



ICI PAKISTAN LTD.

Quarterly Report
July - September 2017

Driven to Innovate



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ICI Pakistan Limited

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Company Information

Board of Directors

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

Audit Committee

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

HR & Remuneration Committee

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

Chief Financial Officer

M Abid Ganatra

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 Ended September 30, 2017

The Directors are pleased to present their review, together with the unaudited financial statements of the Company, for the quarter ended September 30, 2017.

Net turnover for the quarter at PKR 11,235 million is 21% higher than the same period last year (SPLY), primarily due to higher revenues in the Polyester, Life Sciences and Chemicals & Agri Sciences Businesses, which increased by 31%, 29% and 25% respectively.

The Company's operating result for the quarter at PKR 1,009 million is 16% higher as compared to the SPLY, mainly due to improved performances from the Polyester and Life Sciences Businesses. Improved margins, along with higher volumes, contributed to 82% reduction in the operating loss of the Polyester Business. In the Life Sciences Business, strong performances in both the Pharmaceuticals and Animal Health Divisions resulted in a 53% increase in operating profit compared to the SPLY.

Net profit after tax (PAT) of PKR 741 million for the quarter is 20% higher than the SPLY due to a higher operating result and lower taxation expenses.

Earnings per share at PKR 8.02 is 20% higher than the SPLY.

	Quarter Ended Sept 2017	Quarter Ended Sept 2016
Net turnover (PKR million)	11,235	9,255
Profit before taxation (PKR million)	915	834
Profit after taxation (PKR million)	741	617
Earnings per share (PKR)	8.02	6.68

Net turnover (PKR m)

Sep 2016  9,255
Sep 2017  11,235

Profit before taxation (PKR m)

Sep 2016  834
Sep 2017  915

Profit after taxation (PKR m)

Sep 2016  617
Sep 2017  741

Earnings per share (PKR)

Sep 2016  6.68
Sep 2017  8.02

Review of the Directors

For the Quarter Ended September 30, 2017

Polyester Staple Fibre Business (PSF)

Net turnover (PKR m)

Sep 2016	3,208
Sep 2017	4,218

Operating result (PKR m)

Sep 2016	(80)
Sep 2017	(14)

During the period under review, improved economic activity was experienced in both developed and emerging economies. Compared to the previous year, crude oil prices rebounded following improved compliance to OPEC's production cutback agreement. As a result, prices across the entire petrochemical chain increased, with PTA & MEG prices rising by 3% and 40% respectively. Alongside this positive momentum, a recent decision by the Chinese Government to ban the import of recycled PET flakes boosted demand and pricing for regional Polyester Staple Fibre (PSF). Consequently, regional PSF prices surged by 15% against the SPLY, whereas the domestic PSF industry increased PSF prices by 13% in keeping with local market dynamics.

With changing regional and domestic markets, the Business succeeded in selling increased volumes (higher by 18%) culminating in a growth of 31% in net turnover versus the SPLY. Production throughput was increased to meet strong downstream demand, with volumes increasing by 2% over the SPLY.

The continuing hike in coal and furnace oil prices, by 28% and 26% respectively, increased energy costs. However, with the availability of an uninterrupted gas supply (including RLNG), this cost was limited at 18%. Furthermore, improved margins with enhanced sales volumes enabled the Business to post an improvement of 82% in its operating results against 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 Company continues to make efforts to highlight the local PSF industry's ability to supply world class PSF to the domestic market as opposed to relying on imports from China.

The future outlook with respect to availability of recycled fibre may continue to support the relative improvement in performance for the Polyester Business; particularly on account of the recent ban imposed by the Chinese Government on the import of recycled PET bottles and flakes, which is expected to decrease volumes of recycled fibre in China. These volumes are expected to be replaced by prime PSF, thereby positively influencing demand.

Soda Ash Business

Net turnover (PKR m)

Sep 2016	2,651
Sep 2017	2,690

Operating result (PKR m)

Sep 2016	626
Sep 2017	588

In the quarter under review, the soda ash market grew by 4% over last year. This impetus to growth stemmed mainly from the silicate, paper and branded detergent segments. The

Review of the Directors

For the Quarter Ended September 30, 2017

paper segment witnessed an improvement in operating rates as downstream demand improved. Similarly, demand for branded detergents remained bullish, as conversion from laundry soap to branded detergent powder is now being witnessed in rural areas as well. The silicate segment has registered improvement following the resolution of certain production issues at a key customer's facilities, while the RSB market continues to grow as demand for poultry and bakery items remains high in urban areas. However, off take from the glass segment was lower as some major glass manufacturers focussed on producing coloured glass during the quarter under review. Resultantly, NSI during the quarter was 1% higher than the SPLY.

The Business's operating result, at PKR 588 million, is 6% lower than the SPLY, primarily due to the higher depreciation charge of the 18MW CFB turbine, which was capitalised in the second quarter of the previous fiscal year (2016–17). The impact of increased coke and coal prices was mitigated through a favourable sales and price mix.

Work is underway on the 75,000 tons per annum Soda Ash expansion project (Phase 1 of the planned 150,000 tons per annum expansion). This first phase of the project is expected to come online in the third quarter of the current fiscal year.

With the prevailing rigidity in Chinese markets, and the delay in full commissioning of the Kazan project in Turkey until December 2017, global prices are forecast to remain tight in the immediate short term. Going forward, the outlook remains uncertain on the following key issues: the effect of the Turkish expansion on global prices; the continuity of environmental checks in China; and the final decision on the revocation of ADD in India.

Life Sciences Business

Net turnover (PKR m)

Sep 2016  1,994

Sep 2017  2,575

Operating result (PKR m)

Sep 2016  225

Sep 2017  344

During the period under review, the Life Sciences Business achieved a net operating result of PKR 344 million, which was a 53% improvement over the same period last year. The Business delivered a net turnover of PKR 2,575 million, which is 29% above the SPLY, with all Divisions achieving robust growth in NSI.

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.

Upon completion of the acquisition of certain assets and brands of Wyeth Pakistan Limited, production began at the newly-acquired Hawkesbay plant from August 11, 2017.

Review of the Directors

For the Quarter Ended September 30, 2017

Improved performance was observed in the Animal Health Division, with both volume and value growth. During the quarter, approval for the new injectable (sterile) section at the Animal Health manufacturing facility was obtained from the Central Licensing Board.

The outlook of the Life Sciences Business remains encouraging. Going forward, opportunities include leveraging recently acquired manufacturing capabilities and brands; focus on strengthening the Business's own product portfolios in both Divisions through business development activities; and an increase in the effectiveness of sales and distribution across the overall Life Sciences Business network.

Chemicals & Agri Sciences Business

Net turnover (PKR m)

Sep 2016		1,404
Sep 2017		1,754

Operating result (PKR m)

Sep 2016		99
Sep 2017		91

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 1,754 million for the quarter was 25% higher than the SPLY due to improved performance across all Divisions, with the Polyurethanes (PU) Division being the major contributor to growth.

The operating result of the Business at PKR 91 million is 8% lower than the SPLY. The Chemicals Business delivered growth in operating result on account of improved performances in the Polyurethanes and General Chemicals Divisions. However, due to a decline in the operating result of the Agri Sciences Division, the Business's overall operating result was lower as compared to the SPLY. While the Agri Sciences Division faced challenges in a highly competitive agriculture economy, which also endured unfavourable weather conditions, the Division delivered good growth in terms of its net turnover compared to the SPLY. However, increased operating expenses impacted its operating profit.

Establishment of the Masterbatch manufacturing facility, as approved by the Board of Directors, is progressing in line with forecast timelines. This project is another strategic step towards fulfilling the Company's growth aspirations and enhancing the product portfolio of the Chemicals & Agri Sciences Business.

Going forward, the Business is exploring new segments, creating enduring value for existing and new customers, and continuing to embrace innovation, whilst remaining focussed on cost efficiencies.

Review of the Directors

For the Quarter Ended September 30, 2017

Future Outlook

Looking ahead, several factors are expected to foster a positive outlook for the Company's Businesses. With the recent Chinese ban on import of recycled PET flakes, demand for PSF is expected to remain positive for the Polyester Business. Meanwhile, the outlook for the Soda Ash Business remains uncertain, with the Turkish expansion in the pipeline. The outlook for the Life Sciences and Chemicals & Agri Sciences Businesses, however, remains positive.

The Company will remain focussed on efficient energy alternatives, cost reduction initiatives, strengthening relationships with existing customers and suppliers, and proactively exploring opportunities for both organic and inorganic growth, in order to deliver on its promise of Cultivating Growth.



Muhammad Sohail Tabba
Chairman / Director

October 26, 2017
Karachi



Asif Jooma
Chief Executive

کیمیکلز اور ایگری سائنسز برنس

آپریٹنگ رزلٹ (ملین روپے) Operating result

نیٹ کاروبار (ملین روپے) Net turnover

99	2016 ستمبر	1,404	2016 ستمبر
91	2017 ستمبر	1,754	2017 ستمبر

جس طرح اوپر وضاحت کی گئی ہے کہ لائف سائنسز برنس کو دوبارہ منظم کرتے ہوئے کیمیکلز برنس کو اب کیمیکلز اینڈ ایگری سائنسز برنس کا نام دیا گیا ہے، جس میں ایگری ڈویژن کو شامل کیا گیا ہے۔ سہ ماہی کے لئے نیٹ کاروبار گزشتہ سال کے اسی عرصہ کے مقابلے میں 25 فیصد اضافے سے 1,754 ملین روپے ہے جس کی اہم وجہ پولی پوتھن ڈویژن کی شاندار کارکردگی کے ساتھ تمام شعبوں کی بہتر کارکردگی ہے۔

برنس کا آپریٹنگ رزلٹ گزشتہ سال کے مقابلے میں 8 فیصد کمی کے ساتھ 91 ملین روپے ہے۔ کیمیکلز برنس نے پولی پوتھن اور جنرل کیمیکلز ڈویژن کی کارکردگی میں بہتری سے بہتر کاروباری ترقی اپنے نام کی۔ جبکہ ایگری سائنسز برنس کے انتظامی نتائج میں کمی کے سبب کاروبار کا مجموعی آپریٹنگ رزلٹ گزشتہ سال کے اسی عرصہ کے مقابلے میں کم رہا۔ اس میں ایگری سائنسز برنس نے زرعی اکائیوں میں بڑے پیمانے پر اور نامناسب موسمی حالات کا مقابلہ کیا۔ اس کے باوجود ڈویژن نے نیٹ کاروبار کے حوالے سے گزشتہ سال کے مقابلے میں اچھی کارکردگی دکھائی۔ دوسری جانب بڑھتے ہوئے انتظامی اخراجات منافع پر اثر انداز رہے۔

بورڈ آف ڈائریکٹرز کی جانب سے منظور شدہ ماسٹر پیج مینوفیکچرنگ بھولت کے قیام پر اپنے متعین وقت کے مطابق کام جاری ہے۔ یہ منصوبہ کمپنی کی ترقی پزیر حکمت عملی کی طرف ایک قدم اور کیمیکلز اور ایگری سائنسز برنس کے پروڈکٹ پورٹ فولیو کے توسیعی کام کو مکمل کرنے کی طرف گامزن ہے۔

مزید یہ کہ برنس نئے گینٹ کی تلاش، موجودہ اور نئے صارفین کے لئے قابل قدر پروڈکٹس اور جدت پر توجہ مرکوز کرنے اور اخراجات پر ضابطے پر توجہ دیتے ہوئے بہترین نتائج فراہم کرنے کے لئے مستعد ہے۔

مستقبل پر نظر

مستقبل کے حوالے سے کئی عوامل کی بدولت کمپنی کے برنسز کے بہترین مستقبل کی امید کی جاسکتی ہے۔ چین کی جانب سے حال ہی میں ری سائیکل شدہ PET فلیکس کی اپورٹ پر بندش کے سبب PSF کی طلب میں بہتری سے پوليٹیسٹر برنس پر مثبت اثرات مرتب ہونے کی امید کی جاتی ہے۔ دوسری جانب سوڈا الیش برنس کا جائزہ ترکی کے توسیعی منصوبوں کے سبب غیر یقینی کا شکار ہے۔ لائف سائنسز اور کیمیکلز اور ایگری سائنسز برنس کا مستقبل بہر حال مثبت رہے گا۔

کمپنی توانائی کے متبادل ذرائع کے موثر استعمال، اخراجات میں کمی کے اقدامات، موجودہ کسٹمرز اور پلائرز سے تعلقات میں استحکام کے لئے اور آرگینک اور ان آرگینک ترقی کے لئے نئے مواقع تلاش کرنے کی منصوبہ بندی پر توجہ مرکوز کئے ہوئے ہے۔

آصف جمہ

آصف جمہ
چیف ایگزیکٹو

محمد سہیل شاہ

محمد سہیل شاہ
چیئر مین / ڈائریکٹر

بتاریخ: 26 اکتوبر 2017

کرچی۔

ڈائریکٹرز کا جائزہ

برائے سہ ماہی ختم شدہ 30 ستمبر 2017

کاروبار کا انتظامی نتیجہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 6 فیصد کمی کے ساتھ 588 ملین روپے رہا، جس کی اہم وجہ 18 میگا واٹ CFB ٹربائن کی زائد فرسودگی چارج ہے، جو گزشتہ مالی سال (2016-17) کی دوسری سہ ماہی میں لاگو ہوئی۔ کوک اور کول کی بڑھتی ہوئی قیمتوں کے اثرات اچھی پیلز اور قیمتوں میں اضافہ سے کم کئے گئے۔

75000 ٹن سالانہ سوڈائش کے توسیعی منصوبے (150,000 ٹن سالانہ کے توسیعی منصوبے کا پہلا فیڑ) پر کام جاری ہے۔ امید کی جاتی ہے کہ منصوبے کا پہلا فیڑ جاری مالی سال کی تیسری سہ ماہی میں اپنا کام شروع کر دے گا۔

چائینز مارکیٹ میں موجود عدم تعاون اور ترکی کے کازان منصوبے کی مکمل تنصیب میں تاخیر کے سبب، عالمی قیمتیں کچھ عرصہ تک شدید دباؤ میں رہیں گی۔ مزید یہ کہ درج ذیل مسائل کے سبب جائزہ غیر یقینی رہے گا: عالمی قیمتوں پر ترکی کے توسیعی منصوبے کے اثرات؛ چین میں ماحولیاتی نگرانی کا جاری رہنا، اور بھارت میں ADD کی منسوخی کا حتمی فیصلہ۔

لائف سائنسز بزنس

آپریٹنگ رزلٹ (ملین روپے) Operating result

نیٹ کاروبار (ملین روپے) Net turnover

225	2016 ستمبر	1,994	2016 ستمبر
344	2017 ستمبر	2,575	2017 ستمبر

زیر جائزہ عرصہ کے دوران، لائف سائنسز کے کاروبار نے گزشتہ سال کے اسی عرصہ کے مقابلے میں آپریٹنگ رزلٹ میں 53 فیصد اضافہ کے ساتھ 344 ملین روپے اپنے نام کئے۔ بزنس نے 2,575 ملین روپے کا نیٹ کاروبار کیا جو گزشتہ سال کے مقابلے میں 29 فیصد زائد رہا۔ اس میں تمام ڈویژنوں نے نیٹ کاروبار میں زبردست ترقی حاصل کی۔

انتظامی استعداد بڑھانے اور زیادہ سے زیادہ ترجیح دینے کے پیش نظر، لائف سائنسز بزنس کو دوبارہ منظم کیا جا رہا ہے، جس میں اب فارماسیوٹیکلز اور اینیمل ہیلتھ ڈویژن شامل ہیں۔ دونوں ریگولیٹری اور مینیو فیکچرنگ کے اعتبار سے مارکیٹ میں ایک ہی طرح کی رسائی رکھتی ہیں۔ ایگری ڈویژن اب کیمیکل بزنس کا حصہ ہے (اب اسے کیمیکل اور ایگری سائنسز بزنس کے نام سے جانا جاتا ہے) مستقبل میں ترقی کے مواقع کے پیش نظر کاروبار کے موجودہ مینیو فیکچرنگ صلاحیتوں سے فائدہ اٹھایا جائے گا۔

واپکھ پاکستان لمیٹڈ کے برائڈر اور کچھ اثاثہ جات کے حصول کی تکمیل پر، 11 اگست 2017 سے نئے حاصل شدہ ہاکس پلے پلانٹ نے پروڈکشن شروع کر دی ہے۔

اینیمل ہیلتھ ڈویژن کی کارکردگی میں ترقی دیکھی گئی جس میں حجم اور قدر دونوں کی ترقی شامل ہے۔ جاری سہ ماہی کے دوران سینٹرل لائسنسنگ بورڈ سے اینیمل ہیلتھ مینیو فیکچرنگ سہولت پر نئے انجینٹ اسپل (اسٹیرائل) سیکشن کے لئے منظور کی گئی۔

کاروبار کا مستقبل بہت ہمت افزا ہے مزید یہ کہ حال ہی میں حاصل ہونے والی مینیو فیکچرنگ صلاحیتوں اور برائڈر زکو استعمال میں لاتے ہوئے مواقع سے فائدہ اٹھانے پر توجہ مرکوز کی جائے گی اور کاروبار کی دونوں شعبوں کے اپنے پروڈکٹ پورٹ فولیو کو مضبوط کرنے پر دھیان دیا جائے گا اس کے لئے لائف سائنسز کے پورے نیٹ ورک میں بزنس ڈیولپمنٹ سرگرمیوں اور ریلز اور ڈسٹری بیوٹن میں مزید بہتری لائی جائے گی۔

پولیسٹر اسٹیل فائبر برنس (PSF)

آپریٹنگ رزلٹ (ملین روپے) Operating result

نیٹ کاروبار (ملین روپے) Net turnover

ستمبر 2016	3,208	ستمبر 2016	(80)
ستمبر 2017	4,218	ستمبر 2017	(14)

زیر جائزہ عرصہ میں ترقی یافتہ اور ترقی پذیر معیشتوں میں اقتصادی سرگرمیاں بہتر ہوتی دیکھی گئیں۔ گزشتہ سال کے مقابلے میں کروڑ آئیکل کی قیمتوں میں استحکام، اوپیک میں پیداوار سطح کے تعین سے متعلق معاہدے پر بہتر عمل درآمد کی وجہ سے آیا۔ نتیجتاً پوری تیل کی مصنوعات کی قیمتوں میں تیزی دیکھی گئی، PTA اور MEG کی قیمتوں میں بالترتیب 3 فیصد اور 40 فیصد اضافہ دیکھنے میں آیا۔ اس مثبت صورتحال کے ساتھ چین کی جانب سے ری سائیکل شدہ PET فلکس کی اپورٹ پر بندش نے علاقائی پولیسٹر اسٹیل فائبر کی طلب اور قیمت میں تیزی آئی۔ نتیجتاً علاقائی PSF قیمتوں میں گزشتہ سال کے اسی عرصہ کے مقابلے میں 15 فیصد اضافہ ہوا جبکہ مقامی PSF میں 13 فیصد اضافہ دیکھا گیا۔

علاقائی اور مقامی مارکیٹس کی بدلتی صورتحال میں کاروبار نے گزشتہ سال کے اسی عرصہ کے مقابلے میں سیلز کے حجم میں (18 فیصد اضافہ) میں بہتری کے سبب نیٹ کاروبار میں 31 فیصد ترقی اپنے نام کی۔ پروڈکشن میں اضافہ سے اپنی مضبوط مارکیٹ ڈیمانڈ کو پورا کیا جاتا رہا، پروڈکشن میں گزشتہ سال کے مقابلے میں 2 فیصد اضافہ ہوا۔

کوئلے اور فرنیس آئل کی قیمتوں میں بالترتیب 28 اور 26 فیصد اضافہ نے توانائی کے اخراجات میں اضافہ کیا، دوسری جانب گیس کی بلا قفل فراہمی (بٹول RLNG) سے اس اضافے کو 18 فیصد تک محدود رکھا گیا۔ مزید برآں، بہتر منافع اور سیلز حجم میں اضافہ سے کاروبار نے گزشتہ سال کے اسی عرصہ کے مقابلے میں اپنے کاروباری نتائج میں 82 فیصد ترقی اپنے نام کی۔

کاروبار نے چین، ترکی اور تھائی لینڈ کے ساتھ فری تجارت کے معاہدے کے حوالے سے اپنی کوششیں جاری رکھتے ہوئے "کوئی رعایت نہیں کی فہرست" میں PSF کی بحالی کی اہمیت پر وکالت جاری رکھی ہوئی ہے۔ کمپنی نے مقامی PSF انڈسٹری کی ورلڈ کلاس PSF فراہم کرنے کی بھرپور صلاحیت پر زور دیتے ہوئے چین کی اپورٹس پر بھروسہ کرنے کی مخالفت جاری رکھی ہوئی ہے۔

پولیسٹر برنس کا مستقبل ری سائیکل شدہ فائبر کی موجودگی کے سبب بہتر ہوتا نظر آ رہا ہے، خاص کر حال ہی میں چین کی جانب سے ری سائیکل شدہ PET بوتلوں اور فلکس پر بندش سے یہ امید کی جاسکتی ہے کہ چین میں ری سائیکل شدہ فائبر کی مقدار میں کمی واقع ہوگی۔ یہ کمی پرائیم PSF سے پوری ہونے کی امید ہے جس سے طلب اور قیمت دونوں پر مثبت اثرات ہوں گے۔

سوڈا الیش برنس

آپریٹنگ رزلٹ (ملین روپے) Operating result

نیٹ کاروبار (ملین روپے) Net turnover

ستمبر 2016	2,651	ستمبر 2016	626
ستمبر 2017	2,690	ستمبر 2017	588

زیر جائزہ سرمایہ کے دوران، سوڈا الیش مارکیٹ گزشتہ سال کے مقابلے میں 2 فیصد بڑھی۔ یہ تیزی سیلیکیٹ، کافور اور براؤنڈ ڈائریکٹ کے شعبے میں ترقی کی بدولت سامنے آئی۔ کافور کے شعبے میں طلب کے اضافے سے کاروباری منافع میں بہتری ہوئی۔ اسی طرح براؤنڈ ڈائریکٹس کی طلب میں تیزی دیکھنے میں آئی کیونکہ دیہی علاقوں میں بھی لاٹری سوپ کے مقابلے میں براؤنڈ ڈائریکٹ کا استعمال بڑھ رہا ہے۔ سیلیکیٹ کے شعبے نے بھی ایک اہم کسٹمر کے پروڈکشن مسائل پر قابو پانے کی بدولت قابل ذکر ترقی کی، جبکہ RSB مارکیٹ نے بھی شہری علاقوں میں بیکری آؤٹسٹم اور پولٹری کی طلب میں اضافے کی بدولت ترقی کا سفر جاری رکھا ہوا ہے۔ دوسری جانب گلاس کے شعبے سے طلب میں زیر جائزہ سرمایہ کے دوران چند بڑے میٹو فیکچررز کی جانب سے تکنیکل گلاس پر توجہ مرکوز کرنے کے سبب مندی رہی۔ نتیجتاً سرمایہ کے دوران نیٹ کاروبار گزشتہ سال کے اسی عرصہ کے مقابلے میں 1 فیصد رہی۔

ڈائریکٹرز کا جائزہ

برائے سہ ماہی ختم شدہ 30 ستمبر 2017

ڈائریکٹرز کمیٹی کے غیر آڈٹ شدہ مالیاتی گوشوارے اور اپنا جائزہ برائے سہ ماہی ختم شدہ 30 ستمبر 2017 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

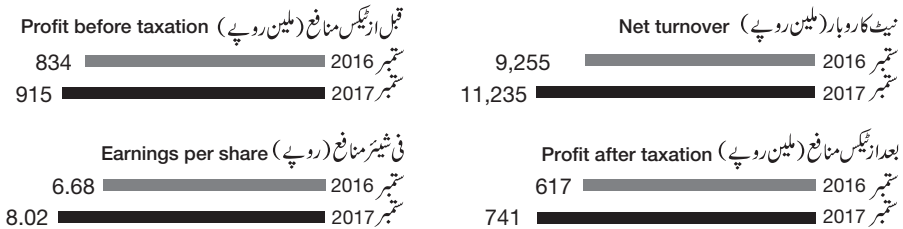
متذکرہ سہ ماہی کا مجموعی کاروبار گزشتہ سال کی بہ نسبت 21 فیصد اضافے کے ساتھ 11,235 ملین روپے رہا، جس کی اہم وجہ پالیٹیکسٹر، لائف سائنسز اور کیمیکل و ایگری سائنسز برنس کے کاروبار میں بالترتیب 31 فیصد، 29 فیصد اور 25 فیصد اضافہ ہے۔

سہ ماہی کا آپریٹنگ رزلٹ 1,009 ملین روپے گزشتہ سال کے اسی عرصہ کے مقابلے میں 16 فیصد زائد ہے جس کی اہم وجہ پالیٹیکسٹر اور لائف سائنسز برنس میں بہتر کارکردگی ہے۔ بہتر مارجن اور حجم میں اضافہ کے ساتھ پالیٹیکسٹر برنس کے انتظامی خسارے میں 82 فیصد کی شاندار کاروباری نتائج میں اہم شرکت دار ثابت ہوئے۔ لائف سائنسز کے کاروبار میں دونوں فارماسیوٹیکلز اور اینٹیل ہیلتھ ڈویژن میں بہترین کارکردگی سے گزشتہ سال کے اسی عرصہ کے مقابلے میں آپریٹنگ منافع میں 53 فیصد اضافہ سامنے آیا۔

زیر جائزہ سہ ماہی کے لئے بعد از ٹیکس منافع گزشتہ سال کے اسی عرصہ کے مقابلے میں 20 فیصد اضافہ کے ساتھ 741 ملین روپے رہا جس میں گزشتہ سال کے مقابلے میں بہتر انتظامی نتائج اور ٹیکسز کے کم ہوتے اخراجات نے اہم کردار ادا کیا۔

فی شیئر منافع 8.02 روپے رہا جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 20 فیصد زائد ہے۔

ستمبر 2017 کو ختم شدہ سہ ماہی	ستمبر 2016 کو ختم شدہ سہ ماہی	
11,235	9,255	نیٹ کاروبار (ملین روپے) Net turnover (PKR million)
915	834	قبل از ٹیکس منافع (ملین روپے) Profit before taxation (PKR million)
741	617	بعد از ٹیکس منافع (ملین روپے) Profit after taxation (PKR million)
8.02	6.68	فی شیئر منافع (روپے) Earnings per share (PKR)



Condensed Interim Unconsolidated Balance Sheet

As at September 30, 2017

Amounts in PKR '000

	Note	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	20,318,180	19,613,523
Intangible assets	6	933,467	19,273
		21,251,647	19,632,796
Long-term investments	7	2,954,276	2,954,276
Long-term loans	8	378,365	370,465
Long-term deposits and prepayments		39,280	38,627
		3,371,921	3,363,368
		24,623,568	22,996,164
Current assets			
Stores, spares and consumables		1,009,841	942,636
Stock-in-trade	9	5,841,336	5,746,647
Trade debts		2,930,644	2,547,340
Loans and advances		505,579	444,191
Trade deposits and short-term prepayments		661,403	564,385
Other receivables		1,274,183	1,515,528
Taxation - net		1,210,627	1,257,222
Cash and bank balances		146,431	141,748
		13,580,044	13,159,697
Total assets		38,203,612	36,155,861
EQUITY AND LIABILITIES			
Share capital and reserves			
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		14,773,280	14,950,666
Total equity		16,006,514	16,183,900
Surplus on revaluation of property, plant and equipment		738,745	743,948
Non-current liabilities			
Provisions for non-management staff gratuity		105,704	102,289
Long-term loans	10	6,869,001	4,909,946
Deferred tax liability - net	11	1,189,894	1,231,011
		8,164,599	6,243,246
Current liabilities			
Trade and other payables		9,721,473	10,120,448
Accrued mark-up		142,124	102,155
Short-term borrowings and running finance	12	2,727,509	2,118,446
Current portion of long-term loans		702,648	643,718
		13,293,754	12,984,767
Total equity and liabilities		38,203,612	36,155,861
Contingencies and commitments			
	13		

The annexed notes from 1 to 23 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 Quarter Ended September 30, 2017

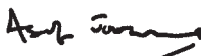
Amounts in PKR '000

	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016
Turnover - note 14	12,750,965	10,572,034
Sales tax	(650,512)	(579,968)
Commission and discounts	(865,488)	(737,291)
	(1,516,000)	(1,317,259)
Net turnover	11,234,965	9,254,775
Cost of sales - note 14 and 15	(9,269,616)	(7,561,180)
Gross profit	1,965,349	1,693,595
Selling and distribution expenses	(675,131)	(580,501)
Administration and general expenses	(281,008)	(242,389)
Operating result - note 14	1,009,210	870,705
Finance costs	(107,971)	(101,481)
Exchange losses	(31,352)	(1,684)
Workers' profit participation fund	(48,207)	(43,968)
Workers' welfare fund	(11,657)	(17,021)
Other charges	(10,886)	(10,118)
	(210,073)	(174,272)
Dividend from associate	100,000	120,000
Other income	15,722	17,609
Profit before taxation	914,859	834,042
Taxation - note 16	(173,856)	(217,385)
Profit after taxation	741,003	616,657
		(PKR)
Basic and diluted earnings per share	8.02	6.68

The annexed notes from 1 to 23 form an integral part of the condensed interim unconsolidated financial statements.



Muhammad Sohail Tabbu
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

Condensed Interim Unconsolidated Statement of Comprehensive Income (Unaudited)

For the Quarter Ended September 30, 2017

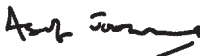
Amounts in PKR '000

	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016
Profit after taxation	741,003	616,657
Total comprehensive income for the period	741,003	616,657

The annexed notes from 1 to 23 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 Quarter Ended September 30, 2017

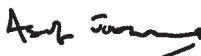
Amounts in PKR '000

	September 30, 2017	September 30, 2016
Cash flows from operating activities		
Cash generated from operations - note 17	276,102	473,157
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(3,331)	(4,490)
Staff retirement benefit plan	(10,681)	(16,180)
Taxation	(168,378)	574,918
Interest	(68,001)	(109,330)
Net cash generated from operating activities	25,711	918,075
Cash flows from investing activities		
Capital expenditure	(1,182,399)	(562,138)
Business acquisition - note 4	(1,563,700)	-
Proceeds from disposal of operating fixed assets	157	60
Dividend from associate	100,000	120,000
Interest received on bank deposits	-	1,272
Net cash used in investing activities	(2,645,942)	(440,806)
Cash flows from financing activities		
Long-term loans obtained	2,170,020	-
Long-term loans repaid	(152,035)	(138,889)
Dividends paid	(2,134)	(243)
Net cash generated from / (used in) financing activities	2,015,851	(139,132)
Net (decrease) / increase in cash and cash equivalents	(604,380)	338,137
Cash and cash equivalents at the beginning of the period	(1,976,698)	(1,818,146)
Cash and cash equivalents at the end of period (Ref. 1)	(2,581,078)	(1,480,009)
Ref. 1: Cash and cash equivalents at the end of period comprise of:		
Cash and bank balances	146,431	250,471
Short-term borrowings and running finance	(2,727,509)	(1,730,480)
	(2,581,078)	(1,480,009)

The annexed notes from 1 to 23 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 Quarter Ended September 30, 2017

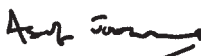
Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total
As at July 1, 2016	923,591	309,643	13,183,294	14,416,528
Profit for the period	-	-	616,657	616,657
Total comprehensive income	-	-	616,657	616,657
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	23,962	23,962
As at September 30, 2016	923,591	309,643	13,823,913	15,057,147
Final dividend of PKR 9.00 per share for the year ended June 30, 2016	-	-	(831,231)	(831,231)
Interim dividend of PKR 8.00 per share for the year ended June 30, 2017	-	-	(738,872)	(738,872)
	-	-	(1,570,103)	(1,570,103)
Profit for the period	-	-	2,679,434	2,679,434
Other comprehensive income for the period - net of tax	-	-	(55,924)	(55,924)
Total comprehensive income	-	-	2,623,510	2,623,510
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	73,346	73,346
As at June 30, 2017	923,591	309,643	14,950,666	16,183,900
Final dividend of PKR 10.00 per share for the year ended June 30, 2017	-	-	(923,591)	(923,591)
Profit for the period	-	-	741,003	741,003
Total comprehensive income	-	-	741,003	741,003
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	5,202	5,202
As at September 30, 2017	923,591	309,643	14,773,280	16,006,514

The annexed notes from 1 to 23 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 Quarter Ended September 30, 2017

Amounts in PKR '000

1 Status and nature of business

ICI Pakistan Limited ("the Company") is incorporated in Pakistan and is listed on The Pakistan Stock Exchange. 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 and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchanting of general chemicals. It also acts as an indenting agent and toll manufacturer. The Company's registered office is situated at 5 West Wharf, Karachi.

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

2 Statement of compliance

The condensed interim unconsolidated financial statements have been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the repealed Companies Ordinance, 1984. These condensed interim unconsolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements as at and 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 financial statements for the year ended June 30, 2017.

4 Business Acquisition

On 11th August 2017, the Company acquired certain assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited which constitutes a business combination as per IFRS 3: Business Combinations. These assets include plant and machinery and certain other assets of Wyeth Pakistan Limited alongwith certain brands and registrations of Wyeth Pakistan Limited and Pfizer Pakistan Limited. Documentation requirement of land and buildings of Wyeth Pakistan Limited-owned manufacturing facility is expected to be completed in next quarter. The following table summarizes the estimated fair values of net assets acquired:

	Fair value recognized on acquisition
Indicative value of tangible net assets - other than land and building	647,800
Indicative value of intangibles:	
Brands	753,460
Goodwill	162,440
	915,900
Consideration paid	1,563,700

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.

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended September 30, 2017

Amounts in PKR '000

	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
5 Property, plant and equipment		
Operating fixed assets - at net book value	15,268,843	15,240,784
Capital work-in-progress - at cost		
Civil works and buildings	794,171	715,276
Plant and machinery	4,093,614	3,363,173
Advances to suppliers / contractors	161,552	294,290
Total capital work-in-progress Note 5.2	5,049,337	4,372,739
Total property, plant and equipment	20,318,180	19,613,523

5.1 Following is the cost of operating fixed assets that have been added / disposed off during the quarter ended September 30, 2017:

	Additions / Acquisitions / Transfers		Disposals - NBV	
	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
Freehold land	-	10,244	-	-
Buildings on freehold land	1,427	7,308	-	-
Buildings on leasehold land	32	156,690	-	-
Plant and machinery	539,970	1,309,963	-	-
Rolling stock and vehicles	5,100	12,976	-	455
Furniture and equipment	55,955	82,552	287	39
	602,484	1,579,733	287	494

	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
5.2 The following is the movement in capital work-in-progress during the period		
Opening balance	4,372,739	1,162,320
Addition during the period / year	723,978	4,703,939
	5,096,717	5,866,259
Transferred to operating fixed assets	(47,380)	(1,493,520)
	5,049,337	4,372,739

6 Intangible assets

Intangible assets - at net book value - note 6.1	933,467	19,273
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6.1 Following is the detail of intangible assets:

Brands - note 4	753,460	-
Goodwill - note 4	162,440	-
Others	17,567	19,273
	933,467	19,273

6.2 Additions of intangible assets	915,900	9,999
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Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended September 30, 2017

Amounts in PKR '000

	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
7 Long-term investments		
Unquoted		
Subsidiary		
- ICI Pakistan PowerGen Limited (wholly owned) - note 7.1		
7,100,000 ordinary shares of PKR 100 each	710,000	710,000
Provision of impairment loss	(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 - note 7.1	981,300	981,300
- NutriCo Morinaga (Private) Limited (51% ownership)		
5,100,000 ordinary shares of PKR 100 each - note 7.1	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	2,500	2,500
- Arabian Sea Country Club Limited		
250,000 ordinary shares of PKR 10 each		
	2,954,276	2,954,276

7.1 As of the balance sheet date, the value of the Company's investment on the basis of net assets of ICI Pakistan PowerGen Limited, Cirin Pharmaceuticals (Private) Limited and NutriCo Morinaga (Private) Ltd as disclosed in their unaudited condensed interim financial statements amounted to:

ICI Pakistan PowerGen Limited	787,004	777,152
Cirin Pharmaceuticals (Private) Limited	158,192	150,522
NutriCo Morinaga (Private) Limited	1,002,532	994,613

8 Long-term loans

Due from executives and employees	504,944	494,470
Current portion shown under current assets	(126,579)	(124,005)
	378,365	370,465

9 Stock-in-trade

It includes items carried at net realisable value of PKR 457.984 million (June 30, 2017: PKR 734.965 million) on which reversal of PKR 2.542 million (June 30, 2017: PKR 25.648 million) was recognized during the period.

10 Long-term loans

Long-term loans - note 10.1	7,571,649	5,553,664
Current portion shown under current liabilities	(702,648)	(643,718)
	6,869,001	4,909,946

10.1 Opening balance	5,553,664	4,046,369
Obtained during the period / year	2,170,020	1,896,186
Repaid during the period / year	(152,035)	(388,891)
Closing balance - note 10.2	7,571,649	5,553,664

10.2 During the period, the Company availed a further long term loan based on reducing balance method amounting to PKR 1.05 billion from UBL and 500 Million from HBL @ 6MKIBOR + 0.05% and a further LTFF from MCB Bank amounting to PKR 611 million @ SBP rate + 0.3%. The markup is payable on semi annual basis on long term loans and on quarterly basis on LTFF.

Notes to the Condensed Interim Unconsolidated Financial Statements

For the Quarter Ended September 30, 2017

Amounts in PKR '000

September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
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11 Deferred tax liability - net

Deductible temporary differences

Provisions for retirement benefits, doubtful debts and others	(298,541)	(273,718)
Retirement funds provision	(37,832)	(37,718)

Taxable temporary differences

Property, plant and equipment	1,526,267	1,542,447
	1,189,894	1,231,011

12 Short-term borrowings and running finance

Export refinance - (mark-up: SBP rate + 0.25% per annum)	200,000	50,000
Money market	550,000	550,000
Short-term running finance - secured	2,527,509	1,518,446
	2,727,509	2,118,446

13 Contingencies and commitments

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

Local bodies	13,061	1,400
Others	15,302	15,302
	28,363	16,702

13.1 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)

711,435 1,848,267

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

Year

2017-18	74,492	72,921
2018-19	63,489	60,110
2019-20	44,032	39,393
2020-21	23,104	18,186
2021-22	1,025	-

206,142 190,610

Payable not later than one year

74,492 72,921

Payable later than one year but not later than five years

131,650 117,689

206,142 190,610

13.4 Outstanding foreign exchange forward contracts as at

September 30, 2017 entered into by the Company amounted to:

359,682 -

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited) For the Quarter Ended September 30, 2017

14 Operating Segment results

Amounts in PKR '000

	Polyester		Soda Ash		Life Sciences *		Chemicals and Agri Sciences *		Company	
	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016
Turnover - note 14.1, 14.2 & 14.3	4,310,363	3,286,104	3,376,673	3,298,102	2,943,284	2,269,701	2,122,973	1,720,725	12,750,965	10,572,034
Sales tax	-	-	(477,906)	(450,565)	(23,440)	(15,981)	(149,166)	(113,422)	(650,512)	(579,968)
Commission and discounts	(92,092)	(78,173)	(208,455)	(196,126)	(344,883)	(259,426)	(220,058)	(203,566)	(665,488)	(737,291)
	(92,092)	(78,173)	(686,361)	(646,691)	(368,323)	(275,407)	(369,224)	(316,988)	(1,516,000)	(1,317,259)
Net turnover	4,218,271	3,207,931	2,690,312	2,651,411	2,574,961	1,994,294	1,753,749	1,403,737	11,234,965	9,254,775
Cost of sales - note 14.1 and 15	(4,121,463)	(3,173,189)	(1,966,890)	(1,902,293)	(1,845,574)	(1,447,796)	(1,338,017)	(1,040,500)	(9,269,616)	(7,561,180)
Gross profit	96,808	34,742	723,422	749,118	729,387	546,498	415,732	363,237	1,965,349	1,693,595
Selling and distribution expenses	(61,194)	(47,657)	(60,027)	(64,549)	(326,151)	(270,076)	(227,759)	(198,219)	(675,131)	(580,501)
Administration and general expenses	(50,050)	(66,957)	(74,922)	(58,414)	(58,903)	(51,269)	(97,133)	(65,749)	(281,008)	(242,389)
Operating result	(14,436)	(79,872)	588,473	626,155	344,333	225,153	90,840	99,269	1,009,210	870,705

* 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 Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2017

Amounts in PKR '000

	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016
14.1 Turnover		
Inter-segment sales and purchases have been eliminated from the total.	2,328	2,598
14.2 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.		
14.3 Turnover includes export sales made to various countries amounting to:	77,110	214,603
15 Cost of sales		
Opening stock of raw and packing materials	2,464,250	2,258,116
Purchases	5,165,467	3,959,134
	7,629,717	6,217,250
Closing stock of raw and packing materials	(2,934,424)	(2,189,951)
Raw and packing materials consumption	4,695,293	4,027,299
Manufacturing costs	2,276,518	2,133,770
	6,971,811	6,161,069
Opening stock of work-in-process	75,244	140,179
	7,047,055	6,301,248
Closing stock of work-in-process	(79,200)	(121,656)
Cost of goods manufactured	6,967,855	6,179,592
Opening stock of finished goods	3,207,153	2,898,451
Finished goods purchased	1,922,320	1,627,353
	12,097,328	10,705,396
Closing stock of finished goods	(2,827,712)	(3,144,216)
	9,269,616	7,561,180
16 Taxation		
Current	214,973	286,013
Deferred	(41,117)	(68,628)
	173,856	217,385

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2017

Amounts in PKR '000

	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016
17 Cash flows from operations		
Profit before taxation	914,859	834,042
Adjustments for:		
Depreciation and amortisation	575,842	532,758
Loss / (gain) on disposal of operating fixed assets	130	(60)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	11,313	7,965
Provision for staff retirement benefit plan	6,683	7,227
Dividend from associate	(100,000)	(120,000)
Interest expense	107,971	101,481
Provision for doubtful debts	43,243	20,367
Provision for slow moving and obsolete stock-in-trade	535	13,939
Provision for slow moving and obsolete stores and spares	555	-
	1,561,131	1,397,719
Movement in:		
Working capital - note 17.1	(1,276,476)	(911,892)
Long-term loans	(7,900)	(9,604)
Long-term deposits and prepayments	(653)	(3,066)
Cash generated from operations	276,102	473,157
17.1 Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Stores, spares and consumables	40	(23,747)
Stock-in-trade	(76,224)	(173,016)
Trade debts	(400,847)	(312,331)
Loans and advances	(61,388)	(27,251)
Trade deposits and short-term prepayments	(93,022)	(49,710)
Other receivables	241,345	(35,784)
	(390,096)	(621,839)
<i>Decrease in current liabilities</i>		
Trade and other payables	(886,380)	(290,053)
	(1,276,476)	(911,892)

Notes to the Condensed Interim Unconsolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2017

Amounts in PKR '000

For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016
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18 Transactions with related parties

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

Relationship with the company	Nature of Transaction		
Holding Company	Royalty	49,543	58,593
Subsidiary Company	Purchase of electricity	146,724	118,253
	Provision of services and other receipts	495	495
	Sale of goods and material	-	221
Associated Companies	Purchase of goods, materials and services	62,055	11,162
	Sale of goods and materials	417,631	365,108
	Reimbursement of expenses	18,988	16,976
	Donations paid	5,000	10,000
	Dividend income from associate	100,000	120,000
Others	Staff retirement benefits	42,921	46,458
Key management personnel	Remuneration paid	136,123	103,031
	Post employment benefits	9,242	7,205

19 Estimates

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

20 Standards, amendments and interpretations adopted during the period

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

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 Date of authorisation

The condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on 26th October, 2017.

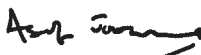
23 General

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

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



Muhammad Sohail Tabba
Chairman / Director



Asif Joona
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer



ICI PAKISTAN LTD.

ICI Pakistan Limited and its Subsidiary Companies Consolidated Financial Statements



Review of the Directors

For the Quarter Ended September 30, 2017

The Directors are pleased to present their report together with the unaudited Group results of ICI Pakistan Limited for the quarter ended September 30, 2017. The ICI Pakistan Group comprises ICI Pakistan Limited, ICI Pakistan PowerGen Limited (PowerGen), Cirin Pharmaceuticals (Private) Limited (Cirin), and NutriCo Morinaga (Private) Limited as its subsidiaries.

The Director's Report, which provides a commentary on the performance of ICI Pakistan Limited for the quarter ended September 30, 2017, has been presented separately.

Net turnover of PowerGen for the period under review stood at PKR 125 million, 24% higher than the SPLY. This increase was primarily driven by the rebound in furnace oil prices, which increased by 26%, and further supported by an 8% increase in the sale of electricity units to the Polyester Business. Operating profits rose by 47% (PKR 25 million versus PKR 17 million), due to higher repair and maintenance costs in the last year.

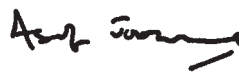
Cirin Pharmaceuticals (Private) Limited achieved an NSI of PKR 155 million for the quarter. Overall, the market remained stable, however, demand for our brands has begun to improve, mainly due to the restructuring of Cirin's sales force, and a shift in strategy that places greater focus on retail and export sales, along with sales to institutions.

NutriCo Morinaga (Private) Limited 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 as per plan. Negotiations have been finalised with suppliers for the plant and machinery, and the acquisition of land for the manufacturing facility is under way.

On a consolidated basis (including the result of the Company's subsidiaries, ICI Pakistan PowerGen Limited, Cirin Pharmaceuticals [Private] Limited and NutriCo Morinaga [Private] Limited) profit after tax (PAT) for the quarter at PKR 825 million or PKR 8.89 EPS is 28% higher than the SPLY. During the period under review, the Company recognised PKR 144 million as share of profit from NutriCo Pakistan (Private) Limited.



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive

October 26, 2017
Karachi

ڈائریکٹرز کا جائزہ

برائے سہ ماہی ختم شدہ 30 ستمبر 2017

ڈائریکٹرز آئی سی آئی پاکستان لمیٹڈ کے غیر آڈٹ شدہ گروپ نتائج اور اپنا جائزہ برائے سہ ماہی ختم شدہ 30 ستمبر 2017 پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔ آئی سی آئی پاکستان گروپ، آئی سی آئی پاکستان لمیٹڈ، اس کے ذیلی اداروں آئی سی آئی پاکستان پاور جن لمیٹڈ (PowerGen)، سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ (سرن)، اور نیوٹرکیو موریٹا گا (پرائیویٹ) لمیٹڈ پر مشتمل ہے۔

آئی سی آئی پاکستان لمیٹڈ کی کارکردگی کی وضاحت پر مشتمل ڈائریکٹرز رپورٹ برائے سہ ماہی ختم شدہ 30 ستمبر 2017 علیحدہ سے پیش کی جا رہی ہے۔

زیر جائزہ عرصہ کیلئے پاور جن کا روایتی 125 ملین روپے رہا جو گزشتہ سال کے اسی عرصہ کے مقابلے میں 24 فیصد زیادہ ہے۔ یہ اضافہ اصل میں فرنیس آئل کی قیمتوں جس میں 26 فیصد اضافے اور پولیسٹر برنس کو بجلی کی فروخت میں 8 فیصد اضافے کے سبب ملا۔ آپریننگ رزلٹ 47 فیصد بڑھ گیا (25 ملین روپے بمقابلہ 17 ملین روپے) کیونکہ گزشتہ سال میں بہت زیادہ مرضی اور مینٹنس کے اخراجات ہوئے تھے۔

سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ نے دوران سہ ماہی 155 ملین روپے کا مجموعی کاروبار حاصل کیا۔ مجموعی طور پر مارکیٹ مستحکم رہی، جبکہ ہمارے برانڈز کی طلب میں اضافہ شروع ہو گیا ہے، خاص کر سرن کے سلیز ٹیم کو دوبارہ منظم کرنے سے اور منصوبہ بندی میں تبدیلی سے جس میں ریٹیل اور ایکسپورٹ سلیز پر توجہ دینے کے ساتھ اداروں کو فراہمی پر بھی کام کیا جا رہا ہے۔

نیوٹرکیو موریٹا گا (پرائیویٹ) لمیٹڈ نے موریٹا گا لائف فارمولا کی تیاری کے لئے جدید مینیوفیکچرنگ سہولت تعمیر کرنے پر پھر پور توجہ مرکوز کر رکھی ہے، جو بعد میں منصوبہ بندی کے تحت کمپنی کی جانب سے ڈسٹری بیوٹ، مارکیٹ اور فروخت کی جائے گی۔ پلانٹ اور مشینری کے لئے سپلائرز سے بات چیت کا سلسلہ مکمل ہو چکا ہے اور مینیوفیکچرنگ سہولت کے لئے زمین کے حصول پر کام ہو رہا ہے۔

سہ ماہی کے لئے کنسالیڈیٹڈ بنیادوں پر (کمپنی کے ذیلی اداروں آئی سی آئی پاکستان پاور جن لمیٹڈ (PowerGen)، سرن فارماسیوٹیکلز (پرائیویٹ) لمیٹڈ، اور نیوٹرکیو موریٹا گا (پرائیویٹ) لمیٹڈ) بعد از ٹیکس منافع 825 ملین روپے یا 8.89 روپے فی شیئر گزشتہ سال کے اسی عرصہ کے مقابلے میں 28 فیصد زائد ہے۔ زیر جائزہ عرصہ کے دوران، کمپنی نے نیوٹرکیو پاکستان (پرائیویٹ) لمیٹڈ کی جانب سے 144 ملین روپے منافع کا حصہ اپنے نام کیا۔

آصف احمد

آصف احمد
چیف ایگزیکٹو

محمد سہیل شاہ

چیرمین / ڈائریکٹر

بتاریخ: 26 اکتوبر 2017

کراچی۔

Condensed Interim Consolidated Balance Sheet

As at September 30, 2017

Amounts in PKR '000

	Note	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	20,762,197	19,958,615
Intangible assets	6	1,697,550	783,356
		22,459,747	20,741,971
Long-term investment	7	1,010,295	966,536
Long-term loans	8	392,441	382,421
Long-term deposits and prepayments		65,723	38,627
		1,468,459	1,387,584
		23,928,206	22,129,555
Current assets			
Stores, spares and consumables		1,077,243	1,011,381
Stock-in-trade	9	6,009,611	5,913,900
Trade debts		2,976,078	2,589,878
Loans and advances		511,786	441,985
Trade deposits and short-term prepayments		665,103	577,426
Other receivables		1,354,200	1,617,870
Taxation - net		1,212,396	1,253,468
Cash and bank balances		1,187,579	1,266,464
		14,993,996	14,672,372
Total assets		38,922,202	36,801,927
EQUITY AND LIABILITIES			
Share capital and reserves			
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		15,007,069	15,102,390
Attributable to the equity holders of the holding company		16,240,303	16,335,624
Non-controlling interests		491,241	487,360
Total equity		16,731,544	16,822,984
Surplus on revaluation of property, plant and equipment		895,733	902,788
Non-current liabilities			
Provisions for non-management staff gratuity		118,618	115,030
Long-term loans	10	6,877,121	4,919,478
Deferred tax liability - net	11	1,186,686	1,225,082
Liabilities subject to finance lease	12	441	799
		8,182,866	6,260,389
Current liabilities			
Trade and other payables		9,500,241	9,933,712
Accrued mark-up		142,124	103,473
Short-term borrowings and running finance	13	2,761,261	2,128,905
Current portion of long-term loans		706,597	647,667
Current portion of liabilities subject to finance lease		1,836	2,009
		13,112,059	12,815,766
Total equity and liabilities		38,922,202	36,801,927

Contingencies and commitments

14

The annexed notes 1 to 24 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 Quarter Ended September 30, 2017

Amounts in PKR '000

	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016
Turnover - note 15	13,001,235	10,589,217
Sales tax	(671,831)	(597,150)
Commission and discounts	(939,411)	(737,291)
	(1,611,242)	(1,334,441)
Net turnover	11,389,993	9,254,776
Cost of sales - note 15 and 16	(9,336,794)	(7,543,692)
Gross profit	2,053,199	1,711,084
Selling and distribution expenses	(710,761)	(580,501)
Administration and general expenses	(294,942)	(242,418)
Operating result - note 15	1,047,496	888,165
Finance costs	(109,956)	(101,499)
Exchange losses	(31,352)	(1,686)
Workers' profit participation fund	(50,208)	(44,877)
Workers' welfare fund	(11,893)	(17,373)
Other charges	(11,011)	(10,118)
	(214,420)	(175,553)
Other income	29,399	18,674
Share of profit from associate	143,759	129,014
Profit before taxation	1,006,234	860,300
Taxation - note 17	(181,140)	(217,652)
Profit after taxation	825,094	642,648
Attributable to:		
Owners of the Holding Company	821,214	642,648
Non-Controlling interests	3,880	-
	825,094	642,648

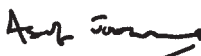
(PKR)

Basic and diluted earnings per share	8.89	6.96
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The annexed notes 1 to 24 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 Quarter Ended September 30, 2017

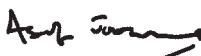
Amounts in PKR '000

	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016
Profit after taxation	825,094	642,648
Total comprehensive income for the period	825,094	642,648
Attributable to:		
Owners of the Holding Company	821,214	642,648
Non-controlling interests	3,880	-
	825,094	642,648

The annexed notes 1 to 24 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 Quarter Ended September 30, 2017

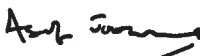
Amounts in PKR '000

	September 30, 2017	September 30, 2016
Cash flows from operating activities		
Cash generated from operations - note 17	283,667	545,801
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(3,828)	(4,490)
Staff retirement benefit plan	(10,707)	(16,217)
Taxation	(178,466)	574,918
Interest	(69,763)	(109,348)
Net cash generated from operating activities	20,903	990,664
Cash flows from investing activities		
Capital expenditure	(1,295,360)	(561,442)
Business acquisition - note 4	(1,563,700)	-
Proceeds from disposal of operating fixed assets	157	60
Dividend from associate	100,000	120,000
Interest received on bank deposits	13,194	2,692
Net cash used in investing activities	(2,745,709)	(438,690)
Cash flows from financing activities		
Long-term loans obtained	2,170,020	-
Long-term loans repaid	(153,445)	(138,889)
Finance lease liability repaid	(876)	-
Dividends paid	(2,134)	(244)
Net cash generated from / (used in) financing activities	2,013,565	(139,133)
Net (decrease) / increase in cash and cash equivalents	(711,241)	412,841
Cash and cash equivalents at the start of the period	(862,441)	(1,678,222)
Cash and cash equivalents at the end of the period (Ref. 1)	(1,573,682)	(1,265,381)
Ref 1: Cash and cash equivalents at the end of period comprise of:		
Cash and bank balances	1,187,579	358,900
Short-term borrowings and running finance	(2,761,261)	(1,624,281)
	(1,573,682)	(1,265,381)

The annexed notes 1 to 24 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 Quarter Ended September 30, 2017

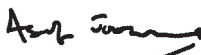
Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total reserves	Non controlling interest	Total
As at July 1, 2016	923,591	309,643	13,341,517	13,651,160	-	14,574,751
Profit for the period	-	-	642,648	642,648	-	642,648
Total comprehensive income	-	-	642,648	642,648	-	642,648
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	25,387	25,387	-	25,387
As at September 30, 2016	923,591	309,643	14,009,552	14,319,195	-	15,242,786
Final dividend of PKR 9.00 per share for the year ended June 30, 2016	-	-	(831,231)	(831,231)	-	(831,231)
Interim dividend of PKR 8.00 per share for the year ended June 30, 2017	-	-	(738,872)	(738,872)	-	(738,872)
	-	-	(1,570,103)	(1,570,103)	-	(1,570,103)
Shares issued to non-controlling interests	-	-	-	-	490,000	490,000
Loss attributable to non-controlling interest for the period	-	-	-	-	(2,640)	(2,640)
	-	-	-	-	487,360	487,360
Profit for the period	-	-	2,640,099	2,640,099	-	2,640,099
Other comprehensive income for the period - net of tax	-	-	(55,924)	(55,924)	-	(55,924)
Total comprehensive income	-	-	2,584,175	2,584,175	-	2,584,175
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	78,766	78,766	-	78,766
As at June 30, 2017	923,591	309,643	15,102,390	15,412,033	487,360	16,822,984
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	-	-	821,214	821,214	3,881	825,095
Total comprehensive income	-	-	821,214	821,214	3,881	825,095
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	7,056	7,056	-	7,056
As at September 30, 2017	923,591	309,643	15,007,069	15,316,712	491,241	16,731,544

The annexed notes 1 to 24 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 Quarter Ended September 30, 2017

Amounts in PKR '000

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 and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchandising of general chemicals. It also acts as an indenting agent and toll manufacturer. PowerGen is engaged in generating, selling and supplying electricity to the Company. Cirin is 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 September 30, 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

The condensed interim consolidated financial statements have been prepared in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and is being submitted to shareholders in accordance with the requirements of section 245 of the repealed Companies Ordinance, 1984. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements as at and 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.

4 Business Acquisition

On 11th August 2017, the Group acquired certain assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited which constitutes a business combination as per IFRS 3: Business Combinations. These assets include plant and machinery and certain other assets of Wyeth Pakistan Limited alongwith certain brands and registrations of Wyeth Pakistan Limited and Pfizer Pakistan Limited. Documentation requirement of land and buildings of Wyeth Pakistan Limited-owned manufacturing facility is expected to be completed in next quarter. The following table summarizes the estimated fair values of net assets acquired:

	Fair value recognized on acquisition
Indicative value of tangible net assets - other than land and building	647,800
Indicative value of intangibles:	
Brands	753,460
Goodwill	162,440
	915,900
Consideration paid	1,563,700

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.

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended September 30, 2017

Amounts in PKR '000

	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
5 Property, plant and equipment		
Operating assets - at net book value	15,552,845	15,534,162
Capital work-in-progress - at cost		
Civil works and buildings	794,476	715,276
Plant and machinery	4,146,720	3,414,887
Advances to suppliers / contractors	268,156	294,290
Total capital work-in-progress Note 5.2	5,209,352	4,424,453
Total property, plant and equipment	20,762,197	19,958,615

5.1 Following is the cost of operating fixed assets that have been added / disposed off during the quarter ended September 30, 2017:

	Additions / Acquisitions / Transfers		Disposals - NBV	
	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
Freehold land	-	10,244	-	-
Buildings on freehold land	1,427	7,308	-	-
Buildings on leasehold land	32	156,690	-	-
Plant and machinery	543,888	1,312,785	-	-
Rolling stock and vehicles	5,100	12,976	-	2,464
Furniture and equipment	56,337	85,180	287	39
	606,784	1,585,183	287	2,503

	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
5.2 The following is the movement in capital work-in-progress during the period		
Opening balance	4,424,453	1,162,951
Addition during the period / year	835,951	4,757,118
	5,260,404	5,920,069
Transferred to operating fixed assets	(51,052)	(1,495,616)
	5,209,352	4,424,453

6 Intangible assets

Intangible assets - at net book value - note 6.1	1,697,550	783,356
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6.1 Following is the detail of intangible assets:

Brands	1,437,679	684,219
Goodwill	242,304	79,864
Others	17,567	19,273
	1,697,550	783,356

6.2 Additions to intangible assets:	915,900	774,082
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Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended September 30, 2017

Amounts in PKR '000

7 Long-term investments

Unquoted - at equity method

Associate - NutriCo Pakistan (Private) Limited - note 7.1
 Cost of investment - 200,000 ordinary shares
 (June 30, 2017: 200,000 shares) of PKR 1,000 each and
 premium of PKR 3,800 per share
 Post acquisition profits at the beginning
 Share of profit for the period / year
 Dividend received during the period / year

September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
960,000	960,000
4,036	1,167
143,759	670,869
(100,000)	(668,000)
1,007,795	964,036

Carrying value of Associate

Others

Equity security available for sale
 - Arabian Sea Country Club Limited

2,500	2,500
1,010,295	966,536

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.

8 Long-term loans

Considered good

Due from executives and employees
 Current portion shown under current assets

521,271	508,790
(128,830)	(126,369)
392,441	382,421

9 Stock-in-trade

It includes items carried at net realisable value of PKR 546.238 million (June 30, 2017: PKR 734.965 million) on which reversal of PKR 2.542 million (June 30, 2017: PKR 25.648 million) was recognized during the period

10 Long-term loans

Long-term loans - note 10.1
 Current portion of long-term loans

7,583,718	5,567,145
(706,597)	(647,667)
6,877,121	4,919,478

10.1 Opening Balance	5,567,143	4,046,369
Obtained during the period / year	2,170,020	1,913,133
Repaid during the period / year	(153,445)	(392,359)
Closing balance - note 10.2	7,583,718	5,567,143

10.2 During the period, the Group availed a further long term loan based on reducing balance method amounting to PKR 1.05 billion from UBL and 500 Million from HBL @ 6MKIBOR + 0.05% and a further LTFF from MCB Bank amounting to PKR 611 million @ SBP rate + 0.3%. The markup is payable on semi annual basis on long term loans and on quarterly basis on LTFF.

Notes to the Condensed Interim Consolidated Financial Statements

For the Quarter Ended September 30, 2017

Amounts in PKR '000

	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
11 Deferred tax liability - net		
Deductible temporary differences		
Provisions for retirement benefits, doubtful debts and others	(295,539)	(273,718)
Retirement funds provision	(37,832)	(37,718)
Taxable temporary differences		
Property, plant and equipment	1,520,057	1,536,518
	1,186,686	1,225,082
12 Liabilities subject to finance lease		
Present value of lease payments under finance lease are as follows:		
Not later than one year	1,975	2,198
Later than one year and not later than five years	451	826
	2,426	3,024
Financial charges allocated to future period	(149)	(216)
	2,277	2,808
Current maturity shown under current liability	(1,836)	(2,009)
	441	799
13 Short-term borrowings and running finance		
Export refinance - (mark-up: SBP rate + 0.25% per annum)	200,000	50,000
Money market	550,000	550,000
Short-term running finance - secured	2,011,261	1,528,905
	2,761,261	2,128,905
14 Contingencies and commitments		
Claims against the Group not acknowledged as debts are as follows:		
Local bodies	13,061	1,400
Others	15,302	15,302
	28,363	16,702
14.1 There are no changes in the status of custom duty, sales tax and income tax contingencies as reported in the annual audited financial statements of the Group.		
14.2 Commitments in respect of capital expenditure (including light ash project of Soda Ash)	724,005	1,888,030
14.3 Commitments for rentals under operating lease / Ijarah contracts in respect of vehicles are as follows:		
Year		
2017-18	74,492	72,921
2018-19	63,489	60,110
2019-20	44,032	39,393
2020-21	23,104	18,186
2021-22	1,025	-
	206,142	190,610
Payable not later than one year	74,492	72,921
Payable later than one year but not later than five years	131,650	117,689
	206,142	190,610
14.4 Outstanding foreign exchange forward contracts as at September 30, 2017 entered into by the Group amounted to:	359,682	-

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2017

15 Operating Segment results

Amounts in PKR '000

	Polyester		Soda Ash		Life Sciences *		Chemicals and Agri Sciences*		Others		Group	
	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016 - restated	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016 - restated	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016
Turnover - note 15.1, 15.2 & 15.3	4,310,363	3,286,104	3,376,673	3,298,102	3,172,235	2,269,701	2,122,973	1,720,725	146,724	118,254	13,001,235	10,589,217
Sales tax	-	-	(477,906)	(450,565)	(23,440)	(15,981)	(149,166)	(113,422)	(21,319)	(17,182)	(671,831)	(597,150)
Commission and discounts	(92,092)	(78,173)	(208,455)	(196,126)	(418,806)	(259,426)	(220,058)	(203,566)	-	-	(939,411)	(737,291)
	(92,092)	(78,173)	(686,361)	(646,691)	(442,246)	(275,407)	(369,224)	(316,988)	(21,319)	(17,182)	(1,611,242)	(1,334,441)
Net turnover	4,218,271	3,207,931	2,690,312	2,651,411	2,729,989	1,994,294	1,753,749	1,403,737	125,405	101,072	11,389,993	9,254,776
Cost of sales												
- note 15.1 and 16	(4,121,463)	(3,173,189)	(1,966,890)	(1,902,293)	(1,938,180)	(1,447,796)	(1,338,017)	(1,040,500)	(100,412)	(84,018)	(9,336,794)	(7,543,692)
Gross profit	96,808	34,742	723,422	749,118	791,809	546,498	415,732	363,237	24,993	17,054	2,053,199	1,711,084
Selling and distribution expenses	(61,194)	(47,657)	(60,027)	(64,549)	(361,781)	(270,076)	(227,759)	(198,219)	-	-	(710,761)	(580,501)
Administration and general expenses	(50,050)	(66,957)	(74,922)	(58,414)	(72,804)	(51,269)	(97,133)	(65,749)	(93)	(89)	(294,942)	(242,418)
Operating result	(14,436)	(79,872)	588,473	626,155	357,224	225,153	90,840	99,269	24,900	16,965	1,047,496	888,165

* 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 (Unaudited)

For the Quarter Ended September 30, 2017

Amounts in PKR '000

	For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016
15.1 Turnover		
Inter-segment sales and purchases have been eliminated from the total	127,733	103,669
15.2 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.		
15.3 Turnover includes export sales made to various countries amounting to:	77,110	214,603
16 Cost of sales		
Opening stock of raw and packing materials	2,570,287	2,278,726
Purchases	5,219,995	3,957,606
	7,790,282	6,236,332
Closing stock of raw and packing materials	(3,038,428)	(2,209,034)
Raw and packing materials consumption	4,751,854	4,027,298
Manufacturing costs	2,290,190	2,116,282
	7,042,044	6,143,580
Opening stock of work-in-process	110,090	140,179
	7,152,134	6,283,759
Closing stock of work-in-process	(114,682)	(121,656)
Cost of goods manufactured	7,037,452	6,162,103
Opening stock of finished goods	3,233,523	2,898,452
Finished goods purchased	1,922,320	1,627,353
	12,193,295	10,687,908
Closing stock of finished goods	(2,856,501)	(3,144,216)
	9,336,794	7,543,692
17 Taxation		
Current	219,538	286,282
Deferred	(38,398)	(68,630)
	181,140	217,652

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2017

Amounts in PKR '000

For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016
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18 Cash flows from operations

Profit before taxation	1,006,234	860,300
Adjustments for:		
Depreciation and amortisation	589,517	545,794
Loss / (gain) on disposal of operating fixed assets	130	(60)
Provision for non-management staff gratuity and eligible retired employees' medical scheme	11,984	7,965
Provision for staff retirement benefit plan	6,710	7,227
Share of profit from associate	(143,759)	(129,014)
Interest on bank deposits	(13,730)	(1,324)
Interest expense	109,956	101,500
Provision for doubtful debts	43,243	20,367
Provision for slow moving and obsolete stock-in-trade	535	13,939
Provision for slow moving stores and spares	555	-
	1,611,375	1,426,694
Movement in:		
Working capital - note 18.1	(1,290,592)	(867,734)
Long-term loans	(10,020)	(10,093)
Long-term deposits and prepayments	(27,096)	(3,066)
Cash generated from operating activities	283,667	545,801

18.1 Movement in working capital

(Increase) / decrease in current assets

Stores, spares and consumables	1,383	(22,547)
Stock-in-trade	(77,246)	(171,488)
Trade debts	(403,743)	(312,386)
Loans and advances	(69,801)	(27,243)
Trade deposits and short-term prepayments	(83,680)	(50,254)
Other receivables	264,206	(37,930)
	(368,881)	(621,848)

Decrease in current liabilities

Trade and other payables	(921,711)	(245,886)
	(1,290,592)	(867,734)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the Quarter Ended September 30, 2017

Amounts in PKR '000

For the 3 months ended September 30, 2017	For the 3 months ended September 30, 2016
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19 Transactions with related parties

The related parties comprise the holding company (Lucky Holdings Limited), the ultimate parent company (Lucky Cement Limited) and related group companies, local associated company, 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:

Relationship with the company Nature of Transaction

Holding Company	Royalty	49,543	58,593
Associated Companies	Purchase of goods, materials and services	62,055	11,162
	Sale of goods and materials	417,631	365,108
	Reimbursement of expenses	18,988	16,976
	Donations paid	5,000	10,000
	Dividend received from associate	100,000	120,000
Others	Staff retirement benefits	42,921	46,458
Key management personnel	Remuneration paid	136,123	103,031
	Post employment benefits	9,242	7,205

20 Estimates

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

21 Standards, amendments and interpretations adopted during the period

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

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 Date of authorisation

The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on October 26th, 2017.

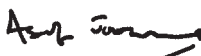
24 General

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

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



Muhammad Sohail Tabba
Chairman / Director



Asif Jooma
Chief Executive



Muhammad Abid Ganatra
Chief Financial Officer

A publication of the Corporate Communications
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