



ICI PAKISTAN LTD.

Report for the Quarter &  
Six Months Ended December 31, 2017

# Driven to Innovate



# Contents

## ICI Pakistan Limited

Company Information	2
Review of the Directors (English / اردو)	3
Auditors' Report to Members on Review of Interim Financial Information	13
Condensed Interim Unconsolidated Balance Sheet	14
Condensed Interim Unconsolidated Profit and Loss Account	15
Condensed Interim Unconsolidated Statement of Comprehensive Income	16
Condensed Interim Unconsolidated Cash Flow Statement	17
Condensed Interim Unconsolidated Statement of Changes in Equity	18
Notes to the Condensed Interim Unconsolidated Financial Statements	19

## Condensed Interim Consolidated Financial Information

Review of the Directors for ICI Pakistan Group (English / اردو)	30
Condensed Interim Consolidated Balance Sheet	32
Condensed Interim Consolidated Profit and Loss Account	33
Condensed Interim Consolidated Statement of Comprehensive Income	34
Condensed Interim Consolidated Cash Flow Statement	35
Condensed Interim Consolidated Statement of Changes in Equity	36
Notes to the Condensed Interim Consolidated Financial Statements	37

# 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

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

## Chief Financial Officer

Muhammad Abid Ganatra

## Executive Management Team

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

## Company Secretary

Saima Kamila Khan

## Head of Internal Audit

Muhammad Ali Mirza

## Bankers

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

Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Samba Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
United Bank Limited

## Auditors

### Internal Auditors

KPMG Taseer Hadi & Co.,  
Chartered Accountants

### External Auditors

EY Ford Rhodes  
Chartered Accountants

## Registered Office

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

## Shares Registrar

FAMCO Associates (Pvt) Ltd.  
8-F, Next to Hotel Faran,  
Nursery, Block-6, P.E.C.H.S.  
Shahrah-e-Faisal, Karachi.  
Tel: (021) 34380101-2,  
Fax: (021) 34380106  
Website: www.famco.com.pk

# Review of the Directors

For the Quarter & Six Months Ended December 31, 2017

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, 2017.

Net turnover for the quarter at PKR 11,942 million is 15% higher than the same period last year (SPLY), due to higher revenues across all Businesses. Operating result for the quarter at PKR 1,048 million is 1% lower as compared to the SPLY, due to lower operating results in the Soda Ash and Chemicals & Agri Sciences Businesses, which were largely offset by the robust performances in the Polyester and Life Sciences Businesses.

Net turnover for the six month period under review at PKR 23,177 million translates into an 18% increase as compared to the SPLY, with all Businesses showing a positive trend. The Polyester and Life Sciences Businesses provided the impetus, with growth of 24% and 32% respectively.

The Company's operating result over the six months at PKR 2,058 million is 6% higher in comparison to the SPLY, due to improved performances in the Polyester and Life Sciences Businesses by 105% and 33% respectively. The improved performance achieved by the Polyester Business is attributable to better domestic volumes and margins, along with the Business's ongoing efforts to increase efficiencies. In the Life Sciences Business, both the Pharmaceuticals and Animal Health Divisions posted strong double-digit growth. The positive performance by both Businesses compensated for the decline in the Soda Ash and Chemicals & Agri Sciences Businesses. The performance of the Chemicals & Agri Sciences Business is mainly attributable to a severe liquidity crunch experienced by farmers. This resulted in the recording of provisions against receivables as per Company policy, recoveries against which are expected in the next quarter as overall liquidity in the agricultural sector is forecasted to improve. Additionally, certain products were adjusted to their net realisable value (NRV) as per Company policy, which was lower than its cost.

Profit after tax (PAT) for the six month period under review at PKR 1,463 million is 5% lower than the SPLY. This was principally due to a higher exchange loss of PKR 238 million due to a devaluation of the Pakistani rupee, coupled with lower dividend by PKR 210 million from the Company's subsidiary and associate as compared to the SPLY.

Earnings per share (EPS) for the six month period under review, at PKR 15.84, is 5% lower as compared to the SPLY.

	Six months ended Dec 2017	Six months ended Dec 2016
Net turnover (PKR million)	23,177	19,638
Profit before taxation (PKR million)	1,693	2,020
Profit after taxation (PKR million)	1,463	1,536
Earnings per share (PKR)	15.84	16.63

## Net turnover (PKR m)

Dec 2016  19,638  
Dec 2017  23,177

## Profit before tax (PKR m)

Dec 2016  2,020  
Dec 2017  1,693

## Profit after tax (PKR m)

Dec 2016  1,536  
Dec 2017  1,463

## Earnings per share (PKR)

Dec 2016  16.63  
Dec 2017  15.84

# Review of the Directors

For the Quarter & Six Months Ended December 31, 2017

## Polyester Staple Fibre Business (PSF)

### Net turnover (PKR m)

Dec 2016	6,982
Dec 2017	8,634

### Operating result (PKR m)

Dec 2016	(209)
Dec 2017	11

During the six month period under review, crude oil prices rose by 10% compared to the SPLY. This was a result of OPEC and non-OPEC producers cutting production in an effort to eliminate the oil glut; this agreement has been further extended till the end of 2018. Unplanned maintenance work on major pipelines provided additional support to rising crude oil prices. In addition to supply-related factors, strong economic growth in both developed and emerging markets led to a higher demand for oil. The hike in crude oil prices subsequently led to an increase in Purified Terephthalic Acid (PTA) and Mono-ethylene glycol (MEG) prices, by 7% and 31% respectively. Furthermore, the Chinese government's decision to ban the import of recycled polyethylene terephthalate (PET) bottles and flakes boosted both demand and prices for regional Polyester Staple Fibre (PSF). As a result of this positive momentum, regional PSF prices surged by 20%, while domestic PSF prices increased by 14% against the SPLY.

The Business's efforts over the six month period under review translated into an 8% growth in sales volume, which, along with rising prices, contributed to a 24% growth in net turnover. To meet rising demand for PSF, production volumes were increased by 4% over the SPLY.

During the six month period under review, commodity prices also followed the upward crude oil price movement. Coal and furnace oil prices rose by 29% and 7% respectively, increasing the Business's energy costs by 17% over the SPLY. However, favourable market dynamics, coupled with strong efforts by the Business – particularly, enhanced margins, higher sales and controlled operating expenditure – enabled the Business to achieve a robust improvement of 105% in the operating result over the SPLY.

With regard to Free Trade Agreements with China, Turkey and Thailand, the Business continued its efforts to maintain PSF in the “no concessions” list. The Business made significant efforts to highlight to the industry that the local PSF industry possesses the potential to supply world class PSF to the domestic market. Further, the Business put forth suggestions to encourage growth in the PSF and textile industries, especially in the export sector.

In other regulatory developments, the counsel for All Pakistan Textile Mills Association (APTMA) withdrew its petition for review of the National Tariff Commission's Anti-Dumping investigation after the Supreme Court of Pakistan expressed its displeasure over the petition.

The future outlook of the PSF industry remains promising in light of the ban imposed by the Chinese government on the import of recycled PET bottles and flakes, as well as the devaluation of the rupee and rising feedstock prices on the back of the anti-dumping duty. Collectively, these factors will render imports uncompetitive and pave the way for growth in the domestic PSF industry.

# Review of the Directors

For the Quarter & Six Months Ended December 31, 2017

## Soda Ash Business

### Net turnover (PKR m)

Dec 2016	5,520
Dec 2017	5,702

### Operating result (PKR m)

Dec 2016	1,406
Dec 2017	1,361

In the Soda Ash Business, net turnover during the six month period under review grew by 3% over the SPLY due to higher sales volume in the domestic market, and better pricing. The soda ash market grew in line with the GDP growth rate of the country. The silicate, bazaar and detergent segments were the main drivers of growth. The bazaar segment, particularly, continued to grow at a steady rate, providing vital support to the domestic soda ash market. However, the glass segment experienced a decline, as some major glass manufacturers continued to focus on producing tinted glass, a process which entails lower quantities of soda ash.

The sodium bicarbonate market has shown promising growth in demand from the poultry and bakery segments. Demand for sodium bicarbonate remained robust in both urban and rural areas.

The Business's operating result, at PKR 1,361 million, was 3% lower than the SPLY, mainly due to higher raw material and energy prices, coupled with the current limited production capacity.

Work is underway at the 75,000 tons per annum Soda Ash expansion project (phase one of the planned 150,000 tons per annum expansion), which is expected to come online by the end of January 2018.

Domestic sales for sodium bicarbonate amounted to 18,021 tons; the highest sales volume ever achieved by the Business during a six-month period.

With the completion of the environmental checks in China, competitiveness in the global soda ash market has gradually begun to ease. Although prices are declining, they are forecasted to remain high till the end of the Chinese New Year in March 2018. Additionally, a delay in the full commissioning of the Ciner Group project in Turkey (until February 2018) ensures that global soda ash prices will not fall sharply. On the domestic front, the detergent segment provides the impetus to growth as it continues to dominate market share over laundry soap. Sales to the glass segment are expected to improve as well.

## Life Sciences Business

### Net turnover (PKR m)

Dec 2016	4,127
Dec 2017	5,462

### Operating result (PKR m)

Dec 2016	499
Dec 2017	666

During the six month period under review, the Life Sciences Business delivered a net turnover of PKR 5,462 million which is 32% above the SPLY. The Business achieved a net operating result of PKR 666 million, an improvement of 33% over the SPLY; both Divisions of the Business achieved robust growth.

# Review of the Directors

For the Quarter & Six Months Ended December 31, 2017

In order to provide sharper focus and enhanced operational synergy, the Life Sciences Business has been restructured, now comprising the Pharmaceuticals and Animal Health Divisions. Both Divisions maintain a similar approach to the market, with comparable regulatory and manufacturing requirements. The Agri Division is now part of the Chemicals Business (now known as the Chemicals & Agri Sciences Business) in light of future growth opportunities that will leverage the Business's existing manufacturing capabilities.

Overall, the Pharmaceuticals Division delivered strong growth as compared to the SPLY.

ICI Pakistan Limited completed the acquisition of certain assets and brands of Wyeth Pakistan Limited and began production at the newly-acquired Hawke's Bay plant from August 11, 2017. Product orders are expected in the coming months and production has been planned accordingly. Additionally, work will commence on the Drug Manufacturing Licence (DML) and product registrations, following the site inspection to renew the DML, and pending other regulatory formalities.

Sales in the Cardiovascular and Speciality Segments remained strong over the six months under review, while the Primary Care Segment continued to establish its own brands in retail.

In a meeting held on January 3, 2018, the Federal Cabinet approved a long-awaited price increase based on CPI. Following this development, the Drug Regulatory Authority of Pakistan (DRAP) is expected to issue a formal notification in this regard within January 2018.

Strong performance was observed in the Animal Health Division throughout the period under review, with value growth occurring primarily in the Farmer's Choice portfolio.

On January 6, the Supreme Court of Pakistan took suo moto action on a number of public interest cases vide an order, which included banning the import and marketing of recombinant bovine somatotropin (rbST) injections – a United States Food and Drug Administration (FDA) approved product. The Supreme Court further ordered that stocks of the product be taken possession of and sealed till the fate of these injections is determined. The product accounts for a significant portion of our Animal Health portfolio. Therefore, the ban will impact this portfolio.

The outlook of the Business appears challenging given the sudden, unexpected ban on rbST. The Business will accelerate its drive to leverage its newly acquired manufacturing capabilities and brands, further strengthening its current portfolios.

## Chemicals & Agri Sciences Business

### Net turnover (PKR m)

Dec 16  3,012  
Dec 17  3,382

### Operating result (PKR m)

Dec 16  237  
Dec 2017  19

As explained above, following the restructuring of the Life Sciences Business, the Chemicals Business has now been renamed the Chemicals & Agri Sciences Business, with the inclusion of the Agri Division. The Business's net turnover of PKR 3,382 million for the six month period under review was 12% higher than the SPLY owing to improved performances across the Chemicals Divisions of the Business, with a dip in the Agri Division, due to tight liquidity in the agricultural sector on account of delayed harvesting and fresh sowing.



# Review of the Directors

For the Quarter & Six Months Ended December 31, 2017

The operating result of the Business at PKR 19 million is 92% lower than the SPLY.

The Chemicals Divisions of the Business delivered a 35% growth on account of improved performances in the Polyurethanes and General Chemicals Divisions. The Business's improved performance was set off by a decline in the operating result of the Agri Sciences Division, owing to a liquidity crunch experienced by farmers. This resulted in higher debtor provisioning and adjusting the carrying value of certain inventory to NRV. Despite being faced with a highly competitive agricultural economy, coupled with unfavourable weather conditions, the Agri Sciences Division is committed to delivering growth in terms of its net turnover and operating result.

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

Looking ahead, the Business continues to explore new segments, creating enduring value for existing and new customers, and continuing to embrace innovation, whilst remaining focussed on cost efficiencies.

## Future Outlook

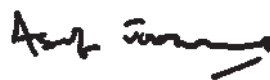
Going forward, the outlook for all Businesses remains positive. However, margins and prices for PSF will rely heavily on adherence to OPEC's agreement; the pricing strategy of regional and domestic manufacturers; and the impact of the Government's foreign exchange policy. The Soda Ash Business's capacity expansion projects are expected to improve performance in the near future. Despite the unexpected ban on a major FDA approved product within the Life Sciences Business portfolio, the Business outlook remains positive with a strong focus on leveraging its manufacturing capabilities and further enhancing its offerings and portfolio. The outlook for the Chemicals & Agri Sciences Business also remains promising, as the recent liquidity crunch experienced by farmers is expected to ease.

The Company plans to remain focussed on delivering enduring value through serving customers' needs; expanding its product offering; cost reduction initiatives; strengthening relationships with existing suppliers, and exploring opportunities for both organic and inorganic growth in line with its brand promise of Cultivating Growth.



**Muhammad Sohail Tabba**  
Chairman / Director

January 24, 2018  
Karachi



**Asif Jooma**  
Chief Executive



## ڈائریکٹرز کا جائزہ

برائے سہ ماہی اور ششماہی ختم شدہ 31 دسمبر 2017

کیمیکلز ڈویژن نے پولی پورٹھن اور جزل کیمیکلز ڈویژن میں بہتر کارکردگی کے سبب 35 فیصد ترقی کی۔ ان برنسز کی بہتر کارکردگی نے ایگری سائنسز ڈویژن کے کاروباری خسارے کا ازالہ کیا جو کاشتکاروں کو لاحق معاشی بحران کے سبب پیدا ہوا ہے۔ اس بحران کے نتیجے میں اس شعبے کے قرضہ جات زائد رہے اور کچھ انویسٹری کو NRV کے ویلیو پر بھی لایا گیا۔ زرعی معیشت کو لاحق شدید خطرات کے باوجود، اور سخت ترین موسمی حالات میں، ہماری ایگری سائنسز ڈویژن اپنے مجموعی کاروبار اور منافع میں اضافے کے لئے پرعزم ہے۔

ما سٹرینج میٹوفیکسنگ پروڈکٹ کی تعمیر اپنے منصوبے کے مطابق جاری ہے۔ یہ اقدام کمپنی کے آگے بڑھنے کے عزم اور کیمیکل اور ایگری سائنسز برنس کے پروڈکٹ پورٹ فولیو کو بڑھانے کی جانب ایک اور قدم ہے۔

مزید یہ کہ برنس نئے سیکمٹ کی تلاش میں ہے اور موجودہ اور نئے سکنڈز کے لیے قابل قدر پروڈکٹس کے لئے پرعزم ہے۔ اس سلسلے میں قیمتوں کے استحکام پر خصوصی توجہ بھی مرکوز رہے گی۔

### مستقبل پر نظر

مجموعی طور پر ہمارے تمام برنسز کی صورتحال اطمینان بخش ہے۔ جبکہ PSF کے شعبے کے منافع کا دارومدار زیادہ تر اوپیک معاہدے پر عمل درآمد اور علاقائی مینوفیکچررز کی قیمتوں سے متعلق پالیسی اور حکومت کی فارن ایکسچینج پالیسی پر ہے۔ سوڈا ایس کی پیداواری صلاحیت کو بڑھانے کے پروڈیکٹس سے مستقبل قریب میں کاروباری کارکردگی میں اضافے کا امکان ہے۔ لائف سائنسز برنس کے پورٹ فولیو میں سے FDA سے منظور شدہ بڑی پروڈکٹ پر غیر متوقع بندش کے باوجود، برنس کا مستقبل کافی بہتر دکھائی دیتا ہے کیونکہ اس ضمن میں اپنی مینوفیکچرنگ صلاحیتوں کو بروئے کار لانے پر توجہ میں اضافہ اور اپنی پیش کش اور پورٹ فولیو میں مزید اضافے کی کوششیں جاری ہیں۔ کیمیکلز اور لائف سائنسز برنس کا مستقبل بھی بہتر دکھائی دیتا ہے کیونکہ کاشتکاروں کو درپیش مسائل میں بھی بہتری کی امید کی جارہی ہے۔

کمپنی صارفین کی ضروریات کی تکمیل، پروڈکٹس کی پیش کش میں توسیع، اخراجات میں کمی کے اقدامات، موجودہ سکنڈز اور پیلارز سے تعلقات کی مضبوطی کے ساتھ آرگینک و ان آرگینک ترقی کے لئے مواقع تلاش کرنے کی منصوبہ بندی پر اپنی پوری توجہ مرکوز کئے ہوئے ہے۔ اس لئے کہ ہمارا ماننا ہے کہ ترقی کو بڑھانے دو۔

آصف احمد

آصف احمد  
چیف ایگزیکٹو

محمد سہیل بٹا  
چیرمین / ڈائریکٹر

بتاریخ: 24 جنوری 2018

کراچی۔

## ڈائریکٹرز کا جائزہ

برائے سرمایہ اور شہابی ختم شدہ 31 دسمبر 2017

برنس پر مزید توجہ اور بہتر انتظامی گرفت کے پیش نظر، لائف سائنسز برنس کی دوبارہ تشکیل کی گئی ہے جس میں صرف فارماسیوٹیکلز اور اینٹیل ہیلتھ ڈویژنز کو شامل کیا گیا ہے۔ دونوں برنس مارکیٹ میں یکساں وسعت رکھتے ہیں جبکہ دونوں کی ریگولیٹری اور مینوفیکچرنگ ضروریات بھی یکساں ہیں۔ ایگری ڈویژن کو اب کیمیکلز برنس کا حصہ بنادیا گیا ہے (جنہیں اب کیمیکلز اینڈ ایگری سائنسز برنس کے نام سے پکارا جاتا ہے) تاکہ مستقبل میں ترقی کے مواقع سے بھرپور استفادہ کرتے ہوئے برنس کی موجودہ مینوفیکچرنگ صلاحیتوں سے فائدہ اٹھایا جاسکے۔

مجموعی طور پر ہماری فارماسیوٹیکل ڈویژن نے گزشتہ سال کے اسی عرصہ کے مقابلے میں شاندار ترقی کا مظاہرہ کیا۔

آئی سی آئی پاکستان لیڈیئر نے واضح پاکستان لیڈیئر کے کچھ اثاثہ جات اور برانڈز کے حصول کی تکمیل کی ہے اور اگست 2017 سے نئے حاصل شدہ پائرس بے پلائنٹ پر وڈکشن بھی شروع کر دی ہے۔ پروڈکشن کے آرڈرزی آئندہ مہینوں میں توقع کی جارہی ہے اور اسی اعتبار سے پیداواری منصوبہ بندی کی جائے گی۔ اس کے ساتھ ڈرگ مینوفیکچرنگ لائسنس (DML) اور پروڈکٹ کی رجسٹریشن کا کام سائنس کی انسپیکشن اور دیگر ریگولیٹری ضروریات کے تکمیل پر شروع کیا جائے گا۔

زیر جائزہ شہابی کے دوران کارڈیو، سکول اور اسٹیمٹی سیکٹ کی بیلز بہت ہی شاندار رہی جبکہ پرائمری کیئر سیکٹ نے ریٹیل میں اپنے برانڈز کے قیام کا کام جاری رکھا ہوا ہے۔ 3 جنوری 2018 کو منعقدہ اجلاس میں وفاقی حکومت نے CPI کی بنیاد پر قیمتوں میں اضافے کے دیرینہ مطالبے کو منظور کر لیا ہے۔ اس پیش رفت کے بعد، ڈرگ ریگولیٹری اتھارٹی آف پاکستان کی جانب سے جنوری 2018 کے دوران باضابطہ نوٹیفیکیشن جاری ہونے کی توقع کی جارہی ہے۔

زیر جائزہ عرصہ کے دوران اینٹیل ہیلتھ ڈویژن میں کسانوں کی پسند کے پورٹ فولیو میں بنیادی طور پر قابل قدر تیزی سے بھرپور کارکردگی دیکھی گئی۔

6 جنوری کو سپریم کورٹ آف پاکستان نے عوامی ہیرو کے کیس میں سومو ایکشن لیتے ہوئے ایک آرڈر جاری کیا، جس میں ری کمیٹ ایو ائن سوما ٹروپین (rbST) انجیکشنز (امریکی FDA سے منظور شدہ پروڈکٹ) کی درآمد اور مارکیٹنگ پر پابندی لگائی۔ سپریم کورٹ نے اپنے فیصلے میں مزید حکم دیا ہے کہ پروڈکٹ کے اسٹاک کو قبضہ میں لے کر اس وقت تک سبیل کیا جائے جب تک اس انجیکشن کے اجزاء کی وضاحت نہیں ہو جاتی۔ یہ انجیکشن ہمارے اینٹیل ہیلتھ کے پروڈکٹ پورٹ فولیو میں خاص حیثیت رکھتی ہے۔ اس لئے اس پر پابندی پورے پورٹ فولیو کو متاثر کرے گی۔

ہمارے لائف سائنسز برنس کا مستقبل rbST پر غیر متوقع اور اچانک بندش کے سبب چیلنج کا شکار ہے۔ برنس اپنی حاصل شدہ مینوفیکچرنگ صلاحیت اور برانڈز کو زیر استعمال لاتے ہوئے اپنے موجودہ پورٹ فولیو کو مضبوط کرنے کی کوشش جاری رکھے گا۔

## کیمیکلز اینڈ ایگری سائنسز برنس

آپریٹنگ رزلٹ (ملین روپے) Operating result

مجموعی کاروبار (ملین روپے) Net turnover

دسمبر 2016	3,012	دسمبر 2016	237
دسمبر 2017	3,382	دسمبر 2017	19

جیسا کہ اوپر ذکر کیا گیا کہ لائف سائنسز برنس کی دوبارہ تشکیل سے، کیمیکلز برنس میں ایگری ڈویژن کی شمولیت کے بعد اب کیمیکلز اور ایگری سائنسز برنس کا نام دیا گیا ہے۔

ہمارے اس برنس کا مجموعی کاروبار زیر جائزہ شہابی کے دوران گزشتہ سال کے اسی عرصہ کے مقابلے میں 12 فیصد ترقی کے ساتھ 3,382 ملین روپے رہا کیونکہ کیمیکلز ڈویژن کے کاروبار نے شاندار کارکردگی دکھائی حالانکہ زرعی شعبے میں کٹائی اور بوائی میں دیر کے سبب ایگری برنس میں مشکلات کا سامنا رہا۔

کاروبار کا آپریٹنگ رزلٹ گزشتہ سال کے اسی عرصہ کے مقابلے میں 92 فیصد کی 19 ملین روپے رہا۔

## ڈائریکٹر زکا جائزہ

برائے سہ ماہی اور ششماہی ختم شدہ 31 دسمبر 2017

## سوڈ الیش بزنس

آپریٹنگ رزلٹ (ملین روپے)

Net turnover (ملین روپے)

1,406	دسمبر 2016	5,520	دسمبر 2016
1,361	دسمبر 2017	5,702	دسمبر 2017

زیر جائزہ ششماہی کے دوران سوڈ الیش کا مجموعی کاروبار مقامی طور پر بہتر سبز اور بڑھتی ہوئی قیمتوں کے سبب گزشتہ سال کے اسی عرصہ کے مقابلے میں 3 فیصد بڑھا۔ ہماری سوڈ الیش مارکیٹ ملکی جی ڈی پی میں اضافے کی شرح کے مطابق بڑھتی رہی۔ سلیکیٹ، بازار اور ڈسٹریبیوٹ کے شعبہ جات میں ترقی دیکھنے میں آئی۔ بزار کا شعبہ خاص طور پر معتدل انداز میں اضافہ رکھ کر اتار با جس کے سبب سوڈ الیش کی مقامی مارکیٹ کو خاطر خواہ سہارا ملا۔ دوسری جانب، گلاس کے شعبے میں کمی کا رجحان تھا کیونکہ چند بڑے گلاس مینوفیکچررز نے فیڈ بک گلاس کی پیداوار پر توجہ مرکوز رکھی، اس میں ایسا عمل کا فرما ہوتا ہے کہ کم سے کم سوڈ الیش کی ضرورت پڑتی ہے۔

سوڈیم بائی کاربونیٹ کی مارکیٹ میں پولٹری اور بیکری کے شعبوں میں بڑھتی ہوئی طلب کے سبب واضح تیزی دیکھنے میں آئی۔ اس کے سبب سوڈیم بائی کاربونیٹ کی طلب میں شہری اور دیہی علاقوں میں یکساں تیزی رہی۔

کاروبار کا آپریٹنگ رزلٹ گزشتہ سال کے اسی عرصہ کے مقابلے میں 3 فیصد کی سے 1,361 ملین روپے رہا، کمی کی وجہ خام مال اور بجلی کے اخراجات اور محدود پیداوار کی موجودہ صلاحیت بنے رہے۔

75,000 ٹن سالانہ سوڈ الیش کے توسیعی منصوبے پر کام جاری ہے (150,000 ٹن سالانہ کے توسیعی منصوبے کا پہلا مرحلہ)، اس منصوبے کی جنوری 2018 کے اختتام تک شروع ہونے کی امید کی جارہی ہے۔

سوڈیم بائی کاربونیٹ کی مقامی سبز بھ کر 18,02 ٹن ہو گئی جو کہ کسی ششماہی کے دوران سب سے زیادہ سبز مقدار کے ریکارڈ کا حصول ہے۔

چین میں ماحولیاتی چیلنج پڑتال کی تکمیل سے، عالمی سوڈ الیش مارکیٹ میں مقابلے کا رجحان کم ہونا شروع ہو گیا ہے۔ حالانکہ قیمتیں کم ہو رہی ہیں، جبکہ چین کے نئے سال کے اختتام مارچ 2018 تک قیمتوں میں اضافے کی پیش گوئی کی جارہی ہے۔ اس کے ساتھ ترکی میں Ciner گروپ کے پروجیکٹ میں تاخیر (فروری 2018 تک) کے سبب قیمتوں میں تیزی سے گراؤ کا کوئی امکان نہیں۔ مقامی سطح پر ڈسٹریبیوٹ کے شعبے نے مارکیٹ میں لائڈری سوپ کے مقابلے میں تیزی کا رجحان جاری رکھا۔ اس کے ساتھ گلاس کے شعبے میں بھی تیزی کی امید کی جارہی ہے۔

## لائف سائنسز بزنس

آپریٹنگ رزلٹ (ملین روپے)

Net turnover (ملین روپے)

499	دسمبر 2016	4,127	دسمبر 2016
666	دسمبر 2017	5,462	دسمبر 2017

ہمارے لائف سائنسز کے کاروبار نے مذکورہ ششماہی کے دوران 5,462 ملین روپے کا مجموعی کاروبار کیا جو گزشتہ سال کے اسی عرصہ کے مقابلے میں 32 فیصد زائد ہے۔ بزنس نے گزشتہ سال کے اسی عرصہ کے مقابلے میں 33 فیصد اضافے کے ساتھ مجموعی آپریٹنگ رزلٹ 666 ملین روپے پانے نام کیا۔ نتائج کو شاندار بنانے میں تمام ڈویژنز نے بھرپور کردار ادا کیا۔

## پولیسٹر اسٹیل فابریز بس (PSF)

مجموعی کاروبار (ملین روپے)	Net turnover	آپریٹنگ رزلٹ (ملین روپے)	Operating result
دسمبر 2016	6,982	دسمبر 2016	(209)
دسمبر 2017	8,634	دسمبر 2017	11

زیر جائزہ ششماہی کے دوران کروڈ آئل کی قیمتیں گزشتہ سال کے اسی عرصہ کے مقابلے میں 10 فیصد بڑھ گئیں۔ یہ بہتری تیل کی اضافی سپلائی پر قابو پانے کیلئے اوپیک اور نان اوپیک پروڈیوسرز کی جانب سے پیداوار میں کمی لانے کے سبب آئی۔ اس کے معاہدے کو 2018 کے اختتام تک توسیع دی گئی ہے۔ بڑی پائپ لائنوں کے غیر متعین مرتبہ کام نے بھی کروڈ آئل کی قیمتوں میں اضافہ کر دیا۔ سپلائی سے متعلق عوامل کے ساتھ ترقی پذیر اور ترقی یافتہ ممالک میں اقتصادی ترقی نے بھی تیل کی طلب میں اضافہ کر دیا۔ کروڈ آئل کی قیمتوں میں تیزی کے سبب پیوریفائیڈ فیوئیلنگ ایجنٹ (PTA) اور مونو اتھائلین گلائی کول (MEG) کی قیمتوں میں بھی بالترتیب 7 فیصد اور 31 فیصد اضافہ ہوا۔ مزید برآں، چینی حکومت کی طرف سے ری سائیکل شدہ پلائی ای تھائی لین فیوٹیلٹ (PET) بٹلر اور فلیکس کی امپورٹ پر بندش کے سبب علاقائی پولیسٹر اسٹیل فابریز (PSF) کی قیمتوں اور طلب میں اضافہ ہو گیا۔ اس مثبت پیش رفت کے سبب علاقائی پی ایس ایف کی قیمتوں میں 20 فیصد اضافہ ہوا جبکہ مقامی پی ایس ایف کی قیمتیں گزشتہ سال کے اسی عرصہ کے مقابلے میں 14 فیصد بڑھ گئیں۔

زیر جائزہ ششماہی کے دوران برنسز کی کوششوں کے سبب سبز میں 8 فیصد بہتری کے ساتھ قیمتیں بڑھیں اور مجموعی کاروبار میں 24 فیصد ترقی ہوئی۔ PSF کی بڑھتی ہوئی طلب کے پیش نظر، گزشتہ سال کے اسی عرصہ کے مقابلے میں پیداواری مقدار 4 فیصد بڑھ گئی۔

زیر جائزہ ششماہی کے دوران کروڈ آئل کی قیمتوں میں تیزی کے سبب ضروریات زندگی کی اشیاء میں تیزی آئی۔ کوئلے اور فرنیس آئل کی قیمتیں بالترتیب 29 فیصد اور 7 فیصد بڑھ گئیں نتیجتاً برنسز میں بجلی کے اخراجات گزشتہ سال کے اسی عرصہ کے مقابلے میں 17 فیصد بڑھ گئے۔ اس کے باوجود مارکیٹ کی مثبت صورتحال، برنسز کی بھرپور کوششوں، خاص طور پر منافع میں بہتری، سبز میں اضافے اور انتظامی اخراجات پر ضابطے کے سبب برنسز اس قابل رہا کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 105 فیصدی شاندار ترقی اپنے نام کر لے۔

برنسز نے چین، ترکی اور تھائی لینڈ سے فری تجارت کے معاہدے کے سلسلے میں "کوئی رعایت نہیں" کی فہرست میں PSF کو برقرار رکھنے کی کوششیں جاری رکھیں۔ اس کے ساتھ برنسز نے انڈسٹری کو اس بات کی اہمیت سے بھی روشناس کرایا کہ مقامی پی ایس ایف انڈسٹری یہ طاقت رکھتی ہے کہ مقامی مارکیٹ کو عالمی سطح کا پی ایس ایف فراہم کر سکے۔ مزید یہ کہ برنسز نے اس حوالے سے پی ایس ایف اور ٹیکسٹائل صنعتوں بالخصوص برآمدی شعبے میں بہتری کی ممکنہ گنجائش پر بھی اہم افواج و برکی فراہمی جاری رکھی۔

ریگولیٹری پیش رفت کے اعتبار سے، APTMA کی کونسل نے سپریم کورٹ آف پاکستان کی جانب سے پیشین پر ناگواری کے بعد نیشنل ٹیرف کمیشن کی اینٹی ڈمپنگ انویسٹی گیشن کے جائزے سے متعلق اپنی پیشین واپس کر لی۔

چینی حکومت کی جانب سے ری سائیکل شدہ PET بٹلوں اور فلیکس کی درآمد پر بندش، روپے کی قدر میں کمی اور اینٹی ڈمپنگ ڈیوٹی کے نفاذ سے قیمتوں میں تیزی کی روشنی میں PSF کی صنعت کا مستقبل تاناک ہے۔ مجموعی طور پر ان عوامل سے درآمدات پر اثر پڑے گا اور مقامی PSF کی صنعت میں ترقی کا راستہ ہموار ہوگا۔

## ڈائریکٹرز کا جائزہ

برائے سہ ماہی اور ششماہی ختم شدہ 31 دسمبر 2017

ڈائریکٹر کمپنی کے غیر آڈٹ شدہ مالیاتی گوشوارے اور اپنا جائزہ برائے سہ ماہی اور ششماہی ختم شدہ 31 دسمبر 2017 پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

سہ ماہی کا مجموعی کاروبار گزشتہ سال کی نسبت 15 فیصد اضافے کے ساتھ 11,942 ملین روپے رہا، اضافے کی وجہ تمام برنسز کی آمدنی میں خاطر خواہ اضافہ ہے۔ سہ ماہی کا آپریٹنگ رزلٹ 1,048 ملین روپے گزشتہ سال کے اسی عرصہ کے مقابلے میں 1 فیصد کم ہے، کیونکہ سوڈا الائش اور نیکیلز و ایگری سائنسز برنسز کے کاروباری نتائج کم رہے جبکہ پولیسٹر اور لائف سائنسز برنسز کی شاندار کارکردگی نے بڑی حد تک اس کا ازالہ کیا۔

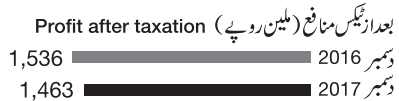
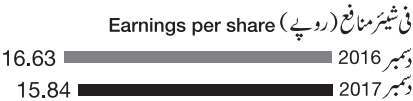
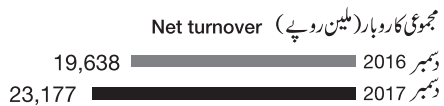
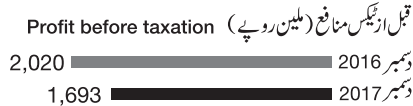
زیر جائزہ ششماہی کے دوران تمام برنسز کے مثبت رجحان کے سبب مجموعی کاروبار میں گزشتہ سال کے اسی عرصہ کے مقابلے میں 18 فیصد ترقی کے ساتھ 23,177 ملین روپے رہا۔ پولیسٹر اور لائف سائنسز برنسز میں تیزی کے سبب دونوں برنسز نے بالترتیب 24 فیصد اور 32 فیصد ترقی کی۔

زیر غور ششماہی کا آپریٹنگ رزلٹ گزشتہ سال کے اسی عرصہ کے مقابلے میں پولیسٹر اور لائف سائنسز برنسز میں بہتر کارکردگی کے سبب 6 فیصد اضافہ کے ساتھ 2,058 ملین روپے رہا۔ جس کی اہم وجہ پولیسٹر اور لائف سائنسز برنسز کے آپریٹنگ رزلٹ میں بالترتیب 105 فیصد اور 33 فیصد بہتر کارکردگی ہے۔ پولیسٹر برنس کے کاروبار میں ترقی کا عنصر مقامی طور پر مقدار اور منافع میں اضافے کے ساتھ صلاحیتوں میں بہتری لانے کی کوششوں کے مرہون منت ہے۔ لائف سائنسز برنس میں فارماسیویٹکس اور ایمل ہیلتھ ڈویژن نے بھرپور انداز میں دو عددی ترقی اپنے نام کی۔ دونوں برنسز میں مثبت کاروباری رجحان نے سوڈا الائش اور نیکیلز و ایگری سائنسز برنسز کے خسارے کو بڑی حد تک کم کیا۔ نیکیلز اور ایگری سائنسز برنسز کی کارکردگی زرعی شعبے کو لاحق لیکوئیڈیٹی کے بحران کے سبب بہت متاثر رہی ہے جس کے نتیجے میں کمپنی کو اپنی پالیسیوں کے تحت قابل و وصول ادائیگیوں کے پروڈن رکاز کرنے پڑے۔ لیکن زرعی شعبے میں مجموعی طور پر بہتری کی امید سے آئندہ سہ ماہی میں وصولیوں میں اضافے کا امکان ہے۔ اس کے ساتھ کمپنی کی پالیسی کے تحت کچھ پروڈکٹس کو ان کی نیٹ ریٹیلر ایبل و لیو (NRV) پر رکھا گیا جو ان کی اصل قیمت سے کم تھی۔

زیر جائزہ ششماہی کا بعد از ٹیکس منافع (PAT) 1,463 ملین روپے ہے جو گزشتہ سال کے اسی عرصہ کے مقابلے میں 5 فیصد کم ہے جس کی اصل وجہ پاکستانی روپے کی قدر میں کمی کے سبب 238 ملین روپے کا بھاری نقصان اور گزشتہ سال کے مقابلے میں کمپنی کی ذیلی کمپنی اور ایسیو ایٹ سے ملنے والے ڈیویڈنڈ میں 210 ملین روپے کمی کی ہے۔

زیر جائزہ ششماہی کا فیٹیئر منافع 15.84 روپے رہا جو گزشتہ سال کے اسی عرصہ کے مقابلے میں 5 فیصد کم ہے۔

دسمبر 2016 کو ختم شدہ ششماہی	دسمبر 2017 کو ختم شدہ ششماہی	
19,638	23,177	Net turnover (PKR million) (ملین روپے)
2,020	1,693	Profit before taxation (PKR million) (ملین روپے)
1,536	1,463	Profit after taxation (PKR million) (ملین روپے)
16.63	15.84	Earnings per share (PKR) (روپے)



# Auditors' Report to the Members on Review of Interim Financial Information

## Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **ICI Pakistan Limited** (the Company) as at **31 December 2017**, the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity, and notes to the condensed interim unconsolidated financial statements for the six-months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures of the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the quarters ended 31 December 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2017.

## 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 information 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 information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants  
Arif Nazeer

Date: January 24, 2018  
Karachi

# Condensed Interim Unconsolidated Balance Sheet

As at December 31, 2017

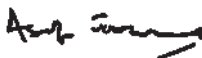
Amounts in PKR '000

	Note	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	20,928,802	19,613,523
Intangible assets	6	896,526	19,273
		<b>21,825,328</b>	19,632,796
Long-term investments	7	2,954,276	2,954,276
Long-term loans	8	413,115	370,465
Long-term deposits and prepayments		37,664	38,627
		<b>3,405,055</b>	3,363,368
		<b>25,230,383</b>	22,996,164
<b>Current assets</b>			
Stores, spares and consumables		937,591	942,636
Stock-in-trade	9	6,433,976	5,746,647
Trade debts		2,219,278	2,547,340
Loans and advances		458,340	444,191
Trade deposits and short-term prepayments		661,536	564,385
Other receivables		1,583,878	1,515,528
Taxation - net		1,316,620	1,257,222
Cash and bank balances		147,338	141,748
		<b>13,758,557</b>	13,159,697
<b>Total assets</b>		<b>38,988,940</b>	36,155,861
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
1,500,000,000 (June 30, 2017: 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, 2017: 92,359,050)			
ordinary shares of PKR 10 each		923,591	923,591
Capital reserves		309,643	309,643
Unappropriated profit		15,524,807	14,950,666
<b>Total equity</b>		<b>16,758,041</b>	16,183,900
<b>Surplus on revaluation of property, plant and equipment</b>		<b>709,087</b>	743,948
<b>Non-current liabilities</b>			
Provisions for non-management staff gratuity		108,238	102,289
Long-term loans	10	7,810,025	4,909,946
Deferred tax liability - net	11	1,067,247	1,231,011
		<b>8,985,510</b>	6,243,246
<b>Current liabilities</b>			
Trade and other payables		9,391,604	10,120,448
Accrued mark-up		145,152	102,155
Short-term borrowings and running finance	12	2,168,729	2,118,446
Current portion of long-term loans		830,817	643,718
		<b>12,536,302</b>	12,984,767
<b>Total equity and liabilities</b>		<b>38,988,940</b>	36,155,861
<b>Contingencies and commitments</b>			
	13		

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



# Condensed Interim Unconsolidated Profit and Loss Account (Unaudited)

For the Six Months Ended December 31, 2017

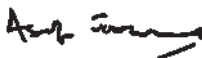
Amounts in PKR '000

	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2017	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016
<b>Turnover - note 14</b>	<b>13,558,520</b>	<b>26,309,485</b>	<b>12,048,884</b>	<b>22,620,918</b>
Sales tax	(715,092)	(1,365,604)	(688,256)	(1,268,224)
Commission and discounts	(901,334)	(1,766,822)	(977,884)	(1,715,175)
	<b>(1,616,426)</b>	<b>(3,132,426)</b>	<b>(1,666,140)</b>	<b>(2,983,399)</b>
Net turnover	<b>11,942,094</b>	<b>23,177,059</b>	<b>10,382,744</b>	<b>19,637,519</b>
Cost of sales - note 14 and 15	<b>(9,660,851)</b>	<b>(18,930,467)</b>	<b>(8,438,821)</b>	<b>(16,000,001)</b>
<b>Gross profit</b>	<b>2,281,243</b>	<b>4,246,592</b>	<b>1,943,923</b>	<b>3,637,518</b>
Selling and distribution expenses	(737,417)	(1,412,548)	(636,080)	(1,216,581)
Administration and general expenses	(495,522)	(776,530)	(244,895)	(487,284)
<b>Operating result - note 14</b>	<b>1,048,304</b>	<b>2,057,514</b>	<b>1,062,948</b>	<b>1,933,653</b>
Finance costs	(102,573)	(210,544)	(93,944)	(195,425)
Exchange (losses) / gains	(206,850)	(238,202)	7,783	6,099
Workers' profit participation fund	(40,977)	(89,184)	(62,412)	(106,380)
Workers' welfare fund	(22,903)	(34,560)	(24,201)	(41,222)
Other charges	(12,093)	(22,979)	(6,092)	(16,210)
	<b>(385,396)</b>	<b>(595,469)</b>	<b>(178,866)</b>	<b>(353,138)</b>
Dividend income	<b>95,000</b>	<b>195,000</b>	<b>285,000</b>	<b>405,000</b>
Other income	<b>20,652</b>	<b>36,374</b>	<b>16,740</b>	<b>34,349</b>
<b>Profit before taxation</b>	<b>778,560</b>	<b>1,693,419</b>	<b>1,185,822</b>	<b>2,019,864</b>
Taxation - note 16	(56,691)	(230,547)	(266,645)	(484,030)
<b>Profit after taxation</b>	<b>721,869</b>	<b>1,462,872</b>	<b>919,177</b>	<b>1,535,834</b>
	(PKR)			
<b>Basic and diluted earnings per share</b>	<b>7.82</b>	<b>15.84</b>	<b>9.95</b>	<b>16.63</b>

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

# Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the Six Months Ended December 31, 2017

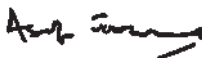
Amounts in PKR '000

	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2017	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016
<b>Profit after taxation</b>	<b>721,869</b>	<b>1,462,872</b>	<b>919,177</b>	<b>1,535,834</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>721,869</b>	<b>1,462,872</b>	<b>919,177</b>	<b>1,535,834</b>

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

# Condensed Interim Unconsolidated Cash Flow Statement (Unaudited)

For the Six Months Ended December 31, 2017

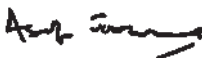
Amounts in PKR '000

	December 31, 2017	December 31, 2016
<b>Cash flows from operating activities</b>		
Cash generated from operations - note 17	2,449,574	2,872,010
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(9,796)	(8,324)
Staff retirement benefit plan	(27,085)	(27,734)
Taxation	(453,709)	343,061
Interest	(167,547)	(201,395)
<b>Net cash generated from operating activities</b>	<b>1,791,437</b>	<b>2,977,618</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	(2,165,338)	(1,364,778)
Proceeds from disposal of operating fixed assets	307	1,061
Interest received on bank deposits	140	1,470
Business acquisition - note 4	(1,935,700)	(981,300)
Dividend from associate	100,000	120,000
<b>Net cash used in investing activities</b>	<b>(4,000,591)</b>	<b>(2,223,547)</b>
<b>Cash flows from financing activities</b>		
Long-term loans obtained	3,331,796	1,000,000
Long-term loans repaid	(244,618)	(222,222)
Dividends paid	(922,717)	(823,771)
<b>Net cash generated from / (used in) financing activities</b>	<b>2,164,461</b>	<b>(45,993)</b>
Net (decrease) / increase in cash and cash equivalents	(44,693)	708,078
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(1,976,698)</b>	<b>(1,818,146)</b>
<b>Cash and cash equivalents at the end of period (Ref. 1)</b>	<b>(2,021,391)</b>	<b>(1,110,068)</b>
<b>Ref. 1: Cash and cash equivalents at the end of period comprise of:</b>		
Cash and bank balances	147,338	190,178
Short-term borrowings and running finance	(2,168,729)	(1,300,246)
	<b>(2,021,391)</b>	<b>(1,110,068)</b>

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

# Condensed Interim Unconsolidated Statement of Changes in Equity (Unaudited)

For the Six Months Ended December 31, 2017

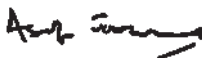
Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total
<b>As at July 1, 2016</b>	<b>923,591</b>	<b>309,643</b>	<b>13,183,294</b>	<b>14,416,528</b>
Final dividend of PKR 9.00 per share for the year ended June 30, 2016	-	-	(831,231)	(831,231)
Profit for the period	-	-	1,535,834	1,535,834
Other comprehensive income for the period - net of tax	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,535,834</b>	<b>1,535,834</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	48,211	48,211
<b>As at December 31, 2016</b>	<b>923,591</b>	<b>309,643</b>	<b>13,936,108</b>	<b>15,169,342</b>
Interim dividend of PKR 8.00 per share for the year ended June 30, 2017	-	-	(738,872)	(738,872)
Profit for the period	-	-	1,760,257	1,760,257
Other comprehensive income for the period - net of tax	-	-	(55,924)	(55,924)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,704,333</b>	<b>1,704,333</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	49,097	49,097
<b>As at June 30, 2017</b>	<b>923,591</b>	<b>309,643</b>	<b>14,950,666</b>	<b>16,183,900</b>
Final dividend of PKR 10.00 per share for the year ended June 30, 2017	-	-	(923,591)	(923,591)
Profit for the period	-	-	1,462,872	1,462,872
Other comprehensive income for the period - net of tax	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,462,872</b>	<b>1,462,872</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	34,860	34,860
<b>As at December 31, 2017</b>	<b>923,591</b>	<b>309,643</b>	<b>15,524,807</b>	<b>16,758,041</b>

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

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2017

## 1 Status and nature of business

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

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

## 2 Statement of compliance

Effective 30 May 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated 06 October 2017 which states that the interim financial information of the companies for the periods ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance 1984. Accordingly, these condensed interim financial information have been prepared in accordance with International Accounting Standard - 34 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provision of or directive issued under the repealed Companies Ordinance, 1984 have been followed.

Currently, the Company is assessing the impact of these requirement on the financial statements. It is expected that it will result in change in accounting treatments and enhanced disclosures in the financial statements which will be incorporated in the subsequent financial statements of the Company.

These 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 Company's annual financial statements for the year ended June 30, 2017.

## 3 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2017, except for the adoption of new accounting standards and interpretations as disclosed in note 20 to these financial statements.

## 4 Business Acquisition

On 11th August 2017, the Company acquired certain assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited which constitute a business combination as per IFRS 3: Business Combinations. These assets include land, building, plant and machinery and certain other assets of Wyeth Pakistan Limited alongwith certain brands and registrations of Wyeth Pakistan Limited and Pfizer Pakistan Limited. The following table summarizes the estimated fair values of net assets acquired:

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2017

Amounts in PKR '000

	Fair value recognized on acquisition
<b>Indicative value of tangible assets</b>	
Land	175,000
Building and civil works	203,000
Plant and machinery	493,400
Vehicles	5,100
Computer equipment	1,300
Furniture and fixtures	45,400
<b>Total non-current assets</b>	923,200
<b>Current assets</b>	132,530
	<b>1,055,730</b>
<b>Indicative value of intangibles:</b>	
Brands	753,460
Goodwill	126,510
	<b>879,970</b>
<b>Consideration paid in cash</b>	<b>1,935,700</b>

Revenue and the profit before tax from the acquired business during the period ended 31 December, 2017 are as follows:

<b>Net Turnover</b>	<b>692,478</b>
<b>Profit before tax</b>	<b>73,382</b>

The aforementioned results have been reported under the Life Sciences division of the Company based on the accounting policies of the Company as disclosed in the annual financial statements for the year ended 30 June 2017.

The management has decided to finalize the determination of valuation of assets acquired within one year from the acquisition date, which is allowed under IFRS 3 "Business Combinations" as measurement period, therefore provisional figures based on latest available information have been considered for the acquisition accounting.

The goodwill recognized is primarily attributed to the expected synergies and other benefits from combining the assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited. The goodwill is not deductible for income tax purposes.

December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
-------------------------------------	-------------------------------

## 5 Property, plant and equipment

Operating fixed assets - at net book value	15,185,770	15,240,784
Capital work-in-progress - at cost		
Civil works and buildings	873,165	715,276
Plant and machinery	4,722,894	3,363,173
Advances to suppliers / contractors	146,973	294,290
Total capital work-in-progress - note 5.2	5,743,032	4,372,739
<b>Total property, plant and equipment</b>	<b>20,928,802</b>	<b>19,613,523</b>

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2017

Amounts in PKR '000

5.1 Following is the cost of operating fixed assets that have been added / disposed off during the six months ended December 31, 2017:

	Additions / Acquisition /Transfers		Disposals at net book value	
	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
Freehold land	200,062	10,244	-	-
Buildings on freehold land	204,852	7,308	-	-
Buildings on leasehold land	14,429	156,690	-	-
Plant and machinery	533,531	1,309,963	-	-
Rolling stock and vehicles	2,256	12,976	-	(455)
Furniture and equipment	82,958	82,552	(287)	(39)
	1,038,088	1,579,733	(287)	(494)

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

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
Opening balance	4,372,739	1,162,320
Addition during the period / year	1,514,787	4,703,939
	5,887,526	5,866,259
Transferred to operating fixed assets	(144,494)	(1,493,520)
	5,743,032	4,372,739

## 6 Intangible assets

Intangible assets - at net book value - note 6.1	896,526	19,273
--	---------	--------

6.1 Following is the detail of intangible assets:

Brands - note 4	753,460	-
Goodwill - note 4	126,510	-
Others	16,556	19,273
	896,526	19,273

6.2 Addition to intangible assets:	880,470	9,999
------------------------------------	---------	-------

## 7 Long-term investments

### Unquoted

#### Subsidiaries

- ICI Pakistan PowerGen Limited (wholly owned)  
7,100,000 ordinary shares 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 of PKR 100 each and premium of  
PKR 8,661.61 per share

981,300 981,300

- Nutrico Morinaga (Private) Limited  
5,100,000 ordinary shares of PKR 100 each

510,000 510,000

#### Associate

- NutriCo Pakistan (Private) Limited (40% ownership)  
200,000 ordinary shares of PKR 1,000 each and premium of  
PKR 3,800 per share

960,000 960,000

### Others

Equity security available for sale  
- Arabian Sea Country Club Limited  
250,000 ordinary shares of PKR 10 each

2,500	2,500
2,954,276	2,954,276



# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2017

Amounts in PKR '000

December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
-------------------------------------	-------------------------------

## 8 Long-term loans

### Considered Good

Due from executives and employees	538,970	494,470
Current portion shown under loans and advances	(125,855)	(124,005)
	<b>413,115</b>	<b>370,465</b>

## 9 Stock-in-trade

It includes items carried at net realisable value of PKR 413,701 million (June 30, 2017: PKR 734,965 million) on which expense of PKR 5.263 million (June 30, 2017: PKR 25.648 million) was recognised during the period / year.

## 10 Long-term loans

Long term loans - note 10.1	8,640,842	5,553,664
Current portion shown under current liabilities	(830,817)	(643,718)
	<b>7,810,025</b>	<b>4,909,946</b>

10.1 Opening balance	5,553,664	4,046,369
Obtained during the period / year	3,331,796	1,896,186
Repaid during the period / year	(244,618)	(388,891)
<b>Closing balance - note 10.2</b>	<b>8,640,842</b>	<b>5,553,664</b>

10.2 There is no change in the terms and conditions of long-term loans as disclosed in the Company's annual audited financial statements, except that during the period, the Company availed further long term loans based on reducing balance method amounting to PKR 1.431 billion from UBL, PKR 500 Million from HBL and PKR 700 million from ABL @ 6MKIBOR + 0.05%. Loan from ABL and HBL are secured against fixed assets of Soda Ash Business and Loan from UBL is secured against overall Company's assets. The markup on these loans is payable on semi annual basis. In addition to this, Company availed a further Long Term Financing Facility on reducing balance method amounting to PKR 700 million from MCB Bank @ SBP rate plus 0.3%. The markup on LTFF is payable on quarterly basis. LTFF is secured against fixed assets of Soda Ash Business.

## 11 Deferred tax liability - net

### Deductible temporary differences

Provisions for retirement benefits, doubtful debts and others	(347,392)	(273,718)
Retirement funds provision	(37,981)	(37,718)

### Taxable temporary differences

Property, plant and equipment	1,452,620	1,542,447
	<b>1,067,247</b>	<b>1,231,011</b>

## 12 Short-term borrowings and running finance

Export refinance - (mark-up: SBP rate + 0.25% per annum)	200,000	50,000
Money market	150,000	550,000
Short-term running finance - secured	1,818,729	1,518,446
	<b>2,168,729</b>	<b>2,118,446</b>

There is no change in the terms and conditions of the short-term borrowings and running finance as disclosed in the annual audited financial statements of the Company.

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2017

Amounts in PKR '000

December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
-------------------------------------	-------------------------------

## 13 Contingencies and commitments

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

Local bodies	1,400	1,400
Others	15,843	15,302
	<b>17,243</b>	<b>16,702</b>

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 of the Company.

### 13.2 Commitments in respect of capital expenditure (including light ash project of Soda Ash)

	<b>366,564</b>	1,848,267
--	----------------	-----------

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

Year		
2017-18	39,886	72,921
2018-19	69,935	60,110
2019-20	50,548	39,393
2020-21	29,953	18,186
2021-22	3,553	-
	<b>193,875</b>	<b>190,610</b>
Payable not later than one year	39,886	72,921
Payable later than one year but not later than five years	153,989	117,689
	<b>193,875</b>	<b>190,610</b>

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

## For the Six Months Ended December 31, 2017

### 14 Operating Segment results

Amounts in PKR '000

	Polyester			Soda Ash			Life Sciences*			Chemicals and Agri Sciences*			Company		
	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016	For the 6 months ended December 31, 2017	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016	For the 6 months ended December 31, 2017	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016	For the 6 months ended December 31, 2017	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016	For the 6 months ended December 31, 2017	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016	For the 6 months ended December 31, 2016
<b>Turnover - note 14.1, 14.2 &amp; 14.3</b>	-	-	-	3,770,822	7,147,495	3,823,163	3,296,596	6,239,850	2,496,125	1,986,510	4,109,283	2,057,537	13,558,520	26,309,465	22,620,918
Sales tax	(89,011)	(161,103)	(96,889)	(532,431)	(1,010,337)	(505,549)	(21,196)	(46,438)	(18,922)	(160,665)	(308,831)	(160,765)	(715,692)	(1,365,604)	(1,268,224)
Commission and discounts	(69,011)	(161,103)	(96,889)	(227,081)	(435,538)	(245,587)	(387,688)	(732,571)	(346,878)	(197,554)	(417,612)	(268,550)	(891,354)	(1,796,822)	(977,884)
	(69,011)	(161,103)	(96,889)	(759,512)	(1,445,873)	(751,116)	(409,884)	(779,007)	(355,800)	(358,219)	(727,443)	(449,335)	(1,616,428)	(3,132,426)	(2,983,399)
Net turnover	4,415,811	6,854,082	3,773,892	3,011,510	5,701,622	2,893,047	2,866,882	5,461,843	2,132,325	1,628,091	3,381,840	1,608,202	11,942,094	23,177,059	19,637,519
Cost of sales	(4,274,497)	(6,395,960)	(3,769,380)	(2,082,482)	(4,048,372)	(1,958,415)	(2,099,775)	(3,945,349)	(1,509,622)	(1,204,097)	(2,542,114)	(1,202,146)	(8,690,851)	(16,930,467)	(16,000,007)
- note 14.1 and 15	141,314	238,122	4,532	928,828	1,652,260	910,632	787,107	1,516,494	627,703	423,994	839,726	405,056	2,261,243	4,246,592	3,637,516
Gross profit	(82,510)	(123,704)	(56,653)	(173,502)	(133,529)	(66,325)	(314,744)	(700,895)	(293,633)	(226,061)	(454,420)	(217,469)	(737,417)	(1,412,548)	(636,080)
Selling and distribution expenses	(53,576)	(103,628)	(76,758)	(82,940)	(157,592)	(62,331)	(90,110)	(149,313)	(54,839)	(268,894)	(386,027)	(50,957)	(495,520)	(776,530)	(487,284)
Administration and general expenses	25,226	10,790	(128,879)	772,686	1,361,199	779,976	321,953	666,296	214,231	(71,561)	19,279	137,620	1,048,304	2,067,514	1,933,653
Operating result															

	Polyester			Soda Ash			Life Sciences *			Chemicals and Agri Sciences *			Company		
	As at December 31, 2017	As at December 31, 2017	As at December 31, 2017	As at December 31, 2017	As at December 31, 2017	As at December 31, 2017	As at December 31, 2017	As at December 31, 2017	As at December 31, 2017	As at December 31, 2017	As at December 31, 2017	As at December 31, 2017	As at December 31, 2017	As at December 31, 2017	As at December 31, 2017
Segment assets	9,370,616	9,882,810	9,370,616	22,037,371	20,854,646	22,037,371	7,333,367	6,131,919	6,385,732	5,740,245	34,702,011	31,944,363	4,236,929	4,271,496	4,271,496
Unallocated assets													38,968,940	36,155,961	36,155,961
Segment liabilities	13,443,080	13,714,748	13,443,080	2,968,375	3,925,255	2,968,375	2,586,049	2,277,334	1,898,225	1,921,099	10,485,664	11,373,180	11,086,148	7,854,833	7,854,833
Unallocated liabilities													21,521,812	19,228,013	19,228,013

\* During the period, Life Sciences Business and Chemicals Business underwent a restructuring which resulted in the split of Agri Division from Life Sciences Business to Chemicals Business. Consequently, the Chemicals Business was renamed as Chemicals and Agri Sciences Business. Comparative figures of both Businesses have been restated accordingly.

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

For the Six Months Ended December 31, 2017

Amounts in PKR '000

	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2017	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016
<b>14.1 Turnover</b>				
Inter-segment sales and purchases have been eliminated from the total.	-	2,328	722	3,320
<b>14.2</b> Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.				
<b>14.3</b> Turnover includes export sales made to various countries amounting to:	132,125	209,235	139,003	353,606
<b>15 Cost of sales</b>				
Opening stock of raw and packing materials	2,934,424	2,464,250	2,189,951	2,258,116
Purchases	5,470,121	10,635,585	4,224,018	8,183,152
	8,404,545	13,099,835	6,413,969	10,441,268
Closing stock of raw and packing materials	(3,141,138)	(3,141,138)	(2,240,515)	(2,240,515)
Raw and packing materials consumption	5,263,407	9,958,697	4,173,454	8,200,753
Manufacturing costs	2,447,148	4,723,666	2,169,450	4,303,220
	7,710,555	14,682,363	6,342,904	12,503,973
Opening stock of work-in-process	79,200	75,246	121,656	140,179
	7,789,755	14,757,609	6,464,560	12,644,152
Closing stock of work-in-process	(113,118)	(113,118)	(131,252)	(131,252)
Cost of goods manufactured	7,676,637	14,644,491	6,333,308	12,512,900
Opening stock of finished goods	2,827,712	3,207,151	3,144,216	2,898,451
Finished goods purchased	2,336,222	4,258,545	2,049,770	3,677,123
	12,840,571	22,110,187	11,527,294	19,088,474
Closing stock of finished goods	(3,179,720)	(3,179,720)	(3,088,473)	(3,088,473)
Cost of Sales	9,660,851	18,930,467	8,438,821	16,000,001
<b>16 Taxation</b>				
Current	179,338	394,311	248,035	534,048
Deferred	(122,647)	(163,764)	18,610	(50,018)
	56,691	230,547	266,645	484,030

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

For the Six Months Ended December 31, 2017

Amounts in PKR '000

For the 6 months ended December 31, 2017	For the 6 months ended December 31, 2016
--	--

## 17 Cash flows from operations

Profit before taxation	1,693,419	2,019,864
Adjustments for:		
Depreciation and amortisation	1,096,032	1,102,561
Gain on disposal of operating fixed assets	(20)	(605)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	21,388	15,950
Provision for staff retirement benefit plan	13,367	13,514
Interest on bank deposits	(140)	-
Dividend from Subsidiary - PowerGen	(95,000)	(125,000)
Dividend from Associate - NutriCo Pakistan	(100,000)	(280,000)
Interest expense	210,544	195,227
Provision for slow moving and obsolete stock-in-trade	143,355	29,320
Provision for doubtful trade debts	115,680	27,389
Provision for slow moving and obsolete stores, spares and consumables	555	-
	3,099,180	2,998,220
Movement in:		
Working capital - note 17.1	(607,917)	(114,464)
Long-term loans	(42,653)	(12,517)
Long-term deposits and prepayments	964	771
<b>Cash generated from operations</b>	<b>2,449,574</b>	<b>2,872,010</b>
<b>17.1 Movement in working capital</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spares and consumables	49,598	(66,578)
Stock-in-trade	(743,262)	(192,814)
Trade debts	212,382	(274,665)
Loans and advances	(14,149)	(36,997)
Trade deposits and short-term prepayments	(83,433)	(16,041)
Other receivables	26,650	(103,470)
	(552,214)	(690,565)
<b>(Decrease) / Increase in current liabilities</b>		
Trade and other payables	(55,703)	576,101
	(607,917)	(114,464)

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

For the Six Months Ended December 31, 2017

Amounts in PKR '000

## 18 Transactions with related parties

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

		For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2017	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016
Relationship with the company	Nature of Transaction				
Holding Company	Royalty	74,271	143,357	66,429	125,023
	Dividend	684,960	684,960	620,967	620,967
Subsidiary Companies	Purchase of electricity	146,088	292,812	133,499	251,752
<i>PowerGen</i>	Provision of services and other receipts	495	990	495	990
	Sale of goods and material	-	-	-	221
	Dividend income	95,000	95,000	125,000	125,000
<i>Cirin</i>	Investment in subsidiary	-	-	981,300	981,300
Associated Companies	Purchase of goods, materials and services	10,736	72,791	42,745	53,907
	Sale of goods and materials	450,199	867,830	406,298	771,406
	Donations paid	-	5,000	-	-
	Reimbursement of expenses	17,969	36,957	24,897	41,873
	Dividend paid to associate	110,581	110,581	99,523	99,523
	Dividend income from associate	-	100,000	160,000	280,000
Others	Staff retirement benefits	80,551	123,472	41,386	87,844
Key manangement personnel	Remuneration paid	54,127	190,250	48,823	151,854
	Post employment benefits	7,501	16,743	7,820	15,025

# Notes to the Condensed Interim Unconsolidated Financial Statements

For the Six Months Ended December 31, 2017

Amounts in PKR '000

## 19 Estimates

Judgments and estimates made by the management in the preparation of the condensed interim unconsolidated financial statements were the same as those applied to the financial statements as at and for the year ended June 30, 2017.

## 20 New amended and revised standards and interpretations of IFRSs

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

The Company has adopted the following amendment to IFRSs which became effective for the current period:

IAS 7 Statement of Cashflows : Disclosures - Disclosure Initiative (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim financial statements.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. The Company expects that such improvements to the standards do not have any material impact on the Company's financial statements for the period.

## 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, 2017.

## 22 Post balance sheet - dividend

The Directors in their meeting held on January 24, 2018 have recommended and approved an interim cash dividend of PKR 8.00 per share in respect of six months ended December 31, 2017 (December 2016: PKR 8.00 per share). The condensed interim unconsolidated financial statements for the six months ended December 31, 2017 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

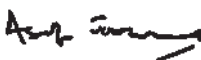
The condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on January 24, 2018.

## 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 Quarter & Six Months Ended December 31, 2017

The Directors are pleased to present their review together with the unaudited Group results of ICI Pakistan Limited for the quarter and six months ended December 31, 2017. The ICI Pakistan Group comprises of ICI Pakistan Limited, ICI Pakistan PowerGen Limited (PowerGen), Cirin Pharmaceuticals (Private) Limited (Cirin), and NutriCo Morinaga (Private) Limited (NutriCo Morinaga) as its subsidiaries. The Directors' Report, which provides a commentary on the performance of ICI Pakistan Limited for the half year ended December 31, 2017, has been presented separately.

Cirin achieved a net turnover of PKR 343 million for the six months under review. Overall, the market tends to remain stable; however, demand for our brands has begun to increase.

Net turnover of PowerGen for the six month period under review grew to PKR 250 million; 16% higher as compared to the SPLY. A higher net turnover was attributed to the increased sale of electricity to the Polyester Business by 2%, and rising furnace oil prices by 16%. The operating result increased by 30% due to lower repair and maintenance costs incurred as compared to the SPLY.

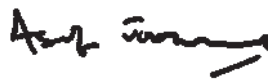
NutriCo Morinaga has been actively pursuing the construction of a state-of-the-art manufacturing facility to manufacture Morinaga infant formula, which will then be distributed, marketed, and sold by the company. On November 23, 2017, a ground-breaking ceremony was held for the new manufacturing facility. Work on the plant's completion is progressing as per the planned timeline. During the six months period under review, the Company generated other income of PKR 23 million on its bank deposits, which translated into profit after tax (PAT) of PKR 16 million.

On a consolidated basis (including the results of the Company's subsidiaries: PowerGen, Cirin and NutriCo Morinaga) PAT for the six months under review, at PKR 1,629 million and PKR 17.56 EPS, is 9% higher than the SPLY. The Company recognised PKR 279 million as share of profit from NutriCo Pakistan (Private) Limited.



**Muhammad Sohail Tabba**  
Chairman / Director

January 24, 2018  
Karachi



**Asif Jooma**  
Chief Executive

## ڈائریکٹرز کا جائزہ

برائے سہ ماہی اور ششماہی ختم شدہ 31 دسمبر 2017

ڈائریکٹرز آئی سی آئی پاکستان لمیٹڈ کے غیر آڈٹ شدہ گروپ نتائج برائے سہ ماہی اور ششماہی ختم شدہ 31 دسمبر 2017 پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔ آئی سی آئی پاکستان گروپ، آئی سی آئی پاکستان لمیٹڈ، آئی سی آئی پاکستان PowerGen لمیٹڈ (PowerGen)، سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ (Cirin) اور نیوٹری کوموری ناگا (پرائیویٹ) لمیٹڈ (NutricoMorinaga) زیر ملکیت اداروں پر مشتمل ہے۔

ششماہی ختم شدہ 31 دسمبر 2017 کے عرصہ کے دوران آئی سی آئی پاکستان لمیٹڈ کی کارکردگی کی وضاحت پر مشتمل ڈائریکٹرز رپورٹ علیحدہ سے پیش کی جا چکی ہے۔

سرن نے زیر جائزہ ششماہی کے دوران 343 ملین روپے کا مجموعی کاروبار کیا۔ مجموعی طور پر مارکیٹ کی صورتحال مستحکم رہی جبکہ ہماری براہد ز کی طلب میں اضافہ شروع ہو گیا ہے۔

PowerGen کا مجموعی کاروبار برائے ششماہی، 250 ملین روپے رہا جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 16 فیصد زائد ہے۔ اس قابل قدر اضافے کی اہم وجہ پالیسٹر پلانٹ کبجی کی فروخت میں 2 فیصد اضافہ اور فرنیس آئل کی قیمتوں میں 16 فیصد اضافہ ہے۔ نتیجے میں انتظامی منافع گزشتہ سال کے اسی عرصہ کے مقابلے میں 30 فیصد زائد رہا کیونکہ مرمتی اور مینٹنس کے اخراجات کم رہے۔

نیوٹری کوموری ناگا بہت ہی موثر انداز میں موری ناگا انڈسٹ فارمولا کی تیاری کے لئے جدید ترین مینوفیکچرنگ سہولت کی تعمیر میں مصروف ہے، جس کے بعد کمپنی اس کی ڈسٹری بیوٹن، مارکیٹنگ اور فروخت کے امور انجام دے گی۔ 23 نومبر 2017 کو نئی مینوفیکچرنگ سہولت کی افتتاحی تقریب منعقد کی گئی۔ پلانٹ کی تکمیل کا کام اپنے منصوبے کے تحت جاری ہے۔ زیر جائزہ عرصہ کے دوران کمپنی نے اپنے بینک ڈپازٹس پر 23 ملین روپے کی دیگر آمدنی حاصل کی جو کہ بعد از ٹیکس 16 ملین روپے بنتی ہے۔

زیر جائزہ عرصہ کے دوران مجموعی بنیادوں پر (بشمول کمپنی کے زیر ملکیتی اداروں: پاورجن، سرن اور نیوٹری کوموری ناگا) بعد از ٹیکس منافع گزشتہ سال کے اسی عرصہ کے مقابلے میں 9 فیصد اضافہ کے ساتھ 1,629 ملین روپے اور ہر ایک شیئر پر 17.56 روپے بنتا ہے۔ کمپنی نے نیوٹری کو پاکستان (پرائیویٹ) لمیٹڈ کی جانب سے اپنے منافع کے حصے کے طور پر 279 ملین روپے اپنے نام کئے۔

آصف جمہ

چیف ایگزیکٹو

محمد سہیل بنا

چیئر مین / ڈائریکٹر

تاریخ: 24 جنوری 2018

کراچی۔

# Condensed Interim Consolidated Balance Sheet

As at December 31, 2017

Amounts in PKR '000

	Note	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	21,646,374	19,958,615
Intangible assets	6	1,660,609	783,356
		<b>23,306,983</b>	<b>20,741,971</b>
Long-term investment	7	1,145,574	966,536
Long-term loans	8	429,843	382,421
Long-term deposits and prepayments		59,038	38,627
		<b>1,634,455</b>	<b>1,387,584</b>
		<b>24,941,438</b>	<b>22,129,555</b>
<b>Current assets</b>			
Stores, spares and consumables	9	1,002,749	1,011,381
Stock-in-trade		6,609,564	5,913,900
Trade debts		2,277,507	2,589,878
Loans and advances		667,143	441,985
Trade deposits and short-term prepayments		664,575	577,426
Other receivables		1,569,267	1,617,870
Taxation - net		1,319,157	1,253,468
Cash and bank balances		764,581	1,266,464
		<b>14,874,543</b>	<b>14,672,372</b>
<b>Total assets</b>		<b>39,815,981</b>	<b>36,801,927</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
1,500,000,000 (June 30, 2017: 1,500,000,000)			
ordinary shares of PKR 10 each		<b>15,000,000</b>	<b>15,000,000</b>
Issued, subscribed and paid-up capital			
92,359,050 (June 30, 2017: 92,359,050)			
ordinary shares of PKR 10 each		<b>923,591</b>	<b>923,591</b>
Capital reserves		<b>309,643</b>	<b>309,643</b>
Unappropriated profit		<b>15,838,892</b>	<b>15,102,390</b>
Attributable to the equity holders of the holding company		<b>17,072,126</b>	<b>16,335,624</b>
Non-controlling interests		<b>495,121</b>	<b>487,360</b>
<b>Total equity</b>		<b>17,567,247</b>	<b>16,822,984</b>
<b>Surplus on revaluation of property, plant and equipment</b>		<b>864,220</b>	<b>902,788</b>
<b>Non-current liabilities</b>			
Provisions for non-management staff gratuity		<b>123,691</b>	<b>115,030</b>
Long-term loans	10	<b>7,817,576</b>	<b>4,919,478</b>
Deferred tax liability - net	11	<b>1,064,455</b>	<b>1,225,082</b>
Liabilities subject to finance lease	12	<b>73</b>	<b>799</b>
		<b>9,005,795</b>	<b>6,260,389</b>
<b>Current liabilities</b>			
Trade and other payables		<b>9,150,162</b>	<b>9,933,712</b>
Accrued mark-up		<b>145,152</b>	<b>103,473</b>
Short-term borrowings and running finance	13	<b>2,246,987</b>	<b>2,128,905</b>
Current portion of long-term loans		<b>834,766</b>	<b>647,667</b>
Current portion of liabilities subject to finance lease		<b>1,652</b>	<b>2,009</b>
		<b>12,378,719</b>	<b>12,815,766</b>
<b>Total equity and liabilities</b>		<b>39,815,981</b>	<b>36,801,927</b>

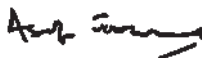
## Contingencies and commitments

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

# Condensed Interim Consolidated Profit and Loss Account (Unaudited)

For the Six Months Ended December 31, 2017

Amounts in PKR '000

	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2017	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016
<b>Turnover - note 15</b>	<b>13,935,750</b>	<b>26,936,985</b>	<b>12,068,281</b>	<b>22,657,497</b>
Sales tax	(736,319)	(1,408,150)	(707,653)	(1,304,803)
Commission and discounts	(1,069,471)	(2,008,882)	(977,884)	(1,715,175)
	<b>(1,805,790)</b>	<b>(3,417,032)</b>	<b>(1,685,537)</b>	<b>(3,019,978)</b>
Net turnover	<b>12,129,960</b>	<b>23,519,953</b>	<b>10,382,744</b>	<b>19,637,519</b>
Cost of sales - note 15 and 16	<b>(9,751,902)</b>	<b>(19,088,696)</b>	<b>(8,419,116)</b>	<b>(15,962,808)</b>
<b>Gross profit</b>	<b>2,378,058</b>	<b>4,431,257</b>	<b>1,963,628</b>	<b>3,674,711</b>
Selling and distribution expenses	(769,566)	(1,480,327)	(636,080)	(1,216,581)
Administration and general expenses	(511,690)	(806,632)	(245,107)	(487,525)
<b>Operating result - note 15</b>	<b>1,096,802</b>	<b>2,144,298</b>	<b>1,082,441</b>	<b>1,970,605</b>
Finance costs	(104,194)	(214,150)	(93,944)	(195,443)
Exchange (loss) / gain	(206,850)	(238,202)	7,652	5,966
Workers' profit participation fund	(43,469)	(93,677)	(63,441)	(108,318)
Workers' welfare fund	(24,432)	(36,325)	(24,600)	(41,973)
Other charges	(12,482)	(23,493)	(6,396)	(16,514)
	<b>(391,427)</b>	<b>(605,847)</b>	<b>(180,729)</b>	<b>(356,282)</b>
Other income	<b>34,165</b>	<b>63,564</b>	<b>18,669</b>	<b>37,343</b>
Share of profit from Associate	<b>135,279</b>	<b>279,038</b>	<b>192,653</b>	<b>321,667</b>
<b>Profit before taxation</b>	<b>874,819</b>	<b>1,881,053</b>	<b>1,113,034</b>	<b>1,973,333</b>
Taxation - note 17	(70,627)	(251,767)	(267,516)	(485,168)
<b>Profit after taxation</b>	<b>804,192</b>	<b>1,629,286</b>	<b>845,518</b>	<b>1,488,165</b>
<b>Attributable to:</b>				
Owners of the Holding Company	<b>800,311</b>	<b>1,621,525</b>	<b>845,518</b>	<b>1,488,165</b>
Non-Controlling interests	<b>3,881</b>	<b>7,761</b>	<b>-</b>	<b>-</b>
	<b>804,192</b>	<b>1,629,286</b>	<b>845,518</b>	<b>1,488,165</b>

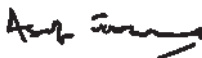
(PKR)

<b>Basic and diluted earnings per share</b>	<b>8.67</b>	<b>17.56</b>	<b>9.15</b>	<b>16.11</b>
---	-------------	--------------	-------------	--------------

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



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

# Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)

For the Six Months Ended December 31, 2017

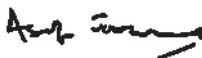
Amounts in PKR '000

	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2017	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016
<b>Profit after taxation</b>	<b>804,192</b>	<b>1,629,286</b>	<b>845,518</b>	<b>1,488,165</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>804,192</b>	<b>1,629,286</b>	<b>845,518</b>	<b>1,488,165</b>
<b>Attributable to:</b>				
Owners of the Holding Company	800,311	1,621,525	845,518	1,488,165
Non-Controlling interests	3,881	7,761	-	-
	<b>804,192</b>	<b>1,629,286</b>	<b>845,518</b>	<b>1,488,165</b>

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



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

# Condensed Interim Consolidated Cash Flow Statement (Unaudited)

For the Six Months Ended December 31, 2017

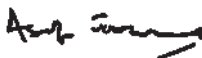
Amounts in PKR '000

	December 31, 2017	December 31, 2016
<b>Cash flows from operating activities</b>		
Cash generated from operations - note 18	2,278,046	2,986,257
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(10,333)	(8,324)
Staff retirement benefit plan	(27,139)	(27,798)
Taxation	(478,083)	343,062
Interest	(170,868)	(201,413)
<b>Net cash generated from operating activities</b>	<b>1,591,623</b>	<b>3,091,784</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	(2,563,796)	(1,364,198)
Proceeds from disposal of operating fixed assets	307	1,061
Dividend from associate	100,000	120,000
Interest received on bank deposits	26,854	4,932
Business acquisition - note 4	(1,935,700)	(981,300)
<b>Net cash used in investing activities</b>	<b>(4,372,335)</b>	<b>(2,219,505)</b>
<b>Cash flows from financing activities</b>		
Long-term loans obtained	3,331,796	1,000,000
Long-term loans repaid	(246,599)	(222,222)
Liabilities subject to finance lease	(1,733)	-
Dividends paid	(922,717)	(823,771)
<b>Net cash generated from / (used in) financing activities</b>	<b>2,160,747</b>	<b>(45,993)</b>
Net (decrease) / increase in cash and cash equivalents	(619,965)	826,286
<b>Cash and cash equivalents at the start of the period</b>	<b>(862,441)</b>	<b>(1,678,222)</b>
<b>Cash and cash equivalents at the end of the period (Ref. 1)</b>	<b>(1,482,406)</b>	<b>(851,936)</b>
<b>Ref 1: Cash and cash equivalents at the end of period comprise of:</b>		
Cash and bank balances	764,581	435,001
Short-term borrowings and running finance	(2,246,987)	(1,286,937)
	<b>(1,482,406)</b>	<b>(851,936)</b>

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



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer



# Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)

For the Six Months Ended December 31, 2017

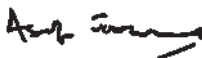
Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total Reserves	Non- controlling interests	Total
<b>As at July 1, 2016</b>	<b>923,591</b>	<b>309,643</b>	<b>13,341,517</b>	<b>13,651,160</b>	<b>-</b>	<b>14,574,751</b>
Final dividend of PKR 9.00 per share for the year ended June 30, 2016	-	-	(831,231)	(831,231)	-	(831,231)
Profit for the period	-	-	1,488,165	1,488,165	-	1,488,165
Other comprehensive income for the period - net of tax	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,488,165</b>	<b>1,488,165</b>	<b>-</b>	<b>1,488,165</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	51,061	51,061	-	51,061
<b>As at December 31, 2016</b>	<b>923,591</b>	<b>309,643</b>	<b>14,049,512</b>	<b>14,359,155</b>	<b>-</b>	<b>15,282,746</b>
Interim dividend for the year ended June 30, 2017 @ PKR 8.00 per share	-	-	(738,872)	(738,872)	-	(738,872)
Shares issued to non-controlling interests	-	-	-	-	490,000	490,000
Loss attributable to non-controlling interest for the year	-	-	-	-	(2,640)	(2,640)
	-	-	-	-	<b>487,360</b>	<b>487,360</b>
Profit for the period	-	-	1,794,582	1,794,582	-	1,794,582
Other comprehensive income for the period - net of tax	-	-	(55,924)	(55,924)	-	(55,924)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,738,658</b>	<b>1,738,658</b>	<b>-</b>	<b>1,738,658</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	53,092	53,092	-	53,092
<b>As at June 30, 2017</b>	<b>923,591</b>	<b>309,643</b>	<b>15,102,390</b>	<b>15,412,033</b>	<b>487,360</b>	<b>16,822,984</b>
Final dividend of PKR 10.00 per share for the year ended June 30, 2017	-	-	(923,591)	(923,591)	-	(923,591)
Profit for the period	-	-	1,621,525	1,621,525	7,761	1,629,286
Other comprehensive income for the period - net of tax	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,621,525</b>	<b>1,621,525</b>	<b>7,761</b>	<b>1,629,286</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	38,568	38,568	-	38,568
<b>As at December 31, 2017</b>	<b>923,591</b>	<b>309,643</b>	<b>15,838,892</b>	<b>16,148,535</b>	<b>495,121</b>	<b>17,567,247</b>

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



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Muhammad Abid Ganatra**  
Chief Financial Officer

# Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2017

## 1 Status and nature of business

The Group consists of ICI Pakistan Limited ("the Company"), ICI Pakistan PowerGen Limited ("PowerGen"), Cirin Pharmaceuticals (Private) Limited ("Cirin") and NutriCo Morinaga (Private) Limited ("NutriCo Morinaga"). ICI Pakistan Limited is incorporated in Pakistan and is listed on The Pakistan Stock Exchange. 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 of ICI Pakistan Limited. NutriCo Morinaga is incorporated in Pakistan as a private limited company and ICI Pakistan Limited holds 51% ownership in NutriCo Morinaga. The Group is a subsidiary of Lucky Holding Limited (a subsidiary of Lucky Cement Limited). The Company is engaged in the manufacture 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 merchanting of general chemicals. It also acts as an indenting agent and toll manufacturer. PowerGen is engaged in generating, selling and supplying electricity to the Company. Cirin is involved in manufacturing and sale of pharmaceutical products. NutriCo Morinaga is engaged in manufacturing of infant milk powder and currently it is in the start-up phase of plant construction. The Group's registered office is situated at 5 West Wharf, Karachi.

The condensed interim consolidated financial statements comprise the consolidated balance sheet 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, 2017 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof.

## 2 Statement of compliance

Effective 30 May 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, the Institute of Chartered Accountants of Pakistan also issued clarification vide its circular dated 06 October 2017 which states that the interim financial information of the companies for the periods ending on or before December 31, 2017 shall also be prepared in accordance with the provisions of the repealed Companies Ordinance 1984. Accordingly, these condensed interim financial information have been prepared in accordance with International Accounting Standard - 34 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provision of or directive issued under the repealed Companies Ordinance, 1984 have been followed.

Currently, the Company is assessing the impact of these requirement on the financial statements. It is expected that it will result in change in accounting treatments and enhanced disclosures in the financial statements which will be incorporated in the subsequent financial statements of the Company.

These 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 Company's annual financial statements for the year ended June 30, 2017.

## 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 financial statements for the year ended June 30, 2017, except for the adoption of new accounting standards and interpretations as disclosed in note 21 to these financial statements.

## 4 Business Acquisition

On 11th August 2017, the Group acquired certain assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited which constitute a business combination as per IFRS 3: Business Combinations. These assets include land, building, plant and machinery and certain other assets of Wyeth Pakistan Limited alongwith certain brands and registrations of Wyeth Pakistan Limited and Pfizer Pakistan Limited. The following table summarizes the estimated fair values of net assets acquired:

# Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2017

Amounts in PKR '000

	Fair value recognized on acquisition
<b>Indicative value of tangible assets</b>	
Land	175,000
Building and civil works	203,000
Plant and machinery	493,400
Vehicles	5,100
Computer equipment	1,300
Furniture and fixtures	45,400
<b>Total non-current assets</b>	<b>923,200</b>
<b>Current assets</b>	<b>132,530</b>
	<b>1,055,730</b>
<b>Indicative value of intangibles:</b>	
Brands	753,460
Goodwill	126,510
	<b>879,970</b>
<b>Consideration paid in Cash</b>	<b>1,935,700</b>

Revenue and the profit before tax from the acquired business during the period ended 31 December, 2017 are as follows:

<b>Net Turnover</b>	<b>692,478</b>
<b>Profit before tax</b>	<b>73,382</b>

The aforementioned results have been reported under the Life Sciences division of the Company based on the accounting policies of the Group as disclosed in the annual financial statements for the year ended 30 June 2017.

The management has decided to finalize the determination of valuation of assets acquired within one year from the acquisition date, which is allowed under IFRS 3 "Business Combinations" as measurement period, therefore provisional figures based on latest available information have been considered for the acquisition accounting.

The goodwill recognized is primarily attributed to the expected synergies and other benefits from combining the assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited. The goodwill is not deductible for income tax purposes.

## 5 Property, plant and equipment

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
Operating fixed assets - at net book value	15,470,358	15,534,162
Capital work-in-progress - at cost		
Civil works and buildings	897,734	715,276
Plant and machinery	5,131,309	3,414,887
Advances to suppliers / contractors	146,973	294,290
Total capital work-in-progress - note 5.2	6,176,016	4,424,453
<b>Total property, plant and equipment</b>	<b>21,646,374</b>	<b>19,958,615</b>

# Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2017

Amounts in PKR '000

5.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the six month ended December 31, 2017:

	Additions / Acquisition /Transfers		Disposals at net book value	
	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
Freehold land	200,062	10,244	-	-
Buildings on freehold land	204,852	7,308	-	-
Buildings on leasehold land	14,476	156,690	-	-
Plant and machinery	545,209	1,312,785	-	-
Rolling stock and vehicles	2,254	12,976	-	(2,464)
Furniture and equipment	88,209	85,180	(287)	(39)
<b>Total</b>	<b>1,055,062</b>	<b>1,585,183</b>	<b>(287)</b>	<b>(2,503)</b>

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
--	-------------------------------------	-------------------------------

5.2 The following is the movement in capital work-in-progress during the period / year:

Opening balance	4,424,453	1,162,951
Addition / acquisition during the period / year	1,901,008	4,757,118
	6,325,461	5,920,069
Transferred to operating fixed assets	(149,445)	(1,495,616)
<b>Closing balance</b>	<b>6,176,016</b>	<b>4,424,453</b>

## 6 Intangible assets

Intangible assets - at net book value - note 6.1	1,660,609	783,356
--	-----------	---------

6.1 Following is the detail of intangible assets:

Brands	1,437,679	684,219
Goodwill	206,374	79,864
Others	16,556	19,273
	1,660,609	783,356

6.2 Addition to / acquisition of intangible assets:	880,470	774,082
---	---------	---------

## 7 Long-term investments

### Unquoted - at equity method

Associate - NutriCo Pakistan (Private) Limited - note 7.1

Cost of investment - 200,000 ordinary shares

of PKR 1,000 each and premium of PKR 3,800 per share

960,000 960,000

Post acquisition profits at the beginning

4,036 1,167

Share of profit for the period / year

279,038 670,869

Dividend received during the period / year

(100,000) (668,000)

Carrying value of Associate

1,143,074 964,036

### Others - at cost

Equity security available for sale

- Arabian Sea Country Club Limited 250,000

ordinary shares of PKR 10 each

2,500 2,500

1,145,574 966,536

# Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2017

Amounts in PKR '000

**7.1** The Group has a 40% interest in NutriCo Pakistan (Private) Limited (the associate), which is involved in marketing and distribution of infant milk and nutritional products.

**7.2** The summary of financial information of associate (NutriCo Pakistan) as at the balance sheet date is as follows:

	<b>December 31, 2017 (Unaudited)</b>	<b>June 30, 2017 (Audited)</b>
Total assets	<b>5,466,702</b>	4,118,366
Total liabilities	<b>2,599,453</b>	1,698,711
Total equity and reserves	<b>2,867,249</b>	2,419,655
Total revenue for the period / year	<b>4,427,039</b>	7,909,462
Profit after tax for the period / year	<b>697,594</b>	1,677,172

## 8 Long-term loans

### *Considered good*

Due from executives and employees	<b>555,927</b>	508,790
Current portion shown under current assets	<b>(126,084)</b>	(126,369)
	<b>429,843</b>	382,421

## 9 Stock-in-trade

It includes items carried at net realisable value of PKR 413.701 million (June 30, 2017: PKR 734,965 million) on which expense of PKR 5.263 million (June 30, 2017: PKR 25.648 million) was recognised during the period / year.

## 10 Long-term loans

Long-term loans - note 10.1	<b>8,652,342</b>	5,567,145
Current portion shown under loans and advances	<b>(834,766)</b>	(647,667)
	<b>7,817,576</b>	4,919,478

<b>10.1</b> Opening Balance	<b>5,567,145</b>	4,046,369
Obtained during the period / year	<b>3,331,796</b>	1,913,135
Repaid during the period / year	<b>(246,599)</b>	(392,359)
<b>Closing balance - note 10.2</b>	<b>8,652,342</b>	5,567,145

**10.2** There is no change in the terms and conditions of long-term loans as disclosed in the Group's annual audited financial statements, except that during the period, the Group availed further long term loans based on reducing balance method amounting to PKR 1,431 billion from UBL, PKR 500 Million from HBL and PKR 700 million from ABL @ 6MKIBOR + 0.05%. Loan from ABL and HBL are secured against fixed assets of Soda Ash Business and Loan from UBL is secured against overall Company's assets. The markup on these loans is payable on semi annual basis. In addition to this, Company availed a further Long Term Financing Facility on reducing balance method amounting to PKR 700 million from MCB Bank @ SBP rate plus 0.3%. LTFF is secured against fixed assets of Soda Ash Business. The markup on LTFF is payable on quarterly basis.

## 11 Deferred tax liability - net

### **Deductible temporary differences**

Provisions for retirement benefits, doubtful debts and others	<b>(349,736)</b>	(273,718)
Retirement funds provision	<b>(37,981)</b>	(37,718)

### **Taxable temporary differences**

Property, plant and equipment	<b>1,452,172</b>	1,536,518
	<b>1,064,455</b>	1,225,082

# Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2017

Amounts in PKR '000

	December 31, 2017 (Unaudited)	June 30, 2017 (Audited)
<b>12 Liabilities subject to finance lease</b>		
Present value of lease payments under finance lease are as follows:		
Not later than one year	1,745	2,198
Later than one year and not later than five years	75	826
	1,820	3,024
Financial charges allocated to future period	(95)	(216)
	1,725	2,808
Current maturity shown under current liability	(1,652)	(2,009)
	73	799
<b>13 Short-term borrowings and running finance</b>		
Export refinance - (mark-up: SBP rate + 0.25% per annum)	200,000	50,000
Money market	150,000	550,000
Short-term running finance - secured	1,896,987	1,528,905
	2,246,987	2,128,905
There is no change in the terms and conditions of the short-term borrowings and running finance as disclosed in the annual audited financial statements of the Group.		
<b>14 Contingencies and commitments</b>		
Claims against the Group not acknowledged as debts are as follows:		
Local bodies	1,400	1,400
Others	15,843	15,302
	17,243	16,702
<b>14.1</b> 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 of the Group.		
<b>14.2</b> Commitments in respect of capital expenditure (including light ash project of Soda Ash and NutriCo Morinaga plant)	1,792,631	1,888,030
<b>14.3</b> Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:		
<b>Year</b>		
2017-18	39,886	72,921
2018-19	69,935	60,110
2019-20	50,548	39,393
2020-21	29,953	18,186
2021-22	3,553	-
	193,875	190,610
Payable not later than one year	39,886	72,921
Payable later than one year but not later than five years	153,989	117,689
	193,875	190,610

# Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2017

## 15 Operating Segment results

Amounts in PKR '000

	Polyester		Soda Ash				Life Sciences*				Chemicals and Agri Science*				Others				Group																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2016																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
Turnover - note 15.1, 15.2 & 15.3	4,594,622	8,815,185	3,870,781	7,156,885	3,770,823	7,147,495	3,823,163	6,927,254	3,662,570	6,624,865	2,498,125	4,767,626	1,966,309	4,103,263	2,057,537	3,778,262	133,469	251,752	13,955,750	26,896,985	12,083,281	22,657,497																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																											

	Polyester		Soda Ash		Life Sciences*		Chemicals and Agri Sciences*		Others		Company	
	As at December 31, 2017	As at June 30, 2017	As at December 31, 2017	As at June 30, 2017	As at December 31, 2017	As at June 30, 2017	As at December 31, 2017	As at June 30, 2017	As at December 31, 2017	As at June 30, 2017	As at December 31, 2017	As at June 30, 2017
<b>Segment assets</b>	9,270,616	9,882,810	22,037,371	20,654,646	7,970,376	6,622,334	6,385,732	5,740,245	1,332,111	1,390,974	36,571,131	33,817,840
<b>Unallocated assets</b>											3,244,650	2,984,087
											39,815,981	36,801,927
<b>Segment liabilities</b>	13,443,090	13,714,748	2,988,375	3,925,251	2,727,003	2,440,700	1,989,225	1,927,039	55,626	71,522	10,257,645	11,190,064
<b>Unallocated liabilities</b>											11,126,669	7,880,091
											21,384,514	19,075,155

\*During the period, Life Sciences Business and Chemicals Business underwent a restructuring which resulted in the shift of Agri Division from Life Sciences Business to Chemicals Business. Consequently, the Chemicals Business was renamed as Chemicals and Agri Sciences Business. Comparative figures of both Businesses have been restated accordingly.

# Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2017

Amounts in PKR '000

	For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2017	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016
<b>15.1 Turnover</b>				
Inter-segment sales and purchases have been eliminated from the total	124,862	252,595	114,824	218,493
<b>15.2</b> Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.				
<b>15.3</b> Turnover includes export sales made to various countries amounting to:	132,125	209,235	139,003	353,606
<b>16 Cost of sales</b>				
Opening stock of raw and packing materials	3,038,428	2,570,287	2,209,034	2,278,726
Purchases	5,529,735	10,749,730	4,221,623	8,179,230
	8,568,163	13,320,017	6,430,657	10,457,956
Closing stock of raw and packing materials	(3,248,696)	(3,248,696)	(2,257,203)	(2,257,203)
Raw and packing materials consumption	5,319,467	10,071,321	4,173,454	8,200,753
Manufacturing cost	2,470,661	4,760,851	2,149,748	4,266,029
	7,790,128	14,832,172	6,323,202	12,466,782
Opening stock of work-in-process	114,682	110,089	121,656	140,179
	7,904,810	14,942,261	6,444,858	12,606,961
Closing stock of work-in-process	(142,837)	(142,837)	(131,252)	(131,252)
Cost of goods manufactured	7,761,973	14,799,424	6,313,606	12,475,709
Opening stock of finished goods	2,856,501	3,233,524	3,144,216	2,898,452
Finished goods purchased	2,351,459	4,273,779	2,049,767	3,677,120
	12,969,933	22,306,727	11,507,589	19,051,281
Closing stock of finished goods	(3,218,031)	(3,218,031)	(3,088,473)	(3,088,473)
	9,751,902	19,088,696	8,419,116	15,962,808
<b>17 Taxation</b>				
Current	192,856	412,394	248,904	535,186
Deferred	(122,229)	(160,627)	18,612	(50,018)
	70,627	251,767	267,516	485,168



# Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2017

Amounts in PKR '000

For the 6 months ended December 31, 2017	For the 6 months ended December 31, 2016
--	--

## 18 Cash flows from operating activities

Profit before taxation	1,881,053	1,973,333
Adjustments for:		
Depreciation and amortisation	1,121,787	1,126,612
(Gain) / loss on disposal of operating fixed assets	(20)	(605)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	24,637	15,950
Provision for staff retirement benefit plan	13,421	13,514
Share of profit from associate	(279,038)	(321,667)
Interest on bank deposits	(27,489)	(3,870)
Interest expense	214,150	195,444
Provision for doubtful debts	115,680	27,389
Provision / (reversal) for slow moving and obsolete stock-in-trade	143,355	29,320
Provision for slow moving stores, spares and consumables	555	-
Provisions and accruals no longer required written back	(253)	-
	3,207,838	3,055,420
Movement in:		
Working capital - note 18.1	(861,959)	(56,899)
Long-term loans	(47,422)	(13,035)
Long-term deposits and prepayments	(20,411)	771
<b>Cash generated from operations</b>	<b>2,278,046</b>	<b>2,986,257</b>

### 18.1 Movement in working capital

<b>(Increase) / decrease in current assets</b>		
Stores, spares and consumables	53,185	(70,752)
Stock-in-trade	(751,597)	(188,891)
Trade debts	196,691	(274,734)
Loans and advances	(225,158)	(37,006)
Trade deposits and short-term prepayments	(73,430)	(16,693)
Other receivables	49,238	(104,841)
	(751,071)	(692,917)
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(110,888)	636,018
	(861,959)	(56,899)

# Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2017

Amounts in PKR '000

## 19 Transactions with related parties

The related parties comprise the holding company (Lucky Holding Limited), the ultimate parent company (Lucky Cement Limited) and related group companies, associated company, subsidiary 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 financial statements are as follows:

		For the 3 months ended December 31, 2017	For the 6 months ended December 31, 2017	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016
Relationship with the company	Nature of Transaction				
Holding Company	Royalty	74,271	143,357	66,429	125,023
	Dividend	684,960	684,960	620,967	620,967
Subsidiary Company (Cirin)	Investment in subsidiary	-	-	981,300	981,300
Associated Companies	Purchase of goods, materials and services	10,736	72,791	42,745	53,907
	Sale of goods and materials	450,199	867,830	406,298	771,406
	Donations paid	-	5,000	-	-
	Reimbursement of expenses	17,969	36,957	24,897	41,873
	Dividend paid to associates	110,581	110,581	99,523	99,523
	Dividend received from associate	-	100,000	160,000	280,000
Others	Staff retirement benefits	80,551	123,472	41,386	87,844
Key management personnel	Remuneration paid	54,127	190,250	48,823	151,854
	Post employment benefits	7,501	16,743	7,820	15,025

## 20 Estimates

Judgments and estimates made by the management in the preparation of the condensed interim consolidated financial statements were the same as those applied to the financial statements as at and for the year ended June 30, 2017.

# Notes to the Condensed Interim Consolidated Financial Statements

For the Six Months Ended December 31, 2017

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

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those of the previous financial year except as follows:

The Group has adopted the following amendment to IFRSs which became effective for the current period:

IAS 7 Statement of Cashflows : Disclosures - Disclosure Initiative (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendment to accounting standards did not have any effect on the condensed interim financial statements.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB. The Company expects that such improvements to the standards do not have any material impact on the Company's financial statements for the period.

## 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, 2017.

## 23 Post balance sheet - dividends

The Directors in their meeting held on January 24, 2018 have recommended an interim cash dividend of PKR 8.00 per share in respect of six months ended December 31, 2017 (December 31, 2016: PKR 8.00 per share). The condensed interim unconsolidated financial statements for the six months ended December 31, 2017 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

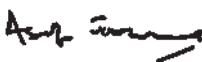
The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on January 24, 2018.

## 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](mailto:ccpa,pakistan@ici.com.pk)

UAN 111 100 200  
[www.ici.com.pk](http://www.ici.com.pk)