی میسر آتا ہے جس کا مطلب کامیابی کے سوا یہاں کچھ نہیں۔

ٹیلنٹ مینجمنٹ

جانشینی کے لیے زیر نظر ملازمین کو مشکل امور، ٹارگٹ فورس میں مداخلت، اندرونی اور بیرونی نیٹ ورک اور لیڈرشپ ٹریننگ کے ذریعے تیار کیا جاتا ہے اور ملازمت کے دوران تربیتی کاموں سے گزارا جاتا ہے۔

آئی سی آئی پاکستان لمیٹڈ ملک میں 75 سالہ وکار کے ساتھ مضبوط براڈ ویڈیو رکھتی ہے اور انڈسٹری میں اپنے فن کے ماہر لیڈرز کی تیاری کے سلسلے میں اچھی ساکھ کی حامل ہے۔ کمپنی بہترین ٹیلنٹ کو حاصل کرنے کے لیے پرعزم ہے اور کئی مواقع بھی فراہم کرتی ہے۔ آپ کہیں بھی جائیں آئی سی آئی پاکستان کی پہچان پائیں گے جس کی بدولت کمپنی کے لیے کام کرنا لوگ کی چاہت رہی ہے۔

دلچسپی کی بات یہ ہے کہ آئی سی آئی پاکستان ٹیلنٹ کی فرسٹری اور لیڈر کو تیار کرنے سے متعلق ایک شاندار ساکھ رکھتی ہے۔ کمپنی اپنے برانڈ کے وعدے "ترقی کی ترویج" کے عین مطابق اپنے تمام کاموں، بزنس کی منصوبہ بندیوں، ٹیلنٹ مینجمنٹ یا اپنی سی ایس آر کی کاوشوں میں مصروف عمل ہے۔

"ملازمین کی بھرتی کا جذبہ" آئی سی آئی کی اہم اقدار میں سے ایک ہے، ملازمین اور روایات کا روڈ میپ اس کی عکاسی کے ساتھ درست ٹیلنٹ کو کمپنی کے کاروباری مقاصد

مونٹیسوری ٹیچرز ٹریننگ

کرنے کے ساتھ حاملہ خواتین کے لیے 2290 آگہی سے متعلق سیشن بھی منعقد کئے گئے ہیں۔ اپنے قیام سے لیکر یہ کلینک کامیابی کے ساتھ 140,360 ادنیٰ ڈی کیس اور ایمرجنسی کے ذریعے 1335 ایمرجنسی ٹرپ بھی انجام دے چکا ہے۔

فائونڈیشن کے طویل عرصہ سے چلنے والے آئی کیئر پروگرام نے اپنا کام ایک تسلسل کے ساتھ جاری رکھا ہوا ہے اور اس پروگرام کے تحت فروری 2020 میں 312 یکسپ اگانے کا سنگ میل عبور کرنا ایک بہت بڑا اعزاز ہے۔ یہ پروگرام گزشتہ 28 سال سے کھیڑا اور اس کے گرد و نواح میں آنکھوں کے ہزاروں مریضوں کو مفت طبی سہولیات فراہم کر چکا ہے۔

مزید برآں، کھپنی کے ونگلین ہسپتال، کھیڑا، سول ہسپتال کھیڑا اور تحصیل ہسپتال پنڈدادن خان میں نیا کڈنی انسٹیٹیوٹ، کراچی کے تعاون سے گردوں کی صحت سے متعلق آگہی کا دن پر میڈیکل کمپ منعقد کیا گیا۔ جس میں 500 سے زائد گردوں اور متعلقہ بیماریوں کے مریضوں نے شریک کی۔ اس اقدام سے فائونڈیشن کے لیے مستقل بنیادوں پر اس طرح کے طبی آگہی کے کمپ اگانے کا راستہ ہموار ہوا۔

علاوہ ازیں، آئی سی آئی پاکستان فائونڈیشن نے لیاری جنرل ہسپتال کے پیڈیاٹرک ایمرجنسی ادنیٰ ڈی یونٹ کو تین سال کے لیے تعاون فراہم کرنے کی ذمہ داری اٹھائی ہوئی ہے۔

کیونٹی

آئی سی آئی پاکستان لینڈ نے اپنے ملازمین کو کیونٹی کے مختلف CSR اقدامات میں شریک کرنے کے لیے جون 2018 میں پیمانہ وائٹنیر پروگرام شروع کیا۔ یہ پروگرام کھپنی کی CSR پالیسی کے مطابق مرتب کیا گیا ہے۔ پیمانہ پروگرام کے تحت، کھپنی کی روایات، اقدار اور برانڈ کے وعدے ترقی کیلئے کوشاں کے پیش نظر، کھپنی اپنے اسٹاف کو اس بات پر قائل کرتی ہے کہ وہ اپنے کام کے اوقات میں سے سالانہ 2 دن (16 گھنٹے) رضا کارانہ کاموں پر صرف کریں۔ پیمانہ پروگرام کے تحت اس سال کی جانے والی سرگرمیوں میں شجرکاری، مہم، خون کا عطیہ دینے کے کمپ، SOS دلچ میں آزادی کا دن منانے اور سٹیزن فائونڈیشن کے رہبر پروگرام شامل ہیں۔ شجرکاری کے تحت اس سال کھیڑا، شیخوپورہ اور کراچی میں 2000 پودے کاشت کئے گئے۔

زیر جائزہ سال کے دوران، ملازمین نے پیمانہ رضا کارانہ سرگرمیوں میں بھرپور شرکت کی۔ دوران سال 200 سے زائد ملازمین نے 18 مختلف سرگرمیوں میں 1050 گھنٹے صرف کئے۔ اس وقت تک 560 ملازمین نے 25 مختلف سرگرمیوں میں 1780 گھنٹے وقف کئے ہیں۔

اسکول اساتذہ کے لیے عمومی ٹیچرز ٹریننگ کے ساتھ، اگست 2019 میں، آئی سی آئی پاکستان نے 16 پر مشتمل مونٹیسوری ٹیچرز ٹریننگ کا خصوصی انتظام کیا۔ اسکول ٹیکنی کے ساتھ قریبی اسکول ٹیچرز کو بھی اس کورس میں شرکت کی دعوت دی گئی۔ اس کورس میں 95 فیصد حاضرین کے ساتھ 34 شرکاء نے حصہ لیا۔ اس طرح کے ٹریننگ کورس کے لیے تقریباً 140 اسٹوڈنٹس کا سیکینڈ چارج ٹریننگ کے لیے منتظر ہے۔

اعلیٰ تعلیم میں تعاون:

آئی سی آئی پاکستان فائونڈیشن نے مرشد اسپتال کراچی کے نرسنگ اسکول اور ڈوائف ٹریننگ اسکول ایب کے لیے فنڈز فراہم کرنے کے ساتھ ساتھ ٹریننگ کا سامان بھی مہیا کیا جس میں ڈیپارٹمنٹ ڈائریکٹر بھی شامل ہیں تاکہ طلباء کو زندگی بچانے والی میڈیکل ٹیکنیک سیکھنے کے قابل بنایا جاسکے۔ فائونڈیشن کے تعاون سے لائبریری کو اپ گریڈ کرنے کے ساتھ فیکلٹی کمپیوٹر لیب کو بھی اپ گریڈ کیا گیا۔ ان سہولتوں کی بدولت نرسنگ اسکول تین سالہ ڈپلومہ کی جگہ کالج سطح کا چار سالہ ڈگری پروگرام پیش کرنے کے قابل ہوا اور مستقبل کی نرسز کے لیے تعلیمی معیار میں قابل قدر اضافہ بھی ہوا ہے۔

مرشد ہسپتال اسکول آف نرسنگ اور ڈوائف ٹریننگ کے ساتھ مذکورہ شراکت داری کے ساتھ فائونڈیشن نے ضرورت مند اسٹوڈنٹس کو میرٹ کی بنیاد پر دو سالہ کیونٹی ڈوائف ڈپلومہ پروگرام میں داخلہ کے لیے 16 کالرشپ بھی تفویض کی ہیں۔

IMPACT اسکالرشپ پروگرام

آئی سی آئی پاکستان فائونڈیشن نے ملک کے مایہ ناز تعلیمی اداروں آئی بی اے، ایس، بی، آئی کے اور یو ای ٹی کے ساتھ IMPACT اسکالرشپ پروگرام شروع کیا ہے۔ یہ خواتین کو ترجیح دیتے ہوئے چار سالہ انڈرگریجویٹ ڈگری پروگرام ہے۔

فائونڈیشن پاکستان ایگریکلچرل کمیشن (PAC) کے ساتھ ایگریکلچرل ٹیکنیکل انسٹیٹیوٹ کے قیام میں تعاون جاری رکھے ہوئے ہے۔ اس سے ملنے والی کسانوں کو معیاری تعلیم اور زرعی تحقیق میں قابل قدر معلومات میسر ہوں گی۔

ہیلتھ (صحت):

کھیڑا میں 2016 میں درجنڈا چائلڈ ہیلتھ کیئر کلینک کے کامیاب آغاز کے بعد اکتوبر 2018 میں شیخوپورہ میں بھی اسی طرح کا کلینک قائم کیا گیا ہے۔ کلینک اچھا کام جاری رکھے ہوئے ہے اور مقامی لوگوں کے لیے ایک بڑی سہولت ثابت ہو رہا ہے۔ اس وقت تک تقریباً 10 ہزار بچوں کو ایمو ٹائزیشن اور نیو ٹریشن کی سہولت فراہم

زیر اہتمام سرانجام دیئے جاتے ہیں، یہ ایک رجسٹرڈ فرسٹ ہے اور فاؤنڈیشن کے بورڈ آف ٹرسٹیز سی ایس آر پالیسی کے تحت اس کے امور کی نگرانی کرتے ہیں۔ فاؤنڈیشن کے اقدامات (بہم قدم پروگرام کی چھتری تلے) بنیادی طور پر ان شعبہ جات کو مد نظر رکھ کر اٹھائے جاتے ہیں: تعلیم، صحت، کمیونٹی اور ماحول۔ فاؤنڈیشن کیونٹی پر دیکشنس میں سرمایہ کے ذریعے شہری ترقی میں تعاون کے ساتھ قدرتی آفات میں فلاح و بہبود اور بحالی کے اقدامات میں بڑھ چڑھ کر حصہ لیتی ہے۔

دوران سال، آئی سی آئی پاکستان فاؤنڈیشن نے جن اہم اقدامات میں تعاون کیا ان میں شامل ہیں:

تعلیم

وو کیوشل ٹریننگ

لیڈرز ویلفیئر سینٹر (LWC) آئی سی آئی پاکستان لینڈ نے 1973 میں کھیڑو کی خواتین کو وو کیوشل ٹریننگ کے ذریعے بااختیار بنانے کے مقصد سے قائم کیا تھا جو کہ اس وقت بھر پور انداز میں خدمت میں مصروف عمل ہے۔ اس وقت یہ سینٹر انٹرن شپ اور نیچر ٹریننگ پروگرام بھی پیش کرتا ہے سینٹر میں اس وقت پانچ انسٹرکٹرز ہیں یہ سب اسی سینٹر کے سابقہ اسٹوڈنٹ ہیں۔ سینٹر کے قیام سے اب تک 1360 کمیونٹی اسٹوڈنٹس نے گریجویشن حاصل کر لی ہے۔

گراہمی کے علاقے لیاری میں نوجوان نسل کو پیشہ دراندہ مہارت فراہم کرنے کے لیے روڈن لیاری پروگرام شروع کیا گیا جس میں خواتین کے لیے قلیل مدت کے فیشن ڈیزائننگ، اسٹینڈنگ، نیلرنگ، بیوٹی اور میک اپ پر مشتمل وو کیوشل ٹریننگ کورسز شامل ہیں، اس پروگرام سے اب تک 250 لڑکیوں نے فائدہ اٹھایا ہے۔

پرائمری تعلیم میں تعاون

گزشتہ 18 سال سے گورنمنٹ بوائز اینڈ گرلز پرائمری اسکول ٹی ہریہ، شیخوپورہ پبلسٹریٹس کی CSR ٹیم کی زیر نگرانی چل رہا ہے۔ اس وقت اسکول میں 120 اسٹوڈنٹس کو تعلیم کے زور سے مزین کیا جا رہا ہے۔

گورنمنٹ بوائز اور گرلز پرائمری اسکول کاکھیڑو گوٹھ، گراہمی میں فاؤنڈیشن طویل عرصہ سے تعاون کر رہی ہے جس میں 2008 میں پورے اسکول کی تزئین و آرائش کے ساتھ نئے گاؤں روم کافر نیچر میا کرتے ہوئے چھٹی جماعت کا بھی آغاز کیا گیا ہے تاکہ علاقے کی بچیوں کو اپنے ہی گاؤں میں تعلیم کی سہولت میسر ہو۔ اسکول میں اس وقت 200 سے زائد اسٹوڈنٹس داخل ہیں۔ 2017 میں، اس اسکول کو ڈبل تنگ چلانے کی فیبرر کی شروعات کی گئی کیونکہ علاقہ کمین لہٹی بچیوں کو قریبی موجود کواہجیکیشن اسکول میں بھیجنے کے لیے تیار نہ تھے۔ اس فیصلے کے بعد وہاں چھٹی، ساتویں اور آٹھویں جماعت میں 20 سے زائد طالبات زیر تعلیم ہیں۔

سال کے دوران کمپنی نے اپنے تمام بزنسز میں سسٹین لیبلیٹی پلانز پر عمل درآمد سے توانائی کے استعمال، پھر سے میں کمی، پانی کے استعمال اور (NEQS) کی تعمیل پر توجہ مرکوز رکھی۔

آئی سی آئی پاکستان کے تمام بزنسز بشمول نیوٹری کو مور بناگانے سے پروڈیکشنس کے باوجود نیٹشل انوائرنمنٹ کوالٹی اینڈ نیٹرزڈ (NEQS) کی تعمیل سے متعلق رپورٹ پیش کی۔

COVID-19 اور متعلقہ اقدامات

27 فروری 2020 سے پاکستان میں کورونا وائرس پھیلنے کے پیش نظر، آئی سی آئی پاکستان لینڈ نے پیکنگ و ایج کمپنی (PWC) قائم کی تاکہ صورتحال کا بغور جائزہ لیا جا سکا رہے۔ پی ڈبلیو سی اور ای ایم ٹی نے صورتحال کا بخوبی جائزہ لے کر COVID-19 کے اثرات کو کم سے کم کرنے، ملازمین اور ان کے خاندان اور بزنسز پر پڑنے والے ممکنہ منفی اثرات سے تحفظ کے ضروری اقدامات اٹھائے۔

پی ڈبلیو سی تمام بزنسز کے ساتھ تبادلہ خیال اور اشتراک سے اس وبائی صورتحال میں مربوط رہنا اصولوں کی تیاری اور کاروباری تسلسل کے پلانز مرتب کرنے کے لیے کوشاں ہے۔ ای ایم ٹی اور پی ڈبلیو سی وباء کی بدلتی ہوئی صورتحال اور اپنے کنٹرولز کا تسلسل برقرار رکھنے کے امور کا بغور جائزہ لے رہے ہیں۔ کمپنی نے اس وباء کے اثرات پر قابو پانے کے لیے تمام مقامات پر 40 سے زائد کنٹرولز پر عمل درآمد کر رکھی ہے۔ لازمی SOPs میں، تمام ملازمین اور خدمات فراہم کرنے والوں کے لیے کمپنی کے حدود میں فیس ماسک استعمال کرنے اور 6 فٹ کا سماجی فاصلہ برقرار رکھنے کی پابندی کرنا شامل ہے۔ دیگر ضابطوں میں صحت اور بیماری کی جانچ، ٹھہر چکر کی لازمی نگرانی، سانس لینے اور ہاتھوں کی صفائی سے متعلق PPEs کا استعمال، محدود اور گاڑیوں کی باقاعدہ صفائی اور جراثیم سے پاک کرنا آسنے سانسے ملاقاتوں کو محدود کرنے کے ساتھ گھر سے و فیزی امور انجام دینے کی پالیسیاں شامل ہیں۔ اس کے ساتھ کمپنی کی صحت کے پروگرام کے بہتر سے ایک بھر پور کیوشل ٹریننگ سیشن ترتیب دے کر اس پر عمل درآمد کو یقینی بنایا گیا۔

ان بروقت، بھر پور اور عملی اقدامات سے ملازمین کی صحت اور تحفظ کے قلیل مدتی خطرات کو کم کرنے کے ساتھ بزنسز پر پڑنے والے طویل مدتی اثرات کا بوجھ کم کیا۔ ان کوششوں سے ملازمین کا مورال بلند ہوا، اس ضمن میں بٹر فلائی سروے کے نتائج اور کاروباری منفی اثرات میں کمی کو ثبوت کے طور پر پیش کیا جاسکتا ہے۔

سماجی سرمایہ کاری (کارپوریٹ سوشل ریسپانسبلٹی)

آئی سی آئی پاکستان لینڈ اپنی کمیونٹی میں سماجی سرمایہ کاری پر بھر پور توجہ دیتی ہے، اس میں ہمارے سماجی بہبود کے زیادہ تر اقدامات آئی سی آئی پاکستان فاؤنڈیشن کے

آئی سی آئی پاکستان لینڈ کے تمام آپریٹرز میں عالمی اور مقامی معیاروں پر عمل درآمد کی جاتی ہے۔ اس حوالے سے کمپنی کا شمار اقوام متحدہ کے سسٹین ایبل ڈیولپمنٹ گولز (SDGs) کی تعمیل سے متعلق رپورٹ کرنے والی پہلی کمپنی کے طور پر ہوتا ہے۔ اس سال بھی کمپنی کی سطح پر SDGs کی تعمیل سے متعلق آگہی اور متعلقہ ملازمین کی تربیت کا انتظام کیا گیا۔ سسٹین ایبلٹی سے متعلق پروجیکٹس برائے 2019-20 کو بھی SDGs لوازمات کے تحت وضع کیا گیا۔ آئی سی آئی پاکستان لینڈ SDGs کے لوازمات پر عمل درآمد کے حوالے سے نہ صرف کمپنی کی سطح پر فعال ہے بلکہ کئی دیگر اداروں بشمول مشنری آف پلاننگ، ڈیولپمنٹ اینڈ ریٹائرمنٹ کو تعاون کی پیشکش کی ہے تاکہ پاکستان کی ڈائنامک ٹرانزیشن (VNR) رپورٹ تیار کی جاسکے۔

ہیلتھ ایسینٹ پر فارمنس انڈیکس (HAPI) اور ہائی مین پر فارمنس انڈیکس (HYPI) کے ہم سے 2 منفرد پروگرامز پر آئی سی آئی پاکستان لینڈ کے تمام مقامات پر تعمیل ہوتی ہے۔ یہ پروگرام ملازمین کی صحت کے جائزے اور ماحول کے منفرد اثرات کا شکار ہونے کی جانچ سے متعلق ہوتے ہیں۔ دوران سال کمپنی نے اپنے آئیو ڈیٹیل ہیلتھ سینٹر کا جائزہ لیا تاکہ اسے عالمی معیاروں کے مطابق اپ ڈیٹ کیا جائے۔ HAPI اور HYPI کا نظریہ کام کے ماحول میں آئیو ڈیٹیل بیماریوں کے خطرات کو کم سے کم کرنے سے تعلق رکھتا ہے۔ اس سے حاصل ہونے والا ڈیٹا ملازمین کی ریٹائرمنٹ کے بعد سالانہ / ششماہی جائزے میں آئیو ڈیٹیل اور اسپارڈ میٹری میسٹ کے لیے کام آتا ہے زیر جائزہ سال میں کوئی بھی آئیو ڈیٹیل مرض رپورٹ نہیں ہوا۔

کمپنی میں HSE سے متعلق ہر سطح کی ٹریننگ تمام ملازمین اور کنٹریکٹرز کے لیے بنیادی اہمیت کی حامل سمجھی جاتی ہے۔ اس سال زیادہ منفرد صحت سرگرمیوں پر ٹریننگ کورس مڈویلز کا آپریٹرز کی ضروریات کے مطابق جائزہ لیا گیا اور HSE کے داخلی اور خارجی ماہرین سے 24000 مین آؤرز پر مشتمل ٹریننگ عمل کرائی گئی۔

صحت مند مقابلے کا ماحول پیدا کرنے اور HSE سے متعلق اپنے ملازمین کی احساس ذمہ داری کو بڑھانے کے لیے شروع کردہ چیف ایگزیکٹو "ہیلتھ ایسینٹ" (HSE) ٹیم کے ایوارڈ "2019-20" میں بھی جاری رہا۔ سٹائش اور حوصلہ افزائی کے اس اقدام سے ملازمین میں آگہی سے متعلق دلچسپی بڑھانے میں مدد کے ساتھ نمایاں خطرات کی نشاندہی بھی ہوئی جس سے حادثات میں کمی جیسے نتائج برآمد ہوئے۔

EPM ڈیٹا میں کی ہیلتھ، سیفٹی، انوائرنمنٹ اور انرجی سے متعلق KPIs کی رپورٹنگ کو بہتر کرتے ہوئے دوبارہ ترتیب دیا گیا۔ اس کی بدولت اب کارکردگی سے متعلق رپورٹس براہ راست ڈیٹا میں سے حاصل کی جاسکتی ہیں۔ سال 2020-21 کے کارٹس اور گزشتہ سالوں کے اقدامات بھی نمایاں کئے جاسکتے ہیں اور ہر برس کے لیے اس کا جائزہ اور اس پر تبادلہ خیال کیا جاسکتا ہے۔ اس سال (OEE) کے اثرات کو کم کرنا آئی سی آئی پاکستان لینڈ کی سب سے بڑے ترجیح رہی۔

کمپنی حفاظتی اعتبار سے اپنی اعلیٰ کارکردگی کی روایت برقرار رکھے ہوئے ہے۔ مجموعی طور پر، آئی سی آئی پاکستان نے 28 ملین محفوظ مین آؤرز کا سنگ میل عبور کیا ہے جس میں سوڈا ایٹس 22.04، کیمییکلز و ایگری سائنسز 3.07، فارماسیوٹیکلز نے 0.58 اور ایٹمیل ہیلتھ برنس نے 2.10 ملین مین آؤرز بغیر کسی حادثہ کے پورے کئے ہیں۔

دوران سال چار مستقل ملازمین کو قابل ذکر حادثات لاحق ہوئے اور آزاد کنٹریکٹرز کے ملازمین میں سے کسی ایک کو بھی قابل ذکر حادثہ پیش نہیں آیا۔ ان حادثات کی تحقیقات کی گئی اور ہر کیس کے نتائج کی روشنی میں ایکشن پلان ترتیب دے کر عمل درآمد کی گئی تاکہ ایسے حادثات کو دوبارہ رونما ہونے سے روکا جائے۔ ملازمین اور زیر نگرانی کنٹریکٹرز کو قابل ذکر حادثات کی شرح 0.47 فیصد رہی جبکہ آزاد کنٹریکٹرز کے لیے یہ شرح صفر ہے۔

آئی سی آئی پاکستان سسٹین ایبلٹی کی ضروریات اور ان پر عمل درآمد کے حوالے سے ملازمین کو آئی سی آئی پاکستان HSE & S مینجمنٹ سسٹم، آئیو ڈیٹیل ہیلتھ سینٹر، کارپوریٹ انجینئرنگ پروڈیجرز اور مینینجرز کے لیے انفارمیشن نوٹس پر مشتمل 4 کتب کے ذریعے آگہی اور رہنمائی کی جارہی ہے۔ یہ کتب عالمی طور پر مقبول بہترین تجربات پر مشتمل ہیں۔ آئی سی آئی پاکستان لینڈ میں سسٹین ایبلٹی کو ایک واضح اور منظم منصوبہ بندی کے تحت ایک ملٹی ڈسپلینری سسٹین ایبلٹی کونسل کی مدد سے برقرار رکھا جاتا ہے۔ یہ کونسل سسٹین ایبلٹی کے ہارٹس اور کارکردگی سے متعلق معاملات پر گورننگ باڈی کے طور پر عمل درآمد کرتی ہے۔

آئی سی آئی میں سسٹین ایبلٹی کے معیار کو اعلیٰ انتظامیہ دیکھتی ہے اور اس کی کارکردگی پر ایگزیکٹو ٹیم اور بورڈ کے اجلاسوں میں تبادلہ خیال کیا جاتا ہے۔ HSE کے اہم امور کو جدید عالمی معیاروں کے مطابق جانچا جاتا ہے۔ جس کا مقصد تمام ملازمین کو تازہ ترین معلومات سے آگاہ رکھنا اور آئی سی آئی پاکستان لینڈ میں HSE & S مینجمنٹ سسٹم کو سمجھنے میں مدد فراہم کرنا ہے۔ اس مقصد کے لیے بنیادی دستاویز مینینجر سیریز پر مبنی معلوماتی نوٹس ہیں جو مینینجرز کے لیے رہنما اصول ہیں تاکہ وہ اپنے متعلقہ برنس میں HSE پر عمل درآمد کو یقینی بنا سکیں۔

لرننگ ایونٹس (لن ای) لاگ ٹول ایک بہت ہی موثر سسٹم ہے جس کی بدولت صحت کے لیے نقصان دہ اور متعلقہ خطرات کو قبل از وقت جانچا جاسکتا ہے۔ اس سسٹم کو مزید بہتر کرنے اور زیادہ ہم آہنگ کرنے کے لیے لن ای ڈیٹیل بورڈ کو پوری کمپنی میں متعارف کرایا گیا۔ یہ ڈیٹیل بورڈ ڈیٹا کو جائزے، موثر ٹریننگ، اور سمجھنے کے مواقع کو مزید آسان طرز پر پیش کرتا ہے۔ لن ای ڈیٹیل بورڈ ہر برس کے لیے لن ای سے متعلق بروقت جائزہ اور کسی بھی ایریا میں بہتری لانے سے متعلق گہری معلومات فراہم کرتا ہے۔



پاکستانی روپے بلین میں

%	2019 جون 30	%	2020 جون 30	
	58,328,849		53,598,537	مجموعی کاروبار
	3,502,977		6,747,024	سیلز ٹیکس
99%	61,831,826	98%	60,345,561	مجموعی کاروبار بشمول سیلز ٹیکس
1%	408,768	2%	955,328	دیگر کاروباری آمدنی
100%	62,240,594	100%	61,300,889	
78%	48,872,247	72%	44,020,601	عام مال اور خدمات
5%	3,045,921	9%	5,527,628	مکوئی خزانہ اور محصولات
6%	3,817,715	7%	4,390,834	ملازمین کی تنخواہ اور فوائد
7%	4,199,799	7%	4,317,429	انتظامی اور دیگر اخراجات
2%	1,200,668	2%	1,431,566	ذریعہ بندز
2%	1,104,244	3%	1,612,831	باقی شدہ منافع
100%	62,240,594	100%	61,300,889	

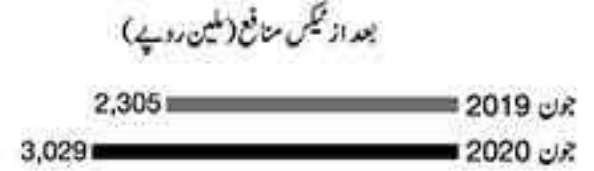
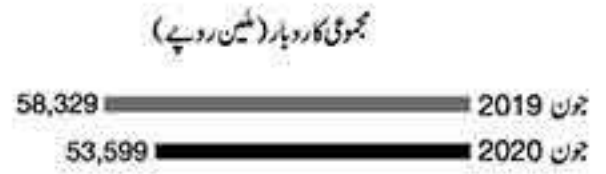
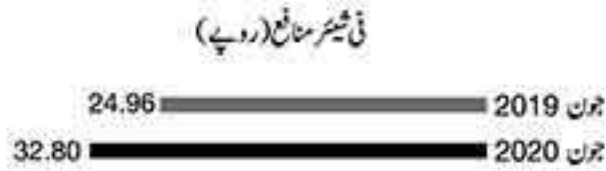
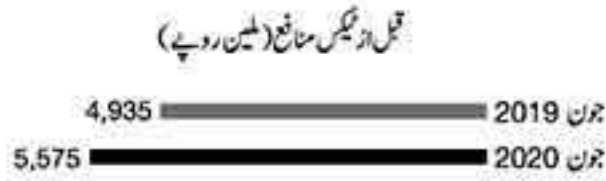
ویلیو ایڈیشن اور اس کی تقسیم

ہیلتھ، سیفٹی، انوائرنمنٹ اور سیکورٹی (HSE&S)

آئی سی آئی پاکستان لینڈ میں HSE پر مکمل تھیل جاری ہے تاکہ اپنے ملازمین، صارفین اور کنٹریکٹرز کی صحت کے ساتھ قریبی آبادیوں کے ماحول کی حفاظت کو یقینی بنایا جائے۔ کئی موجودہ ریگولیشنز فریم ورک کے موثر ہونے کی نگرانی اور بزنسز کے اندر خطرات اور ماحولیاتی اثرات پر قابو پانے کی صلاحیت سے اس بات کو یقینی بنائے ہوئے ہے کہ ورکرز اور عوام الناس کی ممکنہ خطرات سے حفاظت کا مناسب انتظام موجود رہے۔

ڈیویڈنڈ (منافع منقسمہ)

کئی کی آمدنی کے پیش نظر، بورڈ آف ڈائریکٹرز نے سال ختم شدہ 30 جون 2020 کے لئے حتمی نقد منافع منقسمہ ہر 10 روپے کے شیئر پر 5 روپے دینے کی تجویز دی ہے اور اس کی ادا کیلئے آنے والے سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔ اس کے علاوہ عبوری منافع منقسمہ 11 روپے فی شیئر کے حساب سے پہلے ہی دیا جا چکا ہے، اس طرح مذکورہ سال کا مجموعی منافع 16 روپے فی شیئر بنتا ہے۔



6 سالہ مالیاتی کارکردگی پر ایک نظر



ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2020

ڈائریکٹرز اپنی رپورٹ برائے سال ختم شدہ 30 جون 2020 بشمول کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

جاگہ

زیر جائزہ سال کا مجموعی کاروبار 53,599 ملین روپے رہا جو کہ گزشتہ سال ختم شدہ 30 جون 2019 کے مجموعی کاروبار 58,329 ملین روپے کے مقابلے میں 8 فیصد کم ہے۔ مجموعی کاروبار میں کمی ہینمل، ہیلتھ بزنس کے علاوہ باقی تمام بزنسز کی آمدنی میں کمی کے سبب ہے۔ معاشی ست روی اور COVID-19 کی وبا سے پھیلنے والی غیر یقینی کے ساتھ ملک بھر میں لاک ڈاؤن جیسے عوامل نے زیر جائزہ سال کے آخری حصے کی آمدنی پر منفی اثرات مرتب کئے۔

کارکردگی سے 5,575 ملین روپے رہا جو کہ 13 فیصد پچھلے سال کے مقابلے میں اضافی ہے۔ پالیسیسٹرز بزنس نے گزشتہ سال کی اسی مدت کے مقابلے میں یکسر مختلف کارکردگی کا مظاہرہ کرتے ہوئے اپنے کاروباری منافع میں 711 فیصد کمی یا بہتر ترقی حاصل کی، اس ترقی میں کاروباری مہارت اور بہتر منافع کا اہم کردار ہے۔ فارماسیوٹیکلز بزنس نے اپنے آپریٹنگ رزلٹ میں بے مثال ترقی کا مظاہرہ کرتے ہوئے گزشتہ سال کے مقابلے میں 99 فیصد ترقی حاصل کی۔ یہ ترقی مینوفیکچرنگ صلاحیتوں، اخراجات پر ضابطے کے بہترین اقدامات، پروڈکٹس کے بہتر مکس اور مارکیٹ شیئر میں اضافے کے مرہون منت ہے۔ بزنس نے دوران سال 8 نئی برانڈڈ جزک پروڈکٹس متعارف کرائیں۔ کیمیکلز ڈائگری سامنز بزنس نے زرعی بزنس میں بہتر منافع کے سبب بہتر آپریٹنگ کارکردگی کا مظاہرہ کیا۔ سولڈیشن بزنس میں COVID-19 کی صورتحال میں نیلز کی مقدار میں واضح کمی کے سبب گزشتہ سال کے مقابلے میں 2 فیصد کمی واقع ہوئی۔ آخر میں، ہینمل ہیلتھ بزنس کو خصوصی طور پر پلانری کے شعبے میں مسائل کے سبب گزشتہ سال کی اسی مدت کے مقابلے میں 21 فیصد کم کاروباری منافع کا سامنا رہا۔

بعد از ٹیکس منافع برائے سال ختم شدہ 30 جون 2020، 3,029 ملین روپے ہے جو گزشتہ سال کی اسی مدت کے مقابلے میں 31 فیصد زائد ہے۔ یہ اضافہ بنیادی طور پر 13 فیصد زائد آپریٹنگ رزلٹس کے ساتھ لائوسٹیٹی سے ڈیویڈنڈ کی زائد آمدنی اور زبرد تبادول کے کم نقصانات کی بدولت ہے۔ یہ اضافہ گزشتہ سال کی اسی مدت کے مقابلے میں 10 فیصد زائد اوسط سودی ریش کے سبب جزوی طور پر متاثر ہوا، اس سال فی شیئر منافع 32.80 روپے ہے جو گزشتہ سال کے 24.96 روپے کے مقابلے میں 31 فیصد زائد ہے۔

مجموعی بنیادوں پر، کمپنی نے اپنے زرعی اداروں، آئی سی آئی پاکستان پاور جن لینڈ، سرن فارماسیوٹیکلز (پرائیویٹ) لینڈ اور نیوٹری کو مورٹاگا (پرائیویٹ) لینڈ سمیت سال کے لئے بعد از ٹیکس منافع 2,362 ملین روپے اپنے نام کیا، جس میں سے 166 ملین روپے اقلیتی حصہ داروں سے متعلق ہیں اس طرح ہر ایک شیئر پر منافع 27.37 روپے کمایا۔ دوران سال کمپنی نے نیوٹری کو پاکستان (پرائیویٹ) لینڈ (زرعی ادارہ) سے 431 ملین روپے منافع کے حصے کے طور پر حاصل کیے جو کہ گزشتہ سال کی اسی مدت میں 526 ملین روپے تھا۔

پالیسیسٹرز بزنس کا مجموعی کاروبار جزویہ معنوعات کی قیمتوں میں کمی کے سبب 16 فیصد کم رہا۔ علاوہ انہیں، COVID-19 پھیلنے کے بعد ٹیکسٹائل اسپننگ ملز اور پالیسیسٹرز فاہر مینوفیکچرنگ سمیت غیر ضروری انڈسٹری کے 2 لاکھ لاک ڈاؤن نے بزنس پر شدید منفی اثرات مرتب ہوئے۔ سولڈیشن بزنس کی آمدنی مقامی اور عالمی لاک ڈاؤن کے سبب 5 فیصد کمی کا شکار ہوئی، عالمی وبا کے سبب سولڈیشن کی عالمی طلب میں کمی کے باعث سولڈیشن کی قیمتوں اور مقدار میں کمی واقع ہوئی۔ فارما سیوٹیکلز بزنس کی آمدنی میں 3 فیصد کمی واقع ہوئی کیونکہ مذکورہ عرصہ میں COVID-19 کے سبب اہم خام مال کی سپلائی متاثر ہونے کے ساتھ آڈٹ پیشینت ڈپارٹمنٹس (ادنی ڈیز) بند رہیں، نتیجے میں مجموعی انڈسٹری پر منفی اثرات مرتب ہوئے۔ کیمیکلز اور ڈائگری سامنز بزنس میں پالی پورٹیشن، ٹیکسٹائل کیمیکلز اور غیر ضروری صنعتی کیمیکلز کی طلب میں شدید کمی کے سبب 1 فیصد کمی دیکھی گئی۔ زرعی شعبہ COVID-19 سے پیدا ہونے والی صورتحال سے نسبتاً محفوظ رہا۔ ہینمل ہیلتھ بزنس کی مجموعی آمدنی میں COVID-19 کے منفی اثرات کے باوجود 5 فیصد اضافہ ہوا، اس میں لائیو اسٹاک کے شعبے میں ترقی نے اہم کردار ادا کیا۔

آمدنی میں کمی اور معاشی مسائل کے باوجود، اس سال کا آپریٹنگ پرائفٹ پالیسیسٹرز، فارما سیوٹیکلز اور کیمیکلز ڈائگری سامنز بزنس میں بالترتیب 711 فیصد، 99 فیصد اور 5 فیصد بہتر

مالیاتی کارکردگی

پاکستانی روپے ملین میں	جون 2020	جون 2019	انساندہ (کی) کا تناسب
مجموعی کاروبار	53,599	58,329	-8%
مجموعی منافع	10,462	9,452	11%
آپریٹنگ رزلٹ	5,575	4,935	13%
قبل از ٹیکس منافع	4,236	3,181	33%
بعد از ٹیکس منافع	3,029	2,305	31%
فی شیئر منافع (روپے)	32.80	24.96	31%

فارم برائے پراکسی / نیابت نامہ
 عمومی اجلاس عام۔ 29 ستمبر 2020ء، دن 10:30 بجے، ہڈریو ویڈیو لنک

میں / ہم..... جس / جن کا تعلق..... سے ہے، آئی سی آئی پاکستان لینڈ کے
 عمومی حصص کا ای اے کے کے حامل کی حیثیت سے..... کو، جن کا تعلق
 سے ہے، ایان کی عدم معافی کی صورت میں..... کو، جن کا تعلق
 سے ہے، اور یہ بھی آئی سی آئی پاکستان لینڈ کے ذمہ داران ہیں، اپنا پراکسی مقرر کرتا ہوں / کرتی ہوں اگرچہ میں تاکہ
 29 ستمبر 2020ء، دن 10:30 بجے ہونے والے غیر معمولی عمومی اجلاس ہڈریو ویڈیو لنک اور / یا اس کی کسی متبوی شدہ نشست میں میری / ہماری غیر موجودگی
 میں میری / ہماری طرف سے شرکت کر سکیں گے اور ووٹ دے سکیں گے۔

میر بطور گواہی..... (دن)..... (ماہ) 2020ء

دستخط گواہی:
 مندرجہ ذیل گواہان کی موجودگی میں:

دستخط (یعنی میں / جسٹرا منونے ان کا نام کے مطابق ہوں)

تولید آئی سی آئی پاکستان نمبر

اہم نکات:

- 1۔ درست طریقے سے پراکسی نامہ بھیجنا ضروری ہے اور اس کے ساتھ ساتھ 48 گھنٹوں قبل ضروری ای میل AGM2020@ici.com.pk پر موصول ہو جانی چاہئے۔
 - 2۔ پراکسی نامہ عام طور پر 29 ستمبر 2020ء میں نہ گوارا، معلومات برائے شرکت ضروری ویڈیو لنک فراہم کی جانی چاہئے۔
 - 3۔ جو شخص کوئی نام لکھتا ہے وہ پراکسی نامہ میں کسی فرد کی کو پراکسی مقرر کر سکتا ہے۔
 - 4۔ اگر کوئی نام لکھتا ہے تو اسے پراکسی نامہ مقرر کر کے اور کوئی نام لکھتا ہے تو اسے پراکسی نامہ مقرر کر کے اور اسے پراکسی نامہ مقرر کر کے اور اسے پراکسی نامہ مقرر کر کے۔
- برائے آئی سی آئی پاکستان ہڈریو ویڈیو لنک اور اجلاس ہڈریو ویڈیو لنک:
- درج ذیل کے ہڈریو ویڈیو لنک میں شرکت کرنا ضروری ہوئی چاہئے:
- (i) پراکسی نامہ نیابت کے دو گواہوں جن کا نام پراکسی نامہ میں آئی سی آئی پاکستان میں فراہم کیا جائے۔
 - (ii) پراکسی نامہ نیابت کے ساتھ پیشکش نام لکھنے والے کسی ای سی آئی پاکستان میں فراہم کردہ کسی شخص کے ساتھ ساتھ فراہم کیا جائے۔
 - (iii) کاروبار کے امور کی صورت میں پراکسی نامہ نیابت کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد اپنا نام لکھنے والے شخص کے ساتھ ساتھ فراہم کیا جائے۔
- نیا ہے (اگر پہلے نہ کیا گیا ہو)۔



The image shows a template for an envelope. The top flap is open and features a black and white diagonal striped border. Inside this flap, there is a white rectangular area containing the following text: "The Company Secretary", "ICI Pakistan Limited", "ICI House", "5 West Wharf", and "Karachi-74000". To the right of this text, there is a dashed rectangular box containing the text "Affix Correct Postage". The main body of the envelope is a large white rectangle with a dashed horizontal line near the bottom, indicating where to fold.

**The Company Secretary
ICI Pakistan Limited
ICI House
5 West Wharf
Karachi-74000**

Affix
Correct
Postage

Glossary

AA	Articles of Association	HS CODE	Harmonized System Codes	PADD	Performance and Development Discussion
ABC	American Business Council	HSE	Health Safety and Environment	PAC	Pakistan Agricultural Colon
ADD	Anti Dumping Duties	HSE&S	Health Safety Environment and Security	PACRA	Pakistan Credit Rating Agency
AGM	Annual General Meeting	HTM	Heat Transfer Method	PAT	Profit After Tax
APCMA	AI Pakistan Cement Manufacturing	HYPH	Hygiene Performance Index	PBC	Pakistan Business Council
AY	Assessment Year	IAS	International Accounting Standards	PBS	Patent Benefit Schemes
AR	Annual Report	IASB	International Accounting Standards Board	PBT	Profit Before Tax
BAC	Board Audit Committee	IBFT	Inter Bank Fund Transfer	PCP	The Pakistan Center for Philanthropy
BBS	Behaviour Based Safety	ICAP	Institute of Chartered Accountants of Pakistan	PCRWR	Pakistan Council of Research in Water Resources
BCR	Best Corporate Report	ICC	International Chamber of Commerce	PCT	Pakistan Customs Tariff
BDM	Business Development & Innovation	ICIP	ICI Pakistan Limited	PHE	Plate Heat Exchanger
BOI	Board of Investment	ICMAP	Institute of Cost and Management Accountant of Pakistan	PIAL	Pakistan International Airline Corporation Limited
BSL	Business School Lausanne Switzerland	IFAC	International Federation of Accountants	PIGG	Pakistan Institute of Corporate Governance
CAA	Civil Aviation Authority of Pakistan	IFAS	Islamic Financial Accounting Standards	PUBC	Pakistan-India Joint Business Council
CAGR	Compound Annual Growth Rate	IFRSs	International Financial Reporting Standards	PKR	Pakistani Rupee
COG/COCG	Code of Corporate Governance	ISE	Islamabad Stock Exchange Limited	PPEs	Personal Protective Equipment
CCF	Commercial Competency Framework	ISO	International Organisation for Standardisation	PPG	Polypropylene Glycol
CCPA	Corporate Communication and Public Affairs	ISMS	Information Security Management System	PPMA	Pakistan Plastic Manufacturers Association
CDC	Central Depository Company	IT	Information Technology	PSF	Polyester Staple Fibre
ODP	Core Development Program	NSAA	Nadir Valley School of Art and Architecture	PSX	Pakistan Stock Exchange
CE	Chief Executive	JCR-VIS	Japan Credit Rating Vital Information Services	PTA	Pure Terephthalic Acid
CEP	Corporate Engineering Procedure	KIBOR	Karachi Inter Bank Offer Rate	PU	Polyurethanes
CEFB	Centre of Excellence in Responsible Business	KPI	Key Performance Indicators	PwC	PricewaterhouseCoopers
CFB	Coal Fired Boiler	KPK	Khyber Pakhtunkhwa	PWC	Pandemic Watch Committee
CFO	Chief Financial Officer	KSE	Karachi Stock Exchange Limited	PX	Paraxylene
CGU	Cash Generating Unit	KTPA	Kilograms per annum	Q	Quarter
CR	Commissioner Inland Revenue	L&D	Learning and Development	R&D	Research and Development
CM	Contribution Margin	LA	Light ash	RCMS	Responsible Care Management System
CME	Continued Medical Education	LDRM	Leadership Development Roadmap	RSE	Reach Inspire Sustain Enable
Co.	Company	LEDs	Light-Emitting Diode	ROCE	Return on Capital Employed
CO2	Carbon Dioxide	UNG	Liquid Natural Gas	RPT	Related Party Transactions
COO	Chemical Oxygen Demand	LOI	Loss of Ignition	Rs	Rupees
OPEC	China Pakistan Economic Corridor	URBT	Layton Rahmatullah Benevolent Trust	RSB	Refined Sodium Bicarbonate
CSR	Corporate Social Responsibility	LSE	Lahore Stock Exchange Limited	SAFA	South Asian Federation of Accountants
DA	Dense Ash	LTFF	Long Term Financing Facility	SAP	Systems Applications and Products
DCIR	Deputy Commissioner Inland Revenue	LI	Lost Time Injury	SBP	State Bank of Pakistan
DI	Diversity & Inclusion	LUMS	Lahore University of Management Sciences	SC	Specialty Chemicals
DFI	Department of Financial Institutions	LSA	Light Soda Ash	SCB	Standard Chartered Bank
DGAD	Directorate General of Anti-Dumping and Allied Duties	LC	Letter of Credit	SECP	Securities and Exchange Commission of Pakistan
DNA	De-Oxy Ribonucleic Acid	LWC	Ladies Welfare Centre	SMA	Single Molecule Application
DRAP	Drug Regulatory Authority of Pakistan	m ³ /hr	Meter Cube per hour	SOGP	Society of Obstetrics and Gynaecology Pakistan
DRP	Disaster Recovery Plan	MALC	Maria Ahsanullah Legacy Centre	SOP	Standard Operating Procedure
DTP	Directors Training Programme	MAP	Management Association of Pakistan	SOx	Sulphur Oxide
EBIT	Earnings Before Interest and Tax	MEG	Mono-Ethylene Glycol	SNGL	Sui Northern Gas Pipelines Limited
EBITDA	Earnings Before Interest Tax Depreciation and Amortization	MFA	Multi-factor Authentication	SPLY	Same Period Last Year
ECL	Expected Credit Loss	MOA	Memorandum of Association	S.I.T.E	Sindh Industrial Trading Estate
ECMS	Expense Claim Management System	MOU	Memorandum of Understanding	SWOT	Strengths Weaknesses Opportunities and Threats
EIA	Environment Impact Assessment	MS	Microsoft	TBTTP	Ten Billion Tree Tsunami Programme
EMT	Executive Management Team	MT	Metric Ton	TOF	The Citizens Foundation
EOGM	Extra Ordinary General Meeting	MW	Megawatt	TJ	Tarapur
EPA	Environmental Protection Agency	NAFA	NBP Fulton Asset Management Limited	TNA	Training Needs Assessment
EPM	Enterprise Performance Management	NBF	Non-bank Financial Institutions	TOR	Terms of Reference
EPS	Earnings Per Share	NBP	National Bank of Pakistan	TPA	Tons Per Annum
ER	Endoplasmic reticulum	NBV	Net Book Value	TPD	Tons Per Day
ERM	Enterprise Risk Management	NEQS	National Environment Quality Standards	TSR	Total Shareholder Return
ERP	Enterprise Resource Planning	NGO	Non Government Organization	UK	United Kingdom
ETP	Effluent Treatment Plant	NIB	National Investment Bank	UN	United Nations
EVP	Employee Value Proposition	NOx	Nitrogen Oxide	UNGC	United Nations Global Compact
FFFP	Fellowship Fund for Pakistan	NPR	Non-Product Related	UNSDG	UN Sustainable Development Goals
FTR	Final Tax Regime	NSI	Net Sales Income	URS	United Registrar Systems
FWO	Frontier Works Organization	NTC	National Tariff Commission	USA	United States of America
FBR	Federal Board of Revenue	OEE	Operational Eco Efficiency	USAO	The United States Agency for International Development
FY	Financial Year/ Fiscal Year	OH&S	Occupational Health and Safety Administration Standards	USD	United States Dollar
GC	General Chemicals	OCI	Other Comprehensive Income	USFDA	US Food & Drug Administration
GDP	Gross Domestic Product	OICCI	Overseas Chamber of Commerce & Industry	VOC	Volatile Organic Compound
GIDC	Gas Infrastructure Development Cost	OLM	Operating Loss Margin	VNR	Voluntary National Review
GJ/Te	Giga joule per ton	OPC	Open Plant Cleaning	VP	Vice President
GM	General Manager	OPD	Out Patient Department	WDP	Women Development Programme
GPM	Gross Profit Margin	OPEC	Organization of Petroleum Exporting Countries	WEF	World Economic Forum
GR	Graduate Recruit	OPM	Operating Profit Margin	WOB	Women on Board
GRi	Global Reporting Initiative	OPV	Open Pollinated Variety	WWE	World Wildlife Fund
GRS	Global Recycled Standard			YBG	Yunus Brothers Group
HAPI	Health Assessment Performance Index			YGL	Young Global Leader
HFO	Heavy Furnace Oil				
HR	Human Resources				
HR&FC	Human Resource and Remuneration Committee				



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