



ICI PAKISTAN LTD.



CELEBRATING

75

YEARS OF GROWTH

Half Yearly Report

For the period ended
December 31, 2019

Contents

ICI Pakistan Limited

Condensed Interim Unconsolidated Financial Information

Company Information	02
Review of the Directors (English / Urdu)	03
Auditors' Report to Members on Review of Interim Financial Information	18
Condensed Interim Unconsolidated Statement of Financial Position	19
Condensed Interim Unconsolidated Statement of Profit or Loss	20
Condensed Interim Unconsolidated Statement of Other Comprehensive Income	21
Condensed Interim Unconsolidated Statement of Changes in Equity	22
Condensed Interim Unconsolidated Statement of Cash Flows	23
Notes to the Condensed Interim Unconsolidated Financial Statements	24

Condensed Interim Consolidated Financial Information

Review of the Directors for ICI Pakistan Group (English / Urdu)	33
Condensed Interim Consolidated Statement of Financial Position	36
Condensed Interim Consolidated Statement of Profit or Loss	37
Condensed Interim Consolidated Statement of Other Comprehensive Income	38
Condensed Interim Consolidated Statement of Changes in Equity	39
Condensed Interim Consolidated Statement of Cash Flows	40
Notes to the Condensed Interim Consolidated Financial Statements	41

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	Kamal A Chinoy	Independent

Audit Committee

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

HR & Remuneration Committee

Khawaja Iqbal Hassan	Chairman
Muhammad Sohail Tabba	Member
Jawed Yunus Tabba	Member
Asif Jooma	Member
Muhammad Ali Tabba	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.
Deutsche Bank AG
Faysal Bank Limited
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

Auditors

Internal Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

External Auditors

EY Ford Rhodes
Chartered Accountants

Registered Office

ICI House, 5 West Wharf,
Karachi-74000
Tel: 111-100-200, (021) 32313717-22
Fax: 32311739
Website: www.ici.com.pk

Shares Registrar

FAMCO Associates (Pvt) Ltd.
8-F, Next to Hotel Faran, Nursery,
Block-6, P.E.C.H.S. Shahrah-e-Faisal,
Karachi.
www.famco.com.pk
Tel: (021) 34380101-5
Fax: (021) 34380106

Legal Advisor

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

Review of the Directors for the Six Months Ended December 31, 2019

The Directors are pleased to present their review, together with the unaudited financial statements of the Company, for the quarter and six months ended December 31, 2019.

Net turnover for the quarter was PKR 14,972 million which is 1% higher as compared to the same period last year (SPLY). The increase was primarily due to higher revenues in the Soda Ash and Chemicals & Agri Sciences Businesses by 5% and 13% respectively. This increase was partially offset by lower revenues in the Pharmaceuticals and Animal Health Businesses by 10% each. The Polyester Business, however, remained in line with the SPLY.

The operating result for the quarter was PKR 1,797 million which is 100% higher than SPLY. Improved performances were seen in all Businesses except the Animal Health Business.

Net turnover for the six months period under review was PKR 29,287 million which reflected a 5% increase as compared to the SPLY, with the Polyester, Soda Ash and Chemicals & Agri Sciences Businesses showing growth of 4%, 5% and 21%, respectively. This growth was partly offset by the decline in the revenues in the Pharmaceuticals and Animal Health Businesses by 8% and 2% respectively.

The Company's operating result for the six months period under review was PKR 3,402 million which is 74% higher than the SPLY. The increase was attributed to improved performances across all Businesses except the Animal Health Business. The growth in the Polyester, Soda Ash, Pharmaceuticals and Chemicals & Agri Sciences Businesses was recorded at 362%, 32%, 172% and 85% respectively, whereas, the Animal Health Business recorded a decrease of 17% as compared to the SPLY.

The improved performance in the Polyester Business was driven due to volumetric growth in sales coupled with improved margins and cost saving initiatives. The Soda Ash Business delivered improved performance due to higher prices and optimisation of energy cost, resulting in healthy margins. The growth in the Pharmaceuticals Business was attributable to the launch of new products, favourable manufacturing efficiencies and controlled costs. The Chemicals & Agri Sciences Business achieved better results primarily due to improved margins and acquisition of new customers. The decline in the results of the Animal Health Business was mainly due to slow market conditions in the poultry sector.

Profit after Tax (PAT) for the six months period under review was PKR 2,070 million which is 130% higher than the 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.

Earnings per share (EPS) for the six months period under review stood at PKR 22.41 which is 130% higher than the SPLY.

	Six months ended Dec 2019	Six months ended Dec 2018
Net turnover (PKR million)	29,287	27,914
Profit before taxation (PKR million)	2,854	1,220
Profit after taxation (PKR million)	2,070	900
Earnings per share (PKR)	22.41	9.75

Net turnover (PKR m)

Dec 2018		27,914
Dec 2019		29,287

Earnings per share (PKR)

Dec 2018		9.75
Dec 2019		22.41

Profit before tax (PKR m)

Dec 2018		1,220
Dec 2019		2,854

Profit after tax (PKR m)

Dec 2018		900
Dec 2019		2,070

Polyester Staple Fibre Business (PSF)



The global economy in large part during the period under review experienced volatile conditions owing to the continuing trade war between major economies i.e. United States of America (USA) and China. The situation started improving towards the end of second quarter of financial year (FY) 2019-20, when both parties took positive steps towards a resolution.

On an average basis, crude oil prices fell by 11.5% compared to the SPLY (USD 56.68/bbl vs USD 64.06/bbl). There was an anomaly in September 2019 when oil prices spiked following an attack on the Saudi oil facilities; however, there was a quick recovery which led stabilisation in the market.

Due to the decline in the crude oil prices along with new capacity additions, PX, PTA and MEG experienced weakened prices of 30%, 28% and 34% respectively in the first half of FY 2019-20 compared to the SPLY. In addition to this, the Pakistani Rupee witnessed significant devaluation against the US Dollar, losing 20% of its value compared to the SPLY. The drastic Rupee devaluation offset the cost advantage gained from a decline in feedstock prices. On an average, domestic PSF price was 0.97% less than the SPLY.

Fuel prices followed an upward trajectory whereby a hike of 3%, 34% and 23% was observed in coal, gas/RLNG and furnace oil prices, respectively. Consequently, energy cost for the period under review also rose by 29% against the SPLY.

On a positive front, the Polyester Business was able to increase sales volume by 4% compared to the SPLY through consistent focus on innovation and high-quality specialised variants of PSF for the domestic and international market. The Business was able to achieve enhanced revenues which were backed by better margins thereby improving operating profits by PKR 594m (362%), as compared to the SPLY.

Going forward, crude oil prices are expected to witness an upward trend due to positive market sentiment surrounding the signing of the first phase of the US-China trade deal and the upcoming visit of the President of USA Donald Trump to China in January 2020. Moreover, OPEC has also announced a reduction in the oil output to balance supply in the market. International Cotton is expected to continue on its positive trend based on low global output forecasts by the USDA and US-China trade deal. This is expected to further enhance growth of the PSF market and improve business performance in coming months. As for domestic cotton, it is expected to experience a soft to stable price trend owing to the removal of regulatory duties on cotton import which will enhance the supply and availability of high-quality cotton.

The Government of Pakistan's ongoing initiatives to reduce imports and support the export-oriented sector is expected to boost the domestic textile industry. In addition to the above, the FTA signed between Pakistan and China that is effective as of January 01, 2020 is expected to enhance the exports of 313 items, which include ready-made garments made from synthetic fibres.

Soda Ash Business



The domestic market remained at par with the SPLY due to the overall slowdown of the economy, with the bazaar and paper segments being the major affectees. Consumption levels in the bazaar segment have plummeted due to the Government's efforts to restrict the undocumented economy. The paper segment was also badly affected by the slowdown in the downstream market due to which manufacturers preferred to operate on lower rates. However, the growth in silicate, glass, detergent, and RSB segments provided much needed respite. The silicate segment witnessed growth as many closed units became operational due to furnace oil becoming cheaper. The glass segment also grew modestly on account of downstream expansions in installed capacities. The growth momentum in the detergent segment continued due to growing preference for laundry powder over soap as a preferred medium. The RSB market also witnessed growth over the SPLY as its usage in animal feed and confectionary continues to grow.

Operating result of the Soda Ash Business was PKR 2,176 million which is 32% higher than the SPLY mainly driven by improved margins on account of energy cost optimisation through effective plant operations and effective cost control.

The Business continued to make modest in-roads in export markets and has taken various initiatives to remain competitive in these markets.

Going forward, prices in China are expected to increase post Chinese New Year as downstream customers of soda ash will resume their normal operations. The soda ash demand is expected to rise due to the new float glass lines coming online in Europe and South East Asia.

In the domestic market, the challenge to increase sales given tough economic conditions continues. The Business is, however, implementing measures to stimulate domestic demand and increase export competitiveness.

Pharmaceuticals Business



During the period under review, the Pharmaceuticals Industry faced severe challenges due to trade suspension with India and the ongoing standoff between the Government and traders who are resisting tax reform measures. The trade ban on Indian imports announced in early August 2019 was lifted one month later for Pharmaceutical products, however, there were practically no imports from India in August 2019 and September 2019, which resulted in shortage of a number of products and consequently, lost sales for the Business which negatively impacted patient interest. Supplies from India have not yet fully normalised, as the Business continues to face multiple challenges on imports. The wholesale segment remained slow and affected the overall

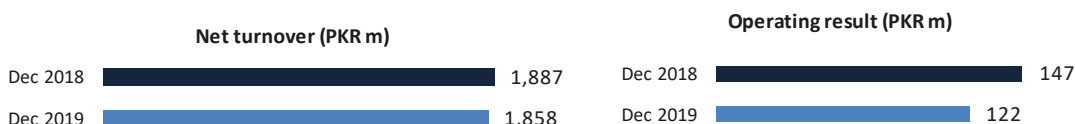
momentum as traders continued to resist the Government's measures to document business transactions.

Despite the above challenges, the Business has delivered net sales of PKR 2,867 million, which is 8% lower than the SPLY. The operating profit for the period under review, however, was PKR 205 million, a significant improvement of 172% over the SPLY. This performance was largely delivered on the back of favourable manufacturing efficiencies, better sales mix and strict control on costs.

The country's economy is expected to slow down further in the remaining part of the FY 2019-20 owing to macroeconomic interventions. Moreover, devaluation of the Rupee and any further restriction on import of pharmaceutical raw materials from India would increase the cost of production, having a direct impact on the Business's profitability and may potentially result in withdrawal of essential medicines from the local market. However, the Business is prepared to meet these challenges and deliver positive results.

In order to increase synergies and product outreach, the process of amalgamation of Cirin Pharmaceuticals (Pvt) Limited (a wholly owned subsidiary of ICI Pakistan) into ICI Pakistan has been commenced. The amalgamation is in line with the Company's growth aspirations and enables it to expand its footprint with its own manufacturing base for pharmaceuticals products.

Animal Health Business



The Business delivered a net turnover of PKR 1,858 million with an operating result of PKR 122 million, being lower by 2% and 17%, respectively, than the SPLY. The business performance was affected mainly due to stressed market conditions in the poultry segment, which was slightly offset by growth in the livestock segment.

During the period under review, the poultry sector remained under stress owing to low incidence of disease, increased supply of day-old chicks & higher feed prices. Financial losses to poultry farmers during first half of the FY 2019-20 resulted in a liquidity crunch with corrective measures to manage credit exposures being strongly resisted by the customers.

The Business remained focussed on its locally manufactured portfolio. Enhanced performance of locally produced MSD anthelmintic and the Farmer's Choice Range is indicative of the success of this strategy. Vanda and the Silage portfolios also remained on track, improving the locally manufactured mix of the Business.

Challenging trends were witnessed in both livestock and poultry markets which include steep increase in the price of feed, low farm gate milk prices in Punjab, low marketable and day-old chick prices and liquidity crunch. However, the Business has been focussing on improving internal efficiencies and overall cost rationalisation, designed to set it up for a sustainable, competitive and profitable growth in the coming years.

Going forward, the Business will continue its drive to balance continuity with change in a rapidly evolving environment by gearing its portfolio to meet the evolving consumer demands whilst capitalising on business development activities with greater agility and efficiencies.

Chemicals & Agri Sciences Business



The Business achieved a net turnover of PKR 4,405 million for the six months ended December 31, 2019, which is 21% higher than the SPLY. The operating result of the Business for the period under review was recorded at PKR 470 million, which is 85% higher than the SPLY.

The improved business results of the Agri Sciences Business are attributed to the Seeds segment, in particular due to increased sowing of sunflower this season and healthy margins.

Despite market pressure amidst a challenging macro-economic environment, the Chemicals Business's improved results were mainly driven due to acquisition of customers and cost optimisation.

The newly commissioned Masterbatches division doubled its volumes in the second quarter of FY 2019-20. The Masterbatches division has been successful in market penetration through product development and extended focus on customer acquisition, which has resulted in continuous onboarding of new customers, successful repeat orders and new technical developments. In line with our strategic aspirations, the business continued R&D in the specialised products segment. The Business also successfully co-sponsored and participated in "PakPlas – The International Plastics Expo 2019" in Lahore. Co-sponsoring the expo helped in establishing a strong presence in the plastics market.

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.

Future Outlook

The macro-economic challenges of high inflation, rupee devaluation and high interest rates will continue to impact the business climate in Pakistan. However, all Businesses of the Company are focussed on delivering robust results by leveraging a diversified product portfolio.

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

Composition of the Board

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

Total number of Directors:

(a) Male: 7

(b) Female: 1

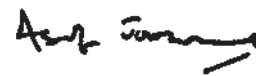
Composition:

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



Muhammad Sohail Tabba
Chairman / Director

Dated: January 28, 2020
Karachi



Asif Jooma
Chief Executive

مستقبل پر نظر

مہنگائی سے پیدا ہونے والے میکرو اکنامک چیلنجز، روپے کی ناقدری اور شرح سود میں اضافہ سے پاکستان کا کاروباری ماحول شدید متاثر ہونے کا امکان ہے۔ تاہم تمام برنسز اپنے وسیع پروڈکٹ پورٹ فولیو کو بروئے کار لا کر شاندار نتائج دینے کے لیے پر عزم ہیں۔

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

بورڈ کی تشکیل

کوڈ آف کارپوریٹ گورننس 2017 کی تعمیل میں، کمپنی اپنے بورڈ میں آزاد اور نان ایگزیکٹو ڈائریکٹرز کی نمائندگی کے ساتھ خواتین کی شمولیت کے لیے بھی پر عزم ہے۔ بورڈ کی موجودہ تشکیل درج ذیل ہے:

ڈائریکٹرز کی کل تعداد

7	(الف) مرد:
1	(ب) خواتین:

تشکیل:

2	(i) آزاد ڈائریکٹرز:
4	(ii) نان ایگزیکٹو ڈائریکٹرز:
2	(iii) ایگزیکٹو ڈائریکٹرز:

آصف جمعہ

چیف ایگزیکٹو

محمد سہیل بٹا
چیرمین / ڈائریکٹر

بتاریخ: 28 جنوری 2020

کراچی

کیمیکلز اینڈ ایگری سائنسز بزنس

مجموعی کاروبار (ملین روپے)	آپریٹنگ رزلٹ (ملین روپے)
دسمبر 2018 3,647	دسمبر 2018 254
دسمبر 2019 4,405	دسمبر 2019 470

31 دسمبر 2019 کو ختم شدہ ششماہی کے لیے بزنس کا مجموعی کاروبار 4,405 ملین روپے رہا جو گزشتہ سال کے اسی عرصے کے مقابلے میں 21 فیصد زائد ہے۔ بزنس کا آپریٹنگ رزلٹ 470 ملین روپے ریکارڈ کیا گیا جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 85 فیصد زائد ہے۔

ایگری سائنسز بزنس کا شاندار نتیجہ سیڈ کے شعبے میں بہتر کارکردگی کی بدولت ہے، خاص طور پر حالیہ سیزن میں سورج کھجی کی بوائی میں اضافے اور شاندار منافع نے اس کامیابی میں اہم کردار ادا کیا۔

مشکل معاشی حالات کے پیش نظر مارکیٹ میں دباؤ کی صورتحال کے باوجود کیمیکلز بزنس کے منافع میں اضافہ خاص طور پر نئے کسٹمر کے حصول اور قیمتوں میں بہتری سے ممکن ہوا۔

ہمارا نیا قائم کردہ ماسٹر نیچ مینوفیکچرنگ ڈویژن مالیاتی سال 2019-20 کی دوسری سہ ماہی میں اپنے مقدار کو ڈبل کرنے میں کامیاب رہا۔ ماسٹر نیچ ڈویژن پروڈکٹ کی تھیر اور کسٹمر کی پسند بننے کی بدولت مارکیٹ میں رسائی حاصل کرنے میں کامیاب رہا جس سے نئے کسٹمرز کے ساتھ دوبارہ آرڈر کا حصول اور نئی ٹیکنیکل ڈولپمنٹ بھی حاصل ہوئی ہے۔ اپنے اسٹریٹجک اہداف کے پیش نظر بزنس نے ریسرچ اور ڈولپمنٹ جاری رکھتے ہوئے اسپیشلائزڈ پروڈکٹس کے شعبہ جات پر کام جاری رکھا ہوا ہے۔ بزنس نے کامیابی کے ساتھ لاہور میں منعقد ہونے والے ”پاک پلاس۔ دی انٹرنیشنل پلاسٹکس ایکسپو 2019“ میں شراکتی اسپانسر شپ کی۔ ایکسپو کی کو اسپانسر شپ نے پلاسٹک مارکیٹ میں مستحکم موجودگی حاصل ہونے میں مدد دی۔

مزید برآں، بزنس آپریشنل مہارت اور جدت کے حصول سے، موجودہ اور نئے کسٹمرز کے لیے قدر میں اضافے کے پیش نظر شاندار کاروباری نتائج حاصل کرنے پر بھرپور توجہ مرکوز کئے ہوئے ہے۔

ہینمل ہیلتھ بزنس

مجموعی کاروبار (ملین روپے)	آپریٹنگ رزلٹ (ملین روپے)
دسمبر 2018 1,887	دسمبر 2018 147
دسمبر 2019 1,858	دسمبر 2019 122

ہینمل ہیلتھ ڈویژن نے 1858 روپے کی مجموعی کاروبار کے ساتھ 122 ملین روپے کا آپریٹنگ رزلٹ حاصل کیا جو کہ گزشتہ سال کے اسی عرصے کے مقابلے میں بالترتیب 2 فیصد اور 17 فیصد کم ہے۔ یہ کمی پولٹری کے شعبے میں مندی کے حالات کے سبب سامنے آئی جبکہ لائیو اسٹاک کے شعبے میں ترقی سے اس کمی کا جزوی ازالہ ہوا۔

زیر جائزہ مدت کے دوران، پولٹری کا شعبہ بیماریوں میں کمی، ایک دن کے چوزوں کی فراہمی میں اضافے اور فیڈ کی قیمتوں میں اضافے کے سبب شدید دباؤ کا شکار رہا۔ پولٹری فارمز کو مالیاتی سال کی پہلی ششماہی میں ہونے والے نقصانات نے ادائیگی کے توازن کو بگاڑ دیا جس میں قرض کی ادائیگی کے مستحکم نظام کو بھی صارفین کی جانب سے نظر انداز کرنے کی صورت حال کا سامنا رہا۔

بزنس نے اپنے مقامی سطح پر تیار کردہ پورٹ فولیو پر توجہ مرکوز کر رکھی ہے۔ اس توجہ اور منصوبہ بندی کے مرہون منت ہے کہ مقامی سطح پر تیار کردہ انتھلمنٹک اور فارمز چوزائس رتن کامیابی سے ہمکنار ہو رہے ہیں۔ اس سلسلے میں وائڈ اور سالکچ پورٹ فولیو بھی اپنی رفتار سے کام جاری رکھے ہوئے ہیں تاکہ بزنس کی مقامی مینوفیکچرنگ کو تقویت دی جائے۔

لائیو اسٹاک اور پولٹری مارکیٹس میں مشکل حالات کا سامنا رہا جس میں فیڈ کی قیمتوں میں ہوشربا اضافہ، پنجاب میں فارم پر دودھ کی کم قیمت، مارکیٹ کے قابل اور ایک دن کے چوزوں کی کم قیمت اور وصولیوں کی بگڑی ہوئی صورت حال نے بزنس کی کارکردگی کو شدید متاثر کیا ہے۔ تاہم بزنس نے اپنی صلاحیتوں کو بہتر کرنے اور قیمتوں کی یکسانیت پر توجہ مرکوز رکھی تاکہ آنے والے سالوں میں مستحکم، مسابقتی اور منافع بخش کاروبار یقینی بنایا جاسکے۔

مزید برآں، بزنس تیزی سے بدلتے ہوئے ماحول میں توازن کو برقرار رکھنے کے لیے اپنے پورٹ فولیو میں مثبت تبدیلی کو جاری رکھے ہوئے ہے تاکہ صارفین کی بدلتی ہوئی ضروریات کو بزنس کی ترقی کے ساتھ پورا کیا جائے۔

فارماسیوٹیکلز

مجموعی کاروبار (ملین روپے)	آپریٹنگ رزلٹ (ملین روپے)
دسمبر 2018 3,122	دسمبر 2018 75
دسمبر 2019 2,867	دسمبر 2019 205

زیر جائزہ مدت کے دوران بھارت سے کشیدگی کے بعد تجارت کی معطلی اور حکومت و تاجروں کے درمیان ٹیکس ریفاہ مزہ پر جاری بحران کے سبب فارماسیوٹیکل انڈسٹری کو شدید مشکلات کا سامنا رہا۔ جبکہ انڈیا سے فارماسیوٹیکل پروڈکٹس کی درآمد پر پابندی ایک مہینے کے بعد اٹھائی گئی اس صورتحال کے پیش نظر اگست اور ستمبر کے درمیان انڈیا سے کسی طرح کی درآمد نہیں ہوئی۔ نتیجے میں کئی پروڈکٹس کی قلت ہوئی جس کے نتیجے میں بزنس کی سیلز میں کمی اور مریضوں کو مشکلات کا سامنا کرنا پڑا۔ انڈیا سے درآمد ابھی تک معمول پر نہیں آسکی، چنانچہ بزنس کو درآمدات پر کئی چیلنجز کا سامنا ہے۔ کاروبار کا ہول سیل کا شعبہ سست رہا اور کاروباری لین دین کو تحریر میں لانے کے حکومتی اقدام کے خلاف تاجروں کی مزاحمت نے مجموعی سیلز کو شدید متاثر کیا۔

مذکورہ بالا چیلنجز کے باوجود، بزنس نے 2,867 ملین روپے کی نیٹ سیلز کی جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 8 فیصد کم ہے۔ تاہم، زیر جائزہ عرصے کا آپریٹنگ پرافٹ گزشتہ سال کی اسی مدت کے مقابلے میں 172 فیصد کی واضح بہتری کے ساتھ 205 ملین روپے رہا۔ اس کارکردگی میں سازگار مینوفیکچرنگ سہولیات، سیلز کے بہترین امتزاج اور اخراجات پر کنٹرول نے اہم کردار ادا کیا۔

ملکی معیشت میکر و اکنامک مسائل کے سبب مالیاتی سال 2019-20 کی باقی مدت کے دوران بھی سست روی کا شکار رہنے کا امکان ہے۔ اس کے ساتھ روپے کی ناقدری اور انڈیا سے فارماسیوٹیکلز کے خام مال کی امپورٹ پر مزید پابندی سے پروڈکشن کے اخراجات میں اضافہ ہونے سے کاروبار کے منافع پر منفی اثر اور مقامی مارکیٹ سے ضروری ادویات کی شدید کمی کا امکان ہے۔ تاہم بزنس ایسی صورتحال میں ان مسائل کے حل اور مثبت نتائج فراہم کرنے کے لیے بخوبی تیار ہے۔

اپنی صلاحیتوں میں اضافہ اور پروڈکٹ کی فراہمی میں بہتری کے پیش نظر، سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ (آئی سی آئی پاکستان کی زیر ملکیت ذیلی ادارہ) کو آئی سی آئی پاکستان میں ضم کر دیا گیا ہے۔ یہ انضمام کمپنی کی ترقی کرنے کی لگن اور فارماسیوٹیکلز میں اپنی پروڈکٹس کی خود مینوفیکچرنگ کے وعدے کا ثبوت ہے۔

سوڈالیش بزنس

مجموعی کاروبار (ملین روپے)	آپریٹنگ رزلٹ (ملین روپے)
دسمبر 2018 8,073	دسمبر 2018 1,643
دسمبر 2019 8,499	دسمبر 2019 2,176

معیشت کی مجموعی سست روی کے سبب مقامی مارکیٹ گزشتہ سال کی اسی مدت کے برابر رہی جبکہ بازار اور پیپر کے شعبے بری طرح متاثر ہوئے۔ حکومت کی جانب سے غیر دستاویزی معیشت کو محدود کرنے کی کوششوں کے سبب بازار کے شعبہ میں شدید مندی کا رجحان رہا۔ پیپر کا شعبہ بھی ڈاؤن اسٹریم مارکیٹ میں سست روی کے سبب بری طرح متاثر ہوا کیونکہ مینوفیکچررز نے کم ریٹس پر کام کرنے کو ترجیح دی۔ تاہم سیلیکیٹ، گلاس، ڈٹرجنٹ اور RSB کے شعبوں نے وقتی طور پر سہارا دیا۔ سیلیکیٹ کے شعبے میں بہتری سامنے آئی کیونکہ فرنس آئل سستا ہونے سے بند پڑے یونٹس کھلنا شروع ہو گئے۔ گلاس کے شعبے نے بھی تنصیب شدہ عمارتوں میں ڈاؤن اسٹریم توسیع کے سبب نسبتاً اضافہ حاصل کیا۔ ڈٹرجنٹ کے شعبے میں بھی اضافے کا رجحان رہا کیونکہ صابن کے مقابلے میں ڈٹرجنٹ پاؤڈر کو ترجیح دینے کا رجحان رہا۔ RSB کی مارکیٹ میں بھی گزشتہ سال کی اسی مدت کے مقابلے میں اضافہ رہا کیونکہ اینٹل فیڈ اور کنفیکشنری میں اس کے استعمال میں اضافہ جاری رہا۔

زیر جائزہ مدت کے دوران بزنس کا آپریٹنگ رزلٹ گزشتہ سال کی اسی مدت کے مقابلے میں 32 فیصد اضافے کے ساتھ 2,176 ملین روپے رہا جس کی اہم وجہ پلانٹ کے موثر آپریشن کو بحال رکھنے سے توانائی کے اخراجات پر کنٹرول ہے۔

بزنس نے ایکسپورٹ مارکیٹ میں اپنی توجہ بڑھاتے ہوئے ان مارکیٹس میں تقابلی معیار برقرار رکھنے کے لیے کئی اقدامات اٹھائے ہوئے ہیں۔

مزید برآں، توقع کی جا رہی ہے کہ چین میں قیمتیں چائنیز نیو لیسٹر کے بعد بڑھ جائیں گی کیونکہ سوڈالیش کے ڈاؤن اسٹریم کسٹمرز اپنے عمومی آپریشن دوبارہ شروع کریں گے۔ اس کے ساتھ یورپ اور ساؤتھ ایشیا میں فلوٹ گلاس کی نئی پروڈکشن لائینز کے شروع ہونے سے سوڈالیش کی طلب میں اضافے کا امکان ہے۔

مقامی مارکیٹ میں یہ بڑا چیلنج ہو گا کہ معاشی گراؤ کے دور میں سیلز میں اضافہ کیا جائے۔ اس حوالے سے بزنس مقامی سیلز اور برآمدات کو بڑھانے کے لیے بھرپور انداز میں منصوبہ بندی پر عمل درآمد کر رہا ہے۔

پولیسٹر اسٹیل فائبر بزنس (PSF)

مجموعی کاروبار (ملین روپے)	آپریٹنگ رزلٹ (ملین روپے)
دسمبر 2018 11,186	دسمبر 2018 (164)
دسمبر 2019 11,662	دسمبر 2019 430

زیر جائزہ مدت کے دوران چین اور امریکہ کے درمیان تجارتی جنگ کے نتیجے میں عالمی معیشت مجموعی طور پر اتار چڑھاؤ کا شکار رہی۔ تاہم دونوں فریقین کی جانب سے مالیاتی سال 2019-20 کی دوسری سہ ماہی کے اختتام پر تصفیہ کی طرف مثبت قدم اٹھانے سے صورتحال میں بہتری آنا شروع ہو گئی۔

گزشتہ سال کی اسی مدت کے مقابلے میں کروڈ آئل کی قیمتوں میں اوسطاً 11.5 فیصد کمی دیکھی گئی (56.68 / bbl امریکی ڈالر بمقابلہ 64.06 / bbl امریکی ڈالر)۔ اسی مدت کے دوران ستمبر 2019 میں سعودی تیل تنصیبات پر حملے کے سبب تیل کی قیمتوں میں عدم استحکام سامنے آیا تاہم بعد ازاں فوری بحالی سے مارکیٹ میں استحکام آ گیا۔

کروڈ آئل کی قیمتوں میں کمی اور اضافی پیداواری صلاحیت سے گزشتہ سال کے اسی عرصے کے مقابلے میں مالیاتی سال 2019-20 کی پہلی ششماہی کے دوران پیرازاٹکین، PTA اور MEG کی قیمتیں بالترتیب 30 فیصد، 28 فیصد اور 34 فیصد کم ہو گئیں۔ اس کے ساتھ گزشتہ سال کے اسی عرصے کے مقابلے میں امریکی ڈالر کے مقابلے میں روپے کی 20 فیصد قابل ذکر ناقدری ہوئی۔ روپے کی شدید ناقدری کے سبب فیڈ اسٹاک کی قیمتوں میں کمی سے حاصل ہونے والے فائدے کو نقصان پہنچا۔ مقامی PSF کی قیمت گزشتہ سال کی اسی مدت کے مقابلے میں اوسطاً 0.97 فیصد کم رہی۔

زیر جائزہ مدت کے دوران تیل کی قیمتوں میں تیزی کاربحان رہا اس کے ساتھ کوئلے، گیس / RLNG اور فرنیس آئل کی قیمتوں میں بالترتیب 3 فیصد، 34 فیصد اور 23 فیصد تک اضافہ ہو گیا، نتیجتاً گزشتہ سال کے اسی عرصے کے مقابلے میں اس سال توانائی کے اخراجات 29 فیصد بڑھ گئے۔

مثبت بات یہ رہی کہ پولیسٹر بزنس نے مقامی اور عالمی مارکیٹ کے لیے PSF کے جدید اور اعلیٰ معیار کے اسٹیل ویر منٹس پر توجہ مرکوز رکھتے ہوئے اپنی سیلز میں گزشتہ سال کی اسی مدت کے مقابلے میں 4 فیصد اضافہ کیا۔ اس بہتر کارکردگی اور منافع میں بہتری کے سبب مجموعی طور پر آپریٹنگ رزلٹ گزشتہ سال کی اسی مدت کے مقابلے میں 594 ملین روپے (362 فیصد) بڑھ گیا۔

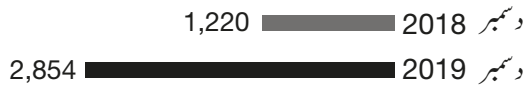
مزید برآں، جنوری 2020 میں امریکی صدر ڈونلڈ ٹرمپ کے چین کے دورے کے دوران چین اور امریکہ کے درمیان تجارتی معاہدے کے پہلے مرحلے پر دستخط ہونے سے مثبت مارکیٹ پوزیشن کے سبب کروڈ آئل کی قیمتوں میں تیزی کی توقع کی جا رہی ہے۔ اس کے ساتھ اوپیک نے بھی سپلائی کے توازن کو برقرار رکھنے کے لیے آئل کی فراہمی میں کمی کا اعلان کیا ہے۔ امریکہ چین تجارتی معاہدے اور USDA کی جانب سے کم پیداوار کی پیش گوئیوں سے عالمی طور پر کاٹن مارکیٹ میں مثبت رجحان کی توقع کی جا رہی ہے۔ اس کے پیش نظر PSF مارکیٹ میں مزید ترقی کی امید اور آنے والے مہینوں میں بزنس کی کارکردگی میں بہتری کا امکان ہے۔ مقامی سطح پر بھی کاٹن کی قیمت، اس کی امپورٹ پر ریگولیٹری ڈیوٹیز کے خاتمے کی بدولت مقامی کاٹن کی قیمتوں میں استحکام اور اعلیٰ معیاری کاٹن کی فراہمی اور سپلائی میں بہتری کا امکان ہے۔

حکومت پاکستان کی جانب سے امپورٹس میں کمی اور ایکسپورٹ کو بڑھانے والے اقدامات سے مقامی ٹیکسٹائل انڈسٹری میں بہتری کی توقع کی جا رہی ہے۔ اس کے ساتھ چین اور پاکستان کے درمیان یکم جنوری 2020 سے فری ٹریڈ ایگریمنٹ کے سبب 313 آئٹم کی ایکسپورٹ میں اضافے ہونے کی توقع ہے جس میں سینتھنک فائبر سے تیار ہونے والی ریڈی میڈ گارمنٹس بھی شامل ہیں۔

ششماہی ختم شدہ دسمبر 2018 ششماہی ختم شدہ دسمبر 2019

27,914	29,287	مجموعی کاروبار (ملین روپے)
1,220	2,854	قبل از ٹیکس منافع (ملین روپے)
900	2,070	بعد از ٹیکس منافع (ملین روپے)
9.75	22.41	منافع فی شیئر (روپے)

قبل از ٹیکس منافع (ملین روپے)



مجموعی کاروبار (ملین روپے)



بعد از ٹیکس منافع (ملین روپے)



منافع فی شیئر (روپے)



ڈائریکٹر زکا جائزہ برائے ششماہی ختم شدہ 31 دسمبر 2019

ڈائریکٹر ز اپنا جائزہ برائے سہ ماہی اور ششماہی ختم شدہ 31 دسمبر 2019 بشمول کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

سہ ماہی کے دوران مجموعی کاروبار 14,972 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے مجموعی کاروبار کے مقابلے میں 1 فیصد زائد ہے۔ مجموعی کاروبار میں اضافہ سوڈا الیش اور کیمیکلز اینڈ ایگری سائنسز بزنسز میں بالترتیب 5 فیصد اور 13 فیصد زائد آمدنی کے حاصل ہونے کی بدولت ہے۔ اس اضافے پر فارما سیوٹیکلز اور اینیمل ہیلتھ بزنسز میں سے ہر ایک میں 10 فیصد کم مجموعی کاروبار نے منفی اثرات مرتب کئے۔ تاہم پولیسٹر بزنس کا مجموعی کاروبار گزشتہ سال کے اسی عرصے کے مقابلے کے برابر رہا۔

سہ ماہی کا آپریٹنگ رزلٹ گزشتہ سال کے اسی عرصے کے مقابلے میں 100 فیصد اضافہ کے ساتھ 1,797 ملین روپے رہا۔ یہ اضافہ اینیمل ہیلتھ بزنس کے علاوہ تمام بزنسز میں بہتر کارکردگی کے مرہون منت ہے۔

زیر جائزہ ششماہی کے دوران مجموعی کاروبار 29,287 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 5 فیصد زائد ہے۔ مجموعی کاروبار میں اضافہ پولیسٹر سوڈا الیش اور کیمیکلز اینڈ ایگری سائنسز بزنسز میں بالترتیب 4 فیصد، 5 فیصد اور 21 فیصد اضافے کی بدولت ہے۔ اس اضافے پر فارما سیوٹیکلز اور اینیمل ہیلتھ بزنسز میں سے ہر ایک میں 8 فیصد اور 2 فیصد کم مجموعی کاروبار نے منفی اثرات مرتب کئے۔

کمپنی کا زیر جائزہ ششماہی کا آپریٹنگ رزلٹ گزشتہ سال کے اسی عرصے کے مقابلے میں 74 فیصد اضافہ کے ساتھ 3,402 ملین روپے رہا۔ یہ اضافہ اینیمل ہیلتھ بزنس کے علاوہ تمام بزنسز میں بہتر کارکردگی کے مرہون منت ہے۔ پولیسٹر، سوڈا الیش، فارما سیوٹیکلز اور کیمیکلز اینڈ ایگری سائنسز بزنسز میں بالترتیب 362 فیصد، 32 فیصد، 172 فیصد اور 85 فیصد اضافہ دیکھنے میں آیا جبکہ اینیمل ہیلتھ بزنس نے گزشتہ سال کی اسی مدت کے مقابلے میں 17 فیصد کم آپریٹنگ رزلٹ حاصل کیا۔

پولیسٹر بزنس کی بہتر کارکردگی، سیلز کی مقدار میں اضافے کے ساتھ زائد منافع جات اور اخراجات پر قابو پانے کے حوالے سے اٹھائے جانے والے اقدامات کے مرہون منت ہے۔ سوڈا الیش بزنس نے بہتر کارکردگی کے ساتھ قیمتوں میں اضافے اور توانائی کے اخراجات میں بہتری لانے سے شاندار منافع جات حاصل کئے۔ فارما سیوٹیکلز بزنس میں نئی پروڈکٹس کے آغاز، سہولت کی حامل مینوفیکچرنگ اور اخراجات پر کڑی نظر سے بہتر منافع حاصل کیا گیا۔ کیمیکلز اینڈ ایگری سائنسز بزنس نے منافع میں بہتری اور نئے کسٹمرز کے حصول سے بہتر کارکردگی دکھائی۔ اینیمل ہیلتھ بزنس کے آپریٹنگ رزلٹ میں پولٹری سیکٹر کی مارکیٹ میں سست روی کے سبب کمی واقع ہوئی۔

بعد از ٹیکس منافع برائے ششماہی ختم شدہ 31 دسمبر 2019 گزشتہ سال کی اسی مدت کے مقابلے میں 130 فیصد اضافہ کے ساتھ 2,070 ملین روپے رہا۔ جس کی اہم وجہ اینیمل ہیلتھ بزنس کے علاوہ تمام بزنسز کی گزشتہ سال کی اسی مدت کے مقابلے میں بہتر کارکردگی اور کرنسی کے استحکام کے ساتھ ذیلی ادارے سے ڈیویڈنڈ کی زائد آمدنی ہے۔ تاہم اس کارکردگی پر زیر جائزہ مدت کے دوران عائد ہونے والی سود کی اضافی شرح نے منفی اثرات مرتب کئے۔

ششماہی کے دوران فی شیئر منافع 22.41 روپے ہے جو گزشتہ سال کی اسی مدت کے مقابلے میں 130 فیصد زائد ہے۔

INDEPENDENT AUDITORS' REVIEW REPORT

To the Members of ICI Pakistan Limited
Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of **ICI Pakistan Limited** as at **31 December 2019** and the related condensed interim unconsolidated statement of profit or loss, condensed interim unconsolidated statement of other comprehensive income, condensed interim unconsolidated statement of changes in equity, and condensed interim unconsolidated statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim unconsolidated statement of profit or loss and condensed interim unconsolidated statement of comprehensive income for the three-month period ended 31 December 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended 31 December 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditors' review report is **Arif Nazeer**.

Date: January 28, 2020
Karachi



Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Arif Nazeer

ICI Pakistan Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at December 31, 2019

		Amounts in PKR '000	
Note		December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
ASSETS			
Non-current assets			
	Property, plant and equipment	4 19,871,959	20,329,199
	Intangible assets	5 926,816	931,806
	Right-of-use assets	6 228,561	-
		21,027,336	21,261,005
	Long-term investments	7 3,913,076	3,913,076
	Long-term loans	8 508,809	434,114
	Long-term deposits and prepayments	38,969	39,231
		4,460,854	4,386,421
		25,488,190	25,647,426
Current assets			
	Stores, spares and consumables	1,032,854	984,992
	Stock-in-trade	9 10,533,420	9,841,165
	Trade debts	2,198,352	2,388,029
	Loans and advances	629,118	559,563
	Trade deposits and short-term prepayments	523,739	278,987
	Other receivables	1,150,879	1,647,518
	Taxation - net	2,133,146	2,637,613
	Cash and bank balances	237,856	237,374
		18,439,364	18,575,241
		43,927,554	44,222,667
Total assets			
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		
	92,359,050 (June 30, 2019: 92,359,050) ordinary shares of PKR 10 each	923,591	923,591
	Capital reserves	309,643	309,643
	Surplus on revaluation of property, plant and equipment - net of tax	563,953	598,103
	Revenue reserve - unappropriated profit	19,063,834	17,375,706
	Total equity	20,861,021	19,207,043
Non-current liabilities			
	Provisions for non-management staff gratuity	98,080	93,982
	Long-term loans	10 6,536,640	6,763,257
	Deferred tax liability - net	11 1,683,251	1,792,308
	Lease liabilities	12 178,655	-
		8,496,626	8,649,547
Current liabilities			
	Trade and other payables	8,780,955	7,185,136
	Accrued mark-up	375,811	340,156
	Short-term financing	13 4,022,334	7,056,373
	Current portion of long-term loans	1,266,561	1,690,894
	Current portion of lease liabilities	42,092	-
	Unclaimed dividend	82,154	93,518
		14,569,907	16,366,077
		43,927,554	44,222,667
Total equity and liabilities			
Contingencies and commitments			

The annexed notes from 1 to 24 form an integral part of the condensed interim unconsolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Joona
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)
For the Six Months Ended December 31, 2019

Amounts in PKR '000

Net turnover - note 15

Cost of sales - note 15 and 16

Gross profit

Selling and distribution expenses

Administration and general expenses

Operating result - note 15

Finance costs

Exchange gain / (loss)

Workers' profit participation fund

Workers' welfare fund

Other charges

Dividend income

Other income

Profit before taxation

Taxation - note 17

Profit after taxation

Basic and diluted earnings per share

	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018
	14,971,764	29,287,030	14,779,909	27,914,445
	(11,941,445)	(23,489,785)	(12,748,756)	(23,725,950)
	3,030,319	5,797,245	2,031,153	4,188,495
	(899,359)	(1,743,155)	(781,813)	(1,557,621)
	(334,230)	(651,884)	(352,667)	(675,659)
	1,796,730	3,402,206	896,673	1,955,215
	(447,031)	(935,655)	(380,091)	(695,819)
	5,313	27,855	(203,714)	(215,385)
	(80,125)	(150,003)	(15,721)	(62,697)
	(22,773)	(47,291)	(8,292)	(26,060)
	(10,942)	(21,803)	(11,444)	(32,131)
	(555,558)	(1,126,897)	(619,262)	(1,032,092)
	270,000	530,000	25,000	255,000
	25,266	48,698	24,834	41,451
	1,536,438	2,854,007	327,245	1,219,574
	(393,218)	(784,413)	(84,310)	(319,117)
	1,143,220	2,069,594	242,935	900,457
		(PKR)		
	12.38	22.41	2.63	9.75

The annexed notes from 1 to 24 form an integral part of the condensed interim unconsolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Unconsolidated Statement of Other Comprehensive Income (Unaudited)
For the Six Months Ended December 31, 2019

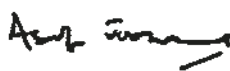
Amounts in PKR '000

	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018
Profit after taxation	1,143,220	2,069,594	242,935	900,457
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,143,220	2,069,594	242,935	900,457

The annexed notes from 1 to 24 form an integral part of the condensed interim unconsolidated financial statements.



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)
For the Six Months Ended December 31, 2019

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 July 1, 2018 (Audited)	923,591	309,643	669,495	16,178,705	18,081,434
Final dividend of PKR 8.50 per share for the year ended June 30, 2018	-	-	-	(785,052)	(785,052)
Profit for the period	-	-	-	900,457	900,457
Other comprehensive income for the period - net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	900,457	900,457
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(34,768)	34,768	-
As at December 31, 2018 (Unaudited)	923,591	309,643	634,727	16,328,878	18,196,839
Interim dividend of PKR 4.50 per share for the year ended June 30, 2019	-	-	-	(415,616)	(415,616)
Profit for the period	-	-	-	1,404,455	1,404,455
Other comprehensive income for the period - net of tax	-	-	-	21,365	21,365
Total comprehensive income	-	-	-	1,425,820	1,425,820
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(36,624)	36,624	-
As at June 30, 2019 (Audited)	923,591	309,643	598,103	17,375,706	19,207,043
Final dividend of PKR 4.50 per share for the year ended June 30, 2019	-	-	-	(415,616)	(415,616)
Profit for the period	-	-	-	2,069,594	2,069,594
Other comprehensive income for the period - net of tax	-	-	-	-	-
Total comprehensive income	-	-	-	2,069,594	2,069,594
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(34,150)	34,150	-
As at December 31, 2019 (Unaudited)	923,591	309,643	563,953	19,063,834	20,861,021

The annexed notes from 1 to 24 form an integral part of the condensed interim unconsolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)
For the Six Months Ended December 31, 2019

Amounts in PKR '000

December 31, 2019	December 31, 2018
----------------------	----------------------

Cash flows from operating activities

Cash generated from operations - note 18	5,823,616	3,518,620
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(9,715)	(9,434)
Staff retirement benefit plan	(21,701)	(26,870)
Taxation	(389,003)	(428,719)
Interest	(891,057)	(637,160)
Net cash generated from operating activities	4,512,140	2,416,437

Cash flows from investing activities

Capital expenditure	(905,251)	(1,096,021)
Proceeds from disposal of operating fixed assets	2,701	1,404
Interest received on bank deposits	7,781	609
Dividend from subsidiary	30,000	50,000
Dividend from associate	500,000	180,000
Net cash used in investing activities	(364,769)	(864,008)

Cash flows from financing activities

Long-term loans obtained*	-	300,000
Long-term loans repaid*	(650,950)	(470,862)
Payment of lease liability	(34,920)	-
Dividends paid	(426,980)	(781,429)
Net cash used in from financing activities	(1,112,850)	(952,291)
Net increase in cash and cash equivalents	3,034,521	600,138
Cash and cash equivalents at the beginning of the period	(6,818,999)	(7,137,624)
Cash and cash equivalents at the end of period	(3,784,478)	(6,537,486)

Cash and cash equivalents at the end of period comprise of:

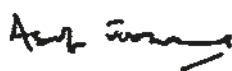
Cash and bank balances	237,856	238,990
Short-term financing	(4,022,334)	(6,776,476)
	(3,784,478)	(6,537,486)

* No non-cash items are included in these activities

The annexed notes from 1 to 24 form an integral part of the condensed interim unconsolidated financial statements.



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2019

1 Status and nature of business

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

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

2 Statement of compliance

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

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

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

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

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

2.2 These condensed interim financial statements are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under Section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2019.

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the three months ended December 31, 2019 and December 31, 2018 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the six months ended December 31, 2019 and December 31, 2018.

3 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the annual unconsolidated audited financial statements as at and for the year ended June 30, 2019, except for the adoption of the following new and amended standards, interpretations and improvements to IFRSs by the Company, which became effective for the current period:

IFRS 16	Leases
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

The adoption of above standards, interpretations and improvement to standards did not have any material effect on the condensed interim unconsolidated financial statements of the Company, except for the changes related to adoption of IFRS 16 'Leases' as explained 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 account for most leases under a single on-balance sheet model. 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. Whereas, for lessees all leases will be classified as finance leases only. 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 IFAS 2.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of July 01, 2019. Under this method, the standard is applied retrospectively with cumulative effect of initially applying standard recognised at the date of initial application and accordingly the Company is not required to restate prior year results.

The Company assessed its existing contracts and concluded that right-of-use assets as disclosed in note 6 to these condensed interim unconsolidated financial statements shall be recognised along with their corresponding lease liabilities. For other existing contracts, the Company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The right-of-use assets were recognised based on the amount equal to their corresponding lease liabilities, adjusted for 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. The Company did not have any sub-lease or finance lease as on July 01, 2019.

Accordingly, initial application of IFRS 16 did not have any impact on the opening retained earnings as of July 01, 2019 and on these condensed interim financial statements, except for the recognition of right-of-use assets and corresponding lease liabilities as disclosed in note 3.2 to these condensed interim unconsolidated financial statements. The effect of adoption of IFRS 16 on the statement of profit or loss includes an increase in depreciation expense by PKR 18.163 million, increase in interest expense by PKR 8.943 million and decrease in lease rental by PKR 34.92 million. Further, impact on statement of cash flows includes an increase in net cash flows from operating activities by PKR 220.747 million and an decrease in net cash flows from financing activities by the same amount.

The lease liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as of June 30, 2019 as follows:

	Amounts in PKR '000
Operating lease commitments as at June 30, 2019	376,580
Weighted average incremental borrowing rate as at July 01, 2019	10.91%
Discounted operating lease commitments as at July 01, 2019	376,467
Less:	
Ijarah and others	(213,091)
Lease liabilities as at July 01, 2019	<u>163,376</u>

3.1 Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

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 (if any), and lease payments made at or before the commencement date less lease incentives received (if any). Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

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 a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of warehouses and houses (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). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3.2 Amounts recognised in the statement of financial position and profit or loss

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period:

	Rights of Use Assets			Lease liabilities
	Motor vehicles	Land and buildings	Total	
As at 1 July 2019	12,755	150,621	163,376	163,376
Additions	-	83,348	83,348	83,348
Depreciation expenses	2,083	16,080	18,163	-
Interest expenses	-	-	-	8,943
Payments	-	-	-	34,920
As at 31st December 2019	10,672	217,889	228,561	220,747

The Company recognised rent expense from short-term leases during the period amounting to PKR 24.107 million for the six months ended December 31, 2019.

December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
-------------------------------------	-------------------------------

4 Property, plant and equipment

Operating fixed assets - at net book value	18,785,035	19,270,985
Capital work-in-progress - at cost - note 4.2		
Civil works and buildings	187,777	186,297
Plant and machinery	787,825	790,538
Advances to suppliers / contractors	111,322	81,379
	1,086,924	1,058,214
Total property, plant and equipment	19,871,959	20,329,199

4.1 Following is the cost of operating fixed assets that have been added / disposed off during the six months ended December 31, 2019:

	Additions / Transfers		Disposals at net book value	
	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
Freehold land	-	25,436	-	-
Lime beds on freehold land	-	79,304	-	-
Buildings on freehold land	-	15,240	-	-
Buildings on leasehold land	55,518	605,989	-	29
Plant and machinery	747,431	1,218,292	3,322	10,498
Rolling stock and vehicles	-	42,460	-	289
Furniture and equipment	9,079	225,440	479	71
Total	812,028	2,212,161	3,801	10,887

December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
-------------------------------------	-------------------------------

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

Opening balance	1,058,214	865,782
Addition during the period	823,974	2,322,098
	1,882,188	3,187,880
Transferred to operating fixed assets	(795,264)	(2,129,666)
Closing balance	1,086,924	1,058,214

5 Intangible assets

Intangible assets - at net book value - note 5.1	926,816	931,806
--	---------	---------

5.1 Following is the detail of intangible assets:

Brands	753,460	753,460
Goodwill	126,510	126,510
Others	46,846	51,836
	926,816	931,806

5.2 Addition to intangible assets:

3,226	20,421
-------	--------

6 Right-of-use assets

Cost	246,724	-
Depreciation charged during the period	(18,163)	-
Closing net book value	228,561	-

December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
-------------------------------------	-------------------------------

7 Long-term investments**Unquoted**

Subsidiaries

- ICI Pakistan PowerGen Limited (wholly owned)

7,100,000 ordinary shares (June 30, 2019: 7,100,000) of PKR 100 each

Provision for impairment loss

710,000	710,000
(209,524)	(209,524)
500,476	500,476

- Cirin Pharmaceuticals (Private) Limited (wholly owned)

112,000 ordinary shares (June 30, 2019: 112,000) of PKR 100 each and premium of PKR 8,661.61 (June 30, 2019: 8,661.61) per share

981,300 981,300

- Nutrico Morinaga (Private) Limited (51% holding)

14,688,000 ordinary shares (June 30, 2019: 14,688,000) of PKR 100 each

1,468,800 1,468,800

Associate

- NutriCo Pakistan (Private) Limited (40% ownership)

200,000 ordinary shares (June 30, 2019: 200,000) of PKR 1,000 each and premium of PKR 3,800 (June 30, 2019: 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

3,913,076 3,913,076

8 Long-term loans**Considered good - secured**

Due from executives and employees

686,687 587,039

Current portion shown under loans and advances (current assets)

(177,878) (152,925)

508,809 434,114

9 Stock-in-trade

It includes items carried at net realisable value of PKR 3,536.287 million (June 30, 2019: PKR 3,924.490 million) on which expense of PKR 33.698 million (June 30, 2019: PKR 56.616 million) was recognized during the period / year.

10 Long-term loans

Long-term loans - note 10.1

7,803,201 8,454,151

Current portion shown under current liabilities

(1,266,561) (1,690,894)

6,536,640 6,763,257

10.1 Following is the movement in long-term loans during the period / year:

Opening balance

8,454,151 9,200,541

Obtained during the period

- 300,000

Repaid during the period

(650,950) (1,046,390)

Closing balance

7,803,201 8,454,151

There is no material change in the terms and conditions of the long-term loans as disclosed in the annual audited financial statements as at and for the year ended June 30, 2019 of the Company, except that the Company has converted its long term loan facilities of PKR 2,468 million from conventional to islamic.

11 Deferred tax liability - net**Deductible temporary differences**

Provisions for retirement benefits, doubtful debts and others

(328,236) (307,243)

Retirement funds provision

(103,241) (103,478)

Taxable temporary differences

Property, plant and equipment

2,114,728 2,203,029

1,683,251 1,792,308

12 Lease liabilities

Long-term lease liability

220,747 -

Current portion shown under current liabilities

(42,092) -

178,655 -

December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
--	--

13 Short-term financing

Export refinance	350,000	200,000
Money market	1,711,038	1,750,000
Short-term running finance - secured	1,961,296	5,106,373
	4,022,334	7,056,373

There is no major change in the terms and conditions of the short-term borrowings and running finance as disclosed in the Company's annual audited financial statements as at and for the year ended June 30, 2019 except that the Company availed ERF amounting to PKR 150 million carrying a mark-up rate of SBP rate + 0.15% per annum and FE-25 facility amounting to PKR 1,711 million carrying floating rate range from 3 Month LIBOR + 1% to 6 Month LIBOR + 1% and fixed rate range from 2.75% to 2.85% per annum. Mark-up rate on running finance during the year range from KIBOR + 0.05% to KIBOR + 1% per annum.

During the six months ended December 31, 2019, the Company has further converted three (June 30, 2019: 6) of its short-term financing facilities from Conventional to Islamic. The total converted limit of Islamic facilities amounting to PKR 6,665 Million (June 30, 2019: PKR 5,400 Million)

14 Contingencies and commitments**14.1** Claims against the Company not acknowledged as debts are as follows:

Local bodies	76,500	71,583
Others	11,318	11,318
	87,818	82,901

During the six months ended December 31, 2019, the Deputy Commissioner Inland Revenue has finalized income tax audit for tax year 2016 vide assessment order dated December 30, 2019 through which income tax demand of PKR 35.690 million has been raised on various issues. Although the demand has been discharged, an appeal against the assessment order shall be filed before the Commissioner Appeals in due course. The Company is confident that case will be decided in its favor.

Except for the above, there are no material changes in the status of custom duty, income tax and sales tax contingencies as reported in the annual audited financial statements as at and for the year ended June 30, 2019.

14.2 Commitments in respect of capital expenditure including various projects

591,688	602,942
----------------	---------

14.3 Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:

Year		
2019-20	49,626	28,679
2020-21	20,769	30,544
2021-22	22,119	32,529
2022-23	23,557	34,644
2023-24	25,088	-
	141,159	126,396

Payable not later than one year	60,011	43,951
Payable later than one year but not later than five years	81,149	82,445
	141,159	126,396

14.4 Outstanding letter of credit (Unutilized PKR 10,174.747 million, June 30, 2019: 12,996.784 million)

3,474,511	3,177,181
------------------	-----------

14.5 Commitments in respect of Post dated cheques

664,434	567,784
----------------	---------

14.6 Foreign exchange contracts entered into by the Company

77,052	-
---------------	---

15 Operating Segment results (Unaudited)

Amounts in PKR '000

	Polyester				Soda Ash				Pharma				Animal Health				Chemicals and Agri Sciences				Company			
	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018
Turnover - note 15.1 & 15.2	6,932,810	13,783,271	5,926,808	11,366,885	5,455,575	10,408,037	5,178,654	9,915,361	1,708,785	3,248,446	1,867,036	3,474,685	1,199,870	2,291,815	1,347,781	2,278,211	2,706,902	5,497,493	2,291,477	4,381,108	18,002,800	35,225,183	16,611,250	31,414,815
Sales tax	(983,293)	(1,940,769)	-	-	(753,119)	(1,436,803)	(728,836)	(1,373,710)	(11,481)	(20,295)	(11,252)	(24,155)	(1,109)	(3,155)	(6,629)	(14,007)	(223,646)	(445,324)	(157,155)	(296,522)	(1,972,648)	(3,846,346)	(903,872)	(1,708,394)
Commission and discounts/ price adjustment	(104,649)	(180,848)	(95,144)	(180,445)	(261,590)	(472,363)	(225,883)	(469,142)	(194,574)	(360,703)	(178,268)	(328,564)	(209,847)	(430,676)	(239,380)	(376,722)	(287,728)	(647,217)	(188,794)	(437,103)	(1,058,388)	(2,091,807)	(927,469)	(1,791,976)
	(1,087,942)	(2,121,617)	(95,144)	(180,445)	(1,014,709)	(1,909,166)	(954,719)	(1,842,852)	(206,055)	(380,998)	(189,520)	(352,719)	(210,956)	(433,831)	(246,009)	(390,729)	(511,374)	(1,092,541)	(345,949)	(733,625)	(3,031,036)	(5,938,153)	(1,831,341)	(3,500,370)
Net turnover	5,844,868	11,661,654	5,831,664	11,186,440	4,440,866	8,498,871	4,223,935	8,072,509	1,502,730	2,867,448	1,677,516	3,121,966	988,914	1,857,984	1,101,772	1,887,482	2,197,528	4,404,952	1,945,528	3,647,483	14,971,764	29,287,030	14,779,909	27,914,445
Cost of sales - note 15.1 and 16	(5,416,574)	(10,907,282)	(5,962,644)	(11,056,571)	(3,092,761)	(5,891,217)	(3,140,126)	(6,078,551)	(1,034,726)	(1,967,664)	(1,295,766)	(2,372,879)	(767,000)	(1,405,396)	(840,121)	(1,396,900)	(1,633,526)	(3,322,105)	(1,510,605)	(2,822,484)	(11,941,445)	(23,489,785)	(12,748,756)	(23,725,950)
Gross profit	428,294	754,372	(130,980)	129,869	1,348,105	2,607,654	1,083,809	1,993,958	468,004	899,784	381,750	749,087	221,914	452,588	261,651	490,582	564,002	1,082,847	434,923	824,999	3,030,319	5,797,245	2,031,153	4,188,495
Selling and distribution expenses	(103,077)	(202,517)	(107,730)	(187,256)	(127,179)	(239,478)	(95,720)	(188,249)	(276,960)	(543,414)	(235,175)	(482,552)	(146,093)	(278,748)	(145,926)	(294,195)	(246,050)	(478,998)	(197,262)	(405,369)	(899,359)	(1,743,155)	(781,813)	(1,557,621)
Administration and general expenses	(62,993)	(121,720)	(54,518)	(106,862)	(97,212)	(191,866)	(82,675)	(162,663)	(77,268)	(151,784)	(122,171)	(191,375)	(23,643)	(52,193)	(24,963)	(49,020)	(73,114)	(134,321)	(68,340)	(165,739)	(334,230)	(661,884)	(352,667)	(675,659)
Operating result	262,224	430,135	(293,228)	(164,249)	1,123,714	2,176,310	905,414	1,643,046	113,776	204,586	24,404	75,160	52,178	121,647	90,762	147,367	244,838	469,528	169,321	253,891	1,796,730	3,402,206	896,673	1,955,215

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals and Agri Sciences		Company*	
	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
Segment Assets	10,707,767	10,851,731	24,656,409	24,294,504	7,168,071	5,715,065	3,072,031	2,449,314	8,587,176	8,482,903	37,881,332	37,671,978
Unallocated Assets											<u>6,046,222</u>	<u>6,550,689</u>
											43,927,554	44,222,667
Segment Liabilities	15,176,346	14,848,186	2,335,152	2,755,858	4,434,325	2,769,935	1,900,425	1,187,115	1,437,656	1,631,871	8,973,783	9,071,426
Unallocated Liabilities											<u>14,092,750</u>	<u>15,944,198</u>
											23,066,533	25,015,624

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

Amounts in PKR '000

15.1 Turnover

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

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

16 Cost of sales

Opening stock of raw and packing materials

Purchases

Closing stock of raw and packing materials

Raw and packing materials consumption

Manufacturing costs

Opening stock of work-in-process

Closing stock of work-in-process

Cost of goods manufactured

Opening stock of finished goods

Finished goods purchased

Closing stock of finished goods

17 Taxation

Current

Deferred

18 Cash flows from operations

Profit before taxation

Adjustments for:

Depreciation and amortisation

Loss on disposal of operating fixed assets

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

Provision for staff retirement benefit plan

Interest on bank deposits

Dividend from Subsidiary

Dividend from Associate

Interest expense

Provisions and accruals no longer required written back

Provision for slow moving and obsolete stock-in-trade

Provision for doubtful trade debts

Provision for slow moving and obsolete stores, spares and consumables

Movement in:

Working capital - note 18.1

Long-term loans

Long-term deposits and prepayments

Cash generated from operations

18.1 Movement in working capital

Increase in current assets

Stores, spares and consumables

Stock-in-trade

Trade debts

Loans and advances

Trade deposits and short-term prepayments

Other receivables

Increase in current liabilities

Trade and other payables

For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018
(Unaudited)			
3,142	3,879	506	1,435
268,716	659,317	376,761	784,059
4,803,149	5,482,391	4,813,267	4,487,675
7,916,713	14,856,891	6,670,511	14,100,330
12,719,862	20,339,282	11,483,778	18,588,005
(5,435,320)	(5,435,320)	(4,919,259)	(4,919,259)
7,284,542	14,903,962	6,564,519	13,668,746
3,363,260	6,649,271	3,300,617	6,239,786
10,647,802	21,553,233	9,865,136	19,908,532
320,639	216,709	148,895	63,752
10,968,441	21,769,942	10,014,031	19,972,284
(318,180)	(318,180)	(126,417)	(126,417)
10,650,261	21,451,762	9,887,614	19,845,867
4,776,216	4,142,065	5,054,738	4,186,137
1,294,888	2,675,878	1,970,606	3,858,148
16,721,365	28,269,705	16,912,958	27,890,152
(4,779,920)	(4,779,920)	(4,164,202)	(4,164,202)
11,941,445	23,489,785	12,748,756	23,725,950
401,436	893,470	165,705	548,167
(8,218)	(109,057)	(81,395)	(229,050)
393,218	784,413	84,310	319,117

For the 6 months ended December 31, 2019	For the 6 months ended December 31, 2018
--	--

2,854,007	1,219,574
1,320,555	1,334,675
1,100	8,848
17,886	21,206
28,934	11,907
(7,781)	(609)
(30,000)	(75,000)
(500,000)	(180,000)
935,655	695,819
-	(3,974)
26,916	111,943
(21,115)	9,168
-	250
4,626,157	3,153,807
1,271,892	374,557
(74,695)	(10,791)
262	1,047
5,823,616	3,518,620

(47,862)	(70,425)
(719,171)	(584,257)
210,792	297,368
(69,555)	(149,610)
(251,985)	(74,524)
496,639	157,781
(381,142)	(423,667)
1,653,034	798,224
1,271,892	374,557

19 Transactions with related parties

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

Relationship with the company	Nature of Transaction	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018
<i>Holding Company</i>	Dividend	-	227,458	-	-
<i>Subsidiary Companies</i>	Purchase of electricity	23,624	214,980	184,661	387,194
	Provision of services and other receipts	495	990	495	990
	Sale of goods, material and asset	22,439	23,523	1,860	2,229
	Purchase of goods, materials and services	8,474	11,300	-	-
	Loan to Subsidiary	-	35,000	-	-
	Interest Income on Loan	1,258	2,344	-	-
	Dividend income	30,000	30,000	25,000	75,000
	Reimbursement of expenses	25,835	27,529	5,031	10,392
<i>Associated Companies</i>	Royalty	102,673	201,421	100,556	192,590
	Purchase of goods, materials and services	1,343,152	1,780,359	10,765	29,786
	Sale of goods and materials	709,628	1,348,319	360,458	846,501
	Reimbursement of expenses	37,821	57,406	17,078	34,175
	Dividend paid to associate	-	125,581	676,210	676,210
	Dividend income	240,000	500,000	-	180,000
<i>Others</i>	Staff retirement benefits	79,916	130,111	69,945	116,450
<i>Key management personnel</i>	Remuneration paid	179,941	248,490	117,353	180,980
	Post employment benefits	19,474	28,878	8,205	16,414
	Director meeting fee	-	975	1,063	1,238
	Dividends paid	-	2,180	4,524	4,524

All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company.

20 Estimates

The preparation of these condensed interim unconsolidated financial statements, in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these condensed interim financial statement, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the annual audited financial statements of the Company for the year ended June 30, 2019 except, as stated below and in note 3 of these condensed interim unconsolidated financial statements:

Significant judgement in determining the lease term of contracts with renewal options

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 the option, under some of its leases to lease the assets for additional for an additional periods. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. 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 (e.g., a change in business strategy).

21 New amended and revised standards and interpretations of IFRSs

The accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those of the previous financial year except for the adoption of IFRS 16 as disclosed in note 3 to the accompanying condensed interim unconsolidated financial statements.

21 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the represented financial statements as at and for the year ended June 30, 2019.

22 Post balance sheet - dividend

The Directors in their meeting held on January 28, 2020 have recommended and approved an interim cash dividend of PKR 11.00 per share in respect of six months ended December 31, 2019 (December 31, 2018: PKR 4.50 per share). The condensed interim unconsolidated financial statements for the six months ended December 31, 2019 do not include the effect of the above interim dividend which will be accounted for in the period in which it is approved.

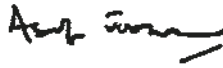
23 Date of authorisation

The condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on January 28, 2020.

24 General

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


Muhammad Sohail Tabba
 Chairman / Director


Asif Jooma
 Chief Executive


Muhammad Abid Ganatra
 Chief Financial Officer



ICI PAKISTAN LTD.

ICI Pakistan Limited and its Subsidiary Company Consolidated Financial Statements



Review of the Directors for the Six Months Ended December 31, 2019

The Directors are pleased to present their review together with the unaudited Group results of ICI Pakistan Limited for the six months ended December 31, 2019. The ICI Pakistan Group includes ICI Pakistan Limited, and its subsidiaries namely ICI Pakistan PowerGen Limited (PowerGen), Cirin Pharmaceuticals (Private) Limited (Cirin) and NutriCo Morinaga (Private) Limited (NutriCo Morinaga).

The Directors report, which provides a commentary on the performance of ICI Pakistan Limited for the six months ended December 31, 2019, has been presented separately.

Net turnover of PowerGen as at December 31, 2019 stood at PKR 232 million, being 31% lower as compared to the SPLY. The sale of electricity units to ICI Pakistan Limited decreased by 50% as compared to the SPLY, as the former shifted to an in-house coal-based energy source towards end of the first quarter of FY 2019-20, for achieving better cost efficiencies. As a result, the operating profit of PowerGen fell by 50% against the SPLY.

Cirin achieved net sales of PKR 489 million, 1% lower than SPLY. The shortfall is mainly attributable to timing of the tender business. Sales were negatively impacted due to 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 period under review was PKR 42 million as compared to an operating loss of PKR 57 million in SPLY. The significant turnaround in operating profitability was achieved with help from improved manufacturing efficiencies and strict control on costs. Facing an uncertain economic and regulatory environment, the Business is putting its entire focus on improving manufacturing efficiencies and increasing its product offerings in the market.

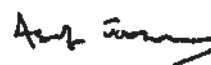
The construction of the state-of-the-art NutriCo Morinaga manufacturing facility was completed and the plant was inaugurated in September 2019. The 12,000 tonnes per annum facility, which adheres to the highest international standards, is aimed at ensuring that infants and children are provided with safe, clean and hygienic formula at competitive prices. Following the inauguration, commercial production commenced during the second quarter of FY 2019-20 with targeted commercial operations/release for sale of products in January 2020. During the period, NutriCo Morinaga generated income of PKR 4 million on its bank deposits, while incurring administrative and general expenses of PKR 20 million, translating into a net loss of PKR 13 million.

On a consolidated basis (including the results of the Company's subsidiaries: PowerGen, Cirin and NutriCo Morinaga), net turnover for the six months period under review was PKR 29,745 million which was a 5% increase over SPLY. Whereas operating result at PKR 3,458 million was higher by 77% in comparison to the SPLY.

PAT for the six months period under review is PKR 1,846 million which is 124% higher than the SPLY whereas EPS attributable to the owners of the holding company at PKR 20.05 is 127% higher than the SPLY. Despite higher interest expense during the period under review as compared to the SPLY, these improved results were driven mainly by operational excellence and a stable exchange rate in comparison to the SPLY. The Company recognised PKR 286 million as share of profit from NutriCo Pakistan (Private) Limited.



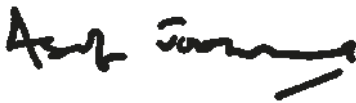
Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive

Dated: January 28, 2020
Karachi

زیر جائزہ مدت کے لیے بعد از ٹیکس منافع 1,846 ملین روپے ہے جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 124 فیصد زائد ہے جبکہ ہولڈنگ کمپنی کے مالکان کو منسوب ہر ایک شیئر پر منافع EPS گزشتہ سال کی اسی مدت کے مقابلے میں 127 فیصد اضافے کے ساتھ 20.05 روپے بنتا ہے۔ زیر جائزہ مدت کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں زائد شرح سود کے باوجود یہ شاندار نتائج بہترین انتظامی مہارت اور مستحکم آپریشننگ ریٹ کے سبب حاصل ہوئے۔ کمپنی نے نیوٹری کو پاکستان (پرائیویٹ) لمیٹڈ کی جانب سے منافع کے حصے کے طور پر 286 ملین روپے حاصل کئے۔



آصف جمعہ
چیف ایگزیکٹو



محمد سہیل ثناء
چیرمین / ڈائریکٹر

بتاریخ: 28 جنوری 2020

کراچی

ڈائریکٹرز کا جائزہ برائے ششماہی ختم شدہ 31 دسمبر 2019

ڈائریکٹرز آئی سی آئی پاکستان لمیٹڈ کے آڈٹ شدہ گروپ رزلٹس برائے ششماہی ختم شدہ 31 دسمبر 2019 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ آئی سی آئی پاکستان گروپ، آئی سی آئی پاکستان لمیٹڈ اور اس کے ذیلی اداروں آئی سی آئی پاکستان پاور جن لمیٹڈ (پاور جن)، سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ (سرن) اور نیوٹرکوموریناگا (پرائیویٹ) لمیٹڈ پر مشتمل ہے۔

31 دسمبر 2019 کو ختم شدہ ششماہی 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 31 دسمبر 2019 کو ختم شدہ ششماہی کے لئے 232 ملین روپے بنتا ہے جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 31 فیصد کم ہے۔ اس مدت کے دوران آئی سی آئی پاکستان کو بجلی کی فروخت میں 50 فیصد تک کمی واقع ہوئی، کیونکہ کم لاگت توانائی کے حصول کے لیے مالیاتی سال 2019-20 کی پہلی سہ ماہی کے اختتام تک کوئلہ سے توانائی حاصل کرنے کے لیے ان ہاؤس فارمر منتقل کیا گیا۔ نتیجتاً گزشتہ سال کی اسی مدت کے مقابلے میں پاور جن کا کاروباری منافع 50 فیصد تک کم ہو گیا۔

سرن نے 489 ملین روپے کا مجموعی کاروبار کیا جو گزشتہ سال کے اسی عرصہ کے مقابلے میں 1 فیصد کم ہے۔ اس کمی کی وجہ ٹینڈر بزنس کی ٹائمنگ ہے۔ کمپنی انڈیا سے درآمدات پر عارضی پابندی کے سبب بری طرح متاثر ہوئی کیونکہ زیر جائزہ مدت کے دوران زندگی بچانے والی ادویات کی سیلز میں واضح کمی واقع ہوئی۔ زیر جائزہ مدت کے دوران آپریٹنگ پرافٹ 42 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت کے دوران آپریٹنگ لاس 57 ملین روپے تھا۔ کاروباری منافع میں اضافے کی اہم وجہ بہتر مینوفیکچرنگ سہولیات اور اخراجات پر بھرپور توجہ مرکوز رکھنا ہیں۔ غیر یقینی معاشی اور ریگولیٹری صورتحال میں، بزنس اپنی پوری توجہ مینوفیکچرنگ سہولیات اور مارکیٹ میں اپنی پروڈکٹس کی بہتر سے بہتر پیش کش پر مرکوز کئے ہوئے ہے۔

نیوٹرکوموریناگا (پرائیویٹ) لمیٹڈ موریناگا کی جدید مینوفیکچرنگ سہولت کی تکمیل ہو چکی ہے اور ستمبر 2019 میں پلانٹ کا افتتاح کیا گیا۔ 12 ہزار ٹن سالانہ پروڈکشن کی یہ سہولت، عالمی معیاروں کے عین مطابق اس نظریہ کے پیش نظر قائم کی گئی ہے کہ بچوں کو مسابقتی قیمتوں پر محفوظ، صاف اور صحت سے بھرپور فارمولا فراہم کیا جائے۔ پلانٹ کے آغاز کے بعد، مالیاتی سال کی دوسری سہ ماہی میں کمرشل پروڈکشن کا آغاز اس بات کو سامنے رکھتے ہوئے کیا گیا ہے کہ جنوری 2020 میں پروڈکٹس کی سیلز اور کمرشل آپریشن کا باقاعدہ آغاز کیا جائے۔ زیر جائزہ عرصہ کے دوران کمپنی نے اپنے بینک ڈپازٹس پر 4 ملین روپے آمدنی کمائی جبکہ اس دوران 20 ملین روپے کے عمومی اور انتظامی اخراجات برداشت کئے، نتیجے میں 13 ملین روپے نقصان ہوا۔

مجموعی بنیادوں پر کمپنی نے اپنے ذیلی اداروں پاور جن لمیٹڈ، سرن اور نیوٹرکوموریناگا (پرائیویٹ) لمیٹڈ کے ساتھ (زیر جائزہ مدت میں 29,745 ملین روپے کا مجموعی کاروبار کیا جو کہ گزشتہ سال کے اسی عرصے کے مقابلے میں 5 فیصد زائد ہے۔ جبکہ 3,458 ملین روپے کا آپریٹنگ رزلٹ گزشتہ سال کی اسی مدت کے مقابلے میں 77 فیصد زائد ہے۔

ICI Pakistan Limited
Condensed Interim Consolidated Statement of Financial Position
As at December 31, 2019

		Amounts in PKR '000	
	Note	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	26,189,751	25,873,777
Intangible assets	5	1,690,899	1,695,889
Right-of-use assets	6	228,561	-
		28,109,211	27,569,666
Long-term investments	7	1,264,216	1,478,273
Long-term loans	8	531,355	449,110
Long-term deposits and prepayments		47,343	45,739
		1,842,914	1,973,122
		29,952,125	29,542,788
Current assets			
Stores, spares and consumables		1,121,350	1,050,552
Stock-in-trade	9	10,831,619	10,126,730
Trade debts		2,407,930	2,443,286
Loans and advances		608,135	586,619
Trade deposits and short-term prepayments		580,225	320,668
Other receivables		1,836,424	2,233,836
Taxation - net		2,193,466	2,727,397
Cash and bank balances		766,676	423,888
		20,345,825	19,912,976
Total assets		50,297,950	49,455,764
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			
92,359,050 (June 30, 2019: 92,359,050) ordinary shares of PKR 10 each		923,591	923,591
Capital reserves		309,643	309,643
Surplus on revaluation of property, plant and equipment - net of tax		706,960	744,266
Subscription money against issue		122,500	-
Revenue reserve - unappropriated profit		19,447,673	17,973,867
Attributable to the equity holders of the holding company		21,510,367	19,951,367
Non-controlling interests		1,431,246	1,437,617
Total equity		22,941,613	21,388,984
LIABILITIES			
Non-current liabilities			
Provisions for non-management staff gratuity		118,556	113,012
Long-term loans	10	8,916,096	9,454,765
Deferred tax liability - net	11	1,637,072	1,747,425
Lease liabilities	12	178,655	-
		10,850,379	11,315,202
Current liabilities			
Trade and other payables		9,138,670	7,174,344
Accrued mark-up		445,125	433,649
Short-term financing	13	5,218,325	7,356,142
Current portion of long-term loans		1,579,592	1,693,925
Current portion of lease liabilities		42,092	-
Unclaimed dividend		82,154	93,518
		16,505,958	16,751,578
Total equity and liabilities		50,297,950	49,455,764
Contingencies and commitments			
	14		

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

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)
For the Six Months Ended December 31, 2019

Amounts in PKR '000

Net turnover - note 15

Cost of sales - note 15 and 16

Gross profit

Selling and distribution expenses

Administration and general expenses

Operating result - note 15

Finance costs

Exchange gain / (loss)

Workers' profit participation fund

Workers' welfare fund

Other charges

Other income

Share of profit from associate

Profit before taxation

Taxation - note 17

Profit after taxation

Attributable to:

Owners of the Holding Company

Non-controlling interests

Basic and diluted earnings per share

For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018
15,228,529	29,744,738	15,108,398	28,407,645
(12,114,526)	(23,782,770)	(12,976,324)	(24,066,680)
3,114,003	5,961,968	2,132,074	4,340,965
(931,604)	(1,810,889)	(834,537)	(1,649,566)
(363,450)	(693,204)	(380,919)	(742,320)
1,818,949	3,457,875	916,618	1,949,079
(460,619)	(957,282)	(384,726)	(703,682)
7,334	28,116	(204,941)	(216,841)
(81,034)	(152,319)	(11,947)	(60,446)
(23,000)	(47,523)	(6,048)	(23,857)
(17,136)	(29,213)	(12,090)	(30,234)
(574,455)	(1,158,221)	(619,752)	(1,035,060)
27,890	52,492	25,893	68,942
138,595	285,943	44,005	168,531
1,410,979	2,638,089	366,764	1,151,492
(400,760)	(792,344)	(87,359)	(326,588)
1,010,219	1,845,745	279,405	824,904
1,016,021	1,852,116	277,059	815,447
(5,802)	(6,371)	2,346	9,457
1,010,219	1,845,745	279,405	824,904
(PKR)			
11.00	20.05	3.00	8.83

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

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Consolidated Statement of Other Comprehensive Income (Unaudited)
For the Six Months Ended December 31, 2019

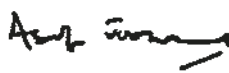
Amounts in PKR '000

	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018
Profit after taxation	1,010,219	1,845,745	279,405	824,904
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,010,219	1,845,745	279,405	824,904
Attributable to:				
Owners of the Holding Company	1,016,021	1,852,116	277,059	815,447
Non-controlling interests	(5,802)	(6,371)	2,346	9,457
	1,010,219	1,845,745	279,405	824,904

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)
For the Six Months Ended December 31, 2019

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Surplus on revaluation of property, plant and equipment	Subscription money against right issue	Revenue reserve - Unappropriated profit	Total Reserves	Non-controlling interests	Total
As at July 1, 2018 (Audited)	923,591	309,643	821,982	-	16,551,410	17,683,035	1,426,208	20,032,834
Final dividend of PKR 8.50 per share for the year ended June 30, 2018	-	-	-	-	(785,052)	(785,052)	-	(785,052)
Profit for the period	-	-	-	-	815,447	815,447	9,457	824,904
Other comprehensive income for the period - net of tax	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	815,447	815,447	9,457	824,904
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(37,940)	-	37,940	-	-	-
As at December 31, 2018 (Unaudited)	923,591	309,643	784,042	-	16,619,745	17,713,430	1,435,665	20,072,686
Interim dividend of PKR 4.50 per share for the year ended June 30, 2019	-	-	-	-	(415,616)	(415,616)	-	(415,616)
Loss restated	-	-	-	-	(14,959)	(14,959)	-	(14,959)
Profit for the period	-	-	-	-	1,721,903	1,721,903	1,952	1,723,855
Other comprehensive income for the period - net of tax	-	-	-	-	23,018	23,018	-	23,018
Total comprehensive income	-	-	-	-	1,744,921	1,744,921	1,952	1,746,873
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(39,776)	-	39,776	-	-	-
As at June 30, 2019 (Audited)	923,591	309,643	744,266	-	17,973,867	19,027,776	1,437,617	21,388,984
Final dividend of PKR 4.50 per share for the year ended June 30, 2019	-	-	-	-	(415,616)	(415,616)	-	(415,616)
Advance against rights issue	-	-	-	122,500	-	122,500	-	122,500
Profit for the period	-	-	-	-	1,852,116	1,852,116	(6,371)	1,845,745
Other comprehensive income for the period - net of tax	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	1,852,116	1,852,116	(6,371)	1,845,745
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(37,306)	-	37,306	-	-	-
As at December 31, 2019 (Unaudited)	923,591	309,643	706,960	122,500	19,447,673	20,586,776	1,431,246	22,941,613

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

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Consolidated Statement of Cash Flows (Unaudited)
For the Six Months Ended December 31, 2019

Amounts in PKR '000

December 31, 2019	December 31, 2018
----------------------	----------------------

Cash flows from operating activities

Cash generated from operations - note 18	6,005,235	3,378,404
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(12,155)	(11,009)
Staff retirement benefit plan	(21,701)	(26,870)
Taxation	(368,766)	(495,280)
Interest	(936,863)	(628,481)
Net cash generated from operating activities	4,665,750	2,216,764

Cash flows from investing activities

Capital expenditure	(1,710,966)	(3,743,129)
Proceeds from disposal of operating fixed assets	2,701	4,841
Interest received on bank deposits	15,522	27,579
Dividend from associate	500,000	180,000
Net cash used in investing activities	(1,192,743)	(3,530,709)

Cash flows from financing activities *

Long-term loans obtained	-	2,022,899
Long-term loans repaid	(653,002)	(472,679)
Payment of lease liabilities	(34,920)	(1,180)
Subscription money against rights issues	122,500	-
Dividends paid	(426,980)	(781,428)
Net cash (used) / generated from financing activities	(992,402)	767,612
Net Increase / (decrease) in cash and cash equivalents	2,480,605	(546,333)
Cash and cash equivalents at the start of the period	(6,932,254)	(5,644,976)
Cash and cash equivalents at the end of the period (Ref. 1)	(4,451,649)	(6,191,309)

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

Cash and bank balances	766,676	786,178
Short-term financing	(5,218,325)	(6,977,487)
	(4,451,649)	(6,191,309)

* No non-cash items are included in these activities

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

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Six Months Ended December 31, 2019

1 Status and nature of business

The Group consists of:

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

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

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

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

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

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

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

Cirin is engaged in manufacturing and sale of pharmaceutical products.

NutriCo Morinaga is engaged in manufacturing of infant milk powder.

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

The condensed interim consolidated financial statements comprise the consolidated statement of financial position of ICI Pakistan Limited and its subsidiary companies, ICI Pakistan PowerGen Limited, Cirin Pharmaceuticals (Private) Limited and NutriCo Morinaga (Private) Limited as at December 31, 2019 and the related consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow together with the notes forming part thereof.

2 Statement of compliance

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

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

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

3 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the annual audited financial statements as at and for the year ended June 30, 2019, except for the adoption of the following new and amended standards, interpretations and improvements to IFRSs by the Group, which became effective for the current period:

- IFRS 16 Leases
- 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

The adoption of above standards, interpretations and improvement to standards did not have any material effect on the condensed interim consolidated financial statements of the Group, except for the changes related to adoption of IFRS 16 'Leases' as explained 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 account for most leases under a single on-balance sheet model. 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. Whereas, for lessees all leases will be classified as finance leases only. However, as per relevant guidelines issued by Institute of Chartered Accountants of Pakistan, contracts under Ijarah leases continue to be accounted for as operating leases under IFAS 2.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of July 01, 2019. Under this method, the standard is applied retrospectively with cumulative effect of initially applying standard recognised at the date of initial application and accordingly the Group is not required to restate prior year results.

The Group assessed its existing contracts and concluded that right-of-use assets as disclosed in note 6 to these condensed interim consolidated financial statements shall be recognised along with their corresponding lease liabilities. For other existing contracts, the Group elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The right-of-use assets were recognised based on the amount equal to their corresponding lease liabilities, adjusted for 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. The Group did not have any sub-lease or finance lease as on July 01, 2019.

Accordingly, initial application of IFRS 16 did not have any impact on the opening retained earnings as of July 01, 2019 and on these condensed interim consolidated financial statements, except for the recognition of right-of-use assets and corresponding lease liabilities as disclosed in note 3.2 to these condensed interim consolidated financial statements. The effect of adoption of IFRS 16 on the statement of profit or loss includes an increase in depreciation expense by PKR 18.163 million, increase in interest expense by PKR 8.943 million and decrease in lease rental by PKR 34.92 million. Further, impact on statement of cash flows includes an increase in net cash flows from operating activities by PKR 220.747 million and an decrease in net cash flows from financing activities by the same amount.

The lease liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as of June 30, 2019 as follows:

	Amounts in PKR '000
Operating lease commitments as at June 30, 2019	376,580
Weighted average incremental borrowing rate as at July 01, 2019	10.91%
Discounted operating lease commitments as at July 01, 2019	376,467
Less:	
Ijarah and others	(213,091)
Lease liabilities as at July 01, 2019	163,376

3.1 Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

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 (if any), and lease payments made at or before the commencement date less lease incentives received (if any). Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

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 a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of warehouses and houses (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). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3.2 Amounts recognised in the statement of financial position and statement of profit or loss

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

Amounts in PKR '000

	Rights of Use Assets			Lease liabilities
	Motor vehicles	Land and buildings	Total	
As at 1 July 2019	12,755	150,621	163,376	163,376
Additions	-	83,348	83,348	83,348
Depreciation expenses	2,083	16,080	18,163	-
Interest expenses	-	-	-	8,943
Payments	-	-	-	34,920
As at 31st December 2019	10,672	217,889	228,561	220,747

The Group recognised rent expense from short-term leases during the period amounting to PKR 24.107 million for the six months ended December 31, 2019.

4 Property, plant and equipment

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

December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
19,435,134	19,906,253
1,783,921	1,623,857
4,637,795	4,202,960
332,901	140,707
6,754,617	5,967,524
26,189,751	25,873,777

Total property, plant and equipment

4.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the six month ended December 31, 2019:

	Additions / Transfers		Disposals - NBV	
	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
Freehold land	-	25,436	-	-
Lime beds on freehold land	-	79,304	-	-
Buildings on freehold land	5,094	15,240	-	-
Buildings on leasehold land	90,851	605,989	-	(29)
Plant and machinery	691,956	1,270,417	(3,322)	(10,498)
Rolling stock and vehicles	-	42,460	-	(4,439)
Furniture and equipment	72,236	231,579	(479)	(71)
Total	860,137	2,270,425	(3,801)	(15,037)

December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
-------------------------------------	-------------------------------

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

Opening balance
Addition during the period

5,967,524	2,025,105
1,627,254	6,122,335
7,594,778	8,147,440
(840,161)	(2,179,916)
6,754,617	5,967,524

Transferred to operating fixed assets
Closing balance

5 Intangible assets

Intangible assets - at net book value - note 5.1

1,690,899	1,695,889
-----------	-----------

5.1 Following is the detail of intangible assets:

Brands	1,437,679	1,437,679
Goodwill	206,374	206,374
Others	46,846	51,836
	1,690,899	1,695,889

Amounts in PKR '000

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
5.2 Addition to intangible assets:	3,226	20,421
6 Right-of-use assets		
Cost	246,724	-
Depreciation charged during the period	(18,163)	-
Closing net book value	228,561	-
7 Long-term investments		
Unquoted		
Associate - NutriCo Pakistan (Private) Limited		
Cost of investment - 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 period / year	285,943	525,769
Dividend received during the period / year	(500,000)	(180,000)
Carrying value of Associate	1,261,716	1,475,773
Others		
Equity		
- Arabian Sea Country Club Limited		
250,000 ordinary shares (June 30, 2019: 250,000) of PKR 10 each	2,500	2,500
	1,264,216	1,478,273
7.1 The summary of financial information of associate (NutriCo Pakistan) as at the balance sheet date is as follows:		
Total assets	6,287,117	5,466,489
Total liabilities	3,123,263	1,777,492
Total equity and reserves	3,163,854	3,688,997
Total revenue for the period / year	4,745,653	10,307,149
Profit after tax for the period / year	714,857	1,314,422
8 Long-term loans		
Considered good		
Due from executives and employees	676,303	608,247
Current portion shown under loans and advances (current assets)	(144,948)	(159,137)
	531,355	449,110
9 Stock-in-trade		
It includes items carried at net realisable value of PKR 3,536.287 million (June 30, 2019: PKR 3,924.490 million) on which expense of PKR 33.698 million (June 30, 2019: PKR 56.616 million) was recognized during the period / year.		
10 Long-term loans		
Long-term loans - note 10.1	10,495,688	11,148,690
Current portion shown under current liabilities	(1,579,592)	(1,693,925)
	8,916,096	9,454,765
10.1 Opening Balance	11,148,690	9,210,056
Obtained during the period	-	2,985,024
Repaid during the period	(653,002)	(1,046,390)
	10,495,688	11,148,690

There is no material change in the long term loan facility as disclosed in the annual audited financial statements as at and for the year ended June 30, 2019 of the Group. The mark up rates on LTFF ranges from SBP rate + 0.3% to 0.5% spread, with other long term loans ranging from 3 month KIBOR to 6 month KIBOR bearing spreads ranging from 0.05% to 0.25%. The profit rates on Islamic term finance ranges from 3 months KIBOR to 6 month Kibor bearing spreads ranging from 0.05% to 1.15%. The mark up is payable on quarterly and semi-annual basis.

Amounts in PKR '000

	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
11 Deferred tax liability - net		
Deductible temporary differences		
Provisions for retirement benefits, doubtful debts and others	(350,808)	(322,714)
Retirement funds provision	(103,239)	(104,622)
Minimum Tax	(6,182)	-
Business Loss	(22,545)	(26,847)
Taxable temporary differences		
Property, plant and equipment	2,119,846	2,201,608
	1,637,072	1,747,425
12 Lease liabilities		
Lease liability	220,747	-
Current portion shown under current liabilities	(42,092)	-
	178,655	-
13 Short-term financing		
Export refinance	350,000	200,000
Money market	1,711,038	1,750,000
Short-term running finance - secured	3,157,287	5,406,142
	5,218,325	7,356,142
There is no material change in the terms and conditions of the short-term financing as disclosed in the annual consolidated audited financial statements as at and for the year ended June 30, 2019 except that the Group availed further facility of ERF amounting to PKR 150 million carrying a mark-up rate of SBP rate + 0.15% per annum, Istisna facility of PKR 250 million carrying a mark-up rate of KIBOR + 1.00% and FE-25 facility amounting to PKR 1,711 million carrying floating rate range from 3 Month LIBOR + 1% to 6 Month LIBOR + 1% and fixed rate range from 2.75% to 2.85% per annum. The mark up on running finance during the year ranges from KIBOR + 0.05% to KIBOR + 1% per annum. During the half year ended, the Group has further converted three (June 30, 2019: six) of its short-term financing facilities from Conventional to Islamic. The total converted limit of Islamic facilities amounting to PKR 6,665 Million (June 30, 2019: PKR 5,400 Million).		
14 Contingencies and commitments		
14.1 Claims against the Group not acknowledged as debts are as follows:		
Local bodies	76,500	71,583
Others	11,318	11,318
	87,818	82,901
14.2 During the half year ended December 31, 2019, the Deputy Commissioner Inland Revenue has finalized income tax audit for tax year 2016 vide assessment order dated December 30, 2019 through which income tax demand of PKR 35.690 million has been raised on various issues. Although the demand has been discharged, an appeal against the assessment order shall be filed before the Commissioner Appeals in due course. The Group is confident that case will be decided in its favor.		
Except for the above, there are no material changes in the status of custom duty, income tax and sales tax contingencies as reported in the annual audited financial statements as at and for the year ended June 30, 2019.		
14.3 Commitments in respect of capital expenditure including various projects	1,226,566	820,106
14.4 Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:		
Year		
2019-20	49,626	28,679
2020-21	20,769	30,544
2021-22	22,119	32,529
2022-23	23,557	34,644
2023-24	25,088	-
	141,159	126,396
Payable not later than one year	60,011	43,951
Payable later than one year but not later than five years	81,148	82,445
	141,159	126,396
14.5 Outstanding letter of credit (Unutilized PKR 10,857.533 million, June 30, 2019: 13,338.413 million)	3,664,239	3,197,653
14.6 Commitments in respect of Post dated cheques	664,434	567,784
14.7 Foreign exchange contracts entered into by the Company	77,052	-

15 Operating Segment results (Unaudited)

Amounts in PKR '000

	Polyester				Soda Ash				Pharma				Animal Health				Chemicals and Agri Sciences				Others				Group			
	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018	For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018
Turnover - note 15.1 & 15.2	6,932,810	13,783,271	5,926,808	11,366,885	5,455,574	10,405,036	5,178,654	9,915,361	2,308,555	4,323,698	2,640,313	4,559,392	1,199,870	2,291,815	1,347,781	2,278,211	2,708,901	5,497,493	2,291,476	4,381,108	35,058	271,388	192,816	395,348	18,614,293	36,308,349	17,412,543	32,556,966
Sales tax	(983,293)	(1,940,769)	-	-	(753,119)	(1,436,803)	(728,836)	(1,373,710)	(11,481)	(20,295)	(11,252)	(24,155)	(1,109)	(3,155)	(6,629)	(14,007)	(223,646)	(445,324)	(157,155)	(296,522)	(5,093)	(39,432)	(28,016)	(57,444)	(2,012,080)	(3,885,778)	(931,888)	(1,765,838)
Commission and discounts/ price adjustment	(104,649)	(180,848)	(95,144)	(180,445)	(261,591)	(472,364)	(225,883)	(469,142)	(509,869)	(946,728)	(623,056)	(920,071)	(209,847)	(430,676)	(239,380)	(376,722)	(287,728)	(647,217)	(188,794)	(437,103)	-	-	-	-	(1,373,684)	(2,677,833)	(1,372,257)	(2,383,483)
	(1,087,942)	(2,121,617)	(95,144)	(180,445)	(1,014,710)	(1,909,167)	(954,719)	(1,842,852)	(521,350)	(967,023)	(634,308)	(944,226)	(210,956)	(433,831)	(246,009)	(390,729)	(511,374)	(1,092,541)	(345,949)	(733,625)	(5,093)	(39,432)	(28,016)	(57,444)	(3,385,764)	(6,563,611)	(2,304,145)	(4,149,321)
Net turnover	5,844,868	11,661,654	5,831,664	11,186,440	4,440,864	8,498,869	4,223,935	8,072,509	1,787,205	3,356,675	2,006,005	3,615,166	988,914	1,857,984	1,101,772	1,887,482	2,197,527	4,404,952	1,945,527	3,647,483	29,965	231,956	164,800	337,904	15,228,529	29,744,738	15,108,398	28,407,645
Cost of sales - note 15.1 and 16	(5,416,574)	(10,907,282)	(5,962,644)	(11,056,571)	(3,092,763)	(5,891,219)	(3,140,126)	(6,078,551)	(1,233,084)	(2,318,937)	(1,549,397)	(2,764,938)	(767,000)	(1,405,396)	(840,121)	(1,396,900)	(1,633,526)	(3,322,105)	(1,510,605)	(2,822,484)	(32,829)	(206,053)	(139,462)	(287,445)	(12,114,526)	(23,782,770)	(12,976,324)	(24,066,680)
Gross profit	428,294	754,372	(130,980)	129,869	1,348,101	2,607,650	1,083,809	1,993,958	554,121	1,037,738	456,608	850,228	221,914	452,588	261,651	490,582	564,001	1,082,847	434,922	824,999	(2,864)	25,903	25,338	50,459	3,114,003	5,961,968	2,132,074	4,340,965
Selling and distribution expenses	(103,077)	(202,517)	(107,730)	(187,256)	(127,182)	(239,480)	(95,720)	(188,249)	(309,127)	(611,071)	(287,899)	(574,497)	(146,093)	(278,748)	(145,926)	(294,195)	(246,050)	(478,998)	(197,262)	(405,369)	(75)	(75)	-	-	(931,604)	(1,810,889)	(834,537)	(1,649,566)
Administration and general expenses	(62,993)	(121,720)	(54,518)	(106,862)	(97,212)	(191,866)	(82,675)	(162,663)	(96,793)	(179,651)	(149,562)	(257,110)	(23,643)	(52,193)	(24,963)	(49,020)	(73,114)	(134,321)	(68,340)	(165,739)	(9,755)	(13,573)	(921)	(1,046)	(363,450)	(693,204)	(380,919)	(742,320)
Operating result	262,224	430,135	(293,228)	(164,249)	1,123,707	2,176,304	905,414	1,643,046	148,201	247,016	19,147	18,621	52,178	121,647	90,762	147,367	244,837	469,528	169,320	253,891	(12,694)	12,255	24,417	49,413	1,818,949	3,457,875	916,618	1,949,079

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals and Agri Sciences		Others		Group	
	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)	December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
Segment assets	10,707,767	10,851,731	24,656,409	24,294,504	7,652,941	6,791,119	3,072,031	2,449,314	8,587,176	8,482,903	4,841,425	4,850,609	45,012,321	43,598,641
Unallocated assets													5,285,629	5,857,123
													50,297,950	49,455,764
Segment liabilities	15,176,346	14,848,186	2,335,152	2,755,858	4,630,638	2,993,032	1,900,425	1,187,115	1,437,656	1,631,871	362,492	411,957	11,337,281	9,034,780
Unallocated liabilities													16,019,056	19,032,000
													27,356,337	28,066,780

* Note: Inter unit current account

Amounts in PKR '000

For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018
--	--	--	--

(Unaudited)

15.1 Turnover

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

26,475	267,352	165,305	339,339
--------	---------	---------	---------

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

282,541	673,142	376,761	784,059
---------	---------	---------	---------

16 Cost of sales

Opening stock of raw and packing materials

4,965,296	5,661,616	5,030,924	4,672,915
-----------	-----------	-----------	-----------

Purchases

8,034,293	15,046,675	6,804,312	14,334,142
-----------	------------	-----------	------------

12,999,589	20,708,291	11,835,236	19,007,057
------------	------------	------------	------------

Closing stock of raw and packing materials

(5,602,225)	(5,602,225)	(5,075,845)	(5,075,845)
-------------	-------------	-------------	-------------

Raw and packing materials consumption

7,397,364	15,106,066	6,759,391	13,931,212
-----------	------------	-----------	------------

Manufacturing costs

3,400,018	6,716,395	3,343,354	6,306,152
-----------	-----------	-----------	-----------

10,797,382	21,822,461	10,102,745	20,237,364
------------	------------	------------	------------

Opening stock of work-in-process

349,265	242,921	183,803	101,131
---------	---------	---------	---------

11,146,647	22,065,382	10,286,548	20,338,495
------------	------------	------------	------------

Closing stock of work-in-process

(375,822)	(375,822)	(193,365)	(193,365)
-----------	-----------	-----------	-----------

Cost of goods manufactured

10,770,825	21,689,560	10,093,183	20,145,130
------------	------------	------------	------------

Opening stock of finished goods

4,866,176	4,222,193	5,109,332	4,236,588
-----------	-----------	-----------	-----------

Finished goods purchased

1,331,097	2,724,589	1,989,149	3,900,302
-----------	-----------	-----------	-----------

16,968,098	28,636,342	17,191,664	28,282,020
------------	------------	------------	------------

Closing stock of finished goods

(4,853,572)	(4,853,572)	(4,215,340)	(4,215,340)
-------------	-------------	-------------	-------------

12,114,526	23,782,770	12,976,324	24,066,680
------------	------------	------------	------------

17 Taxation

Current

407,315	902,697	171,821	562,401
---------	---------	---------	---------

Deferred

(6,555)	(110,353)	(84,462)	(235,813)
---------	-----------	----------	-----------

400,760	792,344	87,359	326,588
---------	---------	--------	---------

18 Cash flows from operating activities

Profit before taxation

2,638,089	1,151,492
-----------	-----------

Adjustments for:

Depreciation and amortisation

1,353,354	1,363,123
-----------	-----------

(Gain) / loss on disposal of operating fixed assets

1,100	6,165
-------	-------

Provision for non-management staff gratuity

and eligible retired employees' medical scheme

21,771	25,358
--------	--------

Provision for staff retirement benefit plan

28,934	11,907
--------	--------

Share of profit from associate

(285,943)	(168,531)
-----------	-----------

Interest on bank deposits

(13,339)	(27,579)
----------	----------

Interest expense

957,282	703,682
---------	---------

Provision for doubtful debts

(30,311)	17,002
----------	--------

Provision for slow moving and obsolete stock-in-trade

34,666	139,378
--------	---------

Provision for slow moving stores, spares and consumables

-	250
---	-----

Provisions and accruals no longer required written back

-	(3,974)
---	---------

4,705,603	3,218,273
-----------	-----------

Movement in:

Working capital - note 18.1

1,383,481	174,385
-----------	---------

Long-term loans

(82,245)	(18,218)
----------	----------

Long-term deposits and prepayments

(1,604)	3,964
---------	-------

Cash generated from operations

6,005,235	3,378,404
-----------	-----------

18.1 Movement in working capital

(Increase) / decrease in current assets

Stores, spares and consumables

(70,798)	(72,837)
----------	----------

Stock-in-trade

(739,555)	(613,294)
-----------	-----------

Trade debts

65,667	300,455
--------	---------

Loans and advances

(21,516)	(152,967)
----------	-----------

Trade deposits and short-term prepayments

(266,790)	(92,874)
-----------	----------

Other receivables

395,229	(223,279)
---------	-----------

(637,763)	(854,796)
-----------	-----------

Increase in current liabilities

Trade and other payables

2,021,244	1,029,181
-----------	-----------

1,383,481	174,385
-----------	---------

19 Transactions with related parties

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

		For the 3 months ended December 31, 2019	For the 6 months ended December 31, 2019	For the 3 months ended December 31, 2018	For the 6 months ended December 31, 2018
Relationship with the group	Nature of Transaction				
<i>Holding Company</i>	Dividend	-	227,458	-	-
<i>Associated Companies</i>	Royalty	102,673	201,421	100,556	192,590
	Purchase of goods, materials and services	1,347,153	1,785,994	41,056	104,486
	Sale of goods and materials	709,628	1,348,319	360,458	846,501
	Reimbursement of expenses	141,250	160,835	19,466	36,563
	Dividend paid to associates	-	125,581	676,210	676,210
	Dividend income from associate	240,000	500,000	-	180,000
<i>Others</i>	Staff retirement benefits	79,976	130,241	73,360	119,865
<i>Key management personnel</i>	Remuneration paid	179,941	248,490	117,353	180,980
	Post employment benefits	19,474	28,878	8,205	16,414
	Director meeting fee	-	975	1,063	1,238
	Dividends paid	-	2,180	4,524	4,524

20 Estimates

The preparation of these condensed interim consolidated financial statements, in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these condensed interim financial statement, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the annual audited financial statements of the Group for the year ended June 30, 2019 except, as stated below:

Significant judgement in determining the lease term of contracts with renewal options

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 the option, under some of its leases to lease the assets for additional for an additional periods. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. 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 (e.g., a change in business strategy).

21 New, amended and revised standards and interpretations of IFRS's

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those of the previous financial year except for the adoption of IFRS 16 as disclosed in note 3 to the accompanying condensed interim consolidated financial statements.

22 Financial risk management

The Group's financial risk management objective and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2019.

23 Post balance sheet - dividends

The Directors in their meeting held on January 28, 2019 have recommended an interim cash dividend of PKR 11.00 per share in respect of six months ended December 31, 2019 (December 31, 2018: PKR 4.50 per share). The condensed interim consolidated financial statements for the six months ended December 31, 2019 do not include the effect of the above interim dividend which will be accounted for in the period in which it is approved.

24 Date of authorisation

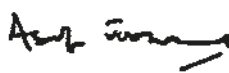
The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on January 28, 2020.

25 General

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

A publication of the Corporate Communications
& Public Affairs Department

ICI Pakistan Limited
5 West Wharf
Karachi 74000
Pakistan

T + 92 21 3231 3717-22
F + 92 21 3231 1739
E ccpa.pakistan@ici.com.pk

UAN 111 100 200
www.ici.com.pk

