ICI PAKISTAN LTD.

A Part of YBG

ANNUAL REPORT 2020-21

Delivering Enduring Value

Delivering Enduring Value

The pandemic posed unprecedented challenges both domestically and internationally. However, the Company proved to be resilient and agile, delivering enduring value to its stakeholders in a much-changed and uncertain world.

Supplying essential products to almost every industry in the country, ICI Pakistan Limited's operations are intertwined with the economy and development of Pakistan. Its businesses are major players within their respective industries, bringing together robust knowledge of customer needs with leading-edge technology.

Fuelled by the resolve of its management, diversification of its businesses, excellence of its processes, and the strength of its people the Company continued to deliver promising results in line with expectations. Its unwavering commitment to its core values remained a constant.

ICI Pakistan Limited strives to constantly look for opportunities to provide better, smarter and more efficient solutions. Using technology and policies inspired by its Passion for People, ICI Pakistan Limited interfaced with the challenges presented by the pandemic in a way that ensured that the well-being of its people went hand in hand with its growth aspirations. It is a testament to the confidence that the Company feels not just in its own, but also in the country's future that it has announced multiple expansion projects. ICI Pakistan Limited marches onward, with its ambition to build a strong local and international footprint through sustainable growth – reinforced by its commitment to its brand promise of Cultivating Growth.

A Rich Legacy of Corporate Leadership

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

1944

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

1982

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

1987

The Company changes its name to ICI Pakistan Limited.

1994

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

1998

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

2002

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

2008

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

2012

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

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

2014

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

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

2017

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

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

2018

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

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

2019

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

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

2020

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

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

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

2021

Commencement of capacity expansion of Light Soda Ash at Khewra plant to 135,000 tonnes per annum.

Approval for setting up a unit at Sheikhupura Polyester Plant for production of 100% PET recycled chip.

Commissioning 14,000 TPA of Refined Sodium Bicarbonate bringing total capacity to 54,000 TPA.

ICI Pakistan Limited at a Glance

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

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

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

Growth and Expansion

In recent years, ICI Pakistan Limited has embarked on an exciting journey of growth, expansion and innovation.

In 2015, a phased capacity expansion of 150,000 tonnes per annum (TPA) of Light Soda Ash was announced at the Company's Khewra Plant. The successful commissioning and commencement of operations of Phase 1 of 75,000 TPA took place in 2018, whereas in 2019, the Company announced the commencement of Phase 2 of its expansion by 75,000 TPA. The following year, the Company approved the expansion of an additional 50,000 TPA. In 2021, following the finalisation of negotiations with equipment and other suppliers, the Soda Ash business secured approval for an additional 10,000 TPA which placed the total capacity expansion at 135,000 TPA. This is yet another development towards the Company's growth aspirations by enhancing the total installed capacity of its Soda Ash business to 560,000 TPA.

During the year, the Board of Directors also approved a proposal for setting up of a unit at its Polyester Plant in Sheikhupura which will produce 100% PET recycled chip for the manufacture of Recycled Polyester Staple Fibre for use in producing yarn for blended textiles in line with the need of customers to meet the global agenda on sustainability. In addition, the Polyester business continued to enhance operational efficiencies and developed innovative varieties, which have started to bear fruit, delivering historic business results during the year.

One of the highlights of the year has been ICI Pakistan Limited's ascent to becoming one of the fastest growing pharmaceutical organisation of Pakistan amongst the Top 20 pharmaceutical corporations (IQVIA, 2021), delivering growth of over 32%.

The Masterbatches business delivered an impressive performance supported by customer acquisitions, successful repeat orders and technical developments which helped maintain its positive momentum from the previous year. In line with strategic aspirations, the Chemicals & Agri Sciences business continued R&D for specialised products to meet specific customer needs.

In order to enhance focus and consolidate the infant formula business, during the year, acquisition of 11% of the issued and paid up share capital of NutriCo Pakistan (Private) Limited and subsequent merger of the same with and into NutriCo Moringa (Private) Limited were approved.

Ownership / About YBG

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

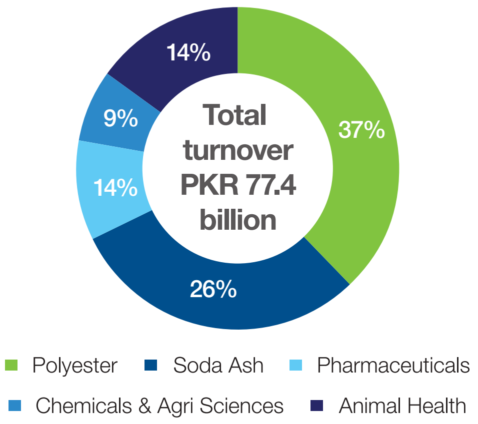
The Yunus Brothers Group (YBG) is one of the biggest conglomerates in Pakistan with diversified business interests in cement, textiles, chemicals, pharmaceuticals, real estate, power/energy generation and automobile sectors. YBG was established in 1962 as a trading house and then grew rapidly over the years to become one of the largest export houses in Pakistan. YBG proudly boasts the most sustainable and effective business partnerships with leading private and public sector entities in Pakistan.

People and Locations

ICI Pakistan Limited continues to rise as an employer of choice and currently has a diverse workforce of over 1,700 people. Year after year, the Company is honoured with global awards in recognition of its overall approach to conducting business and its brand influence in the marketplace, culture of employee engagement and adherence to corporate sustainability principles. This year, the Company won the Gold award for "Best Graduate Training Programme" and the Silver award for "Best HR Capability Development Programme" from Employee Experience Awards, Singapore. The Employer's Federation of Pakistan also awarded ICI Pakistan Limited with the Silver Award for "Employer of the Year".

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

Total Turnover by Business



Industries Served

Polyester

Textiles

Soda Ash

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

Pharmaceuticals

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

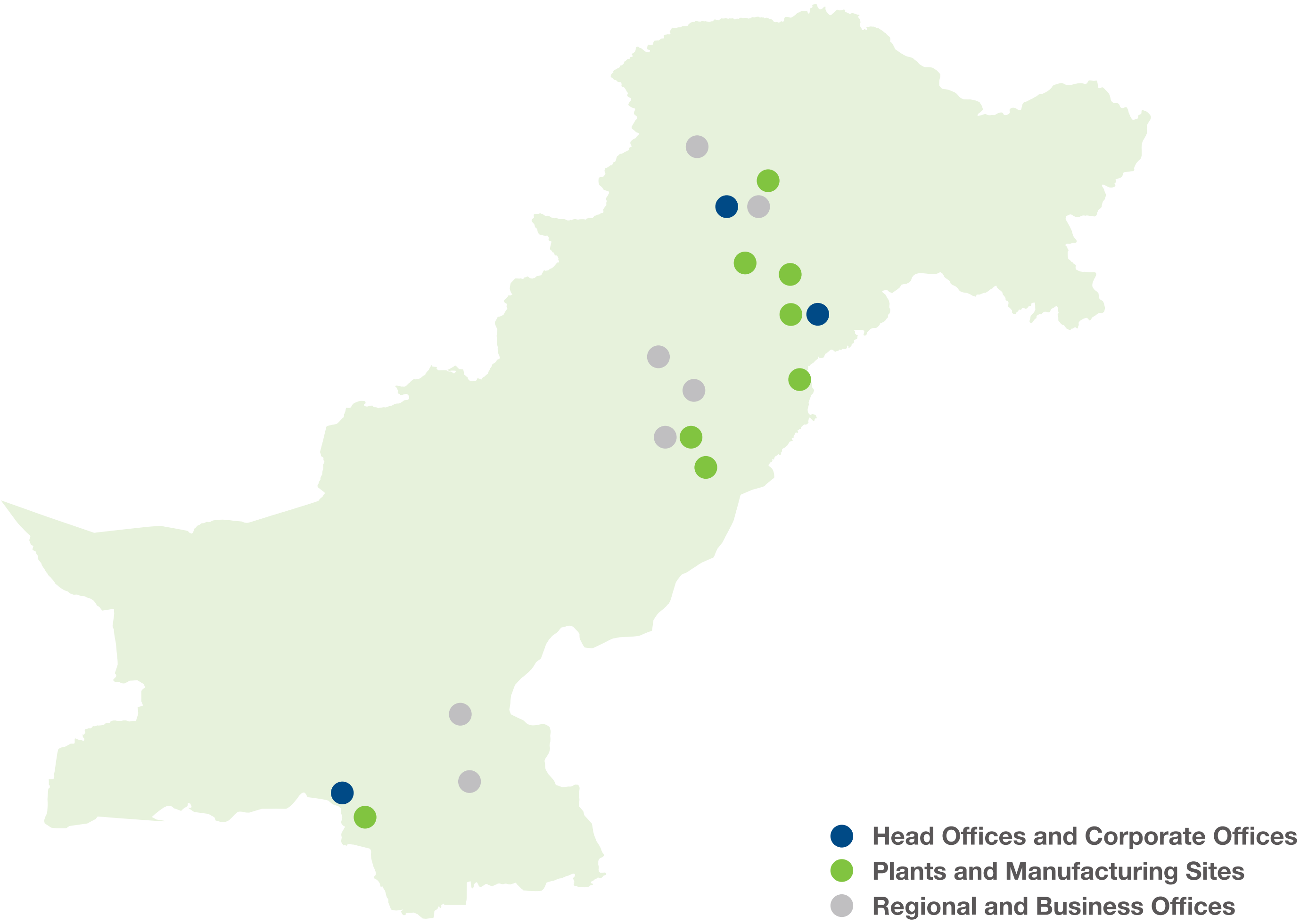
Chemicals & Agri Sciences

Textiles
Paints
Appliances
Construction
Automobile
Footwear
Edible Oil
Oil/Petroleum
Food and Beverage
Personal Care
Metal Cleaning/Engineering
Agro Chemicals
Pharmaceuticals
Cement
Packaging
Chemical Processing/Resins
Plastics/Rubber/Tanneries
Crops
Coatings/Inks
Detergents/Laundry Soaps
Surgical
Fertilisers
Furniture and Mattresses
Sporting Goods
Dairy
Hotels, Restaurants and Cafes
Sugar
Glass and Ceramics
Agriculture

Animal Health

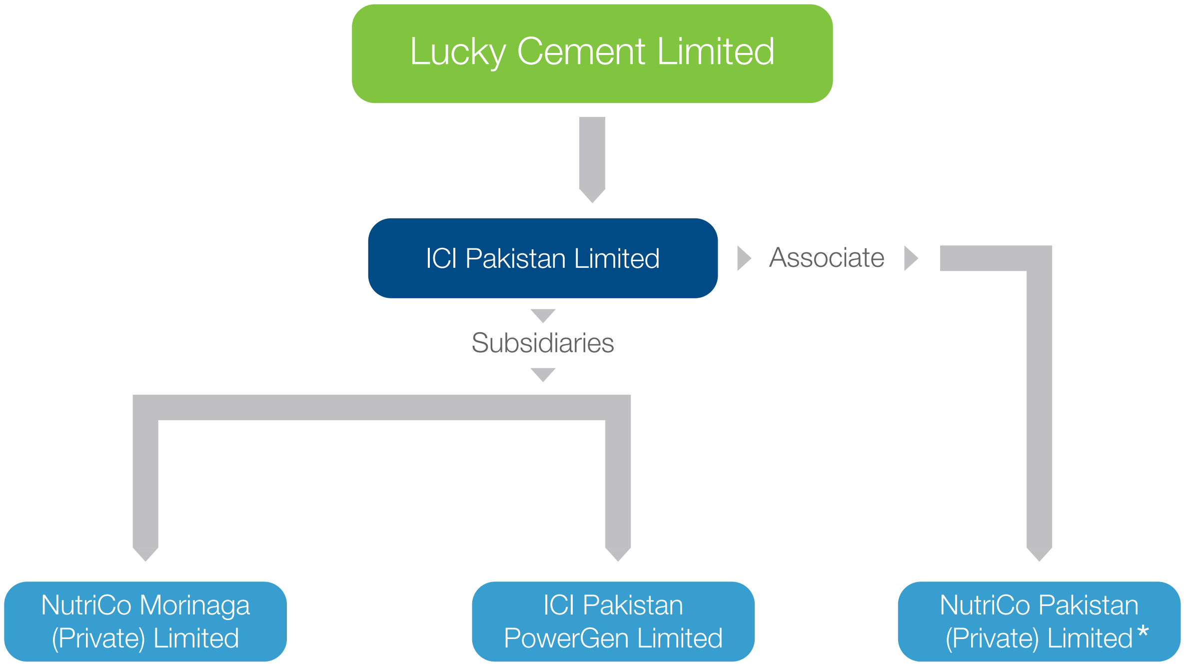
Animal Nutrition
Anti-Infectives
Restoratives
Anthelmintics
Antiprotozoal
Poultry Biologicals
Reproductive Hormone
Intra-mammary
Antibiotic Growth Promoters
Bio-Security Solutions
Organic Acid
Moisture Optimisation and
Grain Treatment Solutions
Veterinary Nutraceuticals
Bovine Genetics

Geographical Locations



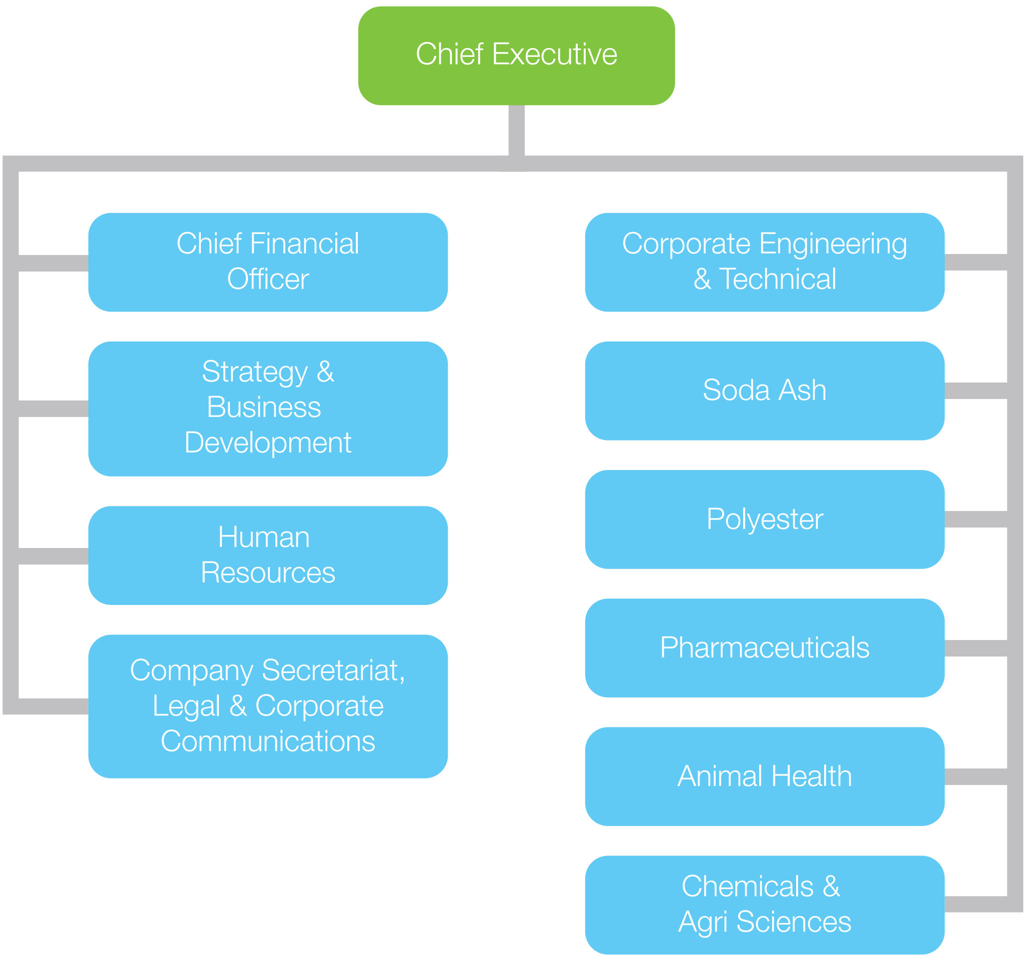
Facility	Address	Phone
Head Office, Karachi	ICI House, 5 West Wharf, Karachi	021-32313718-9
Chemicals Plant	ICI House, 5 West Wharf, Karachi	021-32313718-9
Nutraceuticals Plant	ICI House, 5 West Wharf, Karachi	021-32313718-9
Hawke's Bay Pharmaceutical Plant	S-33 Hawke's Bay Road, Karachi	021-32354651-60
Corporate Office, Lahore	63 Mozang Road, Lahore	042-35311271-3
Animal Health Manufacturing Plant	Animal Health Plant & Warehouse 45km Multan Road, Lahore	061-4781343-4
Soda Ash Plant	Soda Ash Works Khewra, District Jhelum	054-4231801-2
Polyester Plant	Polyester Works, 30km Lahore Sheikhupura Road, Sheikhupura	056-3406091-5
Silage Plant	Bypass Nazam Pura Road, Kasur	-
Islamabad Corporate Office	2nd Floor, Islamabad Corporate Centro, Golra Road, Islamabad	051-5495860-5
Hattar Plant	32, 2A, Phase 3, Hattar Industrial Estate, Hattar	099-5617098
Faisalabad Office	Faisalabad Serena Hotel, Club Road, Faisalabad	041-2626837
Sahiwal Office	Opp: AL Noor CNG Station, Multan Road, Sahiwal	-
Multan Office	Siddiq Trade Centre (SHAPE), Abdali Road, Multan	061-4781343-4
Peshawar Office	State Life Building 2nd Floor 'A' Block The Mall, Peshawar	091-5276476
Sukkur Office	2nd Floor, EDFORT Building Queen's Road, Sukkur	071-5625172
Hyderabad Office	State Life Building, 7th Floor, 50 Thandi Sarak, Hyderabad	022-2781142-3

Group Structure



* Subsequent to the year-end, NutriCo Pakistan (Private) Limited has become a subsidary of ICI Pakistan Limited.

Organisational Structure



Key Performance Indicators

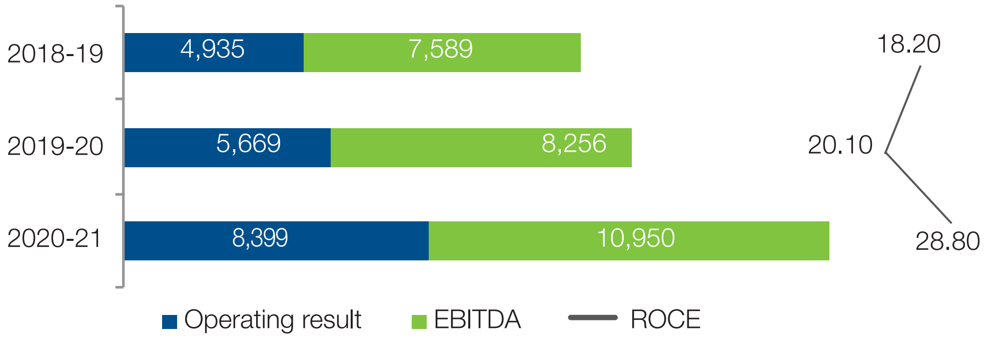
Statement of Profit or Loss

			2019-20	2020-21
Net turnover	17%	In PKR million	53,599	**62,618**
Operating result	48%	In PKR million	5,669	**8,399**
Profit before tax	90%	In PKR million	4,330	**8,229**
Profit after tax	92%	In PKR million	3,096	**5,959**
EBITDA	33%	In PKR million	8,256	**10,950**
EBITDA margin	14%	% of Net Turnover	15.40	**17.49**
Earnings per share	92%	In PKR	33.52	**64.52**

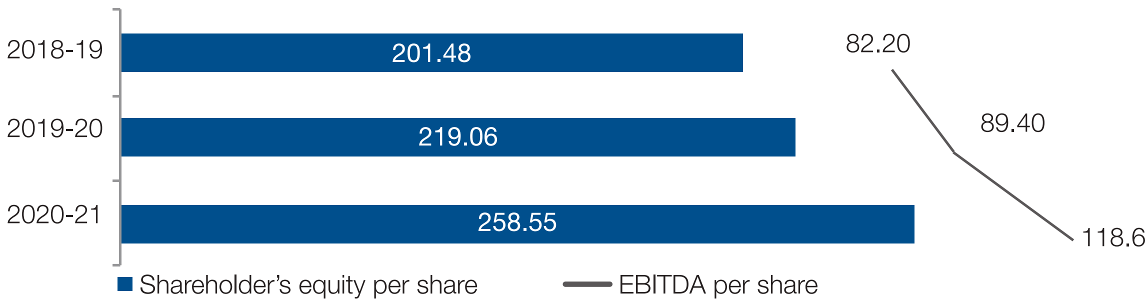
Ratios

			2019-20	2020-21
Equity	18%	In PKR million	20,232	**23,879**
Price earning	-35%	In times	20.73	**13.46**
Return on capital employed	44%	In %	20.06	**28.79**
Return on fixed assets	46%	% of revenue	27.11	**39.45**
Operating result per employee	46%	In PKR million	2.84	**4.14**
Capital expenditures	91%	In PKR million	1,548	**2,962**

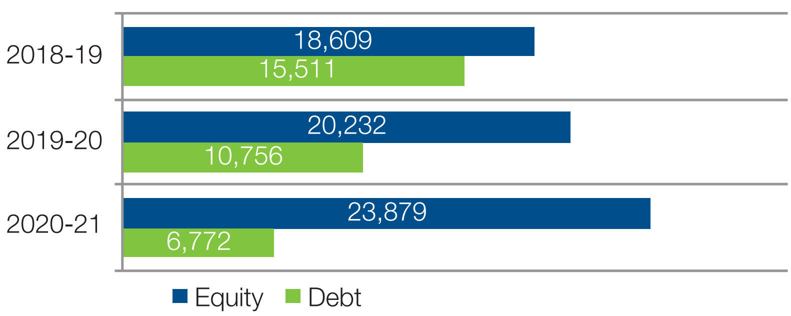
Operating result and EBITDA
PKR million



Shareholder's equity and EBITDA per share
In PKR



Net Debt and equity
PKR million



Contents

Overview & Strategy

Governance & Compliance

Business Performance

Sustainability Performance

Financial Performance

Our Vision

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

Our Mission

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

Our Values

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

CUSTOMER CENTRICITY

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

INTEGRITY AND RESPONSIBILITY

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

INNOVATION

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

PASSION FOR PEOPLE

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

DELIVERING ENDURING VALUE

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

Overview and Strategy

Maintaining Focus in Unprecedented Times

During a year characterised by accelerated change due to the COVID-19 pandemic, the Company remains committed to the pursuit of Cultivating Growth. This commitment fuels ICI Pakistan Limited's journey towards Delivering Enduring Value and improving the lives that it engages with.

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

Code of Conduct

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

Brief Overview of the Code:

1. ICI Pakistan Limited's Policy is to comply with all applicable laws and regulations. Each employee should implement the core values, comply with and observe applicable laws and regulations.

2. ICI Pakistan Limited supports the principles of free enterprise and fair competition. The Company aims to meet customers' needs faster, better and more distinctively than its competitors. To this end, the Company will compete vigorously but fairly and within the framework of applicable competition laws.

3. Bribery and any other forms of unethical business practice are prohibited. Under no circumstances, shall any ICI Pakistan Officer, employee, agent or representative make, offer, promise or authorise any payment or gift, in relation to the Company's operations to gain any business advantage, influence the policy of any Government, or that bears the appearance of impropriety.

4. ICI Pakistan Limited's employees must at all times act in the Company's best interest and avoid putting themselves in a position where their personal interest conflicts with that of the Company.

5. ICI Pakistan Limited is committed to creating an attractive working environment for its employees. The Company recruits, hires and promotes employees solely on the basis of merit and suitability for the job. The Company is committed to facilitating employees' individual and professional development through training/learning opportunities as well as mentorship from the departmental management.

6. The Company provides a safe and healthy work environment, in order to prevent harm to and promote the health and well-being of all employees and other stakeholders. It is the responsibility of each employee to comply with Health, Safety, Environment and Security (HSE&S) Regulations outlined by the Company.

7. Openness, integrity and reliability are essential to foster bilateral communication between employees and management in all aspects of the working environment.

Review of the Chairman

Dear Stakeholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report of ICI Pakistan Limited highlighting the Company's commendable performance and achievements for the year ended June 30, 2021.

Since its acquisition by the Yunus Brothers Group (YBG) in 2012, the Company has made great strides in expanding both its footprint and shareholder value. ICI Pakistan Limited has excelled in delivering growth, continuous business expansion and diversification.

The past year, although rife with unprecedented challenges, has been a prosperous one for the Company. It gives me great pleasure to announce that ICI Pakistan Limited has maintained its upward trajectory and continued to deliver exceptional business performance across the board. In 2020-21, on an unconsolidated basis, the Company's net turnover recorded a growth of 17% at PKR 62,618 million with operating profit being 48% higher at PKR 8,399 million. These results were driven by robust performances across all our businesses. In particular, the Polyester business delivered a historic 283% growth in operating profit. This feat is evidence of the trust placed in the Company by our customers, a sharp rebound in the textile export segment and the untiring efforts and commitment of our people.

ICI Pakistan Limited's results have been presented in greater detail in the Report of the Directors, in addition to which I would like to highlight key developments that took place during the year under review. The Soda Ash business secured approval from the Board of Directors for a capacity expansion of 135,000 tonnes per annum (TPA) of Light Soda Ash which will, once fully online increase the capacity at Khewra Plant to 560,000 TPA. The Polyester business received approval for setting up an extrusion line at its plant in Sheikhupura, to produce 100% PET recycled chip for the manufacture of recycled polyester staple fibre. ICI Pakistan Limited's growth aspirations are in line with evolving customer needs and the Company's commitment to sustainability.

The Company remains integral to the economic fabric of Pakistan, not just through providing job opportunities but also through its focus on corporate social responsibility (CSR) and good corporate governance. ICI Pakistan Limited remains at the forefront of sustainability and adopting best-in-class health, safety, environment and security (HSE&S) principles. In line with our mission of Improving Lives, the Company is among the few organisations in Pakistan that report against the UN Sustainable Development Goals. In addition to playing a vital role in supporting the wider communities, we have remained committed to the wellbeing of our people, who we believe are the cornerstone to our success.

In view of the current economic and environmental uncertainties, ICI Pakistan Limited remains vigilant of the market dynamics and stands well-positioned to continue its existing growth momentum, focusing on improved service standards and expanding its footprint. Despite several waves of COVID-19, Pakistan is amongst the few countries that achieved notable success in containing the related health and economic challenges. Post-vaccine roll-out, the global economy is on track to make a strong recovery, and the Company is poised to reap the benefits for further growth, inshaa'Allah, delivering greater returns for the stakeholders.

I would also like to thank the Board for their effective guidance and oversight which has been instrumental at every step as the Company navigated its way through uncharted waters following the outbreak of the COVID-19 pandemic. ICI Pakistan Limited in many ways exceeded its stakeholders' expectations and business objectives this year.

In conclusion, on behalf of the Board, I would like to express my sincere gratitude to ICI Pakistan Limited's stakeholders for their continued support and to appreciate the commitment and valuable services rendered by the employees of the Company in such trying times.

Regards,

Muhammad Sohail Tabba
Chairman
ICI Pakistan Limited

Message from the Chief Executive

Dear Stakeholders,

The COVID-19 pandemic presented major challenges, however, our ideology founded on a solid value system has steered ICI Pakistan Limited upwards and forwards to achieve accelerated success in the face of challenge and change.

It has been a year of progress, exponential growth, and numerous value-creating opportunities. The theme for our annual report this year underpins our relentless focus on Delivering Enduring Value and sustained growth to benefit our shareholders, employees, suppliers, customers, and the communities in which we operate.

During the year under review, ICI Pakistan Limited's unconsolidated Profit after Tax for the year was 92% higher at PKR 5,959 million. The strong performance delivered by the Company, our ability to rapidly adapt to circumstances and the operational excellence achieved, is a testament to the resilience and strength of our people, businesses, and functions.

The Soda Ash business exhibited great agility in the face of challenges brought on by COVID-19 to its business environment as the competitive pressure arising out of the dumping of Soda Ash, mainly from Turkey, into Pakistan intensified during the period under review. Resultantly the business managed the excess product available locally through export sales, which were at their highest level to date. In addition, approvals for investments in capacity enhancements for Refined Sodium Bicarbonate and Light Soda Ash remained in line with the Company's commitment to maintaining its leadership position in Soda Ash. Together, these achievements propel us towards actualising ICI Pakistan Limited's aspirations of achieving sustainable growth by building a strong local and international footprint and creating value for all stakeholders.

As responsible stewards, our businesses continue to make strides in developing sustainable products and solutions to better serve ICI Pakistan Limited's customers and the community at large. Our Polyester business has made progress in this regard through planned investments in the manufacture of recycled polyester staple fibre by enhancing its manufacturing capabilities and through product innovation.

During the year, the Pharmaceuticals business successfully diversified its product portfolio, developing best-in-class solutions and competencies to better serve the needs of patients. The business became one of the fastest growing pharmaceutical companies in Pakistan, ranking amongst the top 20 pharmaceutical corporations (IQVIA 2021), delivering growth of over 32%. In response to the pandemic related restrictions, the business recognising the need for maintaining continuous medical education for the healthcare community, forged ahead on its journey of innovation to launch Pakistan's largest digital scientific exchange, Think Health '21.

In trying times such as these, exploring better and smarter ways of doing what we do best, has fuelled our growth velocity. The Chemicals & Agri Sciences business delivered improved profitability during the year under review, predicated on a bounce-back in consumer demand, and enhanced focus by the business on margin optimisation and operational excellence.

The Company's mission of Improving Lives is ingrained in all our businesses and people. As enablers of growth, the success of the Animal Health business is tied to the prosperity of dairy and poultry farmers nationwide. New product developments and key strategic partnerships enabled the business to deliver a strong performance in its segments.

ICI Pakistan Limited draws its agility and responsiveness to a dynamic business environment by leveraging on its core value of Innovation. In line with this, the Company sustained momentum on its intrapreneurship programme - the Explore Challenge and initiated Lean Six Sigma. Through initiatives such as these, the forward-thinking and innovative mindset of our people furthered our growth ambitions.

Our focus on health, safety, environment and security (HSE&S) remains stronger than ever, with the Company logging over 35 million man-hours without injury. I urge you to read our Sustainability Report 2020-21 which further details our aspirations to improve safety across our operations, as well as sharing progress on our sustainability agenda. Committed to delivering value beyond the boundaries of our operations, ICI Pakistan Limited continued to focus on giving back to the communities that we serve.

ICI Pakistan Limited's commitment to value creation and sustainable growth leads us to continue investing in our greatest resource – our people. The Company takes pride in being an employer of choice in Pakistan. I take great pleasure in the fact that the Company won multiple awards in recognition of its talented people. The Company was honoured with the gold award for "Best Graduate Recruit Programme" and the silver award for "Best HR capability Development Programme" by the Employee Experience Award, Singapore. In addition, ICI Pakistan Limited received the silver award for "Employer of the Year" by the Employer's Federation of Pakistan. Despite the odds, the continued resilience and dedication of our employees has enabled the Company to consistently deliver on our core value of Passion for People.

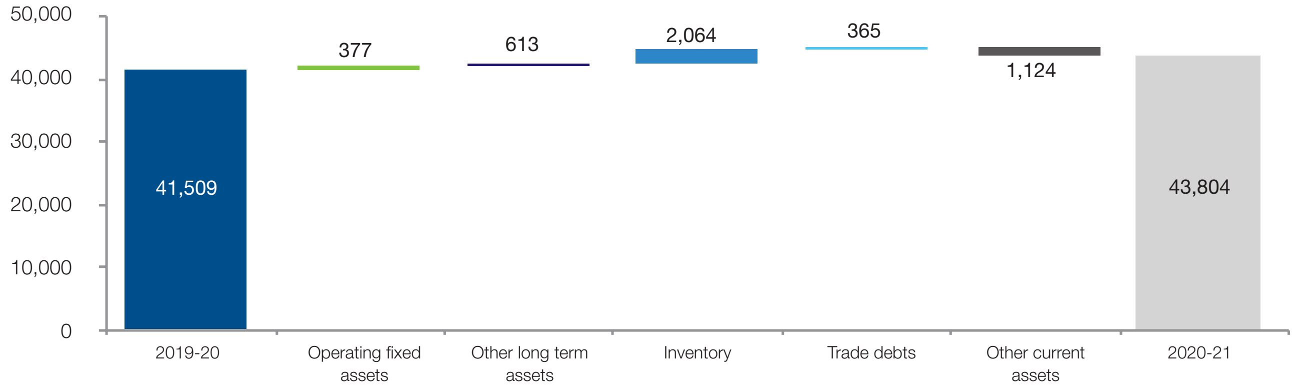
With a rich legacy of serving the nation's needs, I am honoured to be a part of the ICI Pakistan Limited team, a Company that despite challenges has continued to grow and excel in delivering in line with its brand promise of Cultivating Growth. It has been truly inspiring to witness the teamwork, ingenuity and integrity that was exhibited on all levels in the Company. I would like to express gratitude to all stakeholders who have helped us and continue to do so, on this exciting journey. Building upon the momentum ICI Pakistan Limited created this year, my colleagues and I are passionately looking forward to another year of new opportunities, growth, and Delivering Enduring Value.

Warm Regards,

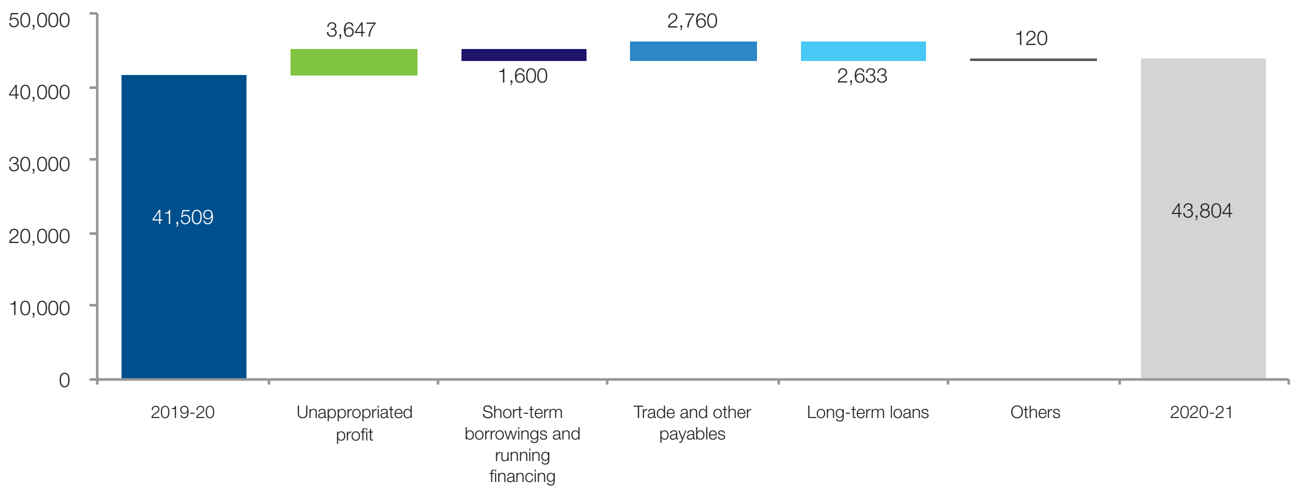
Asif Jooma
Chief Executive
ICI Pakistan Limited

Financial Statements at a Glance

Assets
PKR million

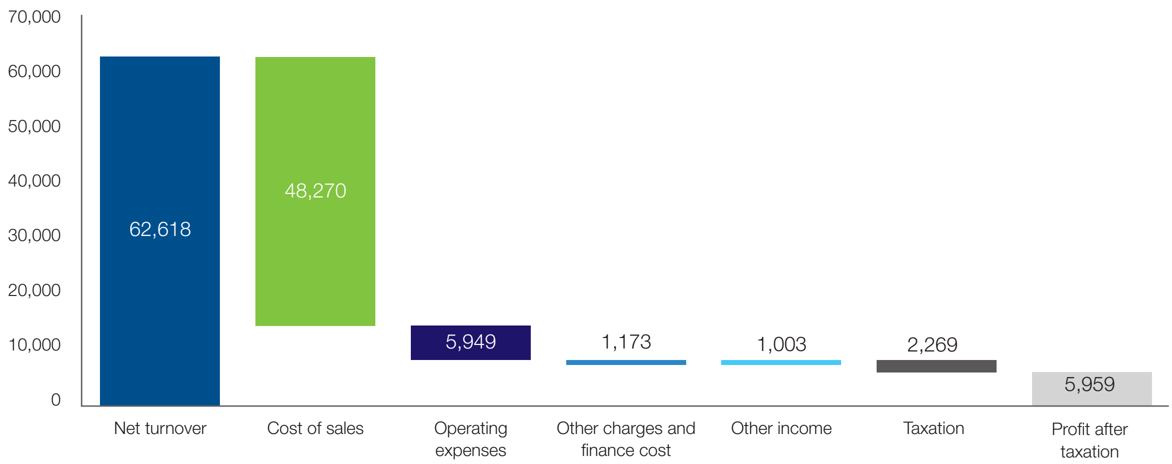


Equity and Liabilities
PKR million



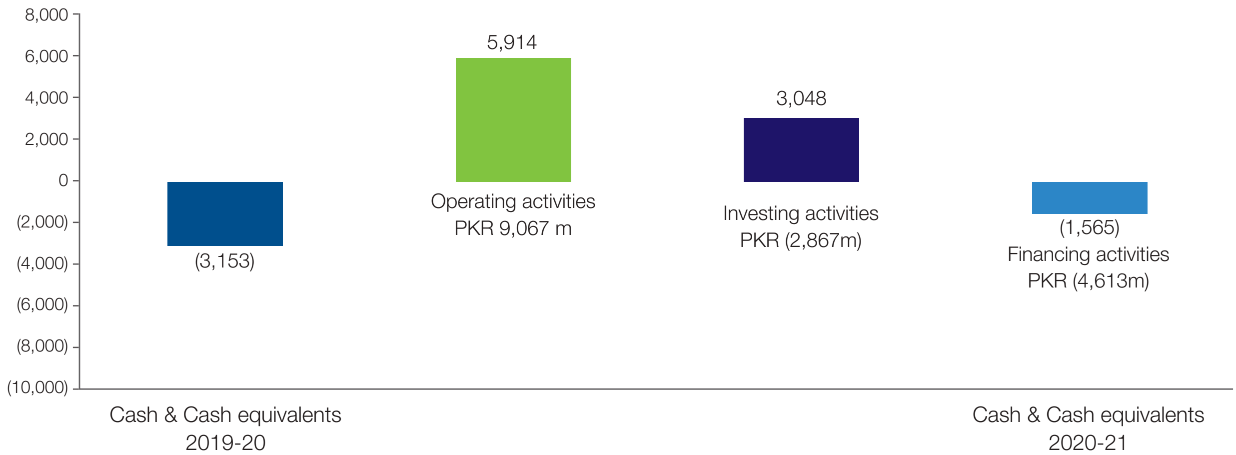
Statement of Profit or Loss

PKR million



Cash flow

PKR million



Financial Highlights

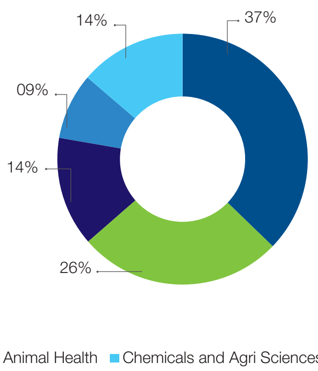
The 2020-21 results compared to the same period last year at a glance

2020-21 turnover up by 20%
2020-21 gross profit up by 36%
2020-21 profit after taxation up by 92%
2020-21 earnings per share: PKR 64.52 (June 30, 2020: PKR 33.52)

Total turnover by Business

Total turnover PKR 77.4 billion

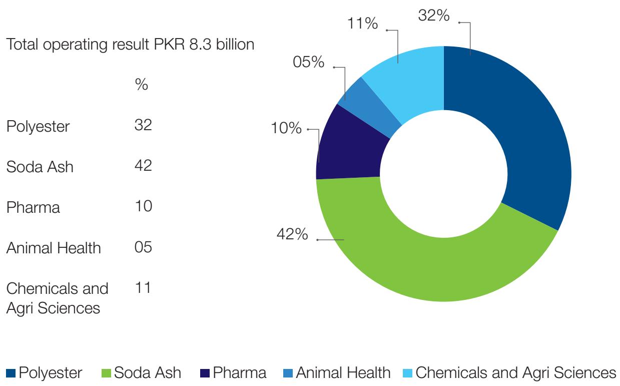
	%
Polyester	37
Soda Ash	26
Pharma	14
Animal Health	09
Chemicals and Agri Sciences	14



Operating result by Business

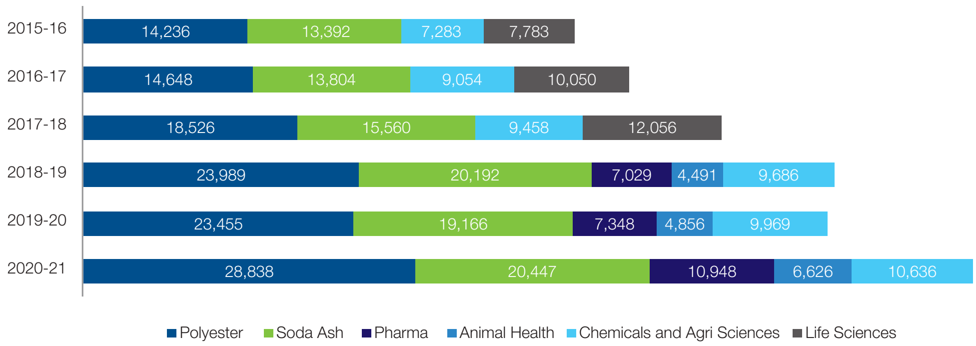
Total operating result PKR 8.3 billion

	%
Polyester	32
Soda Ash	42
Pharma	10
Animal Health	05
Chemicals and Agri Sciences	11



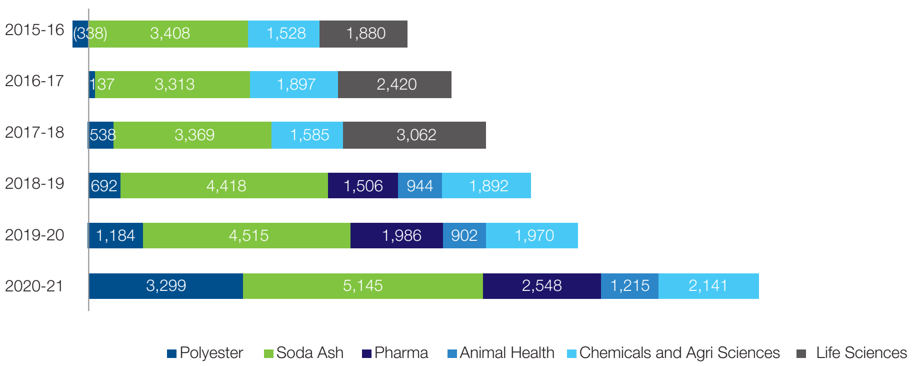
Turnover

PKR million

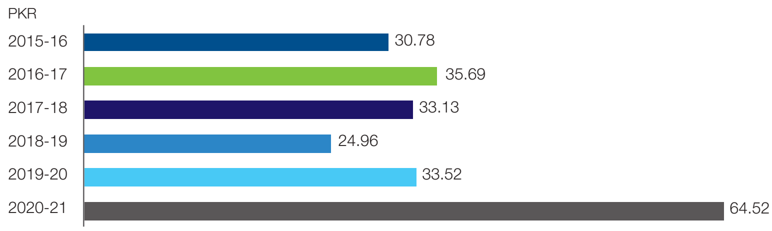


Gross profit

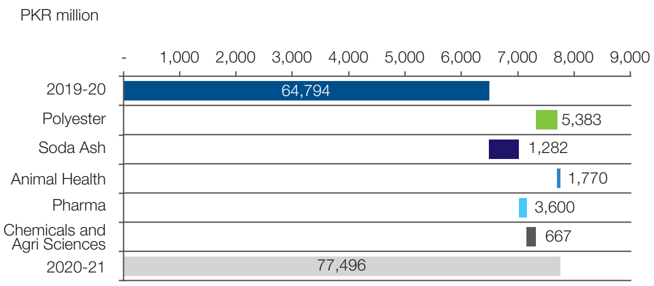
PKR million



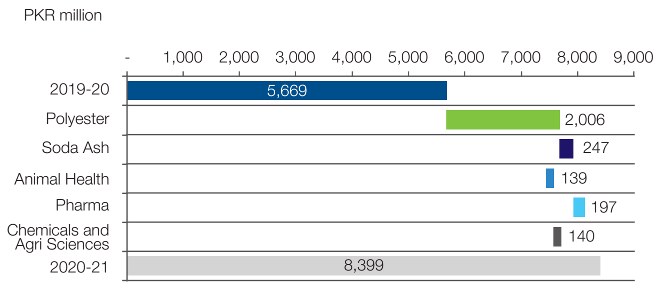
Earnings per share



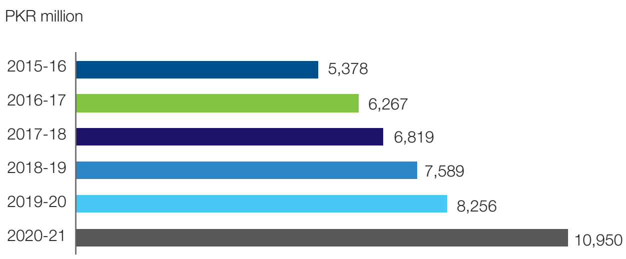
Revenue development (Business-wise)



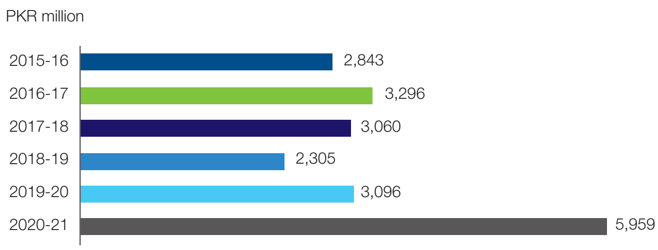
Operating result development (Business-wise)



EBITDA

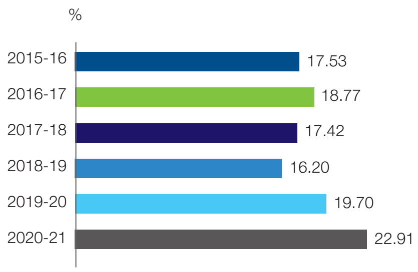


Profit after taxation

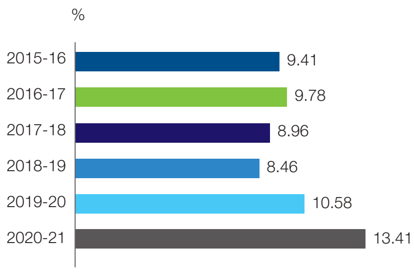


Profitability ratios

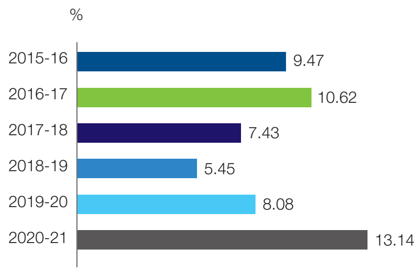
Gross margin



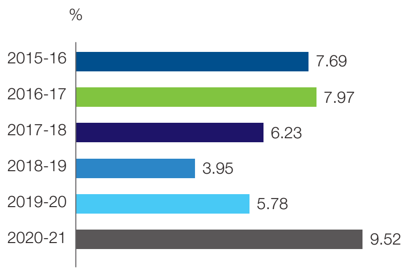
Operating result margin



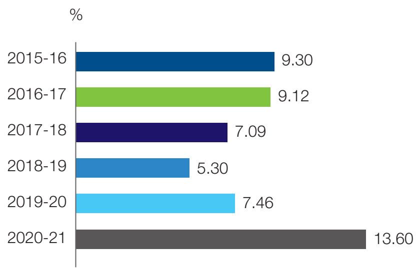
Profit before taxation margin



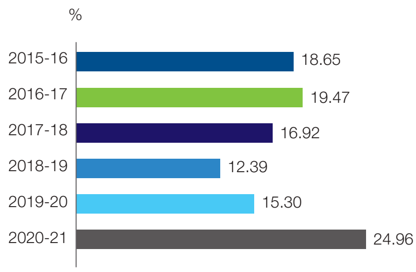
Profit after taxation margin



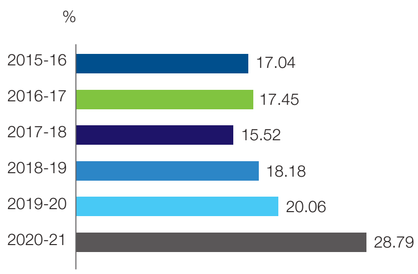
Return on assets



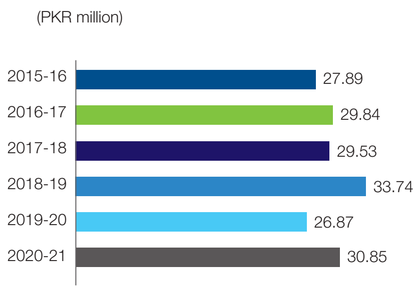
Return on equity



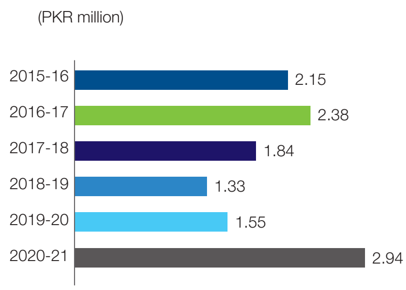
Return on capital employed



Revenue per employee



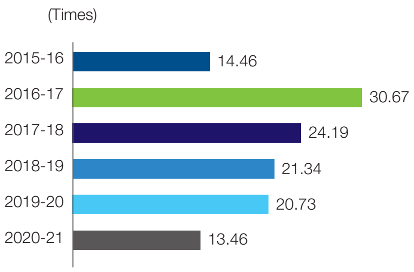
Net income per employee



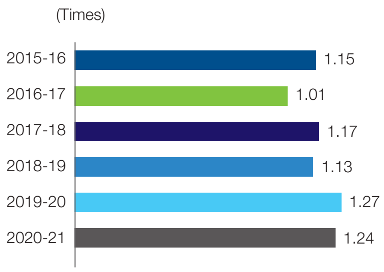
Liquidity and other ratios

Efficiency ratios

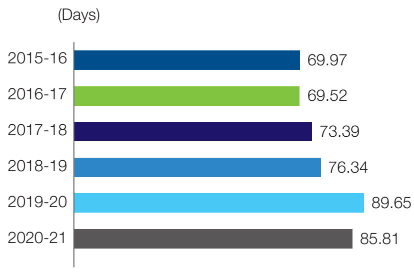
Price earning ratio



Current ratio

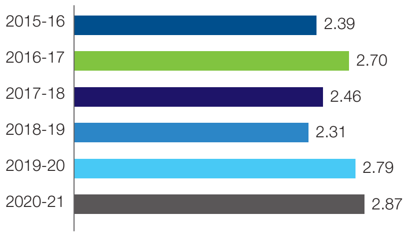


Inventory turnover ratio

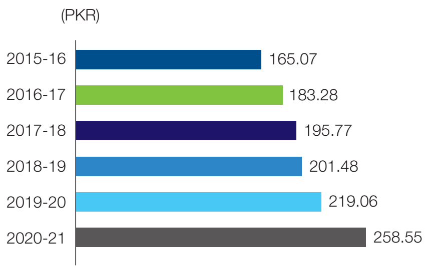


Cost ratios

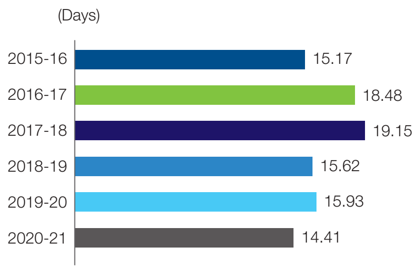
Administration cost as % of net turnover



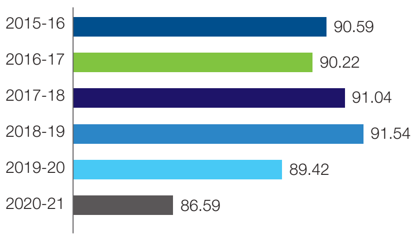
Stockholder's equity per common share



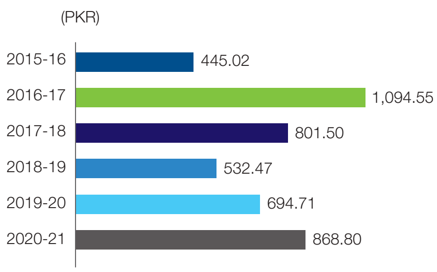
Debtor turnover ratio



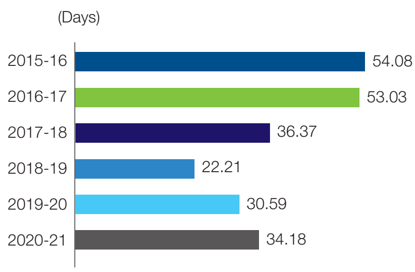
Operating cost as % of net turnover*



Market value per share



Creditor turnover ratio



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

Operating & Financial Highlights

		January to December		July to June							
Ratios		**2012**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**
		Restated	**Restated**						**Restated**	**Restated**	
Profitability Ratios											
Gross margin	%	11.51	11.23	12.17	15.43	17.53	18.77	17.42	16.20	19.70	22.91
Gross profit turnover	%	10.56	10.28	10.89	13.59	15.18	16.33	15.39	14.46	16.30	18.52
Operating result margin	%	4.68	5.48	5.82	8.11	9.41	9.78	8.96	8.46	10.58	13.41
Profit after tax margin	%	2.81	3.19	4.45	5.67	7.69	7.97	6.23	3.95	5.78	9.52
Profit markup	%	13.01	12.66	13.85	18.25	21.26	23.11	21.09	19.34	24.53	29.73
Profit before taxation margin	%	4.31	4.82	5.18	7.21	9.47	10.62	7.43	5.45	8.08	13.14
Return on equity	%	9.97	11.05	14.33	15.99	18.65	19.47	16.92	12.39	15.30	24.96
Return on capital employed	%	14.30	14.66	14.49	18.96	17.04	17.45	15.52	18.18	20.06	28.79
Return on assets	%	4.70	5.53	7.42	7.97	9.30	9.12	7.09	5.30	7.46	13.60
Return on fixed assets	%	15.99	18.75	19.00	21.34	20.39	20.60	20.45	24.01	27.11	39.45
Growth Ratios											
Net turnover	%	(2.35)	5.83	5.42	(1.88)	(1.50)	11.93	18.72	18.78	(8.11)	16.83
Operating results	%	(31.69)	(5.07)	12.04	36.76	14.28	16.24	8.76	12.22	14.87	48.15
EBITDA	%	(18.38)	1.82	15.20	31.89	14.39	16.54	8.80	11.30	8.79	32.62
Profit after taxation	%	(36.42)	(9.35)	46.91	24.88	33.75	15.93	(7.17)	(24.67)	34.32	92.50
Efficiency Ratios											
Asset turnover	Times	1.67	1.73	1.67	1.41	1.21	1.14	1.14	1.34	1.29	1.43
Fixed asset turnover	Times	3.41	3.42	3.26	2.63	2.17	2.11	2.28	2.84	2.56	2.94
Inventory turnover	Times	5.18	6.27	6.53	5.69	4.99	5.02	4.22	4.51	4.17	3.90
Current asset turnover	Times	3.53	3.77	3.66	3.47	3.16	3.14	2.84	3.14	3.18	3.45
Capital employed turnover	Times	3.33	2.92	2.78	2.65	2.09	2.05	1.96	2.41	2.29	2.66
Operating working capital turnover	Times	26.59	12.24	19.88	20.74	16.99	14.65	5.76	6.76	7.57	9.68
Debtor turnover ratio	Days	4.88	7.23	8.23	11.14	15.17	18.48	19.15	15.62	15.93	14.41
Creditor turnover ratio	Days	46.87	42.23	37.55	50.52	54.08	53.03	36.37	22.21	30.59	34.18
Inventory turnover ratio	Days	60.93	62.67	55.83	61.65	69.97	69.52	73.39	76.34	89.65	85.81
Operating cycle	Days	18.94	27.66	26.51	22.27	31.05	34.97	56.17	69.75	74.98	66.04
Revenue per employee	PKR'000	31,644	34,022	33,160	30,206	27,890	29,844	29,530	33,736	26,866	30,846
Net income per employee	PKR'000	888	1,086	1,476	1,712	2,146	2,378	1,840	1,333	1,552	2,936

2012 and 2012-13 numbers have been restated due to IAS 19 revision
Year 2012-13 is based on twelve months performance for a meaningful comparison

		January to December		July to June							
Ratios		**2012**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**
		Restated	Restated						Restated	Restated	
Cost Ratios											
Operating costs (%of net turnover)	%	95.32	94.52	94.18	91.89	90.59	90.22	91.04	91.54	89.42	86.59
Administration costs (%of net turnover)	%	3.75	2.86	2.34	2.57	2.39	2.70	2.46	2.31	2.79	2.87
Selling costs (% of net turnover)	%	3.08	2.90	4.00	4.75	5.73	6.30	6.01	5.44	6.32	6.64
Finance costs/ Exchange losses (%of net turnover)*	%	0.36	0.76	1.01	1.07	1.03	0.93	2.19	2.50	2.96	0.85
Equity Ratios											
Price earnings ratio	Times	16.49	13.26	21.18	18.63	14.46	30.67	24.19	21.34	20.73	13.46
Earnings per share	PKR	10.54	12.55	18.43	23.02	30.78	35.69	33.13	24.96	33.52	64.52
Dividend per share	PKR	5.50	2.00	8.00	11.50	15.50	18.00	16.50	9.00	16.00	25.00
Dividend cover	Times	1.92	6.27	2.30	2.00	1.99	1.98	2.01	2.77	2.09	2.58
Dividend yield	%	3.63	1.24	3.05	2.45	3.31	2.00	1.93	1.30	2.71	3.16
Dividend payout	%	52.17	15.94	43.41	49.97	50.35	50.44	49.81	36.06	48.79	38.74
Market value per share at the end of year	PKR	173.89	166.40	390.34	428.87	445.02	1,094.55	801.50	532.47	694.71	868.80
Market value per share at the start of year	PKR	120.27	129.85	166.40	390.34	428.87	445.02	1,094.55	801.50	532.47	694.71
Highest market value per share	PKR	180.01	185.67	395.71	597.56	566.94	1,219.70	1,092.63	814.90	728.13	911.11
Lowest market value per share	PKR	119.81	135.37	160.99	366.39	410.00	447.92	735.93	516.82	436.57	679.26
Break-up value per share with surplus on revaluation	PKR	105.73	113.55	128.59	143.93	165.07	183.28	195.77	201.48	219.06	258.55
Cost of debt at year end	%	10.45	10.17	9.49	7.16	5.67	5.56	5.97	10.44	8.86	4.79
Liquidity Ratios											
Current ratio	Ratio	1.05	1.31	1.38	1.02	1.15	1.01	1.17	1.13	1.27	1.24
Quick ratio / Acid test ratio	Ratio	0.42	0.61	0.70	0.49	0.55	0.50	0.52	0.47	0.49	0.40
Cash ratio	Ratio	0.09:1	0.10:1	0.11:1	0.01:1	0.01:1	0.01:1	0.01:1	0.01:1	0.01:1	0.01:1
Leverage Ratios											
Debt to equity	%	2.97	17.99	26.83	18.43	26.54	32.81	50.88	45.43	36.36	20.82
Total debt to capital ratio	Ratio	3:97	15:85	21:79	16:84	21:79	25:75	47:53	44.56	34:66	22:78
Operating leverage ratio	%	4.26	3.50	3.64	3.18	3.12	3.13	3.34	3.17	3.73	2.98
Interest cover*	Times	12.83	7.34	6.12	7.72	10.18	12.03	6.68	3.18	3.71	14.76

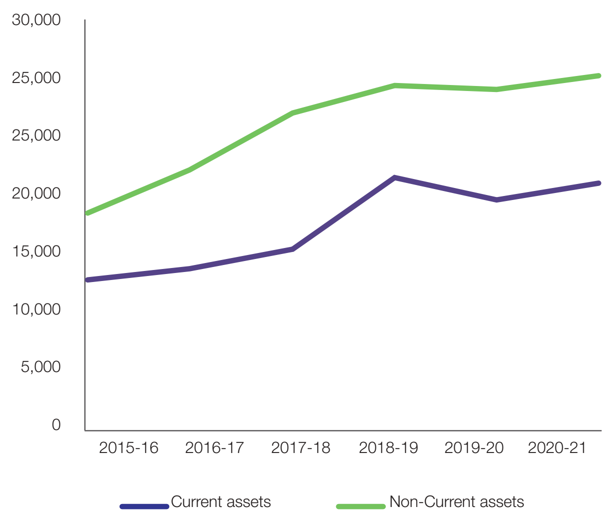
Dividend includes both approved and recommended during the year
2012 and 2012-13 numbers have been restated due to IAS 19 revision
Year 2012-13 is based on twelve months performance for a meaningful comparison
Interest cover and finance costs (% of net turnover) is zero in 2012 due to net interest income

Six Year Analysis

Statement of Financial Position Analysis

Assets

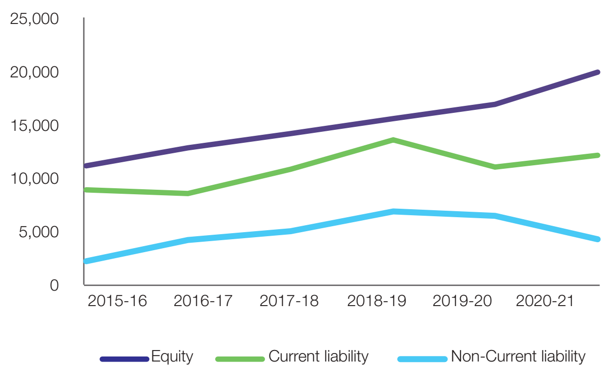
Over 6 years the asset base of the Company has increased by 7% mainly due to Property, Plant and Equipment and Long-term investments made in the Subsidiary and Associated Company. During the year ended June 30, 2015 -16, Company invested further PKR 240 million in addition to PKR 720 million invested earlier in NutriCo Pakistan (Private) Limited, which is involved in marketing and distribution of infant formula and related/ nutritional products, resulting in 40% ownership of the Company. In 2017, the company entered in a joint venture with Morinaga Milk Industry Co., Ltd. and invested PKR 510 million in NutriCo Morinaga (Private) Limited (51% owned Subsidiary). During the year 2018, the company acquired selected assets and brands of Wyeth Pakistan Limited and Pfizer Pakistan Limited. The company also subscribed for the right issue of ordinary shares of Nutrico Morinaga (Private) Limited amounting to PKR 958.8 million retaining the shareholding percentage. Investment was also made in existing business for expansion projects like Light Ash (LA) capacity expansion project of 75KTPA. During 2019, assets increased on account of capitalisation of Masterbatch facility and increased investment on Soda Ash expansion projects. In 2020, current assets were reduced and the impact was partially offset by capitalisation of right of use assets and 70 KTPA Dense Ash project and investment of PKR 255 million in Nutrico Morinaga (Private) Limited. During the current year, a further investment of PKR 510 million was made in Nutrico Morinaga (Private) Limited along with investment in increasing the capacity of the Refined Sodium Bicarbonate (RSB) Plant. The effect was partially offset by the change in accounting policy for assets resulting in reversal of revaluation.



Equity and liabilities

The shareholder's equity comprises Share Capital and Reserves. The Equity has increased at a CAGR of 9% over the past 6 years primarily due to an increase in Retained Profits of the Company.

Liabilities of the Company have decreased at a CAGR of 1% in the past 6 years. The increases in earlier years was due to the increase in long-term loans obtained for multiple acquisition/expansion projects in Soda Ash, Chemical & Agri Sciences, Pharmaceutical and Animal Health businesses. Long-term loans were also obtained for investment in NutriCo Morinaga Private Limited. In the current year, Long term loans have declined from the SPLY due to repayments as a result of higher cash generation during the year. Current liabilities have increased due to increased trade and other payables partially offset by declining accrued markup and short term financing.



Statement of Profit or Loss Analysis

Net turnover

Net turnover of the Company has increased at a CAGR of 11% during the past 6 years.

A declining trend was seen in first two consecutive years 2015-16 and 2016-17 due to lower revenues in Polyester business which declined 15% in line with a downward correction of prices across the Petrochemical chain. During 2017-18 the Company has shown robust performance across all businesses as the net turnover increased by 19% as compared with the SPLY. In 2018-19, the Net turnover of the company exponentially grew by 19%, which was led by Polyester and Soda Ash on account of increasing PSF prices and expansion of 75 KTPA Light Ash capacity. In 2019-20, Net turnover decreased because of the COVID-19 related countrywide lockdowns. The major decline in turnover was faced by Polyester business due to the closure of Plant during lockdowns and declining prices across the Petrochemical chain. During the current year, net turnover has shown a significant increase of 17% mainly due to revival of the economy and recovery post COVID-19 related lockdowns across all businesses.

Cost of sales

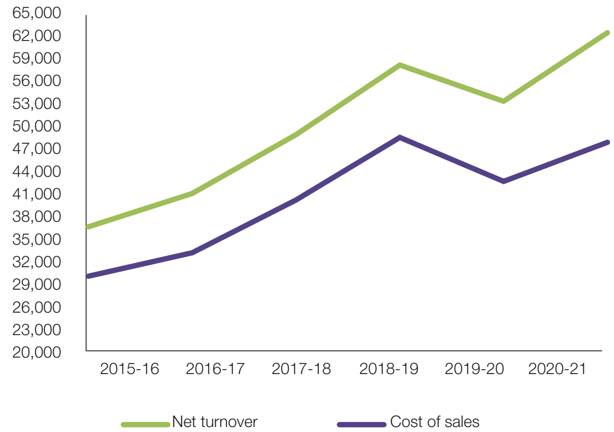
Cost of sales reflected an increasing trend primarily due to reliance on expensive fuel alternatives, increased prices and increased usage as a result of capacity expansions/acquisitions over the years. Subsequent to 2015, the increase in cost has been in line with the increase in sales although its volatility majorly depends on oil and commodity prices and is greatly affected by changes in exchange rates from 2017- 2019.

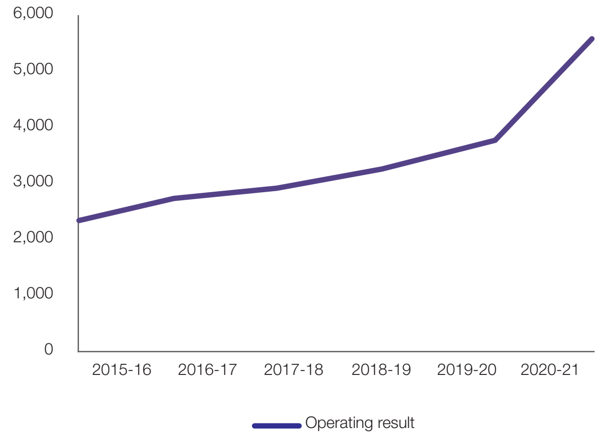
During the current year, cost of sales have increased mainly due to increase in sales across all the businesses and the increased cost of raw materials and energy. The increase was partially offset by improved efficiencies and cost base at production facilities.

Operating result

Consistent increase is achieved mainly driven by growth across all the businesses led by expansion projects, acquisitions, introduction of new products, operational excellence, improved margins, manufacturing efficiencies, stringent cost controls initiatives, better product mix and increase in market share.

The operating profit for the current year at PKR 8,399 million was 48% higher than SPLY due to improved performance across all the businesses. The primary contributors were Polyester, Soda Ash and Pharmaceuticals businesses.





Financial charges / Exchange Losses

The Company had maintained its financial charges and exchange losses from 2015- 2017, despite increasing financing facilities obtained to fund business expansions projects and increased working capital requirements. Business expansion enhanced the Company's profile with the addition of selected assets and brands of Wyeth Pakistan Limited and Pfizer Pakistan Limited and investment in 75KTPA Light Ash (LA) capacity expansion projects, 70 KTPA Dense Ash capacity expansion, Masterbatch facility under Chemical and Agri Sciences business and investment in NutriCo Morinaga (Private) Limited.

During 2018-2019, Company converted to Sight LC and relied on Short term borrowings to minimise exchange losses which resulted in increased finance costs. Further, significant rupee devaluation during this year also resulted in exchange losses.

During the year 2020, increase in Financial charges were mainly attributable to the increase in the policy rate by the State Bank of Pakistan, which was partially offset by the repayments of Loans.

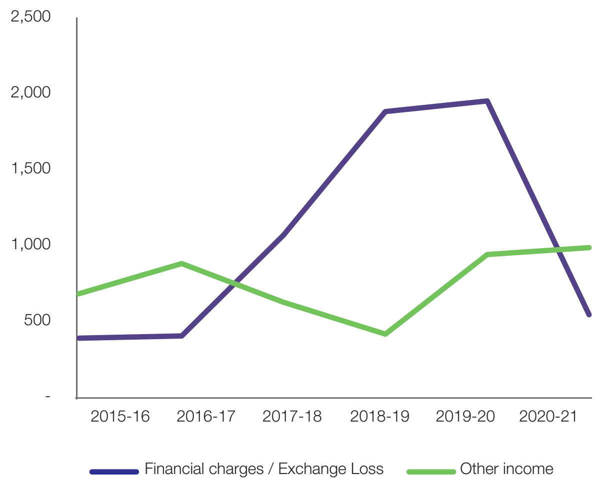
In 2021, Financial charges were significantly declined mainly due to lower interest rates as well as lower debt levels due to repayment of debt as a result of higher cash generation during the year. Further, Company recorded exchange gains in the current year as compared to exchange losses due to PKR devaluation during the SPLY.

Other income

Other income stood at a CAGR of 8% over 6 years.

Dividend of PKR 458 million and PKR 150 million was received from Associate and PowerGen in 2015-16 respectively. During the year 2017, dividend of PKR 668 million and PKR 125 million was received from Associate and PowerGen respectively. During the year 2017-18, dividends received were PKR 120 million by PowerGen and PKR 420 million by Associate respectively. In 2019-20, Other income increased by 134% mainly on account of higher dividend from Associate amounting to PKR 800 million and PKR 30 million from PowerGen.

During the current year, Other income has been increased by 5% as compared to SPLY with a Dividend Income from Associate and Subsidiary (PowerGen) amounting to PKR 680 million and PKR 100 million respectively. Further Company realised income from short term deposits, gain on disposal of Property, Plant and Equipment and scrap sales which resulted in increase in other income.



Statement of Cash flow analysis

Operating activities

The cash used in operating activities has increased at a CAGR of 18% over the past 6 years. Company's operating cash flow has constantly increased over the past years. However, in 2017/18 cash generated from operating activities faced a reduction on account of payments made to creditors due to the shift from LC at Usance to LC at sight to better manage the devaluation of PKR.

In 19/20 cash generated from operating activities increased on account of improved working capital with reduction in current assets and improved cash generation across the businesses.

In current year, cash generated from operating activities has further increased mainly on account of higher operating profits across all the businesses.

Investing activities

The cash used in investing activities has increased over the past 6 years and comprises mainly of investment in Capital expenditure and investment in associate and subsidiaries. The Company invested PKR 960 million in NutriCo Pakistan (Private) Limited during 2014-16 , During 2016-17 the Company invested PKR 981.3 million in Cirin and PKR 510 million in NutriCo Morinaga (Private) Limited while during the year 2017-18, the company invested in the expansion of Soda Ash plant to increase its capacity by 75 KTPA, coupled with the acquisition of selected assets and brands from Wyeth Pakistan Limited and Pfizer Pakistan Limited and subscribing towards the right issue of NutriCo Morinaga (Private) Limited.

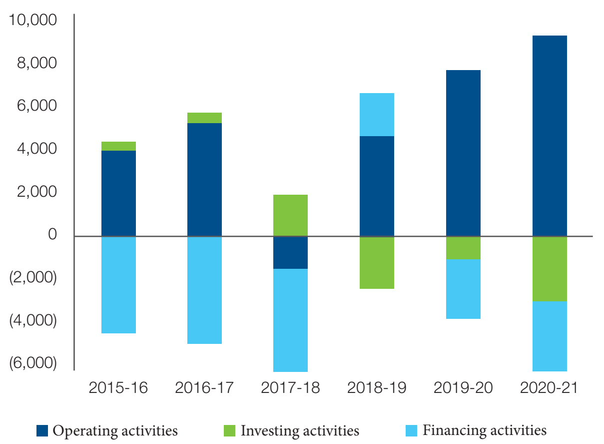
In 2019-20, Cash flows from investing activities declined due to decline in capital expenditure.

During the current year, Cash flows from investing activities increased on account of increased capital expenditure on account of the expansion project of Soda Ash business and an additional investment of PKR 510 million in subsidiary NutriCo Morinaga (Private) Limited.

Financing activities

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

During the current year, gearing ratio of Company improved due to repayment of long term loans as a result of better cash generation. The dividend payment was increased against SPLY due to higher dividend as a result of higher profits. The Company also obtained Temporary Economic Refinance Facility (TERF) for the financing of expansion projects.



Free Cash Flows

PKR m

	2021	2020	2019	2018	2017	2016
Profit before taxation	8,229	4,330	3,181	3,650	4,394	3,498
Adjustments for non cash items	2,423	3,542	4,060	2,788	1,966	1,711
Changes in working capital	(171)	2,173	(201)	(6,020)	(772)	(386)
Less : Capital expenditure	(2,828)	(1,604)	(2,539)	(3,419)	(4,239)	(4,518)
Free Cashflows	7,653	8,441	4,501	(3,001)	1,349	305

SWOT Analysis

STRENGTHS

- Diversified product portfolio, with businesses closely aligned to the needs of the country and local population. Portfolio includes Soda Ash, Polyester Stable Fibre, Pharmaceuticals, Animal Health (Poultry and Livestock) products, Seeds and Agrochemicals, various other Chemicals, Masterbatches and Investments in NutriCo Pakistan (Private) Limited (the Associate) and NutriCo Morinaga (Private) Limited (51% owned Subsidiary) both dealing in Infant formula and related products.
- Supplying products to almost every industry in the country.
- Strong brand equity.
- Geographical presence in the local and international markets.
- Increasing base in the Pharmaceuticals, Animal Health, Chemicals & Agri Sciences markets through extensions in product portfolio.
- Part of the renowned Yunus Brothers Group (YBG), with proven track record.
- Competent and committed human resources.
- Leading manufacturing concern with over 75 years of successful operations.
- Leading Soda Ash producer.
- Diversified sources of earnings with minimum interdependence between segments.
- Proven track record of sustained profitability growth, strong cash generating ability and low gearing levels.
- Credit rating of AA/ A-1+ signifies high credit quality.

S W

WEAKNESSES

- Dependence on consistent supply of imported key raw materials, such as PTA, Coke and MEG.
- Dependence of major operating segments on fuel sources such as coal, gas and furnace oil.

O T

- Expansion in consumer market with increasing usage of infant formula and related products.
- Continuously working on cost saving initiatives through various platforms within the organisation.
- Lucrative business alliances with reputed international organisations.
- Enhanced export competitiveness due to devaluation of the rupee.
- Increasing production capacity of Soda Ash plant and entry into Fibre production through recycled PET flakes.

OPPORTUNITIES

- Volatility and increase in international commodity prices (mainly raw material, fuel and power) and government levies.
- Increase in interest rates.
- Volatility of exchange rates and devaluation of Pakistani rupee.
- Depleting natural resources, e.g. gas and coal.
- Dumping of imported products.
- Economic, political and environmental uncertainty.
- Resurgence of COVID-19 adversely impacting the economy.

THREATS

Vertical and Horizontal Analysis

Statement of Profit or Loss

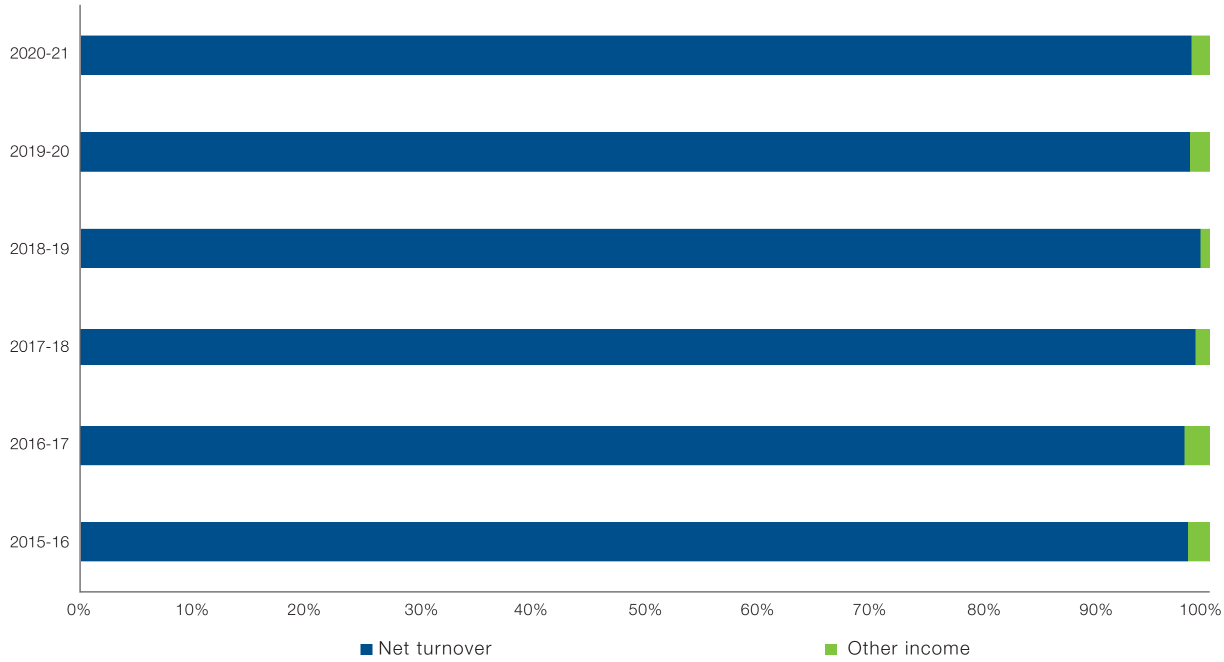
Vertical Analysis

	July to June											
	2015-16	2015-16	2016-17	2016-17	2017-18	2017-18	2018-19	2018-19	2019-20	2019-20	2020-21	2020-21
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
							Restated		Restated			
Net sales, commission & toll income	36,954	100.0	41,364	100.0	49,108	100.0	58,329	100.0	53,599	100.0	62,618	100.0
Cost of Sales	30,476	82.5	33,598	81.2	40,553	82.6	48,877	83.8	43,042	80.3	48,270	77.1
Gross profit	6,479	17.5	7,765	18.8	8,554	17.4	9,452	16.2	10,556	19.7	14,348	22.9
Selling & Distribution Expenses	2,118	5.7	2,607	6.3	2,949	6.0	3,170	5.4	3,389	6.3	4,155	6.6
Administration & General Expenses	882	2.4	1,115	2.7	1,207	2.5	1,346	2.3	1,498	2.8	1,794	2.9
Operating Result	3,479	9.4	4,044	9.8	4,398	9.0	4,935	8.5	5,669	10.6	8,399	13.4
Financial Charges/ Exchange Losses	383	1.0	398	1.0	1,071	2.2	1,891	3.2	1,962	3.7	538	0.9
Other Operating Charges	285	0.8	144	0.3	304	0.6	272	0.5	333	0.6	635	1.0
Other Operating Income	688	1.9	893	2.2	627	1.3	409	0.7	955	1.8	1,003	1.6
Profit before taxation	3,498	9.5	4,394	10.6	3,650	7.4	3,181	5.5	4,330	8.1	8,229	13.1
Taxation	655	1.8	1,098	2.7	591	1.2	876	1.5	1,234	2.3	2,269	3.6
Profit after taxation	2,843	7.7	3,296	8.0	3,060	6.2	2,305	4.0	3,096	5.8	5,959	9.5

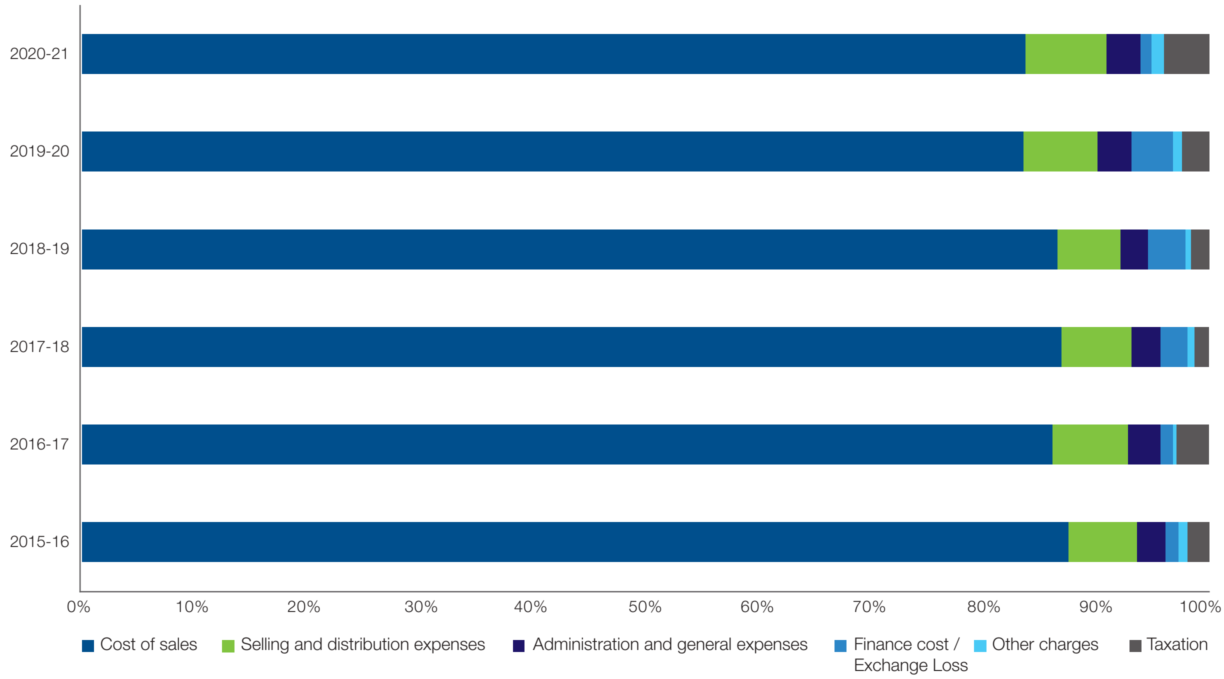
Horizontal Analysis

	July to June											
	2015-16	2015-16	2016-17	2016-17	2017-18	2017-18	2018-19	2018-19	2019-20	2019-20	2020-21	2020-21
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
							Restated		Restated			
Net sales, commission & toll income	36,954	(1.5)	41,364	11.9	49,108	18.7	58,329	18.8	53,599	(8.1)	62,618	16.8
Cost of Sales	30,476	(3.9)	33,598	10.2	40,553	20.7	48,877	20.5	43,042	(11.9)	48,270	12.1
Gross profit	6,479	11.9	7,765	19.9	8,554	10.2	9,452	10.5	10,556	11.7	14,348	35.9
Selling & Distribution Expenses	2,118	18.9	2,607	23.1	2,949	13.1	3,170	7.5	3,389	6.9	4,155	22.6
Administration & General Expenses	882	(8.5)	1,115	26.4	1,207	8.3	1,346	11.5	1,498	11.3	1,794	19.8
Operating Result	3,479	14.3	4,044	16.2	4,398	8.8	4,935	12.2	5,669	14.9	8,399	48.1
Financial Charges	383	(4.8)	398	3.9	1,071	169.0	1,891	76.7	1,962	3.7	538	(72.6)
Other Operating Charges	285	23.1	144	(49.5)	304	111.2	272	(10.4)	333	22.4	635	90.8
Other Operating Income	688	134.3	893	29.8	627	(29.8)	409	(34.8)	955	133.6	1,003	5.0
Profit before taxation	3,498	29.4	4,394	25.6	3,650	(16.9)	3,181	(12.9)	4,330	36.1	8,229	90.0
Taxation	655	13.4	1,098	67.7	591	(46.2)	876	48.2	1,234	40.9	2,269	83.9
Profit after taxation	2,843	33.8	3,296	15.9	3,060	(7.2)	2,305	(24.7)	3,096	34.3	5,959	92.5

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



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



Statement of Financial Position

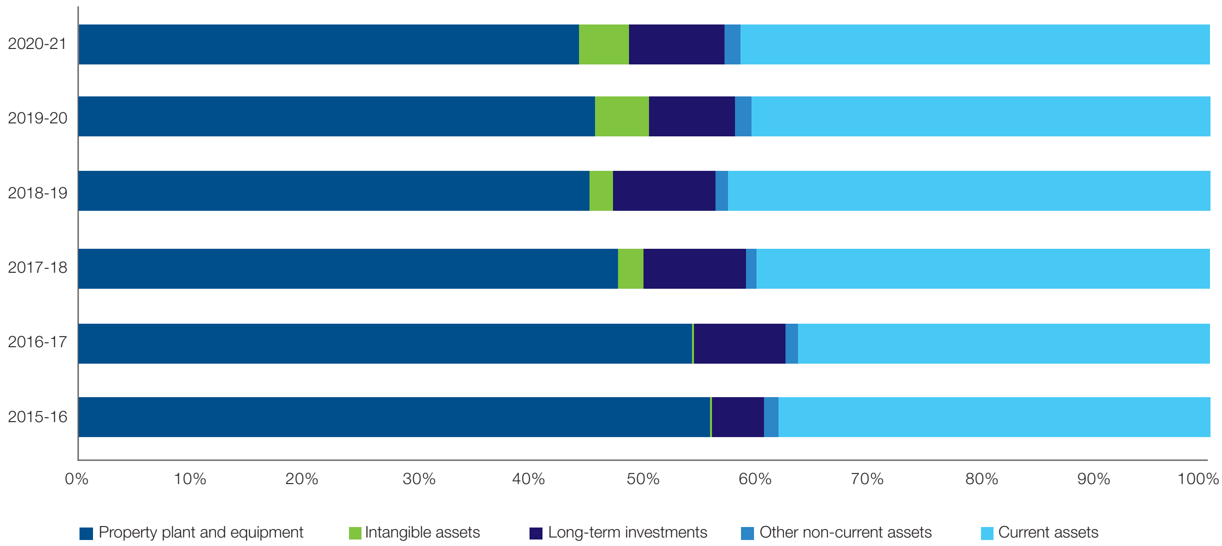
Vertical Analysis

	July to June											
	2015-16	2015-16	2016-17	2016-17	2017-18	2017-18	2018-19	2018-19	2019-20	2019-20	2020-21	2020-21
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
							Restated		Restated			
Total Equity and Revaluation Reserve	15,246	50	16,928	47	18,081	42	18,609	43	20,232	49	23,879	58
Non Current Liability	5,174	17	6,243	17	10,248	24	8,539	20	8,024	19	5,289	13
Current Liability	10,168	33	12,985	36	14,819	34	16,366	38	13,253	32	14,636	33
Total Equity and Liabilities	**30,588**	**100**	**36,156**	**100**	**43,148**	**100**	**43,514**	**100**	**41,509**	**100**	**43,804**	**100**
Non Current Assets	18,910	62	22,996	64	25,882	60	24,939	57	24,651	59	25,640	59
Current Assets	11,678	38	13,160	36	17,266	40	18,575	43	16,858	41	18,163	41
Total Assets	**30,588**	**100**	**36,156**	**100**	**43,148**	**100**	**43,514**	**100**	**41,509**	**100**	**43,804**	**100**

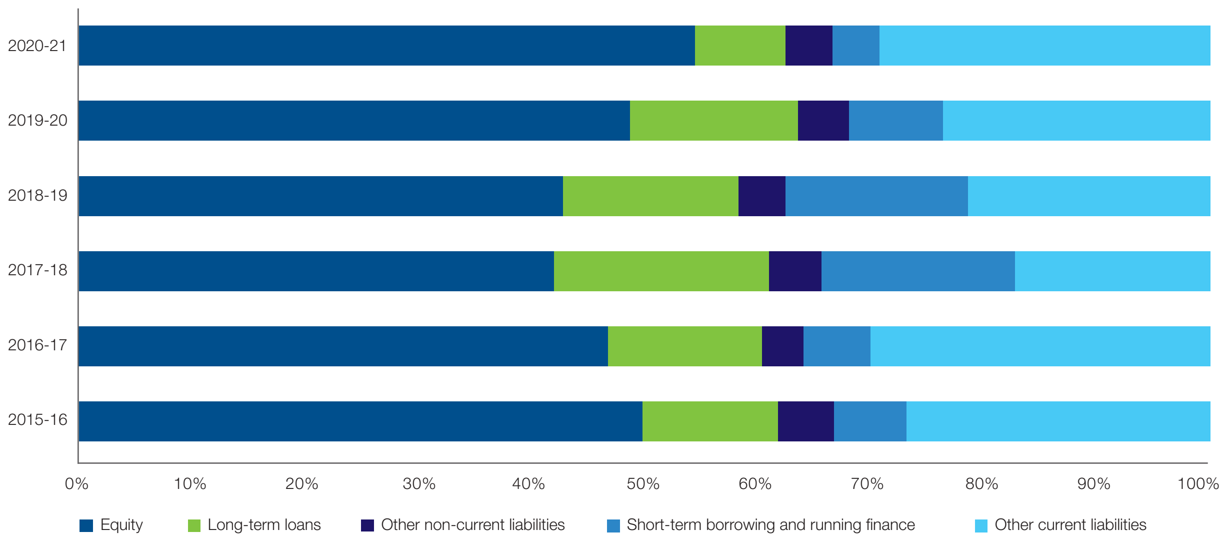
Horizontal Analysis

	July to June											
	2015-16	2015-16	2016-17	2016-17	2017-18	2017-18	2018-19	2018-19	2019-20	2019-20	2020-21	2020-21
	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%	PKR m	%
							Restated		Restated			
Total Equity and Revaluation Reserve	15,246	15	16,928	11	18,081	7	18,609	3	20,232	9	23,879	18
Non Current Liability	5,174	87	6,243	21	10,248	64	8,539	(17)	8,024	(6)	5,289	(34)
Current Liability	10,168	(4)	12,985	28	14,819	14	16,366	10	13,253	(19)	14,636	10
Total Equity and Liabilities	**30,588**	**15**	**36,156**	**18**	**43,148**	**19**	**43,514**	**1**	**41,509**	**(5)**	**43,804**	**6**
Non Current Assets	18,910	19	22,996	22	25,882	13	24,939	(4)	24,651	(1)	25,640	4
Current Assets	11,678	8	13,160	13	17,266	31	18,575	8	16,858	(9)	18,163	8
Total Assets	**30,588**	**15**	**36,156**	**18**	**43,148**	**19**	**43,514**	**1**	**41,509**	**(5)**	**43,804**	**6**

Statement of Financial Position Analysis (Assets) (%)



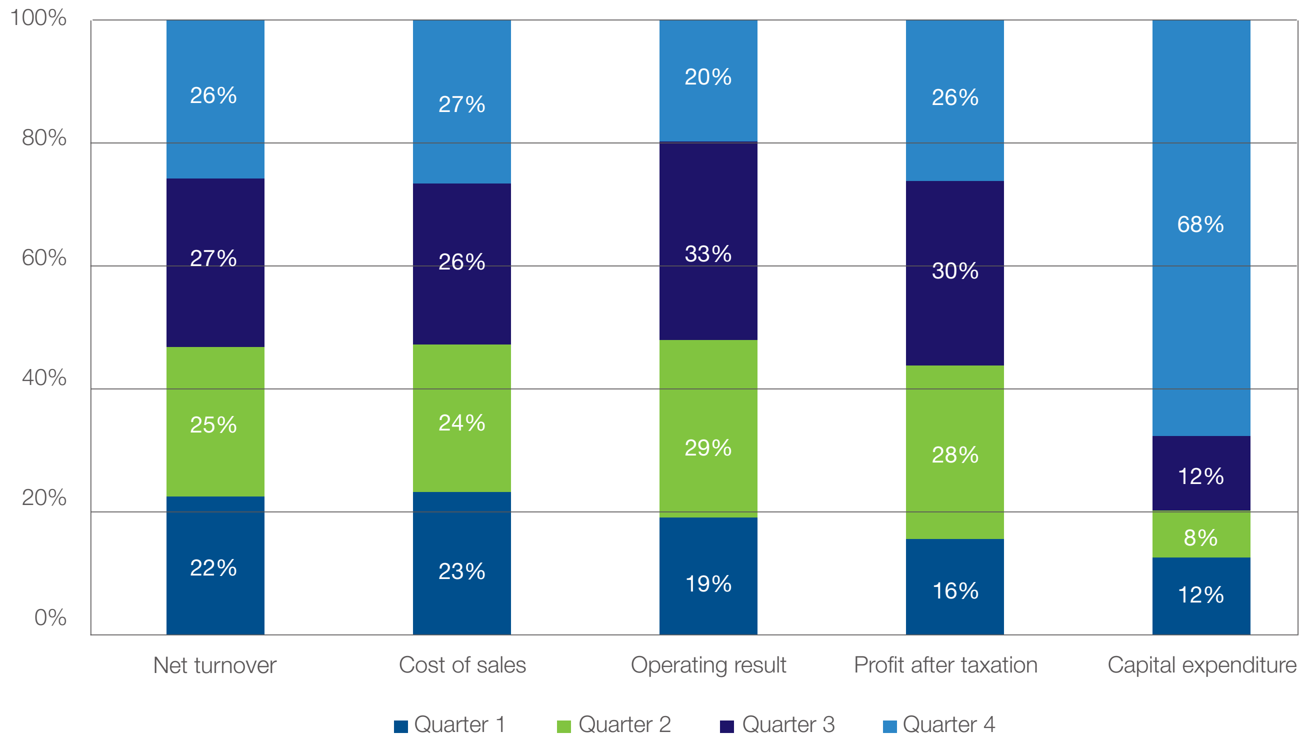
Statement of Financial Position Analysis (Equity and Liabilities) (%)



Quarterly Analysis

In PKR '000

	Net Turnover	Cost of Sales	Operating Result	Profit After Taxation	Capital Expenditure
Quarter 1	13,922,211	11,092,322	1,589,217	933,720	366,393
Quarter 2	15,450,601	11,599,096	2,417,607	1,674,142	226,522
Quarter 3	17,153,816	12,780,062	2,740,518	1,793,388	365,763
Quarter 4	16,091,338	12,798,243	1,651,496	1,558,196	2,003,709
	62,617,966	**48,269,723**	**8,398,838**	**5,959,446**	**2,962,387**



Quarter 1

Net Turnover

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

The Pharmaceuticals business growth was aided by new product launches and organic growth.

The growth in Animal Health was primarily driven by the livestock and poultry segments, due to increased demand for both chicken and milk. Extensive field activities helped in creating awareness which consequentially resulted in increased sales.

Cost of Sales

The cost of sales for the quarter stood at PKR 11,092 million, 4% lower than SPLY, mainly due to a decline in the cost of sales of Polyester and Soda Ash as a result of lower energy and raw material prices.

Operating Results

The Company's operating result for the quarter stood at PKR 1,589 million was 1% lower compared to the SPLY, due to lower operating results in Soda Ash, Animal Health and Chemical & Agri Sciences by 19%, 2% and 13% respectively, which were offset by higher operating results in the Polyester and Pharmaceuticals businesses by 89% and 16% respectively.

The Polyester business successfully improved its operating result through higher sales volume along with better unit margins.

Pharmaceuticals business delivered improved performance on the back of significantly improved plant efficiencies and better product mix which offset the negative impact of PKR devaluation and inflationary costs.

Profit After Taxation

Profit after tax of PKR 934 million for the quarter was 1% higher than the SPLY as a result of lower finance costs following reduction in interest rates.

Earnings per share of 10.11 for the quarter is 1% higher than the SPLY.

Quarter 2

Net Turnover

Net turnover for the quarter at PKR 15,451 million was 3% higher as compared to SPLY primarily due to higher revenues in the Pharmaceuticals and Animal Health business by 36% and 31% respectively. The increased net turnover was offset by lower revenue in the Soda ash, Polyester and Chemical & Agri Science businesses by 4%, 2% and 4% respectively.

The increase in net turnover for the Animal Health business was due to livestock and poultry segment which showed a continued growth.

Pharmaceuticals business crossed a major milestone during the quarter as it entered the Top-20 pharma companies in Pakistan. ICI Pakistan also became the fastest growing company amongst the Top-20 pharma companies of Pakistan, with IQVIA recognising the Company's latest product, Merpen, as the best launch of the industry in the year 2020.

Cost of Sales

The cost of sales for this quarter amounted to PKR 11,599 million with a decrease of 3% from SPLY, mainly due to a decline in the cost of sales of the Polyester, Pharmaceuticals and Animal Health businesses.

Major decline was witnessed in energy cost, as fuel prices followed a downward trajectory with a dip of 4%, 9% and 15% observed in coal, gas/RLNG, furnace oil prices, respectively. Resultantly energy cost was lower by 7% against SPLY.

Operating Results

The Company's operating result for the second quarter at PKR 2,418 million was 35% higher than SPLY. Improved performances were seen across all businesses with the Animal Health, Polyester, Pharmaceuticals businesses being the major contributors.

The Polyester business's performance was mainly driven by healthy unit margins, rationalised energy cost and savings generated from various cost optimisation techniques.

The enhanced performance of the Pharmaceuticals business was due to continued focus on reducing the cost base of manufacturing plants and internalising products currently manufactured by third parties.

Animal Health business's improved performance was due to effective portfolio management.

Profit After Taxation

Profit after Tax for the quarter was PKR 1,674 million which was 46.4% higher than the SPLY, mainly due to higher operating profit across all businesses except for the Soda Ash business, coupled with lower finance cost by 63% compared to SPLY on the back of improved cash generation resulting in significantly reduced debt levels, together with lower interest rates.

Earnings per share for Q2 is PKR 18.13, which is 46.4% higher than the SPLY.

Quarter 3

Net Turnover

The net turnover for the quarter amounted to 17,154 million that was 23% higher compared to SPLY. All businesses delivered robust performance, with the Polyester and Animal Health businesses delivering 35% and 41% higher revenues versus SPLY. Revenues of the Pharmaceuticals, Chemicals & Agri Sciences and Soda Ash businesses were higher by 25%, 22% and 4% respectively.

The Polyester segment witnessed significant market recovery in the third quarter. Pent up demand from the lockdown period led to a surge in economic activity across textile value chain.

The Chemical & Agri Sciences business's growth was primarily due to improvement in overall demand coupled with peak season for major consumer segments which played an instrumental role in driving growth. The Master Batches segment was supported by new customer acquisitions, successful repeat orders and new technical developments which helped maintain positive momentum.

Cost of Sales

The cost of sales for the quarter stood at PKR 12,780 million with an increase of 15% compared to SPLY which was due to an increase in the cost of sales across all businesses.

The increase in the cost of sales was in line with the growth in the net turnover and increase in commodity prices.

Operating Results

The operating result for the quarter at PKR 2,741 million was 77% higher than the SPLY. Improved performances were seen across all businesses with the Polyester, Animal Health and Pharmaceuticals businesses being the major contributors.

The increase in the Polyester business's performance was mainly due to the strong performance of textile exports and favourable regional dynamics.

The improved performance achieved in the Pharmaceuticals business was driven through better sales mix and manufacturing efficiencies.

Chemicals & Agri business achieved better results as a consequence of sharp recovery of consumer demand.

The improved performance of the Animal Health business was due to improved margins and volumes from the recovery of both the livestock and poultry industries.

Profit After Taxation

Profit after tax for the quarter stood at PKR 1,793 million which was 160% higher than the SPLY mainly due to lower finance cost and stable exchange rates compared to the SPLY. Despite no dividend income, PAT witnessed an increase due to operational excellence across all businesses.

Earnings per share for the quarter is PKR 19.42, which is 160% higher than SPLY.

Quarter 4

Net Turnover

The net turnover for the quarter amounted to 16,091 million which was 55% higher than SPLY due to higher revenues across all businesses.

Net revenue of the Polyester business was higher by 22% backed by strong demand from the textile industry. Moreover, an increase in cotton prices due to supply disruptions from the USA and China created a positive impact on the business.

The Soda Ash business showed growth as it established a strong foothold in the export market by becoming a supplier to some of the leading detergents and glass manufacturers. The net revenue of the Soda Ash business witnessed an increase of 7% owing to robust growth in the domestic soda ash market.

The Pharmaceuticals business recorded an increase in net revenue by 27% attributable to new product launches and higher toll income.

Cost of Sales

The cost of sales for the fourth quarter stood at PKR 12,798 million, 51% higher compared to SPLY with Polyester, Soda Ash and Animal health being the major contributors.

The increase in the cost of sales was lower than the increase in turnover as a result of higher unit margins and lower energy costs

Operating Results

The operating profit for the fourth quarter stood at PKR 1,651 million which was higher by 129% compared to the SPLY due to higher revenues across all businesses.

The domestic soda ash market posted strong growth in the fourth quarter. The increase in sales volume and sales prices outweighed the increase in imported raw material prices, as a result of which operating profits improved.

The Pharmaceuticals business continued to focus on reducing the cost base for manufacturing plants, internalizing products manufactured by third parties, developing, and launching new products and enhancing its export footprint. These steps were initiated to help the business enhance its future operating profitability.

The Chemicals & Agri Sciences business showed improved performance driven by higher margins and cost optimisation in the Agro Chemicals segment.

Profit After Taxation

Profit after tax for the fourth quarter at PKR 1,558 million was higher by 362% as compared to the SPLY as a result of better operating profits, dividend income from associate and lower finance costs.

Earnings per share (EPS) for the quarter stood at PKR 16.86 which is 362% higher than SPLY.

DuPont Analysis

DuPont Analysis	2020-21	2019-20
Tax burden	27.58%	28.50%
Interest burden	6.73%	26.92%
Operating result margin	13.41%	10.58%
Asset turnover (Times)	1.43	1.29
Gearing (Long term debt/Equity)	20.82%	36.36%
Return on equity	24.96%	15.30%

Commentary on DuPont Analysis

The net turnover for the year under review was 17% higher than the year ended June 30, 2020. The increase is primarily due to revenue growth across all businesses. The major contributors in revenue growth were Polyester, Soda Ash and Pharmaceutical businesses.

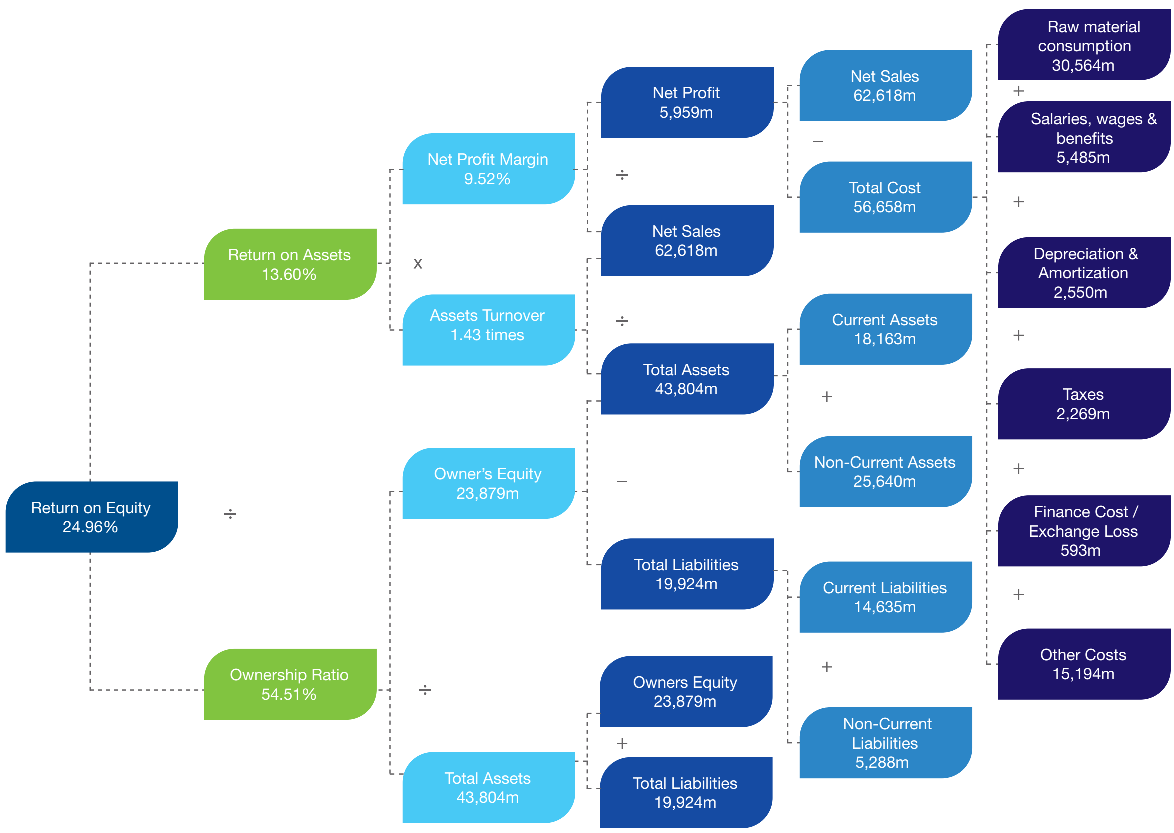
Operating result of the Company improved by 48% due to improved performances in Polyester, Animal Health, and Chemical & Agri Sciences business driven through expansion of the product range and increased production capacity coupled with increase in export market base and cost efficiencies. Cost increase is in line with the growth and inflationary pressure due to currency devaluation.

Financial charges decreased as a result of the decrease in the policy rate by the State Bank of Pakistan coupled with the reduction in debt levels due to better cash generation across all businesses. This resulted in a 63% lower finance cost as compared to the SPLY. Furthermore, the Company recorded an exchange gain as compared to exchange losses due to rupee devaluation during the SPLY. The aggregate dividend income of the company declined by 6% as compared to SPLY on account of lower dividend declared by Associated Company (NutriCo Pakistan (Private) Limited) during the SPLY partially offset by the increase in dividend income from Subsidiary (ICI Powergen Limited). Profit after tax of the Company increased by 92% as compared to the SPLY as a result of the above factors.

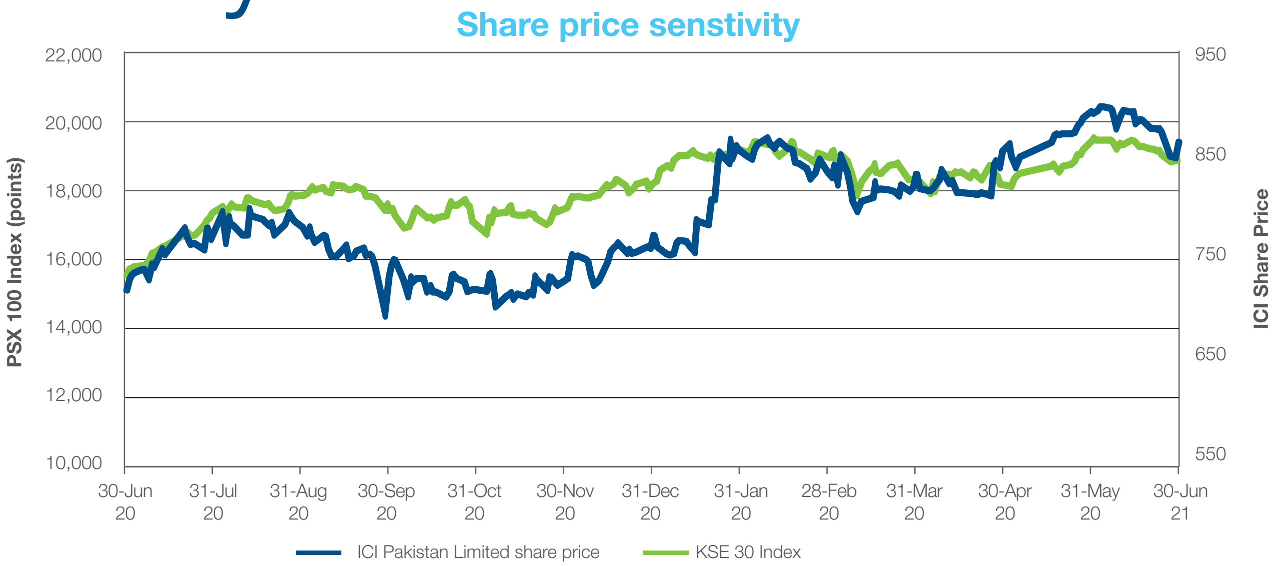
Tax expense for the year was higher as compared to the SPLY in line with higher profitability.

Total assets of the company witnessed an increase of 6%, due to additions in Property Plant and Equipment. Long term investments were majorly increased due to additional investment in NutriCo Morinaga (Private) Limited. Current assets were also increased due to increase in inventory levels as per business need as well as the increased cost of inventory items in line with increased international prices.

Ownership ratio increased by 12% as compared to the SPLY due to comparatively higher increase in total Assets as compared to total Equity. Owner's Equity increased due to Increased profits during the year partially offset by dividends paid. Resultantly, the return on equity of the Company was recorded at 24.96% as compared to 15.30% in the SPLY.



Share Price Sensitivity Analysis



During the financial year ended June 30, 2021, ICI Pakistan Limited underperformed the KSE 30 Index by 2.52% (ICI's share price increased by 25.06% in comparison to KSE 30 Index which increased by 27.58%). ICI's share price was PKR 694.71 on June 30, 2020 as compared to PKR 868.80 on June 30, 2021. ICI Pakistan has given exceptional business performance across all the businesses. The unprecedented challenges faced during last year has translated into a phenomenal success for the Company as a result of economic turnaround during the year.

1) Heavy capital expenditure

ICI Pakistan Limited continue to make strides in fulfilling its brand promise – Cultivating Growth.

During the year, the Company has approved setting up of a new unit at its Plant in Sheikhupura which will produce 100% PET Recycled chips for the manufacture of Recycled Polyester Staple Fibre for the use in producing yarn for blended textiles, in line with the needs of customers to meet the global agenda as well as ICI Pakistan's focus towards sustainability.

The project work and capital expenditure on Light Soda Ash (LSA) project, approved last year, of expanding production capacity by 125,000 tons per annum (TPA) at its Khewra Plant, continued throughout the year. During the year, the Company also approved an additional LSA expansion of 10,000 TPA, which will place the total capacity expansion project at 135,000 TPA. This is yet another step towards the Company's growth aspirations by enhancing the total installed capacity of the Soda Ash Plant to 560,000 TPA.

Further, during the year, the Company successfully commissioned the expansion of Refined Sodium Bicarbonate (RSB) by 14,000 TPA, taking total RSB plant capacity to 54,000 TPA. This will position the Company to better cater the growing needs of the market.

2) Diversification in new markets

To make consistent progress towards its corporate strategy of growth, the Company, since its acquisition by YBG, has ventured into various expansionary and diversifying projects.

The Company's approval for setting up a new unit to produce 100% PET Recycled chips for the manufacture of Recycled Polyester Staple Fibre for the use in producing yarn for blended textiles is a step to further strengthen its portfolio and better serve the customers.

Moreover, during the year, the ICI Pharmaceuticals business launched six new products, which has not only strengthened the brand portfolio but has also allowed the Company to make in-roads into new segments to better serve the patients.

The Company continues to explore and evaluate new areas and segments for further diversification and broaden its footprint, in line with its brand promise of Cultivating Growth.

3) Improved performance

The operating profit for the year at PKR 8,399 million was 48% higher than the Same Period Last Year (SPLY), with improved performances across all businesses. The Polyester business being the major contributor, delivered a growth of 283% in operating profit as compared to the SPLY. All other businesses also delivered improved results on the back of operational excellence.

The Profit After Tax (PAT) for the year ended June 30, 2021, at PKR 5,959 million was 92% higher than the SPLY. Apart from higher operating profit across all businesses, significantly improved cash generation across all businesses aided the company to reduce its debt levels and resultantly, finance cost for the year was lower by 63% compared to SPLY. Moreover, the exchange gain of PKR 56 million during the year as compared to the exchange loss of PKR 367 million in the SPLY also contributed towards higher profitability of the Company.

4) Ownership by YBG

The acquisition of ICI Pakistan Limited by YBG in December 2012 has transformed the prospects of the Company manifolds. While making progress towards continuing growth of the Company in prior years, further expansion and diversification projects as explained above were started during the year with the endeavour to serve local and international markets and living to its brand promise of cultivating growth.

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

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

Throughout the year, robust performances were witnessed across all the businesses which resulted in ICI Pakistan Limited achieving its highest ever profit.

Net turnover at PKR 62,618 million for the year was 17% higher than the SPLY, due to an increase in revenues across all businesses.

The operating profit for the year at PKR 8,399 million was 48% higher than the SPLY, with improved performances across all businesses, Polyester and Pharmaceuticals being the major contributors.

The Profit After Tax (PAT) for the year at PKR 5,959 million was 92% higher than the SPLY. This increase was primarily driven through higher operating results by 48% coupled with lower finance cost and benefits of exchange gains as compared to exchange loss during the SPLY.

However, the major reasons for variation in the final accounts with interim accounts include the cyclical trend in few businesses, volatility of commodity prices internationally, volatility in exchange rates, continuous waves of COVID-19 in Pakistan and consequential lockdowns, and changes in economic and political conditions during the year.

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

In line with the Company's brand promise – Cultivating Growth, the Company, since its acquisition by YBG, has ventured into various expansionary and diversifying projects to serve local and international markets.

ICI Pakistan Limited is the largest producer of Soda Ash in Pakistan and has been serving multiple industries even before the formation of Pakistan. Accordingly, to continue to serve the growing needs of the market and in line with its growth aspirations, the Company continued to expand its production capacities with an underway LSA expansion project by 135,000 TPA. This project, once completed, will enhance the total installed capacity of the Soda Ash Plant to 560,000 TPA.

ICI Pakistan Limited takes pride in being a pioneer of manufacturing Polyester Staple fibre in Pakistan. During the year, the Company launched Pakistan's first Recycled PET brand "Terylene Clean" having 100% recycled content, which became the most sustainable product available in Pakistan.

Hence, considering the global agenda, needs of the customers and ICI Pakistan special focus on forging a culture of sustainability, the Company has approved the setting up of a new unit to produce 100% PET Recycled chips for the manufacture of Recycled Polyester Staple Fibre, which will be used in producing yarn for blended textiles. Considerable work on the project has already been started and is expected to come online at the end of the next financial year.

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

The company imports almost 60% of its inventory in the form of raw and packing material as well as finished goods. Transactions are carried out in CNY, EURO, USD and GBP.

During the year, the Pak Rupee remained relatively stable as compared to the previous year with an average Rupee devaluation of 1.28% vs the US Dollar. Resultantly, the total exchange gain for the year was PKR 56 million as compared to the exchange loss of PKR 367 million in the SPLY.

In Pakistan, historically, foreign currency fluctuations have always tilted towards Pak Rupee being depreciated. As ICI Pakistan is heavily dependent on imported raw materials for industrial and capital goods and components, rising prices of such inputs through devaluation results in the increase of industrial costs, distort the cash flow and profitability position through margin erosion and may place pressure on capacity utilisation.

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

ICI Pakistan has constituted a team of professionals and cash flow management is being done prudently and on a regular basis by forecasting and analysing the future receipts and payments. Risks, if any, are highlighted on a timely basis to safeguard the Company against any cash flow risks and precautionary actions are taken immediately. The company has sufficient unutilised financing facilities available from various banks as Company is operating at significantly lower level of debts.

Company also has a robust and diversified cash generation ability with no interdependence of one business on the other which enables it to repay its debts very swiftly. This fact is evident from the Company's significantly lower debts levels despite consistent expansions and acquisition projects being undertaken since the YBG acquisition, increased working capital requirements due to overall growth and expansion in businesses and consistent dividends payments.

This is also reflected in the ratings being assigned by independent credit rating company of AA/ A-1+ for long term and short term signifying high credit quality.

Defaults in payment of any debts

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

Methods and assumptions used in compiling the indicators

The Company has a proper strategy and planning function, which takes into account economic data published by the State Bank of Pakistan, economic survey of Pakistan, reports and forecasts published by independent institutions and economists. Moreover, business intelligence from internal teams and historical data are also relied upon and forecasts for each business are prepared. These forecasts are then presented before the Executive Management Team, who after careful discussions and considerations, finalises the assumptions and methods used in and resultant forecasts.

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

Throughout the year, robust performances were witnessed across all the businesses which resulted in ICI Pakistan Limited delivering its highest ever profit, which was also better than the targets set last year.

Overall favourable economic environment-induced primarily by Government's decisive and extensive health, fiscal and monetary support, operational excellence across all businesses and significantly improved cash generation capacity helped the Company in delivering exceptional results.

Detailed business-wise achievements are disclosed as part of the Directors' Report.

Status of the projects disclosed in the previous year

During the year, the Company successfully commissioned the expansion of Refined Sodium Bicarbonate (RSB) by 14,000 TPA, taking total RSB plant capacity to 54,000 TPA.

The project work and capital expenditure on Light Soda Ash (LSA) project, approved last year, for expanding production capacity by 125,000 tons per annum (TPA) at its Khewra Plant, continued throughout the year. During the year, the Company also approved an additional LSA expansion of 10,000 TPA, which will place the total capacity expansion project at 135,000 TPA and hence enhancing the total installed capacity of the Soda Ash Plant to 560,000 TPA.

Source of information and assumption used for projections/forecasts

The projections are based on historic trends, latest information available and views of relevant business experts and the strategy department. The Company also make full use of in-house experts having the legacy business and knowledge base. Company also subscribes to important international business publications and relevant representatives of each business attend important conferences/seminars around the world to get the latest trends and emerging updates.

Assistance of external consultants is only taken for areas where the Company feels that it does not have the adequate required level of expertise internally. These projections are then reviewed and agreed amongst the Executive Management Team of the Company and then presented for review and approval by the Board of Directors.

Response to critical challenges and uncertainties (If any)

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

Forward Looking Statement

Despite the strong recovery of the global economy at large, high uncertainty surrounds the path of the pandemic and the effectiveness of policy support to provide a bridge to vaccine-powered normalisation.

With the grace of Almighty, Pakistan achieved remarkable success in containing the health and economic challenges. Besides virus containment measures, the Government's unprecedented reforms with a comprehensive set of measures including the largest ever economic stimulus package in the shape of subsided loans, construction package, and supportive monetary policy stance along with targeted financial initiatives helped the economy in lessening the negative impact of the pandemic. These measures also enabled early and strong resumption of economic and business activities. Large Scale Manufacturing (LSM) gained traction with the industrial sector witnessing a remarkable turnaround.

Moreover, the Government's launch of the largest-ever social protection and poverty eradication programs not only boosted economic activities but also helped the socio-economic betterment of youth and deprived segments of society.

These reforms have paved the way for long-term growth, and it is expected that the economy will continue the growth momentum, accelerating further over the medium term. The start of mass vaccination has raised hopes of a turnaround in the pandemic later this year, however, the emergence of COVID-19 variants, rising debt and inflation, pressure on the currency, bullish trend of commodity prices, weak mechanism for the imposition of anti-dumping duties and collection of taxes, and unstable geopolitical tensions will continue as challenges.

The Company, however, remains confident and is committed to continuing to deliver exceptional results by leveraging its diversified product portfolio along with proactively exploring opportunities for both organic and inorganic growth in line with its brand promise of Cultivating Growth.

Year in Review 2020-21

Q1

July – September 2020

- **July 13** Board of Directors Meeting
- **August 20** Board of Directors Meeting
- **August 19** Approval for commencement of capacity expansion of Light Soda Ash at Khewra plant by 125,000 tonnes per annum
- **September 11** Corporate Briefing Session held at the Pakistan Stock Exchange
- **September 19** Pehchan volunteers organised Beach Cleanup activity at Sandspit beach on World Cleanup Day
- **September 29** Annual General Meeting

Q2

October – December 2020

- **October 2** Organised fund raising auction under Pehchan Volunteer and Wellness Programmes
- **October 12** Board of Directors Meeting
- **October 13** Launch of the corporate film by the Polyester business
- **October 16** Dispatch of Final Dividend
- **October 21** Board of Directors Meeting
- **October 27** Pehchan volunteers build a shed at the Kakapir Dispensary out of recycled materials
- **November 6** Launch of the Terylene app by the Polyester business
- **November 20** Inauguration of the Lyari General Hospital PEADs ER's OPD Block in partnership with the ChildLife Foundation on Universal Childrens Day.

Q3 Q4

January – March 2021

- **January 23** Pehchan volunteers build sheds at the Ra'ana Liaquat Craftmen's Colony out of recycled materials.
- **January 28** Board of Directors Meeting
- **March 2** Celebrated International Women's Day
- **March 5** Dispatch of Interim Cash dividend
- **March 12** Awarded Employer of the Year Silver Award by Employer's Federation of Pakistan
- **March 15** Camps held for free renal check-up at Soda Ash plant in Khewra
- **March 18** Pehchan volunteers donate over 800 KGs of old newspapers on World Recycling Day

April – June 2021

- **April 1** Board of Directors Meeting
- **April 9-10** Board of Directors Meeting
- **April 22** Launch of STEP, an organisation-wide sustainability drive
- **April 26** Board of Directors Meeting
- **May 24** Launch of the Ulala TVC by Chemicals & Agri Sciences
- **June 7** Explore Challenge 2020 comes to a close
- **June 15** Board of Directors Meeting
- **June 15-30** Organised COVID-19 vaccination camps in offices at all sites
- **June 18** Awarded gold for the “Best Graduate Training Program” and silver for the “Best HR Capability Development Program” at the Employee Experience Awards, Singapore
- **June 23** Pehchan volunteers donate blood to the Fatimid Foundation
- **June 30** Extraordinary General Meeting

Awards and Achievements

Employer of the Year- Employer's Federation of Pakistan

In March 2021, ICI Pakistan Limited was awarded the silver award for 'Employer of the Year' in the 'Large National Companies' category by the Employer's Federation of Pakistan at their 8th annual ceremony of Employer of the Year Awards. This award is a recognition of the Company's best practices in areas of management, HR management, skill enhancement, sustainable development and response to the COVID-19 challenge, amongst others.

Employee Experience Awards, Singapore

Every year, the Employee Experience Awards reward top-notch HR teams and individuals with business stories that inspire, educate and advance the employee experience. Their criteria to gauge employee experience is based on the three parameters: leadership, learning and employee engagement.

At the Employee Experience Awards held in Singapore in June 2021, ICI Pakistan Limited won the gold award for 'Best Graduate Training Programme' and the silver award for 'Best HR Training Capability Programme'.

These achievements are in line with the Company's value of Passion for People. ICI Pakistan Limited's employees are its biggest strength and the Company believes in facilitating their growth, development and learning at every stage of its employees' experience.

Global Diversity and Inclusion Benchmark (GDIB) Awards

In March 2021, ICI Pakistan Limited won in the category of 'Social Responsibility' at Diversity Hub Pakistan's GDIB Awards 2021, hosted by HR Metrics.

This award is a celebration of the countless communities ICI Pakistan Limited serves.

Entity Ratings

In line with the Company's core value of Responsibility and Integrity, the VIS Credit Rating Company assigned credit rating of AA for Medium to Long Term and A1+ for Short Term to ICI Pakistan Limited with a stable future outlook.

These ratings are a testament to ICI Pakistan Limited's strong financial profile as one of the market leaders in the diverse industries it operates in.

Asma Ahmad, Organisation & Talent Development Lead accepts the GDIB Award 2021.

Leveraging Technology to Sustain the Growth Momentum

ICI Pakistan Limited has always embraced innovation and technology to fuel business enablement. The Corporate IT team ensures visibility and compliance through innovative and sustainable information solutions by embracing leading-edge infrastructure and technology.

With a focus on enabling unhindered operations and connectivity, ICI Pakistan Limited continues to enhance its systems and IT infrastructures. The Company moved to specialised virtualisation technologies, shifting all applications on a private cloud mode making them independent of any hardware. This has resulted in improved service quality for end-users, reduced downtimes and efficient service delivery.

As a result of ever-increasing cyber threats, data availability and security is a top priority for ICI Pakistan Limited. The Company has opted for the latest generation anti-virus solutions and has also introduced technology for backups, allowing it to replicate data on multiple sites in parallel.

Over the course of this year, ICI Pakistan Limited has successfully launched the following initiatives:

Ensuring Continued Connectivity

In the wake of increased remote working and distance learning resulting from the COVID-19 pandemic, Microsoft Teams, an advanced communication and collaboration tool was rolled out for all employees. This initiative has enabled continued connectivity and provided a platform for employee engagement and capability building opportunities.

Digital Procurement

In collaboration with the procurement team, the vendor registration process was digitised. A digital procurement platform powered by Oracle was launched, enabling transparent negotiation and procurement. The project has been effective in achieving savings and contributing to the overall performance of the organisation.

CRM for Secondary Sales

To improve the turnaround time of data gathering, refinement and processing, a secondary sales CRM solution was launched for the Chemicals & Agri Sciences business. The solution captures secondary sales information, share insights and analytics based on data received from its distributors. Moreover, the business can track the performance of its sales teams and distributors enabling efficient planning and streamlined business operations.

SFE Integration with Core ERP System

To empower the field force of the Agri Sciences business, connectivity, devices and applications were provided to the team. These have allowed the business to remotely track their workforce performance. The business's field force can complete administrative tasks while remaining in the field, enabling them to spend a greater time facilitating their rural farm-based customers.

Terylene Application

In line with its value of Customer Centricity, the Terylene application was developed and launched for the Polyester business. The application allows customers of the Polyester business to monitor trends of the textile value-chain, provide them with access to news and their consumption patterns with ICI Pakistan Limited.

Funds Management

To synergise processes and improve controls, the Company's existing SAP system was upgraded to enable the automation of retirement funds of ICI Pakistan Limited employees. Previously managed manually over Microsoft Excel, the upgraded SAP system handles all posting and statutory reporting requirements of the Company's retirement funds (provident funds, gratuity funds etc.).

Automation and Analytics

Detailed reports and dashboards were developed to help ICI Pakistan Limited's businesses identify rapidly changing customer needs and manage its overall supply chain. Providing key insights to decision-makers has enabled the businesses to target key areas for portfolio performance enhancements.

Network Monitoring

A state-of-the-art network monitoring solution has been implemented during the year, which in turn is facilitating the technology team in ensuring optimal utilisation of network resources and plan future requirements based on the system and user requirements.

Promoting a Culture of Innovation

To be a market leader in the ever-changing industries that we operate in and to tap into the world of opportunities, ICI Pakistan Limited is committed to its core value of Innovation.

A dynamic and competitive business environment demands that businesses keep evolving and embracing change to maintain their competitive edge. ICI Pakistan Limited's pursuit of exploring better, smarter and simpler solutions is the driving force behind its success.

To foster Innovation, ICI Pakistan Limited's Strategy, Business Development & Innovation (SBD&I) team launched the Explore Challenge in October 2018. The Explore Challenge is an intrapreneurship programme, which not only encourages employee engagement but also motivates participants to think beyond their imagination and create new possibilities.

In a year marked by COVID-19 lockdowns and distance working, the Explore Challenge 2020 continued to sustain its momentum. The success of this competition largely rests on the support of the Executive Management Team (EMT), Innovation Champions and Innovation Catalysts from across the organisation.

The Explore Challenge 2020 has been immensely beneficial for ICI Pakistan Limited since its inception. Together, both editions of the challenge have delivered a total quantifiable impact of over PKR 250 million per annum, with many ideas also leading to non-financial impacts. The entire organisation has risen to the Challenge and Explore has become a recognisable brand internally which has reinforced innovation at the workplace.

An additional impact of the competition is the empowerment of employees and a chance for their ideas to take centre stage. Moreover, the programme has encouraged cross-functional collaboration and enabled better synergies between teams. During the year, the Explore Challenge engaged over 800 employees in the initiative. ICI Pakistan Limited believes in the value of all ideas and the Explore challenge is a true reflection of that.

In the year 2021-22, the Company plans to take its vision further for all-year-round innovation and to continue to build on the momentum from the previous rounds of the Explore Challenge. With a focus on further internalising a culture of innovation in the Company, ICI Pakistan Limited encourages its employees to channel the power of their innovative contributions towards the success of the Company.

Raising the Bar

As an organisation with ambitious growth aspirations, for ICI Pakistan Limited efficiency in scaling up its operations and empowering its employees to further its innovation agenda is pivotal. In 2020, Lean Six Sigma (LSS) was selected as a tool to enable employees and provide them with a method to bring in efficiencies to various processes at the workplace. The LSS programme began with the LSS Champions training and 32 selected employees commenced the Green Belt training programme. These employees worked on 6 projects to bring about efficiencies and cost savings for the organisation. Over the last 18 months, the Green Belts have completed their training and simultaneously executed their projects delivering total savings of over PKR 80 million. The projects covered a wide variety of issues from inventory management to changeover time reduction and reducing wastage in the production process.

Following the success of the first phase of LSS projects, the Company plans to select, address and solve further business challenges using the LSS methodology. Furthermore, the Strategy and Innovation function plans to increase awareness of the LSS methodology, while enabling more LSS experts (Yellow/Green/Black Belts) through external and internal training.

Governance and Compliance

Anchored by Company Values

ICI Pakistan Limited's core values, supplemented by the frameworks of governance and compliance are its mainstays. They serve as a foundation that allows the Company to centre its vision and deliver sustained growth in all its operations. The Company continually strives to uphold the highest standards of Integrity and Responsibility.

This section includes the Board of Director's report, Governance and Compliance updates as well as details of Risk Management and HR policies.

Corporate Governance and Compliance

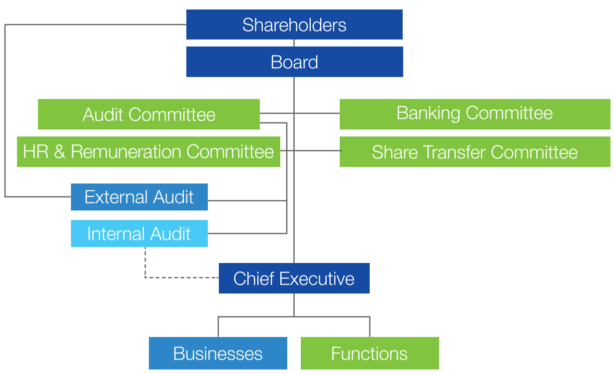
At ICI Pakistan Limited, good corporate governance is one of the most fundamental cornerstones of operations. The Company aims for the highest standards of performance and behaviour in all its operations. Maintaining and abiding by these standards dictates the long-term performance and success of the Company.

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

Corporate Governance Statement

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

Corporate Governance Structure of ICI Pakistan Limited



Major External Regulations

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

Major Internal Regulations

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

Code of Conduct

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

Compliance with the Best Practices of Code of Corporate Governance

The Company adheres to the best practices of Corporate Governance. The Statement of Compliance with the Code of Corporate Governance signed by the Chairman Board and Chief Executive along with the Auditor's Review Report thereon also form part of this Report.

Roles and Responsibilities of the Board of Directors

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

Matters Delegated to the Management:

The Company's management is responsible for the implementation of the goals, strategies and policies laid down by the Board. In order to facilitate the smooth execution of the day-to-day affairs of the Company, the Board entrusts the Chief Executive (CE) with necessary powers and responsibilities in this regard. The CE is in turn assisted by an Executive Management Team comprising of the Chief Financial Officer, Company Secretary and the other heads of businesses and functions. The management is also responsible to keep the Board informed of all relevant matters including key risks and changes in the operating environment and to seek approvals as appropriate.

Board Composition

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

In compliance with best practices of Corporate Governance, the positions of Chairman Board and Chief Executive are held by separate individuals. The detailed profiles of Directors including the Chairman and Chief Executive are available in this Report.

At ICI Pakistan Limited, the Audit committee and Human Resource & Remuneration (HR&R) committee of the Board were established well before the introduction of the Code of Corporate Governance; these committees are composed mainly of Non-Executive Directors. In compliance with the regulatory requirements, both the committees are chaired by Independent Directors. The terms of reference of these committees are available in this Report.

Director’s Orientation

The Company arranged an orientation for Syed Muhammad Shabbar Zaidi on July 6, 2020 after his election as an Independent Director. Further, detailed orientation of all the other Directors was held in the year ended June 30, 2020, after the election of Directors in May 2020.

Directors’ Training Program (DTP)

The majority of the Board members have either acquired the Directors’ training or have the prescribed qualification and experience required for exemption from training programs of Directors pursuant to Regulation No. 19 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. All the Directors are fully conversant with their duties and responsibilities as Directors.

Two (2) senior female executives have acquired Directors' training certification from the Pakistan Institute of Corporate Governance (PICG).

Director’s Remuneration Policy

As required by the Articles of Association, the Board of Directors have in place an approved formal policy for determining the Non-Executive and Independent Directors' remuneration for attending Board and sub-committee meetings (the policy).

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

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

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

For details of remuneration paid to the CE and Non-Executive Directors during the year, please refer note no. 39 of the unconsolidated financial statements.

Board Performance Evaluation

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

a. Composition of the Board
b. Effectiveness of the Board
c. Roles and responsibilities of the Board

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

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

Security Clearance of Foreign Directors

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

Board meetings Held Abroad

No meeting of the Board was held outside the country during the year.

Companies where Executive Directors are Serving as Non-Executive Directors

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

Material Interests of Board Members

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

Offices of the Chairman and Chief Executive

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

Brief Roles and Responsibilities of Chairman and Chief Executive

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

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

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

The responsibilities of the Chief Executive include:
- Implementing Company policy and decisions following Board's approval.
- Directing strategy towards the profitable growth and operation of the Company.
- Developing strategic operating plans that reflect the long term objectives and priorities established by the Board.
- Identifying risks and designing mitigation strategies.
- Putting in place adequate operational and financial controls.
- Ensuring that the operating objectives and required standards of performance are understood by all Company employees.
- Monitoring of operating and financial results against budget.
- Building and maintaining an effective executive team and appropriate succession plans.
- Placement of significant issues for the information consideration and decision, as the case may be, to the Board and its committees.

Evaluation of the Chief Executive's Performance

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

Chairman's Significant Commitments

Mr. Muhammad Sohail Tabba was appointed as a Non-Executive Director on the Board of ICI Pakistan Limited in 2012 and appointed as the Chairman of the Board of Directors of ICI Pakistan Limited in 2014. Mr. Sohail Tabba is the CEO of Lucky Energy (Private) Limited, Gadoon Textile Mills Limited, Lucky Knits (Private) Limited and Lucky One (Private) Limited.

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

Conflict of Interest

A formal disclosure of interest is obtained from Directors annually, as required under the Companies Act, 2017. The disclosures are then updated on a quarterly basis.

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

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

Insider Trading

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

Competition Law

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

The Company conducted a comprehensive Competition Law Training through a renowned law firm for relevant employees in 2020-2021. The Company continues to ensure compliance with competition laws. Additionally, all employees are apprised of relevant competition laws in the Code of Conduct, for which each employee signs a declaration of compliance upon joining the Company and periodically thereafter.

Governance Practices Exceeding Legal Requirements

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

1. Voluntary adoption of best reporting practices as prescribed by ICAP/ICMAP/SAFA with a view to making the Company's financials more transparent.
2. Adoption of Global Reporting Initiatives (GRI) Standards.
3. Implementation of robust Health, Safety, Environment and Security (HSE&S) Policy at its plants and offices.
4. Supporting and partnering with communities to improve lives as part of the Company's Corporate Social Responsibility.
5. Adoption of Framework for UN Global Compact "Ten Principles".
6. Adoption of International Integrated Reporting Council (IIRC) Integrated Reporting Framework.
7. Voluntary adoption of Sustainability Reporting.

United Nations Global Compact (UNGC)

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

Related Party Transactions

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

Internal Control

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

Speak Up (Whistleblowing Policy)

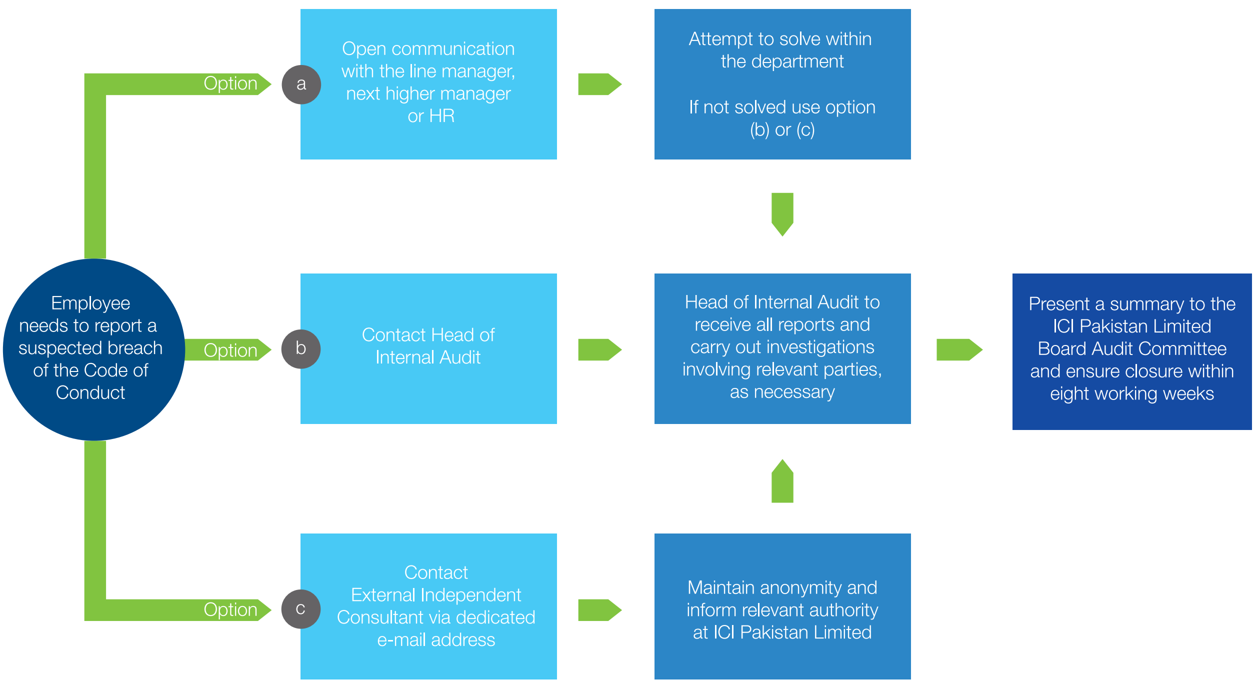
To ensure the highest levels of transparency and an environment to promote integrity and responsibility, employees have access to a robust whistleblowing programme called "Speak Up" which is overseen by the Board Audit Committee.

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

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

All complaints are thoroughly investigated within a timeline of 8 weeks from the date of speak up and the results of the investigation are communicated to the complainant (if the contact is available) following which appropriate remedial action is taken by the senior management of the Company and overseen by the Board Audit Committee.

A Depiction of the Whistleblowing Process



Speak Up Reports During the Year	
Number of Speak Ups reported to Audit Committee during the year ended June 30, 2021	3
Number of Speak up investigations Completed and Cases closed	3

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

Internal and External Audit

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

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

Diversity & Inclusion's Governance and Implications

The Company's diversity and inclusion agenda is overseen by the Diversity & Inclusion (D&I) Committee. The D&I framework is aimed at increasing the awareness and understanding of D&I within the workplace through various mediums including increasing gender representation in the commercial and technical streams.

The Company's leadership team is committed to this objective and therefore cascades the D&I goals and targets in the performance plans of the key business stakeholders.

ICI Pakistan Limited's D&I framework operates on the following principles:

- Embedding diversity and inclusion in the organisation through a systematic approach to ensure an inclusive environment free from discrimination.
- Setting gender diversity targets across the businesses.
- Continuing to educate employees on what diversity means in a broader sense.
- Ensuring a diverse selection panel for hiring.
- Supporting participation in development and mentoring opportunities.
- Building a diverse talent pipeline.
- Pursuing a comprehensive strategy to build and maintain a high-performing workforce for all businesses of ICI Pakistan Limited.
- Sponsoring education of female students from underprivileged backgrounds through the Impact Scholarship Programme. This scholarship helps them pursue their undergraduate degree from top tier universities of Pakistan, including IBA, LUMS, GIKI and NUST.
- Conducting a Women's Development Programme (WDP) by providing 4-6 weeks internship opportunities to female students.

The D&I Committee assesses and executes the D&I objectives by taking the following measures:

- Monitoring targets through the D&I dashboard and ensuring that the gender diversity targets are met by the businesses.
- Identifying roles and hiring female workers at the plants.
- Conducting D&I Committee meetings.
- Assessing the organisation's demographics and diverse profiles.

Currently 17% of the leadership team comprises of women. While overall the Company has a gender diversity ratio of 6%, ICI Pakistan Limited is committed to increasing this ratio to 10% by the end of 2022 to create a wider and diversified talent pool, and ensuring that its D&I objectives have a meaningful impact on the Company's growth as well as the society as a whole.

Ownership & Control Structure

Pattern of shareholding of the Company in accordance with the Companies Act, 2017 as at June 30, 2021 is annexed to this Report. The share capital is comprised of ordinary shares. No other class of shares is issued by the Company. Lucky Cement Limited is the parent company of ICI Pakistan Limited.

Shares held by Sponsor Directors/ Executive

The details of shareholding of Directors/Executives are given in the pattern of shareholding annexed to this Report.

Adequacy of Capital Structure

The equity comprises of share capital amounting to PKR 923,590,500 representing 92,359,050 ordinary shares of PKR 10/- each. Lucky Cement Limited is the majority shareholder of the Company with an equity stake of 55%. Overall, the YBG Group Companies hold an 81.54% equity stake in the capital of the Company.

The Company primarily manages its long-term investment requirements and working capital funding through its own cash generation and partly through financing facilities from various banks. The Company has significant amounts of unutilised banking facilities due to its strong cash-generating ability through its diversified and strong businesses.

The strong EBITDA generation capacity of the Company along with prudent liquidity management is also reflected in the Company's current and quick ratios which were 1.24 and 0.40 as of June 30, 2021. The Company believes that it is maintaining an optimal capital structure.

Details of Taxes, Duties, Levies

Details of contingency related to taxes, duties and levies are available in note no. 27.2 of the financial statements.

Investor Relations Section on ICI Pakistan Limited's Website

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

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

Investor Grievance Policy

To address any shareholder and investor complaints, in line with regulatory requirements, the Company has provided a dedicated section for investor complaints on its corporate website. The section contains the contact details of the concerned manager, an email address, fax number and postal details.

The Company Secretariat department regularly monitors complaints and strives to resolve these within a period of seven (7) working days. The grievances requiring the attention of the senior management/Board of Directors are escalated to the relevant forum with full details of the case.

Annual General Meeting (AGM)

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

Presence of Chairman at the Annual General Meeting

The Company's Annual General Meeting (AGM) was held on September 29, 2020 which was attended by the Chairman Board along with the other Board members.

Issues Raised in the Last Annual General Meeting

As mentioned above, the Annual General Meeting (AGM) of the Company was held on September 29, 2020. Queries regarding the operational and financial performance including the future profitability were raised by the shareholders and answered to their satisfaction.

Stakeholders Engagement Process

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

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

The Company also conducts regular analyst briefing sessions. During the year, the Company arranged a corporate briefing session on September 11, 2020 which was attended by shareholders, analysts and PSX representatives.

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

ICI Pakistan Limited engages with the Community in the areas around which it operates through its Corporate Social Responsibility ('CSR') programmes. The broad areas of CSR work include healthcare, education, sustainability and women's empowerment. Further details of the Company's CSR work are available in this Report.

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

Steps Taken by the Management to Encourage Minority Shareholders

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

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

Dividend Policy

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

Policy for Safety Records of the Company

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

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

Business Continuity Plan/Disaster Recovery Plan

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

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

Composition of the Board Audit Committee:

The Board Audit Committee comprises of four (4) directors. Two members of the Committee including the Chairman are Independent Non-Executive directors, whereas the remaining two members are Non-Executive directors.

All the Committee members are qualified professionals with immense experience in the fields of finance, taxation, governance and business management.

The names and profiles of the Audit Committee members are given on Page 73 of this Report.

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

Financial Statements

The Committee has concluded its annual review of the Company's performance, financial position, and cash flows during 2021, and reports that:

- The standalone and consolidated financial statements of ICI Pakistan Limited for the year ended June 30, 2021 have been prepared on a going concern basis under requirements of the Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations.

- These financial statements present a true and fair view of the Company's state of affairs, results of operations, profits, cash flows and changes in equities of the Company and its subsidiaries for the year under review.

- The auditors have issued unmodified audit reports in respect of the above financial statements in line with the Auditors (Reporting Obligations) Regulations, 2018 issued by SECP. The Committee had detailed interactions with the external auditors before the start of the audit to get an insight on the approach and scope of external audit and key risk areas. Furthermore, post completion of the external audit, the Committee also got an understanding of the significant issues in relation to the financial statements and the treatment by the external auditors and actions of management against those issues.

- Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements.

- The Chairman of the Board, Chief Executive Officer and the Chief Financial Officer have endorsed the standalone and consolidated financial statements of the Company, while the Directors' Report is signed by the Chairman and the Chief Executive Officer. They acknowledge their responsibility for the true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.

- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the fourth schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs.

- All related party transactions have been reviewed by the Committee prior to approval by the Board.

- The Company has issued a statement of compliance with the Code of Corporate Governance which has also been reviewed and certified by the external auditors of the Company.

- Understanding and compliance with the codes and policies of the Company have been affirmed by the members of the Board, the management and employees of the Company. Equitable treatment of shareholders has also been ensured.

Risk Management and Internal Control

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

The Company has devised and implemented an efficient internal control framework including financial remits, state of the art ERP system with built-in controls and governance framework, significant policies and procedures defining all controls including system controls as well as manual controls (to further strengthen the system controls) as well as an independent Internal Audit function. The Internal Audit function is responsible for providing assurance on the effectiveness and adequacy of internal controls and risk management framework in managing risks within acceptable levels throughout the Company.

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

Internal Audit

The Company's system of internal controls is sound in design and is continually evaluated for effectiveness and adequacy through a comprehensive internal audit process.
The Audit Committee has ensured the achievement of operational, compliance, risk management, control objectives, safeguarding of the assets of the Company and shareholders' wealth, through assurances provided by the Internal Audit function.

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

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

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

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

External Auditors

The statutory Auditors of the Company, EY Ford Rhodes, Chartered Accountants, have completed their assignment of the external audit of the Company's Financial Statements, the Consolidated Financial Statements and the Statement of Compliance with the Code of Corporate Governance for the financial year ended June 30, 2021 and shall retire on the conclusion of the 70th Annual General Meeting of the Company. The Audit Committee has discussed the audit process and the observations of the auditors regarding the preparation of the financial statements including compliance with the applicable regulations or any other issues.

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

The Committee is satisfied with the performance of the external auditors. The engagement partner on the audit was Mr. Riaz A. Rehman Chamdia. Being eligible for reappointment, EY Ford Rhodes, Chartered Accountants have offered themselves to be reappointed as external auditors of the Company for the financial year ending June 30, 2022 and the Audit Committee has recommended their reappointment.

Annual Report 2021

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

The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc. and the Audit Committee believes that the Annual Report 2021 gives a detailed view of the Company's historical trends, the current state of affairs and future prospects.

Self-Assessment of the Board Audit Committee

The Audit Committee believes that it has carried out responsibilities to the full, in accordance with the Terms of Reference approved by the Board. The self-evaluation of the Audit Committee's performance was carried out in which the overall performance of the Audit Committee remained satisfactory.

Syed Muhammad Shabbar Zaidi
Chairman Audit Committee

Dated: August 10, 2021
Karachi

Significant Factors Affecting the External Environment

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

These reforms paved the way for long-term growth, and it is expected that the economy will continue the growth momentum, accelerating further over the medium term. The start of mass vaccination has raised hopes of a turnaround in the pandemic later this year, however, the emergence of COVID-19 variants, rising debt and inflation, pressure on the currency, bullish trend of commodity prices, weak mechanism for the imposition of anti-dumping duties and collection of taxes, and unstable geopolitical tensions will continue as challenges.

Macroeconomic Conditions

Prospects of the global economy remained highly uncertain with economic recoveries varying across countries and sectors, reflecting variation in pandemic-induced disruptions and the extent of policy support. Although growing vaccine coverage lifts sentiments, but new virus mutations, accumulating human toll, uneven vaccine distribution and lack of equitable economic support raise concerns.

Despite the strong recovery of the global economy at large, high uncertainty surrounds the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalisation, and the evolution of financial conditions, continue to cloud the outlook.

Pakistan, on the other hand, remains amongst one of the less impacted countries with comparatively lower cases and deaths, thus achieving notable success in containing the health and economic challenges.

Besides virus containment measures, the Government's decisive and far-reaching reforms with a comprehensive set of measures including the largest ever economic stimulus package in the shape of subsidized loans, construction package, and supportive monetary policy stance along with targeted financial initiatives helped the economy in minimising the negative impact of the pandemic.

These measures resulted in a significant rebound in economic activities and enabled the resumption of business activities. Large Scale Manufacturing (LSM) gained traction with the industrial sector witnessing a remarkable turnaround largely because of the accommodative policies of the government. Incentives for the construction sector also proved to be a game-changer and provided the impetus for its allied industries and sectors.

Social and Environmental

During the year, the Government's prompt response eased the miseries, to a considerable extent, of the most vulnerable segments of society and resultantly, social protection systems are evolving.

The launch of the largest-ever social protection and poverty eradication programme i.e., Ehsaas, Prime Minister's Kamyab Jawan Youth Entrepreneurship Scheme, Prime Minister's Hunarmand Programme-Skills for All, National Agriculture Emergency Programme, Naya Pakistan Housing Programme, Ten Billion Tree Tsunami Programme and other various short and medium-term initiatives are unique in terms of coverage, policy formulation, multi-sectoral nature and will not only boost economic activities in the country but will also be helpful for the socio-economic betterment of youth and deprived segments of society.

Despite the unparalleled Government policies in supporting the economy, saving lives and livelihoods, introducing economic and fiscal support measures and improving ease of doing business, Pakistan continues to face challenges that are anticipated to maintain pressure on inflation, interest rates, overall investment and business climate and the job market

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

Regulatory

The Government's strong focus on improving ease of doing business and continuous support from the Central Bank has helped in improving the overall business climate and resultantly, positively impacted the financial results of the Company. However, the continuation of trade suspension with neighbouring countries impacted the Pharmaceuticals and Chemicals & Agri Sciences businesses.

Technology

Information Technology needs have evolved in light of the pandemic and the need to digitally stay connected with the suppliers and customers has amplified. The Company has rolled out applications for secondary sales in the adhesive segment and a customer application for the Polyester business.

The digital procurement project went live while following the SOPs put in place during the pandemic and the procurement teams and vendors have already started to reap the benefits of transparent and swift decision making.

Cyber security continues to be an evolving threat and the Company is updating its policies and rolling out top tier threat management solutions to cope with the challenges.

Significant Changes from Prior Years

During the year, a comparatively stable exchange rate, supportive monetary policy stance, subsidized financings and other various fiscal support measures resulted in the recovery of economic and business activities and aided in delivering the highest ever profit. However, the bullish trend of commodity and energy prices and unprecedented supply chain disruptions due to tight vessel availability and surge in freight rates resulted in a high cost of production.

Risk Management

Managing risk is an important part of staying ahead of the curve. Providing oversight by applying an integrated approach to managing current and emerging risks is essential for ICI Pakistan Limited's success.

Integrated through the Company, risk management at ICI Pakistan Limited occurs at the functional, business and corporate levels. The primary authority for overseeing the risk management process, including risk management and control processes rests with the Board of Directors. The Company's risk management processes are designed to safeguard its assets, shareholders' investments/ interests and address possible impacts to business continuity. The identified risks, that could potentially affect the achievement of strategic, operational, financial and/or compliance objectives, are promptly reported to the Board and senior management. Doing so allows them to take timely actions towards ensuring smooth operations of the Company.

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

The Company employs a robust Enterprise Risk Management (ERM) framework which is integrated

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

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

The ERM framework encompasses the following elements:

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

Risk	Source	Type	Likelihood	Impact*
Changing economic conditions, government policies and law and order situation • Local competition • Risk of ad-hoc tariff adjustments on imports impacting local producers, such as ICI Pakistan Limited • Large scale, cheap imports at uneconomical prices or dumped imports by major international manufacturers	External	Strategic	Medium	High
Exposure to liabilities arising from non-compliance with laws and regulations	Internal	Compliance	Low	High
Inability to attract, engage and retain high potential/promotable talent	Internal	Strategic	Low	High
Overdependence on single source suppliers and major principals	Internal and External	Operational/ Commercial	Low	Medium
Product Quality	Internal	Operational/ Commercial	Low	High

Risk exposure rating is based on likelihood and impact of risk overall on ICI Pakistan Limited

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

Risk	Source	Type	Likelihood	Impact*
Commodity Risk	External	Operational/ Commercial	Low	Low
Failure to keep pace with technological advancements	Internal	Strategic	Low	Low
HSE&S compliance risk	Internal	Health & Safety	Low	Low
Fluctuation in exchange rates Continued depreciation of the Pakistani rupee against the US dollar has a negative impact on the financial results of the Company's businesses through erosion of margins, particularly in the Pharmaceutical business, where prices of pharmaceutical products are capped by the Federal Government.	External	Financial	Medium	Low
Interest rate risk An increase in interest rates will result in higher borrowing costs and impact the Company's profitability.	External	Financial	Low	Low
Credit Risk The risk of default in payments by credit customers in the current challenging economic conditions, leading to adverse financial impact on the Company.	External	Financial	Low	Low
Liquidity Risk The risk of Company being unable to fulfil its financial obligations due to nonavailability of sufficient funds.	Internal	Financial	Low	Low

**Risk exposure rating is based on likelihood and impact of risk overall on ICI Pakistan Limited*

Risk Exposure Rating*	Timeline	Risk Mitigation Plan
Low	**Short Term**	The business plan is reviewed on an ongoing basis and in case of any changes in the market dynamics, the issues/scenarios are highlighted to the principal in advance to negotiate quantities and prices.
Low	**Long Term**	ICI Pakistan Limited's management highly values data security, automation of operations and technological advancement in the relevant industries. The Company has invested in a robust management reporting system, research and development, and lab infrastructure to improve in-house capabilities. ICI Pakistan Limited maintains close ties with customers and consults them to remain updated on the changes taking place in the industry. The Company's Business Development team regularly issues a news bulletin based on new developments in the local and global industry.
Low	**Long Term**	For ICI Pakistan Limited, compliance with HSE&S standards is the license to operate. The Company continues to focus on energy conservation, waste and operational efficiencies and eco-efficiency footprint reduction. A detailed report on HSE&S performance and development is available in the report.
Medium	**Medium to Long Term**	ICI Pakistan Limited's centralised treasury function closely monitors and manages the exposure to foreign currency risk and uses various available mechanisms, such as locking forward contracts, minimising the foreign currency credit and resorting to natural hedging, wherever possible. Further mitigation is done through the introduction of generic brands, assessing the economic situation frequently for informed decision-making and continuous engagement with external parties to assess their viewpoint.
Low	**Short Term**	The Company continuously monitors and negotiates viable deals to minimise the interest rate risk. Wherever possible, the residual risk is passed on as part of the product pricing. Further, the Company tries to remain at a lower level of gearing to minimise the impact of financing costs. With its strong ability to generate cash flows, the Company tries to pay off its debts to minimise the impact of an increase in interest rates.
Low	**Medium to Long Term**	The Company's counter party risk is sufficiently diversified with established limits for key customers. Credit reviews are regularly conducted to align the exposure in line with the changing conditions, while remaining within the bounds of overall risk appetite of the Company.
Low	**Short Term**	The Company ensures optimum utilisation of cash generated by operations and has sufficient financial lines with various institutions to meet any funding requirements. Also, the Company has a credit rating of AA for Medium to Long term and A1+ for short term which signifies high credit quality and certainty of timely payments.

Board and Management Committees

Committees of the Board

Audit Committee with brief Terms of Reference

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

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

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

While carrying out the duties, the Audit Committee has the authority to discuss directly with the management, internal auditors or external auditors any issues within its remit. The Committee may obtain external legal or professional advice on the matter, if necessary. The Board of Directors constituted the Board Audit Committee, which comprises of four members. Two members of the Committee including the Chairman of the Committee are Independent Directors, whereas the remaining two members are Non-Executive Directors. The Head of Internal Audit acts as the Secretary to the Audit Committee.

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

Human Resource and Remuneration Committee

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

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

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

Banking Committee

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

Shares Transfer Committee

The Share Transfer Committee consists of two Executive and one Non-Executive Director. This Committee approves registrations, transfers and the transmission of shares. The resolutions passed by the Shares Transfer Committee are subsequently ratified by the Board.

Management Committees

Executive Management Team

The Chief Executive is the Chairman of the Executive Management Team (EMT). The EMT comprises all business and functional heads. This Team meets once a month and is responsible for strategic business planning, decision making and overall management of the Company.

HSE&S Management Committee

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

Succession Planning Forum

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

- Commercial Capability Group
- Technical Capability Group
- HR, Legal and CCPA Capability Group
- Finance and IT Capability Group

Diversity & Inclusion Committee

The Company's Diversity & Inclusion (D&I) Committee is chaired by the General Manager, Strategy, Business Development & Innovation and actively works to progress the Company's D&I agenda by introducing initiatives such as D&I awareness and unconscious bias training sessions. The D&I Committee also proposes policies such as the sabbatical, maternity and paternity leaves and career builder for women who want to return to work after taking a career break.

Company's Information

Board of Directors

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

Audit Committee

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

HR & Remuneration Committee

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

Chief Financial Officer

Atif Aboobukar

Company Secretary

Nausheen Ahmad

Head of Internal Audit

Khalid Munif Khan

Executive Management Team

Asif Jooma
Chief Executive

Atif Aboobukar*
Chief Financial Officer

Nauman Shahid Afzal
Vice President, Polyester

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

Arshaduddin Ahmed
Vice President, Chemicals & Agri Sciences

Muhammad Abid Ganatra
Vice President, Soda Ash

Eqan Ali Khan
General Manager, Strategy, Business Development & Innovation

Aamer Mahmud Malik
Vice President, Pharmaceuticals

Fariha Salahuddin
General Manager, Human Resources & Administration

**Alphabetised by last name*

Bankers

Allied Bank Limited
Allied Bank Limited – Islamic Banking Group
Askari Bank Limited
Askari Ikhlas – Islamic Banking
Bank Al Habib Limited
Bank Al Habib – Islamic Banking
Bank Alfalah Limited
Bank Alfalah Limited – Islamic Banking Group
Bank of Khyber
Bank of Punjab
Citibank N.A.
Faysal Bank
Faysal Bank – Islamic Banking
Habib Bank Limited
Habib Bank Limited – Islamic Banking
Habib Metropolitan Bank Limited
Habib Metropolitan Bank – Sirat Islamic
Industrial and Commercial Bank of China Limited
MCB Bank Limited
MCB – Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Samba Bank Limited
Standard Chartered Bank (Pakistan) Limited
Standard Chartered Bank (Pakistan) Limited – Saadiq
United Bank Limited
UBL Ameen

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 (Private) Limited
8-F, Next to Hotel Faran, Nursery,
Block-6, P.E.C.H.S.
Shahrah-e-Faisal, Karachi.
Tel: (021) 34380101-5
Fax: (021) 34380106

Auditors

Internal Auditors
KPMG Taseer Hadi & Co.,
Chartered Accountants

External Auditors
EY Ford Rhodes
Chartered Accountants

Legal Advisor

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

Board of Directors

Muhammad Sohail Tabba
CHAIRMAN

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

As the Chief Executive Officer of Gadoon Textile Mills Limited, Lucky Knits (Private) Limited and Director of Yunus Textile Mills Limited, Lucky Textile Mills Limited, he has made YBG renowned both locally and globally. The flourishing industries and manufacturing houses have provided employment opportunities to over 15,000 people and are key drivers of the economy.

Mr. Tabba, the Chairman of ICI Pakistan Limited started as a Non-Executive Director on the Board of ICI Pakistan Limited in 2012 and was appointed as Chairman of the Company in 2014. He is also Chairman of NutriCo Morinaga (Private) Limited, the state-of-the-art infant formula manufacturing facility, which was established in Pakistan as a joint venture with Morinaga Milk Industry Co. Ltd. Japan and Unibrands (Private) Limited. Mr. Tabba's leadership, personal credibility and strong interpersonal skills have been instrumental to the success of this joint venture.

Mr. Tabba's relentless energy, his vision, and his ability to think outside the box created LuckyOne Mall, which attracts people from all walks of life. His vision was to provide a world-class entertainment facility for children which materialised as Onederland at LuckyOne Mall.

Besides being the Chairman of Yunus Energy Limited and CEO of Lucky Energy (Private) Limited, Lucky One (Private) Limited; he is Director of Lucky Cement Limited, Lucky Motor Corporation Limited, and several other companies. Mr. Tabba's strong social presence in the business community has led him to become the founding member and first Vice President of the Italian Development Council. He is playing an instrumental role in contributing to the educational landscape of Pakistan by serving on the Board of Governors of the Textile Institute of Pakistan. He has also previously served on the board of Hamdard University.

Driven towards contributing to the community, Mr. Tabba is playing a pivotal role as a Director of Aziz Tabba Foundation that runs the Tabba Heart and Kidney Institutes in addition to other welfare projects. Mr. Tabba's determination to contribute to the community has transformed the children emergency rooms of the government hospitals. He became the Founding Trustee of ChildLife Foundation Pakistan in 2012. His contributions to the healthcare sector of Sindh and Baluchistan has manifested in the treatment of 3.1 million children in ChildLife Emergency Rooms and 4.7 million children in ChildLife Clinics. In the past decade, ChildLife Foundation has evolved extraordinarily and today, 10 contemporary emergency rooms are functioning efficiently in the under-resourced hospitals of Sindh and Baluchistan.

Muhammad Ali Tabba
VICE CHAIRMAN

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

He started his career with Yunus Brothers Group (YBG) – a family conglomerate in 1991. YBG is one of the premier business houses in Pakistan with diversified interests in Building Materials, Chemicals, Pharmaceuticals, Energy, Textiles, Automotive and Real Estate Development. Muhammad Ali Tabba also served as the Chairman of Pakistan Business Council (PBC), a business advocacy forum comprising of leading private sector businesses. He is the Chairman of Lucky Motors Corporation Limited (formerly KIA Lucky Motors) and Lucky Electric Power Company Limited.

He is the Chairman of All Pakistan Cement Manufacturing Association (APCMA), a regulatory body of cement manufacturers in Pakistan and also the Chairman of Pakistan Textile Council (PTC) in Pakistan, a think tank, advocacy and research based body.

In recognition of his exceptional services and contributions in the social development sector of Pakistan, World Economic Forum (WEF) in 2010 bestowed the title of "Young Global Leader" to Mr. Muhammad Ali Tabba. He is also the recipient of Karachi Chamber of Commerce and Industry "Businessman of the Year" Gold Medal Award for 2012- 13.

With extensive engagements in many community welfare projects, Muhammad Ali Tabba also serves on the Board of Governors at numerous renowned Universities, Institutions and Foundations. He is the Vice Chairman of a not-for-Profit organization, Aziz Tabba Foundation. The Foundation is working extensively in the field of social welfare, education, health and housing. The Foundation runs two state-of-the-art Hospitals in Karachi; 170 bed Tabba Heart Institute (THI) which is a dedicated Cardiac Care Hospital and 100 bed Tabba Kidney Institute (TKI), a specialized institution providing comprehensive treatment for Nephro-Urological disorder.

In 2018, the Government of Pakistan awarded him with Sitara-E-Imtiaz for his outstanding services and contributions to the business as well as the social development sectors of Pakistan.

Amina Abdul Aziz Bawany
NON-EXECUTIVE DIRECTOR

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

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

Jawed Yunus Tabba
NON-EXECUTIVE DIRECTOR

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

He is on the Board and related subcommittees of Lucky Cement Limited, Gadoon Textile Mills Limited and Lucky Motors Corporation Limited. He is involved in the formulation of vision, strategies and governance structures of these companies.

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

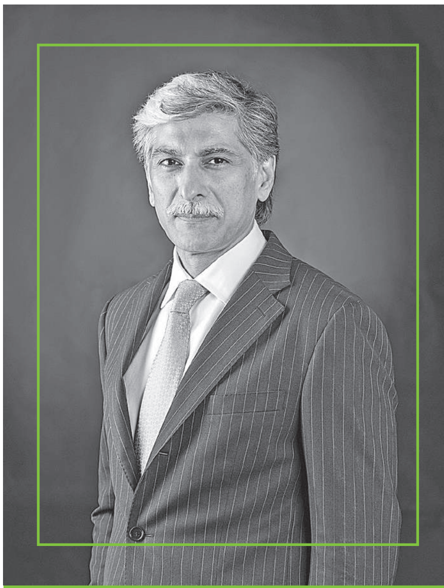
Mr. Jawed Yunus Tabba is also extensively engaged in community welfare projects which include the Aziz Tabba Foundation (ATF). The Foundation works extensively in the field of social welfare, education, health and housing. He is also a member of the Young President Organization (YPO).

Asif Jooma
CHIEF EXECUTIVE

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

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

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



Khawaja Iqbal Hassan
INDEPENDENT DIRECTOR

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

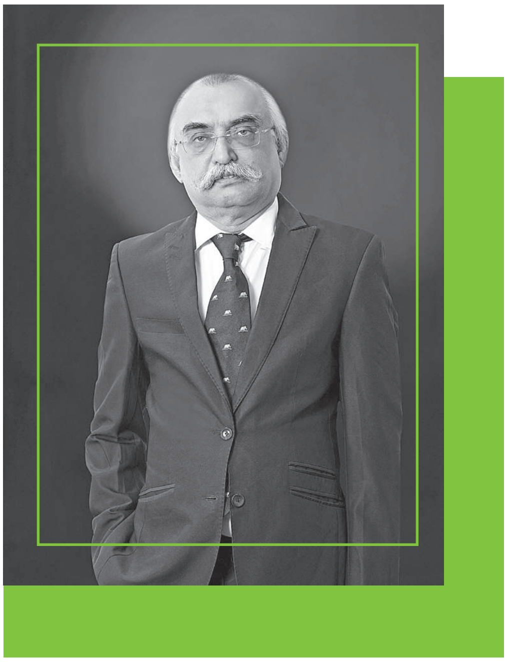
Mr. Hassan graduated cum laude from the University of San Francisco in 1980 with majors in Finance and Marketing. He started his career with Citibank N.A. where he worked in Saudi Arabia, Turkey and Pakistan. After leaving Citibank in 1994, Mr. Hassan co-founded Global Securities Pakistan Limited, a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

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

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

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

In 2008, Mr. Hassan was awarded the Sitara-e-Imtiaz by the Government of Pakistan for meritorious contributions to national interests.



Syed Muhammad Shabbar Zaidi
INDEPENDENT DIRECTOR

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

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

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

A retired senior partner at A. F. Ferguson & Co, he also serves as Chairman on the Securities & Exchange Commission Committee formed for Corporate Industrial Rehabilitation Reform and is a member of the Economic Advisory Council. He is a fellow member of the Institute of Chartered Accountants of Pakistan and has also served as President of the Institute from 2005-2006. Mr. Zaidi has also served as member of Developing Nations Committee of International Federation of Accountants, President South Asian Federation of Accountants, Founder Director of Pakistan Institute of Corporate Governance, member Central Audit Committee of the State Bank of Pakistan and was the Director of the Karachi Stock Exchange Limited from 2012-2015.

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

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

Muhammad Abid Ganatra
EXECUTIVE DIRECTOR & VICE PRESIDENT SODA ASH

Mr. Abid Ganatra is the Vice President of Soda Ash business at ICI Pakistan Limited and is a distinguished professional with over 20 years of diversified experience in senior management positions. His expertise is in financial management, operational management, capital restructuring, mergers and acquisitions, corporate and legal affairs as well as taxation.

He was appointed as a Director on the Board of ICI Pakistan Limited on December 28, 2012, and from April 2013 onwards he also served as the Chief Financial Officer of the company for over seven years. Mr. Ganatra has been associated with the Yunus Brothers Group since 1994.

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

Executive Management Team

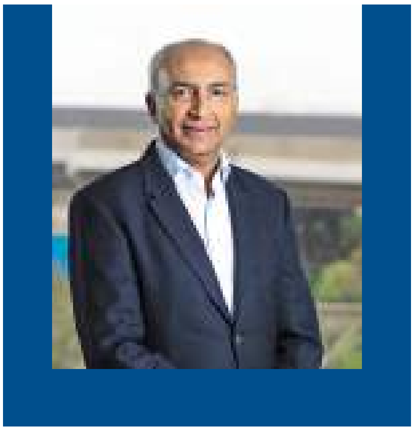
Asif Jooma
Chief Executive

Atif Aboobukar
Chief Financial Officer

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

Muhammad Abid Ganatra
Executive Director & Vice President
Soda Ash

Nauman Shahid Afzal
Vice President
Polyester



Aamer Mahmud Malik
Vice President
Pharmaceuticals

Arshaduddin Ahmed
Vice President
Chemicals & Agri Sciences

Fariha Salahuddin
General Manager
HR & Administration

Eqan Ali Khan
General Manager Strategy,
Business Development & Innovation

Report of the Directors

for the year ended June 30, 2021

The Directors are pleased to present their report, together with the audited financial statements of the Company, for the year ended June 30, 2021.

Overview

The net turnover at PKR 62,618 million for the year under review was 17% higher than PKR 53,599 million recorded for the year ended June 30, 2020, due to an increase in revenues across all businesses. The successful response of the Government to control the COVID-19 pandemic, special incentives for the construction sector and strong support in the form of financing on preferred terms by the Central Bank helped soften the impact of the pandemic and paved the way for a surge in economic activities and growth during the year.

Net revenue of the Polyester business was higher by 22% backed by strong demand by the textile industry. Moreover, an increase in cotton prices due to supply disruptions from the USA and China created a positive impact on the business. The net revenue of the Soda Ash business witnessed an increase of 7% owing to robust growth in the domestic soda ash market.

The Pharmaceuticals business recorded an increase of 27% in net revenue, which was attributed, amongst other factors, to new product launches and higher toll income. The net revenue of the Chemicals & Agri Sciences business was 8% higher following a strong recovery of consumer demand in the Chemicals segment. This was, however, partly offset by the lower revenue in the Agri Sciences segment due to adverse conditions that negatively impacted the cotton crop last season and unfavourable weather. The net revenue of the Animal Health business was 31% higher as both, the livestock and poultry segments, witnessed healthy demand.

The operating profit for the year at PKR 8,399 million was 48% higher than the same period last year (SPLY), with robust performance across all businesses. The Polyester business delivered a growth of 283% in operating profit as compared to the SPLY, which was mainly attributable to a higher sales volume and healthy unit margins on the back of favourable regional dynamics. Moreover, contributing to the exceptional performance was an unprecedented recovery of the textile sector, led by strong export performance across multiple product categories.

The Animal Health business benefitted from strong demand recovery in both the livestock and poultry segments which resultantly delivered 58% higher operating profit compared to the SPLY.

The Pharmaceutical business delivered 31% higher operating profit as compared to the SPLY on strong sales performance and new product launches, better sales mix, favourable manufacturing efficiencies and higher toll income. The Chemicals & Agri Sciences business delivered an increase of 17% in operating profit as compared to the SPLY. A sharp recovery in consumer demand, particularly in the Chemicals segment paired with an enhanced focus on margin optimisation and operational excellence contributed to this performance. Lastly, the Soda Ash business delivered an increase of 8% in operating profit as compared to the SPLY, mainly due to a higher sales volume and favourable manufacturing efficiencies.

The Profit After Tax (PAT) for the year ended June 30, 2021, at PKR 5,959 million was 92% higher than the SPLY. This increase was primarily driven by higher sales and operational excellence across all businesses, resulting in a 48% increase in operating profit. In addition, higher operating profitability and significantly improved cash generation during the year resulted in reduction of overall debt levels of the Company, which coupled with lower policy rate maintained by the State Bank of Pakistan during the year, resulted in a 63% lower finance cost as compared to the SPLY. Moreover, the exchange gain of PKR 56 million during the year as compared to the exchange loss of PKR 367 million in the SPLY also contributed towards higher profitability of the Company.

On a consolidated basis, including the results of the Company's subsidiaries, ICI Pakistan PowerGen Limited and NutriCo Morinaga (Private) Limited, PAT for the year was PKR 5,229 million, of which a loss of PKR 341 million was attributable to non-controlling interests. This translates into PAT attributable to the owners of the Holding Company at PKR 5,569 million and an EPS of PKR 60.30, which was 114% higher as compared to the SPLY. The Company recognised PKR 527 million as a share of profit from its Associate - NutriCo Pakistan (Private) Limited.

اردو کیلئے آخری صفحات ملاحظہ کریں۔

Financial Performance

PKR million	June 2021	June 2020	Increase/ (Decrease) %
Net Turnover	62,618	53,599	17%
Gross Profit	14,348	10,556	36%
Operating Result	8,399	5,669	48%
Profit Before Tax	8,229	4,330	90%
Profit After Tax	5,959	3,096	92%
Earnings Per Share (PKR)	64.52	33.52	92%

Net Turnover (PKR m)

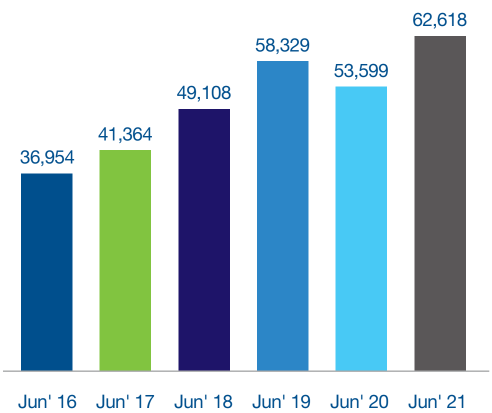
Profit before Tax (PKR m)

Profit after Tax (PKR m)

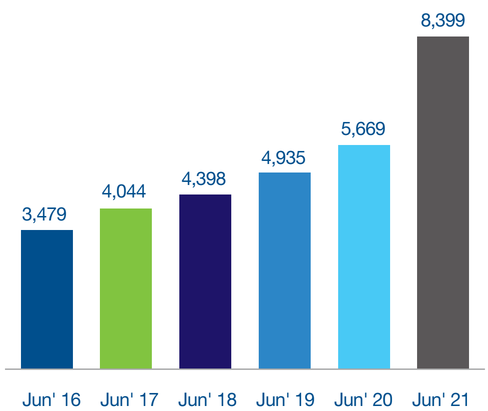
Earnings per Share (PKR)

Six Years Financial Performance at a Glance

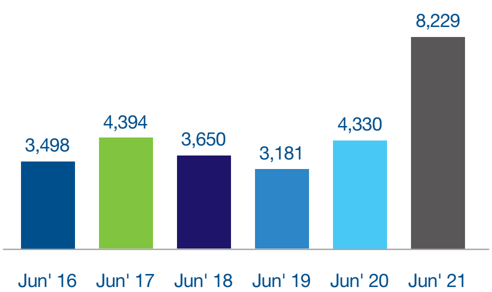
Net Turnover (PKR m)



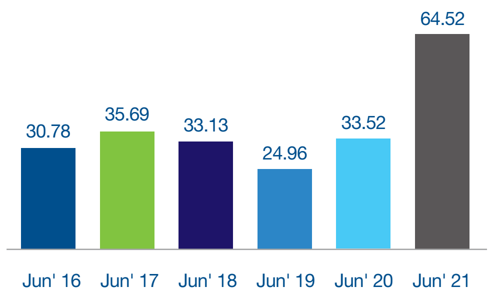
Operating Result (PKR m)

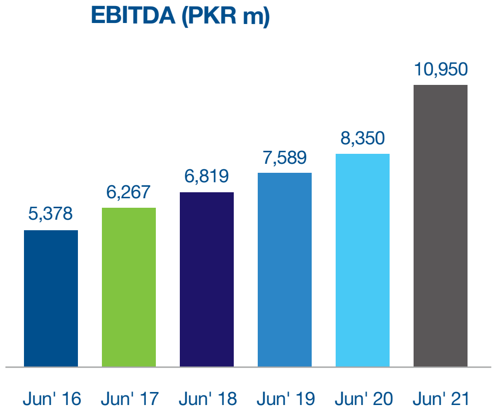


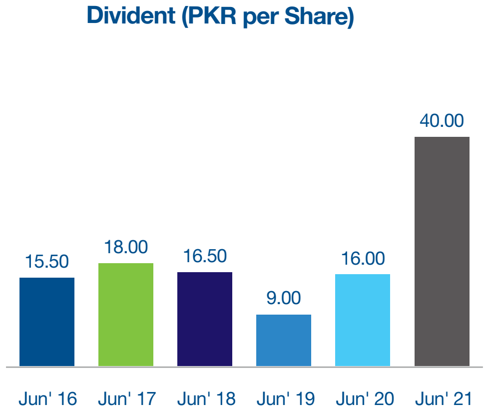
Profit Before Taxation (PKR m)

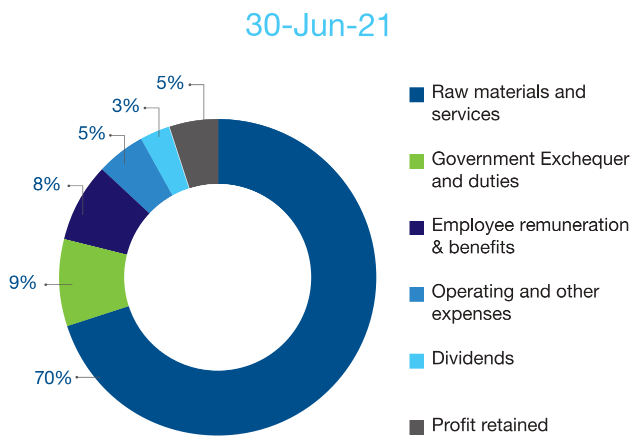


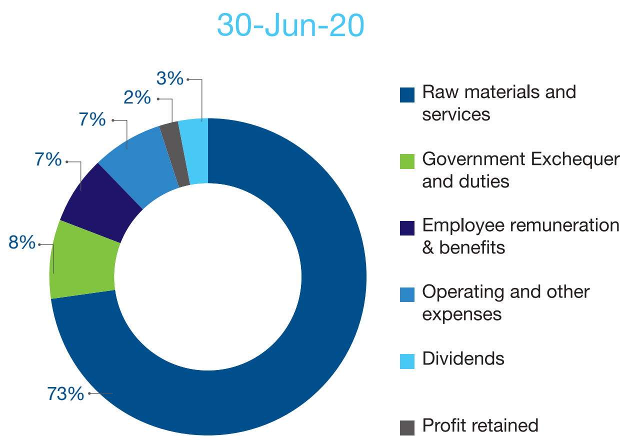
Earnings per Share (PKR)











Value Addition and its Distribution

PKR' 000

		June 30, 2021	%	June 30, 2020	%
Net Sales		**62,617,966**		53,598,537	
Sales Tax		**7,921,139**		6,747,024	
Net Sales including sales tax	A	**70,539,105**	**99%**	60,345,561	98%
Other operating Income		**1,002,966**	**1%**	955,328	2%
		71,542,071	**100%**	61,300,889	100%
Raw Materials and Services	B	**50,022,939**	**70%**	44,892,765	73%
Government Exchequer and duties	C	**6,345,764**	**9%**	4,604,003	8%
Employee remuneration & benefits	D	**5,485,500**	**8%**	4,390,834	7%
Operating and other expenses	E	**3,728,422**	**5%**	4,317,429	7%
Dividends		**2,308,978**	**3%**	1,431,566	2%
Profit Retained	F	**3,650,468**	**5%**	1,664,292	3%
		71,542,071	**100%**	61,300,889	100%

Dividend

In view of the Company's earnings, the Board of Directors has recommended the Final Cash Dividend in respect of the financial year ended June 30, 2021, at the rate of 200% i.e. PKR 20/- per share of PKR 10/- each, subject to the approval of the Shareholders at the forthcoming Annual General Meeting. Including the interim dividend of PKR 20/- per share already paid, this makes a total dividend of PKR 40/- per share for the entire year ended June 30, 2021.

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

Throughout financial year 2020-21, ICI Pakistan Limited has continued to demonstrate its strong commitment to Health, Safety, Environment and Security. The Company has ensured the highest levels of health and safety for its employees, customers and independent contractors on its premises, as well as the environmental protection of the communities in which it operates. A sharper focus has been on assessing the efficacy of the existing regulatory frameworks and the approaches to managing hazards and risks within the businesses. This is key in ensuring the protection of the Company's workers and the public from accidents and ill health and is a clear indicator of ICI Pakistan Limited's resolve to maintaining HSE&S as a core priority.

ICI Pakistan Limited continued to deliver high performance in safety. All businesses combined, the Company logged around 35.2 million safe man-hours, as at June 30, 2021. The Soda Ash, Chemicals & Agri Sciences, Pharmaceuticals, Animal Health, Polyester businesses respectively achieved 24.8, 4.04, 1.36, 2.91, 0.53 million man-hours without reportable injury whereas the Corporate Offices stood at 1.53 million safe man-hours.

Unfortunately, there were four reportable injuries to employees during the year 2020-21, however, there were no reportable injury to independent contractor employees. These incidents were investigated, and action plans were formulated and implemented against each finding to avoid recurrence. The total reportable injury rate of employees was 0.44.

The employees' understanding of ICI Pakistan Limited's sustainability requirements and its compliance is guided through four books: ICI Pakistan HSE&S Management System, Occupational Health Manual, Corporate Engineering Procedures, and Information Notes for Managers. ICI Pakistan Limited's sustainability initiatives are in line with the Sustainability Council, which acts as a governing body on matters relating to sustainability targets and performance.

As the torch-bearer of sustainability and its performance, the Executive Management Team (EMT) regularly meets to discuss sustainability and its performance. Critical HSE&S procedures are reviewed as per global developments in the field of HSE&S.

To further augment the importance of HSE&S, a detailed HSE&S management audit of almost all businesses was conducted by Corporate HSE&S. Trained safety professionals were engaged in the audit process and detailed reports were shared with the respective businesses. Areas of improvement were highlighted and communicated to the business' executive teams.

Given the continuing risk of COVID-19 in Pakistan, ICI Pakistan Limited established a Pandemic Watch Committee (PWC) to monitor the situation closely. The PWC and EMT monitored the situation carefully and implemented necessary controls to minimise the impact of COVID-19 on the Company's businesses, employees and their families.

The EMT and PWC are regularly reviewing the situation as it develops to reinforce controls when needed. Over 40 controls have been implemented at the Company's locations nationwide, to manage the impact of this pandemic. Wearing masks and maintaining a social distance of 6 feet at all times on Company premises were made mandatory. Other controls included health screening, mandatory temperature checks, use of respiratory and hand hygiene PPE, deep cleaning and disinfection of Company premises and vehicles, limiting face to face meetings, and enforcing work from home policies. An aggressive communication strategy was designed and implemented under the banner of our Employee Wellness Programme.

ICI Pakistan Limited's early and practical measures mitigated short-term risks to the health and safety of the Company's employees and long-term costs to the businesses. These efforts helped maintain employee morale and ensured minimal disruptions to business activities.

ICI Pakistan Limited's operations are compliant with both international and local standards. The Company is among the early adopters to report sustainability compliance in line with the United Nations Sustainable Development Goals (SDGs). Sustainability projects for 2020-21 were based on the SDGs requirements.

Health Assessment Performance Index (HAPI) and Hygiene Performance Index (HYPI) are two unique programmes that were implemented at all sites. These relate to the health assessment and monitoring of employees' exposure to hazards. The concept of HAPI and HYPI is to minimise the risks of occupational diseases. Data collected is monitored even after the employees' retirement. Annual/biannual assessment of employees' health continued, including audiometry and spirometry tests. No occupational illness was reported in 2020-21.

Training at all levels on HSE&S is of primary importance for the development of employees. This year, training course modules on high hazardous activities were reviewed in conjunction with the operational requirements. In light of the COVID-19 protocols, in-person trainings were not conducted as planned.

The robust Electronic Performance Management (EPM) framework is widely used for reporting KPI's for H&S, Environment and Energy. Performance reports are monitored on a monthly and quarterly basis. Deviations from targets were immediately highlighted, analysed and discussed with each business. Energy conservation, waste reduction, water conservation and National Environmental Quality Standards (NEQS) compliance through implementation of sustainability plans continued this year as well.

New projects were implemented across the Company including the Soda Ash expansion project and the Company has continued to maintain compliance with NEQS.

Community Investment (Corporate Social Responsibility)

The Corporate Social Responsibility (CSR) agenda of ICI Pakistan Limited is managed through the ICI Pakistan Foundation (the 'Foundation'). The Foundation is a registered trust, certified by the Pakistan Center for Philanthropy (PCP) and managed by the Foundation's Board of Trustees.

As part of the Company's mission of Improving Lives, ICI Pakistan Limited maintains a strong focus on investing in the communities that it operates in. Guided by its CSR Policy, the Foundation's philosophy places primary focus on four main areas: education, health, community and environment. The Foundation also supports civic development through investment in community projects, disaster relief and rehabilitation activities as needed.

In 2020-2021 the major initiatives supported by the ICI Pakistan Foundation include:

Education

Vocational Training

The Ladies Welfare Centre (LWC), established in 1973 by ICI Pakistan Limited to empower young women from the Khewra community, continues to flourish. The Centre also offers internships and teacher training programmes, and currently employs five instructors, all of whom are former students. So far more than 1360 females from the Khewra community have graduated from LWC, equipped with marketable skills such as stitching, knitting, embroidery and cooking.

In Karachi, the Roshan Lyari programme was launched to promote literacy and enhance capacity-building skills within the Lyari youth community. The programme offers short-term vocational training courses in fashion designing, stitching and tailoring, beauty and makeup, to the female population of the community. To date, more than 250 girls have benefited from this programme. This year the Foundation donated 10 sewing machines to Roshan Lyari programme, expanding their training capabilities.

Primary Education Support

For the past 19 years, the Polyester business' CSR team has overseen the Govt. Boys and Girls Primary School in Tibbi Hariya, Sheikhupura. Starting with only 43 students, currently, the school is providing quality education to 145 students. The Foundation continues to copartner with the CARE Foundation, a reputable non-profit, to manage the day to day running of the school.

The COVID-19 pandemic was the catalyst for change in almost every industry. With educational institutions under lockdown, many children were unable to attend school. The growth in telecommunication and internet services along with interactive and personalised communication devices provided an opportunity to engage such children, connecting them with quality educational resources. As such, the Foundation donated 50 tablets to the Akhuwat Foundation for use in their e-learning project through which their highly qualified teachers conduct distance learning classes that are streamed live to students.

Montessori Teachers Training

Besides conducting regular teachers training sessions for the faculty at the Govt. Boys and Girls Primary School, Kakapir Village, in August 2019, ICI Pakistan Limited initiated a six-month Montessori Teachers Training course. In addition to the school faculty, teachers of surrounding schools were invited to participate in the course. A total of 34 participants attended this course, with an attendance rate of 95%. In February 2021 the 2nd round of this course was successfully initiated with a total of 48 participants currently enrolled and an attendance rate of 94%.

Higher Education Support

In continuation of the engagement with Murshid Hospital School of Nursing and Midwifery, the Foundation has so far awarded 24 merit-based scholarships to deserving students enrolled in the two-year Community Midwifery Diploma programme.

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

Women Empowerment

In line with ICI Pakistan's commitment to further diversity, inclusion and women empowerment at the workplace, the Foundation continued its IMPACT scholarship programme with top-ranked local universities namely IBA, LUMS, GIK and UET. The scholarship continues to finance the undergraduate degree of four female students at these universities.

Health

After the establishment of a successful Hamqadam Mother and Child Healthcare Community Clinic in Khewra in 2016, a similar clinic for the Sheikhupura community was formally inaugurated in October 2018. The clinics have proven to be a valuable addition to the local healthcare infrastructure. So far, over 21,000 children have been monitored for immunisation and nutrition, with over 2290 awareness sessions conducted for pregnant women. Since their inception, the Hamqadam Clinics have successfully catered to 48,591 OPD cases with 390 emergency trips recorded by the ambulance service.

The Foundation's longest-running monthly eye care programme continues to operate sustainably. Held in collaboration with the Layton Rahmatullah Benevolent Trust (LRBT), the programme has benefited deserving patients from the Khewra Community and beyond for the last 29 years. After a hiatus due to the COVID-19 pandemic, the camps were successfully resumed in June 2021, reaching the milestone of completing 313 camps.

Furthermore, the Foundation and Soda Ash business in partnership with the Tabba Kidney Institute completed a two-day Kidney Camp set up at Khewra in March 2021. 119 individuals from the community benefitted from free of cost consultation, examination and lab testing. To ensure the health and safety of all parties, all COVID-19 SOPs were strictly followed.

In addition, the ICI Pakistan Foundation continued to support the ChildLife Foundation. The ChildLife Foundation operates and manages the Paediatric Emergency ward in Civil and Jinnah Hospitals, Karachi treating one child every minute.

Community

To engage ICI Pakistan Limited's employees in various community-based CSR initiatives, the Pehchan Volunteer Programme was launched in June 2018. The programme is guided by the Company's CSR policy. Under the Pehchan programme, and in line with the Company's mission, values, and brand promise of Cultivating Growth, the Company enables employees to devote up to two working days (or 16 working hours) annually on Company time in pursuit of volunteer work.

Pehchan volunteers actively took part in the following initiatives during 2020-21:

- Organised a fundraising auction to help those affected by the urban flooding in Karachi;
- Participated in multiple blood donation drives in partnership with the Fatimid Foundation to help individuals in desperate need of aid;
- Organised a beach clean-up activity at Sandspit beach;
- Donated recycled materials to the Ra'na Liaquat Craftsmen's Colony;
- Conducted awareness sessions for rural women and children on the safe and responsible disposal of packaging for agrochemicals products;
- Participated in multiple tree plantation drives across business locations nationwide, successfully planting over 7000 saplings;
- Provided shelter to the community from the scorching heat by using recycled material to construct a bus stand at NORIN and sheds at the Ra'ana Liaquat Craftsmen's Colony (RLCC) and the Kakapir Dispensary.

In 2020-2021, employees overwhelmingly participated in the Pehchan Volunteer activities. During the year, over 155 employees spent more than 2,455 hours in over 18 activities.

Environment

During 2020-21, the Company launched its sustainability drive - 'STEP', an acronym for Sustain. Transform, Evolve and Preserve. The launch of the sustainability drive demonstrates ICI Pakistan Limited's commitment to continual improvement in this very important aspect of business operations. This initiative enhanced employee awareness of sustainable practices at the workplace and at home and engaged them in activities under this banner to forge a culture of sustainability. The Company distributed vegetable seeds amongst its employees nationwide and also donated vegetable seeds to the Bhajitable Garden at RLCC to promote sustainable vegetable growing.

For a more sustainable future, the Foundation partnered with the Aabroo Welfare Organization and the Al-wasila Trust by donating all administrative waste generated at its Karachi and Lahore offices. A total of 12,420 kgs of paper, plastic and metal waste have been donated to the Al-Wasila Trust, funds generated from the recycling of this waste has helped treat 3,577 OPD patients in Karachi. Aabroo and Al-wasila in turn use the revenue generated from the Company's donations to finance their educational and healthcare initiatives respectively.

For more detailed information on CSR and community investment initiatives, please see pages 163-167 of the Annual Report.

Human Resources

ICI Pakistan Limited believes that its employees have a role to play in furthering the Company's brand promise of Cultivating Growth. The Company is committed to investing in its people to not only provide them with the relevant professional development opportunities but also to take steps to ensure their safety and well-being. With the evolving COVID-19 situation, the strength of its people and deeply embedded organisation culture and values came to the forefront. As always, the well-being of the Company's employees was an utmost priority. A close check was kept on the health, safety and wellness of employees and the Company played an active role in creating awareness and strong advocacy around adherence to COVID-19 SOPs. With the changing practices around the globe, ICI Pakistan Limited remained agile by adopting and embracing new avenues for engagement, learning and development.

Organisational Culture

ICI Pakistan Limited has a rich legacy spanning over 77 years throughout which it has earned a reputation for developing well-rounded leaders. As an employer with strong brand equity, the Company is renowned for the quality of its talent and being a caring employer. The Employee Value Proposition (EVP) 'One Team, Many Possibilities' is a true reflection of the Company's constant endeavour to provide numerous 'possibilities' existing and future talent – possibilities to grow, learn, succeed and celebrate.

The strength of the Company's organisational culture comes from a deep commitment to its core values. This year, an organisation-wide campaign was launched to embed the corporate values.

The Company acknowledges the importance of a diverse workforce and of being an equal opportunity employer. ICI Pakistan Limited's Diversity and Inclusion agenda is managed by the Diversity & Inclusion (D&I) Committee. The D&I Committee actively works to introduce initiatives such as gender sensitisation training, enabling policies such as the sabbatical, maternity, and paternity leave, which help further the Company's D&I agenda. The Company supports women who wish to return to the corporate world post a career break by providing them with career opportunities.

To succeed in this rapidly changing and fast-paced era, it is essential to embrace digitisation in all functions. As a thought leader, ICI Pakistan's efforts have been proactive in this regard. Over the last few years, the Company has successfully implemented SuccessFactors modules for Recruitment, Onboarding, Learning and Performance Management. These modules have improved the efficiency and enhanced the user experience of our people processes. In addition, the final implementation of SuccessFactors 'Employee Central' an employee self-service platform is expected to further enhance the same. A People Dashboard on Power BI has also been set up to enable the Company's managers to access real-time data and make decisions accordingly.

Our Talent

ICI Pakistan Limited has always been known as a nursery of talent and future industry leaders. The Company's EVP is based on the Company's core value of 'Passion for People'. It helps ensure that ample possibilities are provided to both current and future employees, enabling the Company to attract and retain top-tier talent.

The Company's diverse business portfolios allow for various career opportunities within functional and cross-functional streams. The Company continued to strengthen its talent pipeline by recruiting fresh graduates in the commercial, finance and technical streams through a structured Graduate Recruit Drive. While stringently adhering to COVID-19 SOPs this year the Company successfully conducted both the Graduate Recruit Drive and Summer Internship Program virtually, attracting the best-in-class talent from both local and foreign universities.

At ICI Pakistan Limited, there is a robust succession planning forum, which is led by the Capability Groups for various streams, including Commercial, Technical, Finance & IT and HR, Corporate Communications & Legal. Regular meetings and check-ins are conducted to discuss the health of the succession pipeline. The focus is on capability building by encouraging internal lateral moves. Last year, 21% of senior and mid-level talent moved through succession and career planning discussions. Individuals highlighted for succession are developed through stretched assignments, involvement in the task force, internal/external network and leadership training, and on-the-job coaching interventions.

Capability

The learning and development of its people are of paramount importance to ICI Pakistan Limited and as such the ICI Learning Academy was established in 2019. While steering through the 'new normal', the Company partnered with renowned international and local platforms such as INSEAD, Harvard and Pakistan Society for Training and Development. These partnerships helped bring world-class quality virtual learning programs to continuously nurture the capability of employees. Through the 'Learning Lounge' platform various trainings were provided to employees, including core development programs for technical stream and commercial trainings for our commercial stream in Pharmaceuticals.

Rewards, Recognition & Wellness

The Company firmly believes in cherishing, celebrating, and acknowledging the achievements of its people and in rewarding them for their contributions. Recognising employees who help deliver on strategic priorities in line with the Company values is the cornerstone of ICI Pakistan Limited's reward philosophy. Reward packages are designed to meet the needs of a geographically diverse workforce and are benchmarked against industry standards.

Apart from this, the health and wellness of employees is supported along with their families through a comprehensive medical coverage policy and wellness programs.

A structured Workplace Wellness Program is in place with designated wellness ambassadors at each business location. These ambassadors play a pivotal role in driving and embedding the wellness agenda and during 2020-21 made it possible for the entire organisation to come together and participate in activities which include Employee Appreciation Week, Possibilities to Celebrate (a campaign that celebrated cultural diversity) and Humans of ICI Pakistan Limited stories (a campaign that told the stories of ICI Pakistan Employees).

To keep a check on employee morale and engagement level during these challenging times, a monthly pulse survey is conducted which enables line managers to engage in constructive dialogue with their teams and address their concerns. The People & Culture team has set up various platforms such as "AskHR", "Subha ki Chai" and "Leadership Connect" to create awareness of organisation's direction, policies, and practices, and offer a platform for employee engagement and two-way dialogue.

Industrial Relations

ICI Pakistan Limited's collective bargaining agreements were signed in a timely fashion. The Company emphasises harmonious relations and equitable treatment of employees at all levels.

Year on year the Company's efforts are recognised and appreciated not only by its people but also by various other local and international platforms. This year the Company won the Gold award for "Best Graduate Training Program" and the Silver award for "Best HR Capability Development Programme from Employee Experience Awards, Singapore". Employer's Federation of Pakistan also awarded the Company with the Silver award for "Employer of the Year".

Risk Management

Effective risk management is pivotal to the Company's sustained growth and development. The Board has the overall responsibility of overseeing the Company's risk management processes and internal control procedures.

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

At ICI Pakistan Limited, a clear organisational structure with a defined delegation of authority is in place. The senior management teams are responsible for implementing procedures, monitoring risk and assessing the effectiveness of various controls.

The Company continues to employ a robust Enterprise Risk Management (ERM) framework, which is integrated within the organisation to ensure the proactive identification, evaluation and assessment of risks. All highlighted risks are prioritised according to their impact and likelihood, with remedial actions devised accordingly.

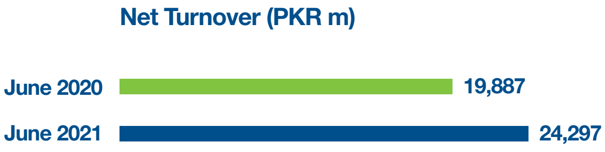
Risk management is an ongoing need and, therefore, this annual process includes interim updates on both the risks and remedial and/or corrective actions.

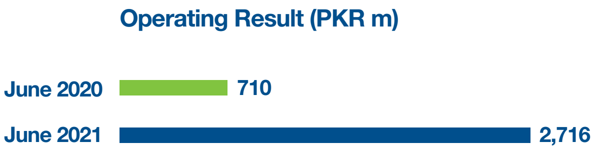
ICI Pakistan Limited's ERM framework encompasses the following elements:

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

Business Updates

Polyester





During the year under review, global markets underwent a steady recovery after the world expanded its vaccine roll-out programme in a bid to control the COVID-19 pandemic. Crude oil markets had a positive outlook, supported by improved demand and OPEC+ supply cuts. The crude oil average price for the year under review increased by 5%, as compared to the SPLY. However, both Paraxylene (PX) and Pure Terephthalic Acid (PTA) markets could not take advantage of the increased feedstock prices as new capacities added in China weighed down on the positive sentiment. PX average price went down by 3% and PTA average price decreased by 6%, as compared to the SPLY. On the other hand, disruptions in Texas, USA, led to the shutdown of Mono-ethylene Glycol (MEG) plants, adversely impacting supply. MEG average price, for the year under review, increased by 6%, as compared to the SPLY.

As world economies re-opened, the pent-up demand led to a shortage of vessels and congestion on ports. The surge in sea freights added to the cost of imported raw materials for the domestic PSF industry. Resultantly, the average price of domestic PSF increased by 2%, as compared to the SPLY.

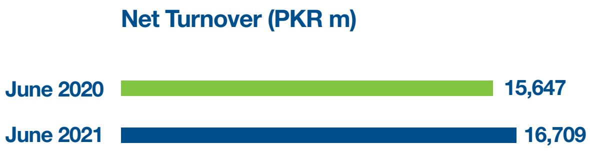
On the cotton front, adverse weather conditions in China and the USA affected global cotton production. Amid improved demand and shortage, international cotton average price increased by 23% as compared to the SPLY. The domestic industry also continued to report a shortage of cotton fibre. The domestic cotton average price increased by 18%, as compared to the SPLY.

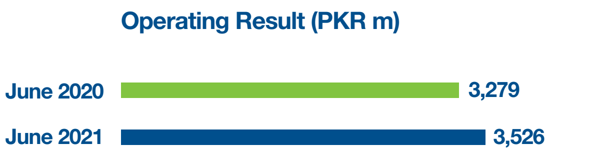
Demand recovery in the last quarter of the year under review was faster than anticipated, which led to higher crude oil prices crossing USD 70/bbl. Consequently, PX and PTA average prices also increased by 13% in the last quarter of the year under review. On the other hand, the start-up of the new 800 KTPA MEG plant in China, weighed down on market sentiment.

The MEG average price decreased by 3% during the last quarter of the year under review. On the cotton front, the shortage of product lent support to the prices. During the last quarter of the year under review, domestic cotton average price increased by 4%, while the international cotton average price increased by 1%, as compared to the third quarter.

Going forward, despite the emergence of new variants of COVID-19, OPEC+ believes that the demand for crude oil will continue to recover in light of mass vaccine rollout. Moreover, the surge in sea freights and shortage of vessels are expected to continue for another three to six months affecting both supply and cost of imported materials. On the other hand, blend economics will continue to favour Polyester as cotton prices are expected to remain bullish on account of shortfalls in availability.

Soda Ash





The domestic soda ash market posted strong growth over the last year. The total sales volume for the year under review, including exports, was 7% above the SPLY. This was mainly on account of the strong economic recovery witnessed during the year.

During the year under review, sales to all major segments were above the SPLY except the glass segment. The bazaar segment performed well and posted healthy growth over the SPLY driven mainly by demand from the textile sector. Similarly, sales to silicate and detergent segments remained high due to strong demand from the laundry segment. Demand from the packaging industry also provided a boost to silicate demand.

The expanded Refined Sodium Bicarbonate (RSB) capacity that came online during the second quarter of the year, has been absorbed in the domestic market and contributed towards increased sales compared to the SPLY. Demand from the textile, poultry and confectionary segments also provided an impetus for growth.

The operating result for the year at PKR 3,526 million was 8% higher than the SPLY. Although challenges due to COVID-19 prevailed during the year, the improved result was achieved due to higher sales volume, improved margins on account of optimisation in energy cost through effective plant operations and lower raw material prices versus the SPLY.

During the year under review, the business established itself as a reliable regional exporter and has become the primary supplier of soda ash to known brands in the region. The business met all export targets despite the sharp increase in the freight rates and tight vessel availability. The business performance vis a vis commitment to customers was well recognised and appreciated by the export customers.

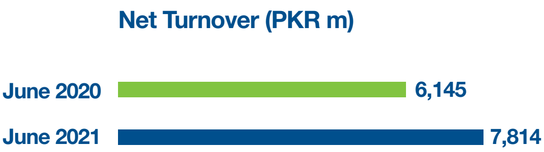
The business has filed an anti-dumping application against imports of soda ash from Turkey. Significant volumes at uneconomic prices imported during the year under review will cause injury to the domestic soda ash manufacturing industry in the event that action on the pending anti-dumping application is delayed.

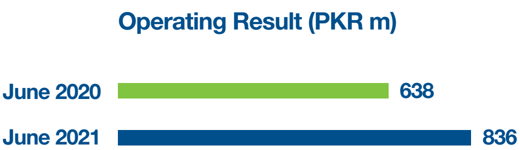
The global soda ash demand is recovering swiftly, with prices having accelerated to pre-COVID levels. Global prices are expected to further increase due to rising cash costs and freight rates. However, prices of natural soda ash continue to remain low and will continue to pose a challenge moving forward.

In the domestic market, the demand is anticipated to remain strong with new glass furnaces expected to come online during the next fiscal year. Furthermore, detergent and silicate segments are also expected to perform well due to growing downstream demand.

Challenges are expected mainly from the rising energy prices and sea freight rates which will impact the cash costs. Moreover, in the export markets, freight rate competitiveness will be crucial.

Pharmaceuticals





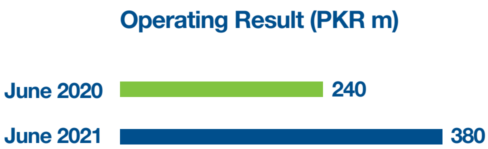
The Pharmaceutical industry's growth during the year under review has been bolstered due to the low base caused by COVID-19 related lockdowns in the SPLY. This recovery may however be short-lived if the spread of COVID-19 is not controlled or if there is a negative fallout from the imposition of advance tax collection on the sales made to pharmaceutical distributors and wholesalers.

The prevailing COVID-19 pandemic has upset supply chains across the world. The pharmaceutical industry supply chain continues to be significantly impacted with delays in the procurement of imported raw materials resulting in product shortages. An increase in the cost of commodities and significantly higher import freight rates, together with higher local input costs caused by persistently high inflation have led to higher costs of production and erosion of margins.

Despite these challenges, the Pharmaceuticals business delivered a net turnover of PKR 7,814 million, 27% higher than the SPLY, aided by six new product launches over the last year. Operating profit for the period was PKR 836 million, posting growth of 31% against the SPLY, delivered through significantly improved manufacturing efficiencies and a better sales mix.

The business continues to focus on reducing the cost base for manufacturing plants, internalising products currently manufactured by third parties, developing, and launching new products and enhancing its export footprint. These steps would help the business enhance its future operating profitability.

Animal Health



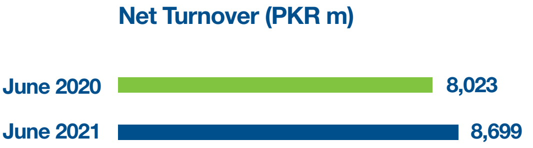
During the year under review, the business delivered a net turnover of PKR 5,114 million which was 31% higher than the SPLY with the livestock and poultry segments delivering growth of 28% and 41%, respectively. Resultantly, operating profit for the year stood at PKR 380 million, a growth of 58% over the SPLY.

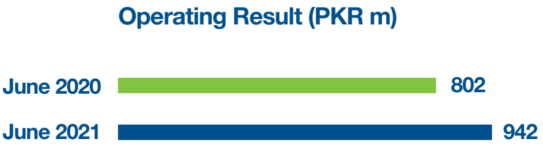
COVID-19 presented several challenges to the global economy, impacting global supply chain dynamics, resulting in increased prices and a shortage of key raw materials. However, the business was able to overcome these challenges through effective portfolio management and brand building.

In line with business aspirations, the locally manufactured portfolio contributed 78% of the net turnover compared to a 74% contribution in the SPLY. The business also focused on delivering growth through effective portfolio management and a better mix of cash and credit, with efforts directed towards converting customers to dealer financing and enhancing cash sales.

The business remains focused on fully leveraging its locally manufacturing portfolio to drive growth in sales and profitability along with delivering enduring value to the lives of farmers.

Chemicals & Agri Sciences





The Chemicals & Agri Sciences business achieved a net turnover of PKR 8,699 million for the year under review, which was 8% higher as compared to the SPLY.

The operating result of the business for the year was recorded at PKR 942 million which was 17% higher than the SPLY. The growth in results was driven by an improved demand scenario as the COVID-19 restrictions eased, coupled with an enhanced focus on margin optimisation and operational excellence.

The results of the Chemicals segment were supported by recovering consumer demand particularly in the polyurethanes segment, wherein the allied sectors witnessed an upward trend in demand post-COVID-19 lockdown. However, the Agri Sciences segment was severely impacted by the unfavourable cotton season due to abrupt changes in weather, aggravated pest attacks and an import ban on Indian origin products. The effect was partially mitigated through the introduction of alternate products and margin management initiatives.

Going forward, the business will continue to create enduring value for existing and new customers, by attaining operational excellence and embracing innovation, whilst remaining focused on robust business results. Normalising consumer demand post lockdown and minimisation of uncertainty in the market will continue to provide a boost to the overall business performance in the next fiscal year. However, on the COVID-19 front with new variants emerging, tight vessel availability and volatility in commodity pricing will continue to pose a challenge.

Finance

The Company's Statment of Financial Position as at June 30, 2021, remains on a strong footing, with a current ratio of 1.24 (2020: 1.27) and a quick ratio of 0.40 (2020: 0.49).

The net turnover of PKR 62,618 million for the year under review was 17% higher compared to the SPLY, due to an increase in revenues across all businesses.

The gross profit for the year under review is 36% higher than the SPLY, achieved on the back of higher revenues, manufacturing efficiencies and effective margin management.

The sales and distribution expenses for the year are 23% higher than the SPLY, whereas the administrative and general expenses for the year are 20% higher than the SPLY. The rise in these expenses is essentially due to higher sales, increased outward freight particularly for export orders, higher staff cost and inflationary impact on other expenses.

The increase in operating profits and significantly higher cash generation during the year resulted in reduction of overall debt levels of the Company. This coupled with lower policy rate maintained by the State Bank of Pakistan during the year, resulted in a 63% lower finance cost as compared to the SPLY. Moreover, the exchange gain of PKR 56 million during the year as compared to the exchange loss of PKR 367 million in the SPLY also improved the profitability of the Company.

Other operating income for the year was 5% higher than the SPLY mainly due to a higher dividend income from ICI Pakistan PowerGen Limited - a subsidiary company. The company also received a dividend of PKR 680 million from NutriCo Pakistan Private Limited – an associated company versus a dividend of PKR 800 million in the SPLY.

The Profit After Tax (PAT) and Earnings per share (EPS) for the year of PKR 5,959 million and 64.52 respectively are 92% higher than the SPLY.

Future Outlook

Since the onset of the COVID-19 pandemic, the global economy is poised to stage its most robust post-recession recovery in a century. The sharp shift of sentiments and priorities post-vaccine roll-out has resulted in strong consumer confidence and growth across the majority of the developed and developing economies. However, a complete recovery is still contingent on the resurgence of COVID-19 variants, uneven vaccination, a partial withdrawal of government economic support measures and higher commodity prices.

Despite several waves of COVID-19 in Pakistan, it remains amongst one of the less impacted countries with comparatively lower cases and deaths, thus achieving notable success in containing the health and economic challenges.

The economic recovery during the year was faster than anticipated with unprecedented activity in construction and allied industries, the strong performance of large-scale manufacturing (LSM), encouraging exports with the textile sector being the top performer and record remittances. These factors have helped lay the foundation for sustainable economic growth and investment. The utilisation of preferential credit for industrial expansions in the coming months will further boost investor confidence.

Despite economic resilience and recovery, the emergence of COVID-19 variants, a slowdown in vaccination campaigns, rising debt and inflation, weakening currency, bullish trend of commodity prices, record surge in sea freights, weak mechanism for imposition of anti-dumping duties, delays in the implementation of critical structural reforms and unstable geopolitical tensions will continue as challenges.

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

Acknowledgment

The results of the Company are a reflection of the unrelenting commitment and contribution of its strong pool of talented employees, and the trust placed in the Company by its customers, suppliers, service providers and shareholders.

Auditors

M/s EY Ford Rhodes, Chartered Accountants have audited the financial statements of the Company for the year ended June 30, 2021. Being eligible, they have offered themselves for reappointment for the next financial year ending June 30, 2022.

Upon recommendation of the Audit Committee, the Board recommends appointing M/s EY Ford Rhodes Chartered Accountants as the statutory auditors of the Company for the year ending June 30, 2022, subject to the approval of the Shareholders at the forthcoming Annual General Meeting of the Company.

Related Party Transactions

During the year, the Company carried out transactions with its related parties. Details of these transactions are disclosed in note 40 to unconsolidated financial statements attached therein.

Compliance with the Code of Corporate Governance

The Company has taken all necessary steps to ensure Good Corporate Governance. As part of Compliance of Listed Companies (Code of Corporate Governance) Regulations, 2019 ("CCG"), the Directors are pleased to state as follows:

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

Investment in Retirement Benefits

(PKR million)

	Fund Names	30-Jun-21 Un-Audited	30-Jun-20 Audited
1	ICI Pakistan Management Staff Defined Contribution Fund	1,248	1,086
2	ICI Pakistan Management Staff Provident Fund	1,292	1,194
3	ICI Pakistan Management Staff Pension Fund	883	949
4	ICI Pakistan Management Staff Gratuity Fund	651	592
5	ICI Pakistan Non-Management Staff Provident Fund	544	580
	Total Fund Size	**4,618**	**4,401**

Composition of the Board

In line with the requirements of the CCG, the Company encourages representation of Independent and Non-Executive Directors, as well as gender diversity on its Board.

The current composition of the Board is as follows:

Total number of Directors:
(a) Male: 7
(b) Female: 1
Composition:
(i) Independent Directors: 2
(ii) Non-Executive Directors: 4
(iii) Executive Directors: 2

Committees of the Board

Audit Committee

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

HR & Remuneration Committee

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

Banking Committee

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

Share Transfer Committee

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

Directors' Attendance

During the period under review, nine (9) Board meetings, four (04) Audit Committee meetings and one (01) Human Resource and Remuneration Committee (HR & R) meeting were held. Attendance by each Director / Member / Company Secretary of the respective Board / Sub – Committees was as follows:

Name of Director & Secretary	Board of Directors Meetings	Audit Committee Meetings	HR & Remunerations Committee Meetings
Mr. Muhammad Sohail Tabba	9	-	1
Mr. Muhammad Ali Tabba	9	4	1
Mr. Jawed Yunus Tabba	9	4	1
Mrs. Amina A. Aziz Bawany	4	-	-
Mr. Asif Jooma	9	-	1
Khawaja Iqbal Hassan	9	4	1
Mr. Muhammad Abid Ganatra	9	-	-
Syed Muhammad Shabbar Zaidi	9	4	-
Ms. Nausheen Ahmad Company Secretary	9	-	-
Ms. Fariha Salahuddin Secretary to HR&RC	-	-	1
Mr. Muhammad Ali Mirza* Secretary to the BAC	-	3	-

** Mr. Muhammad Ali Mirza resigned from the Company with effect from March 01, 2021. The Board appointed Mr. Khalid Munif Khan as the Head of Internal Audit of the Company and Secretary of BAC in place of Mr. Muhammad Ali Mirza with effect from June 03, 2021.*

Directors Remuneration

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

Appropriate disclosure of remuneration paid during the year to Directors and Chief Executive has been provided in Note 39 to the Financial Statements.

Board Evaluation

As required under the Listed Companies (Code of Corporate Governance Regulations), 2019, the Board conducts a self–evaluation of its performance on an annual basis. The assessment also includes the assessment of the performance of the Executive Directors, Independent Directors and its Sub – Committees. The Board of Directors believes that continuous assessment is critical to assess how effectively the Board has performed against the objectives and goals that they have set for themselves. Based on the results, the areas of improvement are identified, and corrective action plans are prepared.

Directors' Training

The majority of the Board members have the prescribed qualification and experience required for exemption from training programmes of Directors according to Regulation No. 19 of the CCG. All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies.

Risk Assessment Framework

Appropriate disclosure of the Company's risk framework and internal control system have been made on pages 66 - 71.

Pattern of Shareholding

Pattern of shareholding of the Company in accordance with section 227(2)(f) of the Companies Act 2017 as at June 30, 2021 is annexed to this report.

Muhammad Sohail Tabba
Chairman

Asif Jooma
Chief Executive

Dated: August 05, 2021
Karachi

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

ICI Pakistan Limited Year Ended June 30, 2021

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

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

1. The total number of directors are 8 as per the following composition:
   a. Male: 07
   b. Female: 01

2. The composition of the Board is as follows:

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

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including ICI Pakistan Limited.

4. The Company has prepared a 'Code of Conduct' and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures besides being placed on the Company's website.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/Shareholders as empowered by the relevant provisions of the Companies Act, 2017 and the Regulations.

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Companies Act, 2017 and the Regulations.

9. The majority of Directors along with the Company Secretary have either completed the Director's Certification from authorized institutions or have the prescribed qualification and experience pursuant to Regulation 19 of the CCG.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

Audit Committee

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

HR & Remuneration Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following. Further, the agenda and notice of the Board meetings were circulated to directors 07 days before the meeting with both days inclusive:

a) Audit Committee:	04
b) HR and Remuneration Committee:	01

15. The Board has outsourced the internal audit function to M/s KPMG Taseer Hadi & Co. Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. They are involved in the internal audit function on a full time basis. The Head of Internal Audit coordinates with the internal auditors and reports directly to the Board Audit Committee.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non- dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of Regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. With regard to compliance with Regulation 6 of the CCG it may be noted that all the steps for election of Directors took place during the lockdown phase of Covid-19 and due to the paucity of time and logistic difficulties the Board of Directors, while fixing the number of Directors in their 362nd Board meeting held on January 28, 2020 discussed that, given the diversified nature of ICI Pakistan businesses ranging from Pharmaceuticals to Soda Ash/ Polyester and Agri Sciences, and restrictions due to Covid-19, it would be difficult to identify persons with the requisite varied skill set and experience required in a short period of time. Considering the same, the Board decided to take a cautious approach and had agreed to keep the number of Independent Directors at 2. The number of Independent Directors could be reviewed in the next election of Directors.

The Shareholders in Extraordinary General Meeting held on May 11, 2020 had elected 8 Directors for the current term of 3 years.

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

Muhammad Sohail Tabba
Chairman

Asif Jooma
Chief Executive

Dated: August 05, 2021
Karachi

EY Ford Rhodes
Chartered Accountants
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Independent Auditors' Review Report

To the members of ICI Pakistan Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of ICI Pakistan Limited (the Company) for the year ended 30 June 2021 in accordance with the requirements of Regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors, for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulation as applicable to the Company for the year ended 30 June 2021.

EY Ford Rhodes

EY Ford Rhodes
Chartered Accountants

Date: September 03, 2021
Karachi

Business Performance

Raising the Bar

ICI Pakistan Limited prides itself on being an essential contributor to the growth and development of Pakistan. The customer centricity, resilience and agility embodied by each of its businesses, have geared the Company to outperform and achieve historic success.

This section outlines the performance and growth of ICI Pakistan Limited's five core businesses during 2020-21.

SODA ASH

With a rich legacy, ICI Pakistan Limited's Soda Ash business has consistently contributed to Pakistan's economy since commencing its operations at Khewra in 1944. Considered one of the most important inorganic chemicals in the world, soda ash has a wide range of industrial applications in the production of everyday goods, including glass, detergents, soap and paper.

As a trusted and reliable supplier of high quality soda ash, the business caters to a major portion of the country's soda ash requirement. The Soda Ash business is positioned as a 'Supplier of Choice' in the domestic market and as an established exporter in the regional markets. The business continues to expand in line with its growth aspirations to service the ever-increasing needs of the market.

Market Overview

As the economy gained momentum after the lockdown, the soda ash market after having initially contracted, witnessed a strong growth in 2020-21. The domestic market fared relatively better as the lockdown in the country was not as harsh compared to the other countries in the region.

The agriculture and textile sectors greatly benefitted due to favourable domestic and international market conditions which had a positive impact on the soda ash market as well viz-a-viz better downstream demand.

Strong activity in the bazaar, detergent, and silicate segments provided the impetus for growth. The bazaar segment grew on account of improved demand from the textile dyeing segment and demand from unbranded detergents. Demand from the silicate segment remained strong backed by strong demand from the packaging industry for adhesives and from the laundry soap and detergent powder industry. The detergent segment grew due to renewed focus on hygiene amidst the COVID-19 pandemic. The demand for Refined Sodium Bi-carbonate (RSB) also remained strong due to its usage in textile, confectionery, and poultry segments.

The glass market contracted due to furnace closures during COVID-19 which dampened the soda ash demand. However, towards the last quarter of the fiscal year another furnace came online, improving the demand. Going into the next year, the demand from glass segment is expected to remain high. The paper segment was gravely impacted by COVID-19 due to closure of academic institutions which resulted in a significant drop in the demand for paper.

Business Performance and Key Developments

The business was able to close the year at higher sales as compared to same period last year (SPLY). Demand in the silicate segment improved due to increased demand from the packaging industry and laundry segments (soaps and detergent powders). The bazaar segment also witnessed an improved demand from the textile and unbranded detergent segments. Further, with Government restrictions easing from a complete lockdown to smart lockdowns, bazaar activity continued albeit within limited hours.

While the demand in the paper segment contracted, the business was able to improve its sales compared to last year through increase in its market share. Similarly, in the detergent segment the business was able to improve its market share and was able to take advantage of the increased demand for detergents. Sales of RSB also remained higher compared to last year mainly due to better activity in the bazaar segment and surge in demand from textile and unbranded detergents sectors.

The business witnessed a dip in sales in the glass segment as dumped imports made their way into the market. The business in this regard has lodged an application for imposition of anti-dumping duties against dumped imports before the National Tariff Commission.

On the export front, the Soda Ash business has managed to successfully establish itself as a reliable exporter and ‘Supplier of Choice’. In this regard, the business has signed annual contracts with different brands in the detergent and glass segments in the region. Further, the business has undertaken various initiatives to lower its freight costs for exports in view of rising freight rates.

Further the business continued to improve its customer serviceability levels to remain the “Supplier of Choice”. In this regard, it successfully conducted the trial of bulker transport and is now regularly transporting its material in customised bulkers to its key accounts.

Customer Engagement

Customer engagement is vital simply because customers create value for a business. ICI Pakistan Limited recognises the importance of retaining customers and thus, identifies ‘Customer Centricity’ as a core value. During 2020-21, the Soda Ash business continued to engage with its customers through regular meetings and provided technical assistance and advisory services to its customers. As part of regular customer visits to its facility at Khewra, the business organised a visit for Sitara Chemicals during the year. The visitors were shown the production and dispatch processes and were also taken to the famed Khewra Salt Mines. The visitors thoroughly enjoyed the visit including the tour of the factory and the arrangements and efforts made by the business.

The business successfully obtained its site compliance with SEDEX Member Ethical Trade Audit (SMETA) 6.0. The audit assesses a site based on internationally established standards of labor, health, safety, environment and business ethics. SMETA is designed to help auditors conduct high quality audits that encompass all aspects of responsible business practices. SEDEX members include numerous Fortune 500 companies.

Challenges

The global economy continued its recovery after being hit by the worst recession in decades. The road to recovery has been negatively impacted by the emergence of new variants of COVID-19 in the Americas, Europe, India and now in South East Asia. The pace of recovery is dependent on vaccination roll out. With the world economy opening up, the prices of all commodities have increased including those of the raw material being imported by the business. Going forward, managing variable costs is anticipated to be a challenge, which the business is aggressively preparing for.

Future Outlook

As we move into FY 2020-21, the business is positive about generating yields from its various investments aimed at improving efficiencies, retaining market share, and improving exports. The domestic market is expected to perform with growth expected to come from all segments. However, the impetus for growth is anticipated to be led by the glass and detergent segments.

The Soda Ash site HSE&S team is ever vigilant and continues to safeguard the health and safety of its people.

Expansions by existing glass players are expected to positively impact the sales. The Government is focusing on the construction segment to provide a boost to the domestic economy. This will improve the downstream demand for float glass and hence for soda ash. Further, growth is also expected in the detergent segment due to strong downstream demand. The silicate segment is also expected to perform well due to improved demand from the packaging and detergent powder industry. Lastly, the bazaar segment is also expected to remain strong with textiles providing stimulus for growth.

On the export front, the business remains committed to finding new export markets and further strengthening its foothold to become the 'Supplier of Choice' for brands in different segments.

POLYESTER

Over four decades ago, ICI Pakistan Limited introduced Polyester Staple Fibre (PSF) in Pakistan under its brand Terylene. Since then ICI Pakistan Limited's Polyester business has grown to become a leading player in Pakistan's textile sector. The business contributes to the growth of the domestic textile industry by providing a vital raw material, Polyester Staple Fibre (PSF) and its multiple value-added fibre variants.

Today, the Polyester business is at the forefront of innovation for its downstream industry through its four-tier strategy: Health & Hygiene, Sustainability, Traceability and Versatility. Manufacturing a variety of innovative PSF variants at its facility in Sheikhupura, the Polyester business continues to strengthen the export-oriented textile value chain and align itself for the future growth of Pakistan's textile industry.

Market Overview

Polyester Staple Fibre (PSF) is a man-made fibre that over time has evolved into a key raw material for the downstream textile value chain. PSF is manufactured using two main raw materials, both of which are derivatives of crude oil: Pure Terephthalic Acid (PTA) and Mono-Ethylene Glycol (MEG). After cotton, PSF is the second most critical raw material for the textile industry, in terms of both, its volume and characteristics for the variety of downstream products.

The PSF market is mainly impacted by the change in the prices of crude oil and the supply/demand dynamics of the petrochemical chain. Cotton availability and prices also have an impact as PSF in certain applications is used as a substitute for cotton.

In 2020-21, despite the emergence of more contagious variants of COVID-19, optimism returned to the global markets as vaccinations continued to show effectiveness in curtailing the impact of the pandemic. Crude oil markets had a positive outlook, supported by improved demand and OPEC+ supply cuts. The crude oil average price for the period under review, increased by 5%, as compared to the SPLY. However, both Paraxylene (PX) and PTA markets could not take advantage of the increased feedstock prices as new capacity additions in China weighed down on the positive sentiment. PX average price went down by 3% and PTA average price decreased by 6%, as compared to SPLY. On the other hand, disruptions in Texas, USA led to a shutdown of MEG plants, adversely impacting its supply. MEG average price, for the period under review, increased by 6%, as compared to SPLY.

As the world economies re-opened, the pent-up demand led to a tight availability of vessels and congestion at ports. The surge in ocean freights added to the cost of imported raw materials for the domestic PSF industry. Therefore, the domestic PSF average price increased by 2%, as compared to the SPLY. On the cotton front, both, adverse weather conditions in China and the USA and the reduced cultivated areas in Pakistan affected the global cotton supply. Amid improved demand and shortage, international cotton average price went up by 23% as compared to the SPLY. The domestic cotton average price also increased by 18%, as compared to the SPLY.

Key Developments

Terylene continues to support the domestic textile industry through its diverse portfolio that is aligned with the changing consumer preferences.

• The business introduced "Terylene Clean" (The Efficient Green), made from 100% post-consumer PET waste. Terylene Clean is the only branded recycled fibre in the domestic market that provides quality with affordability for its customers. Such a product has made it easier for the textile downstream industry to shift its production to recycled fibre without compromising on product quality and efficiency.

• Through the sale of Terylene Clean, the business to-date has recycled more than 200 million PET bottles and has reduced CO_2 emissions equivalent to the plantation of 177,000 adult trees.

TERYLENE
POLYESTER FIBRE

Powered By
CiClO
FUNCTIONAL. SENSIBLE. SUSTAINABLE.

• Terylene Powered by CiCLO, another sustainable product, emerged as a game-changer for the industry to reduce microfibre pollution in oceans and synthetic textile accumulation in landfills.

• The business through a blend of Terylene Clean and CiCLO, introduced one of the most eco-friendly products available in Pakistan today. Recycled CiCLO cleans the environment by consuming PET waste and behaves like natural fibre post disposal.

This year, the business marked World Environment Day by hosting a live webinar on sustainability. The webinar was conducted in collaboration with a local NGO that collects PET waste from both, workplace and residential areas. The business was able to educate the general public about the ways through which everyone can contribute towards the preservation of the environment.

Rizwan Afzal Chaudhary, Commercial Manager Marketing and Imran Maqsood, HSE & Training Manager together with guest speaker Ahmed Shabbar, CEO Garbage Can, conducted a webinar on recycling.

Customer Engagement

Based on its customer-centric approach, the Polyester business continued its efforts to ensure effective customer relationship management.

Given the impact of the pandemic in the shape of disrupted supply chains, the Polyester business worked tirelessly to ensure an uninterrupted supply of PSF for its customers. This was made possible through a timely restart of its operations, effective raw material procurement and continuous liaison with its customers. To keep the customers updated on regional and domestic market dynamics, the business introduced the "Terylene App" a one-stop solution for all relevant information in the palm of the Company's customers' hands.

Challenges

Pakistan, in the absence of a level playing field, experienced a significant increase in the volume of dumped PSF imports from regional countries. The region continues to have a supply overhang and has found Pakistan to be an attractive ground to maintain high operating rates.

High sea freights and tight vessel availability was one of the major challenges faced by the business for the timely procurement of critical raw materials.

Future Outlook

Going forward, despite the emergence of the delta variant, OPEC+ is of the view that the demand for crude oil will continue to recover. Moreover, the surge in sea freights and tight availability of vessels is expected to continue as economies start their journey on the road to recovery.

Nauman Afzal, Vice President Polyester, Rizwan Afzal Chaudhry, Commercial Manager and Umad Malik, National Sales Manager celebrate highest sales ever with the Polyester team at the Mozang office, Lahore.

Nauman Afzal, Vice President Polyester celebrates the business's highest ever PSF production with his team.

On the other hand, blend economics will continue to favour Polyester as cotton prices are expected to remain bullish on account of availability issues.

However, for Pakistan, the government's policy framework will play a key role in protecting the domestic PSF industry given the huge supply overhang and dumping practices of regional players.

Other Information

In FY 2020-21, the business secured an approval from the Board of Directors for an investment in a 100% R-PET plant, which will come online by the end of FY 2021-22.

"Terylene Clean", the only branded recycled fibre in the country, will be the key focus area for the business team to contribute towards a sustainable future.

PHARMACEUTICALS

At the core of ICI Pakistan Limited's Pharmaceutical business is the mission of Improving Lives. Ensuring that its brands are synonymous with quality, the Pharmaceuticals business promotes better health and well-being for people across Pakistan. The business manufactures, markets and distributes leading pharmaceutical products, including life-saving drugs.

The Pharmaceuticals business continues to deliver on the brand promise of Cultivating Growth, consistently outperforming the market and emerging as one of the fastest-growing pharma companies and amongst the top 20 pharmaceutical corporations of Pakistan (IQVIA).

Market Overview and ICI Pakistan Limited's Performance

The pharmaceuticals industry of Pakistan registered sales of PKR 518 billion in 2020-21. The industry currently comprises 650+ companies, with the top 100 pharmaceuticals companies accounting for approximately 98% of the industry's market share. The industry is growing at a rate of 18.5%, and is recovering from the slowdown due to COVID-19. Socio-economic factors such as changing lifestyles, increased awareness of health issues, growing population and a high occurrence of acute illnesses represent the key factors driving growth of the industry.

The highlight of the year has been ICI Pakistan Limited's ascent to becoming one of the fastest growing pharmaceutical organisations of Pakistan amongst the Top 20 pharmaceutical corporations, delivering growth of over 32% while increasing its market share from 1.57% to 1.74% (IQVIA MAT June 2021 exc. V6-V7). The business has also climbed two ranks and has emerged as the 19th largest player in the industry. Merpen (Meropenem) has been recognised as the best launch of the industry by IQVIA on the completion of 12 months.

The Pharmaceuticals business achieved net sales income of PKR 7.8 billion for the fiscal year 2020-21, 14% higher than the SPLY. This impressive growth in a challenging year was achieved as a result of multiple strategic initiatives, which included fostering synergies and improving efficiencies across the manufacturing and supply chain, driving exceptional customer engagement, and delivering best-in-class product launches to expand the footprint in existing portfolios, as well as entering new therapeutic segments.

Key Developments

In line with its commitment towards putting patients first, the Pharmaceuticals business has successfully launched 6 new products namely Ectirex, Zolmig, Olzap, Etipro IV, Ceptin and Azocyd. These products will further strengthen ICI Pakistan Limited's presence in the psychiatry, neurology, antibiotics and gastro-intestinal segments.

The Pharmaceuticals business has been recognised for its innovation and has won the prestigious Explore Challenge, where it was recognised for driving innovation in customer engagement and delivering Pakistan's leading digital scientific exchange 'Think Health'.

Asif Jooma, Chief Executive and Aamer Malik, Vice President Pharmaceuticals addressing the closing ceremony of Pakistan's leading digital scientific exchange, Think Health '21.

The manufacturing, operations and supply chain functions have been instrumental in ensuring supplies during COVID-19, despite the logistical challenges posed by the pandemic. The function has been able to improve efficiencies and deliver cost improvements by reducing the cost of materials through the development of alternate sources, reducing operational costs and fostering greater synergies across the supply chain.

Customer Engagement

ICI Pakistan Limited's Pharmaceuticals business has transformed to become more customer-centric. The focus is on building customer experiences and delivering value as, when, and how, the customer/patient wants. The customer engagement strategy is built on three foundational pillars: (i) Advocacy Mobilisation, (ii) Scientific Cascades and (iii) Disease Awareness.

ICI Pakistan Limited's Pharmaceuticals business has been at the forefront of driving multichannel transformation for the industry. The business has demonstrated forward-thinking and agility by setting up a Multichannel Customer Engagement unit in 2020, to deliver exceptional customer experience to healthcare professionals through digital transformation. Through a best-in-class multichannel model, the Pharmaceuticals business delivered a 5X increase in its customer engagement, through integrated channels driving scientific discourse with its customers and healthcare professionals. The business's multichannel customer engagement has served as a competitive advantage during COVID-19 and enabled it to stay relevant, connected and engaged with healthcare professionals.

Ali Masood, General Manager Pharmaceuticals presenting an award at a ceremony to recognise top performers.

Challenges
The primary challenge of the year remained COVID-19 with sporadic lockdowns resulting in the closure of OPDs across Pakistan. Adding to the reduced national patient flow, global supply chains have also been impacted by the pandemic. Despite these challenges, the business continues to ensure the supplies of life-saving medicines across the country and is working with healthcare professionals to drive scientific exchange in the pandemic.

Future Outlook
ICI Pakistan Limited's Pharmaceuticals business aims to thrive despite the current challenging environment, by continuing to embrace an agile mindset and through a focus on innovative solutions to meet the demands of patients across Pakistan. The business, in line with its core value of Customer Centricity, will continue to launch best-in-line products for the Pakistani healthcare system and continue to develop and build the capabilities of its teams to better serve patients in the times to come.

Marketing team members attending a session on Breast Cancer awareness.

A view of the Pharmaceuticals' Hawke's Bay Plant, Karachi.

ANIMAL HEALTH

Over four decades of pioneering technologies have positioned ICI Pakistan Limited's Animal Health business as a complete farm-management solution provider for livestock and poultry stakeholders across Pakistan.

Pursuing its strategy of growth and innovation, the business is focused on solutions that cater to newer and wider segments of the animal health market, including anti-bacterial, restoratives, dairy and poultry nutrition, and biologicals. Moreover, strategic collaborations with international partners have enabled the Animal Health business to bring global advancements in animal nutrition and veterinary care to Pakistan.

Market Overview

The Animal Health business is serving the livestock and poultry segments as part of the overall agriculture sector. In 2020-21, the livestock sector of Pakistan recorded a growth of 3.06%, contributing to 60.07% of the agriculture sector and 11.53% to the GDP. This growth rate increased by 0.48% from the previous fiscal year, on account of increased Government incentives. Livestock continues to be the largest subsector in agriculture, engaging 8 million rural families who derive a majority of their income from this segment. As the fourth largest milk producer in the world, Pakistan produced 63 million tonnes of milk in the year 2020-21, an increase of 3.2% from the previous year.

The livestock sector directly contributes to economic growth, food security and poverty alleviation in the country. Lack of modernisation and technological advancements have limited the expansion and profitability of this sector. However, competitive milk prices, increased input costs and improved awareness about productivity have resulted in a shift of farmers from indigenous to high-yielding crossbreed animals and increased commercial farming. A focus on modernisation and diversification is also emerging in new commercial and corporate dairy entrants. Livestock stakeholders continue to realise the need to increase per unit animal productivity through a combination of disease control, efficient insemination, and balanced animal feeding rations.

The product categories of the livestock segment include anthelmintic, antibiotics, intra-mammary and intra-uterine products, antiprotozoal, bovine genetics, bypass fat, reproductive hormones, a nutritional portfolio including restoratives, silage and Vanda.

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

The livestock sector has immense growth potential due to Pakistan's geographic proximity to the Middle East and South-East Asian countries. On account of scarcity of livestock products, both regions rely on imports from other countries. This presents a sizeable export opportunity for Pakistan. Exports comprise many products, including hides, bone products, live animals and wool. In the fiscal year 2020-21, the livestock/dairy and meat sector saw a growth of 5.65%.

The current Government aims to improve per unit animal productivity, focusing on collaboration between the public and private sectors. For this purpose, the Government has renewed its focus on enhancing animal breeding practices, controlling livestock diseases and artificial insemination services. The Government is also focusing on establishing meat export processing zones, modern slaughterhouses and assisting farmers in terms of access to finances to address investment-related issues.

Several projects have been launched under the Prime Minister's National Agriculture Emergency Programme, including Save the Calf and Calf Feedlot Fattening, aiming to produce healthier and more nutritious beef in the country. These projects are expected to enhance the productivity of farmers, which will result in higher profit margins, thereby reducing rural poverty in the country.

Employing more than 1.5 million people and as a cost-effective source of animal protein, poultry is an indispensable sector of Pakistan's animal health industry. Over the past decade, the sector has seen impressive growth of 7.5% per year. Currently, Pakistan ranks 11th in the world in terms of poultry production. With an investment of more than PKR 750 billion, the poultry industry is expected to continue growing in the future. Poultry meat contributes to 36.5% of the total meat production in the country. The Government's Poultry Development Strategy is focused on disease control, enhancing husbandry practices and product diversification. There has been an increased focus on both rural and commercial poultry productions by introducing farmer-friendly techniques. Poultry meat production showed a growth of 9.1%, whereas egg production increased by 5.7% during 2020-21.

Government programmes such as Back Yard Poultry have been launched under the National Agriculture Emergency Programme. These projects will be funded jointly by the federal and provincial governments and are aimed to provide animal protein and livelihood to the undernourished population of the country.

Business Performance and Key Developments

The Animal Health business achieved net sales of PKR 5.1 billion with a growth of 31% compared to the same period last year (SPLY). This robust performance was despite an increase in input and broiler prices (15%) as well as the uncertainty associated with the COVID-19 outbreak.

The increase in grain cost was primarily due to logistical bottlenecks experienced by the suppliers. Nonetheless, the livestock segment made a significant contribution of 72% to the top line with robust growth of 28%, while the poultry segment contributed to 28% of the top line with an impressive growth of 41%.

Farmer's Choice portfolio recorded sales of PKR 3.45 billion, continuing its momentum from last year of becoming a significant contributor to the revenues of the Animal Health business. This is in line with the business's strategy to focus on locally produced portfolios reduce dependence on foreign principals and mitigate the risk of Pakistani Rupee devaluation. The Farmer's Choice Vanda crossed PKR 2.1 billion in net sales, followed by MSD and silage that recorded net sales of PKR 886 million and PKR 447 million, respectively. Similarly, the CAVAC portfolio crossed PKR 170 million. In terms of net sales value, silage grew by 118%, Farmer's Choice Medicine portfolio saw an increase of 60%, whereas biological products grew by 87% over SPLY.

Customer Engagement

During the fiscal year 2021-21, the business hosted various key symposiums all over the country to raise awareness about healthy poultry farming through the use of organic acids like the Selko pH and Fylax range which are a part of the poultry gut health programme. The introduction of these products is an essential step in helping the market transition from conventional to organic products.

Adding to the Farmer's Choice portfolio, the business also launched Doxyclate-S, a highly effective antibiotic against respiratory diseases. This product garnered significant demand after its launch and proved to be a valuable addition to the Farmer's Choice water-soluble antibiotics. The poultry segment conducted various farmers' and professionals' gatherings all across the country to improve awareness on bacterial control and viral diseases. Similarly, the livestock segment conducted professionals' gatherings in the major cities of Punjab to create awareness about the efficacy and use of Butalex, a drug used to prevent tick-borne diseases and gatherings aimed at introducing modern feeding practices among farmers through Farmer's Choice Vanda and silage. Deworming campaigns were conducted to aid farmers in controlling the spread of parasites, especially after the winter season. These segments enabled engagement with the business's clients in an open manner.

Animal Health business in collaboration with Trouw Nutrition Pakistan attended the Pakistan Dairy Expo. The team actively engaged in technical discussions regarding the use of feed additives at farms to improve the overall production of animals. A similar collaboration between the business and the Livestock and Fisheries Department of Sindh took place where the Company's representatives engaged with farmers regarding effective breeding strategies and the use of compound feed and silage. At the exposition, livestock farmers were also informed about the use and benefits of medicines for control and treatment of various diseases in animals.

Due to the COVID-19 outbreak, some educational programmes had to be conducted virtually. However, active participation during these sessions was indicative of the customers increasing interest in innovative products that provide a tangible return on investment. The business is committed to engaging with customers and fulfilling its vision of being recognised as a complete farm-management solution.

Challenges

The disruption in economic activities due to COVID-19 has had a negative impact on the Pakistani economy. Upsurge in cases and resultant lockdowns across the country restricted the movement of products and people. The supply of livestock and poultry products (meat, milk, eggs) was reduced due to shrinking demand which adversely affected the livelihoods of farmers. Ban on large gatherings, including public marriages, led to a closure of event halls in the country, forcing companies to restrict meat and eggs production. Demand, and in tandem, prices of poultry products have reduced substantially. Macro-environment factors such as dollar adjustment and subsequent Pakistani Rupee devaluation had trailing effects including increased input costs that negatively impacted margins. As a result of persistent price increases and restricted cash flows an increase in preference for low-priced generics was observed during the year.

From the farmer's perspective, the investment required to produce livestock and poultry products has increased significantly. This has resulted in smaller margins, which may affect the sustainability of farmers' businesses.

During the year, procurement of grain was a significant issue due to logistical delays. Since corn and soya beans are essential ingredients of animal feed, these bottlenecks impacted the prices at which these inputs were bought. In the poultry segment, the business is working towards registration and expansion of its biological products portfolio.

Future Outlook

The Animal Health business is positioned to deliver strong results in the future despite the challenges. Continuing last year's momentum, the business is focused on localisation to mitigate the impact of currency devaluation and increasing import costs. The business is also committed to helping the market shift from conventional to antibiotic-free meat. The market for poultry vaccines has responded well to the CAVAC range, and the poultry segment has initiated specialised sales efforts for greater market penetration.

Collaboration with Trouw Nutrition is expected to enhance the Vanda formulation, which is a significant opportunity for the business. Advancements in grain analysis techniques through infrared technology have also drastically reduced the lead time for examination results, increasing inspection efficiency. Partnerships with leading poultry producer integrators that were initiated this year will be continued and advanced.

In the poultry segment, the Farmer's Choice portfolio was built through restructuring and rationalisation. Through enhanced marketing methods, the business hopes to increase the current market share of the CAVAC range, which has seen significant demand in the past two fiscal years.

Interactive sessions with industry stakeholders are aimed at raising awareness about healthy poultry and livestock farming.

CHEMICALS & AGRI SCIENCES

From plastics to fabrics, from sports equipment to seeds and agro chemical products, the Chemicals & Agri Sciences business plays a vital role in the daily lives of millions. The business consists of five divisions: General Chemicals (GC), Polyurethanes (PU), Specialty Chemicals (SC), Masterbatches and Agri Sciences, with each segment delivering value through marketing, trading and manufacturing of key products.

The business is a leading supplier to all major industrial sectors of Pakistan. It has formed strategic global partnerships to ensure that it delivers significant growth through the continued expansion of its product portfolio.

With a focus on Customer Centricity, the Chemicals & Agri Sciences business endlessly innovates, explores new ventures and invests in opportunities to provide its customers with cutting edge solutions.

General Chemicals

Market Overview
The General Chemicals (GC) division has immense potential and is one of the fast-growing segments for the Chemicals & Agri business. It consists of the consumer chemicals and adhesives segments with customers from various application industries including healthcare, food, dairy, meat, hotels, restaurants, agriculture, construction, etc. Its Calabond brand in the adhesives range is an established name across the country mainly known for its woodwork based adhesive solutions. The Calabond range is locally manufactured at the Karachi plant and distributed all over the country. The business also deals in a Hotmelt adhesives product range, which is imported from world-class suppliers to fulfill ever growing customer needs. The segment also represents renowned suppliers to bring health and hygiene products in the consumer chemicals division. The solutions are provided for indoor cleaning, plant cleaning, sanitisation, disinfection, and filter aids, etc. across multiple industries.

Key Developments
Despite the unprecedented COVID-19 pandemic whereby among others, retail and hospitalisation industries were impacted the most, the GC division during the year introduced a number of hygiene products to the Pakistan market. In the consumer chemicals segment, the beverages portfolio continues to serve the product range while the professional care segment is growing rapidly to fulfill the ever growing customer demand for hygiene solutions. The adhesives segment continues to grow and invest in the distribution channel in order to serve the Calabond range practically across all parts of Pakistan. Furthermore, the sales digitalisation project was completed in the adhesives segment for efficient flow of information utilising technology with channel partners.

Customer Engagement
The business arranged technical training sessions for its customers, in collaboration with its supplier Diversey, to facilitate customers with product handling and application knowledge. The consumer chemicals segment distributed hand sanitisers and disinfectant wipes to multiple organisations in the hospitality and healthcare segment as part of the disinfection drive.

The adhesives team engaged carpenters from around the country in a series of events called "Baithaks" to drive Calabond brand awareness. These events also served as a great tool to collect market insights on latest carpenter applications. The business expanded its outreach, to strengthen its route to market across retailers and B2B customers by specifically designing feedback surveys. Moreover, toolkit bags, wall clocks and notepads were distributed during merchandising and training activities.

Challenges
The consumers chemicals segment faced a few hindrances brought about by the second and third waves of COVID-19. A rise in cases saw a closure of much of the hospitality and retail food sector which not only led to lower numbers but also affected potential new product trials. Price increases of major inputs with generally lower disposable income affected the uplift in secondary market for the adhesives segment.

Future Outlook
Keeping the essence of continued excellence alive, innovation and expansion will continue to be the goal for the coming years. The consumer segment plans to expand to new hospitality and dairy sectors while maintaining robust business and development efforts in the other sectors. For adhesives, the key focus will be expanding the product range and footprint to reach a higher number of retail shops. Marketing and promotional activities both via traditional and digital avenues will help to achieve further numeric and geographic expansion.

Polyurethanes

Market Overview
The Polyurethanes (PU) segment remains a major supplier to key customers, with a strong focus on product quality and service at the heart of its operations. During the year, methylene diphenyl di-isocyanate (MDI) prices and Polyol prices remained high, owing to the demand supply gap and congestion at international ports due to changing COVID-19 restrictions.

Capitalising on the strong customer relationships, the segment successfully managed to enhance its market presence and continued supplies in the local market around the year.

Customer Engagement
The Polyurethanes team organised multiple training sessions at the Chemicals Technical Center situated in the Head Office Karachi, for its prestigious customers across all segments. This played a crucial part in strengthening relationships and developing understanding of customers' need to provide tailor-made product solutions.

As part of customer engagement activities, a customer satisfaction survey was carried across the customer segments to gauge feedback regarding quality of products and services being provided by the business during the unprecedented times.

Following the outbreak of COVID-19, the PU division distributed hygiene kits to all major customers. The overall response across our valued partners was encouraging, as they acknowledged ICI Pakistan Limited's commitment to providing sustainable solutions.

Challenges
The Polyurethanes segment faced several challenges including supply allocation from principals and other global players selling material in South Asian markets due to dampening of businesses in the western markets. Moreover, slashed quotas for 141B gas, exchange rate fluctuations, uncertain price situation in the global market and erratic business activity due to constantly changing COVID-19 related restrictions created a challenging landscape for the business to navigate through.

Future Outlook
The Polyurethanes segment will continue to explore new business opportunities and deliver enduring value for all stakeholders. The focus is to introduce new technology and enhance presence by bringing new customers and applications onboard. The business is committed to introducing alternative technologies, exploring new markets and diversifying its product application portfolio within the domain of polyurethanes.

Specialty Chemicals

Market Overview

The Specialty Chemicals segment takes pride in being a major contributor to the main sectors of the economy i.e., textiles and agriculture. With its extensive portfolio, this division serves as the backbone of the Chemicals business by being vital to numerous industries of Pakistan.

In the textile sector, exports surged year-on-year as nationally there was an increase in the exports of knitwear, bed wear, towel, and ready-made garments during the fiscal year. Pakistan received spot orders from the US, owing to the embargo on China and the pandemic crisis in India. As a result, the capacity utilisation for this segment was above 90%. On the other hand, demand for apparel, knitwear and denim has gradually started to show improvement due to lockdowns being lifted in the EU. In the local market, the yarn crisis caused shortages of raw fabric and a halt in operations leading to reduced trading activity for parts of the year. The textiles segment faced supply side challenges throughout the year owing to COVID-19 linked production challenges followed by vessel, container availability and port congestion constraints. Raw material prices remained volatile and surged significantly at various points during the year and this was compounded by record high freight charges.

The industrial chemicals segment saw an upsurge in prices of basic raw materials across the Chinese and European regions. Due to the substantial instability of prices in the trading market, portfolio management remained challenging coupled with the reluctance of commercial importers to process large orders under such unstable market conditions characterized by extreme price volatility, higher freight charges and vessel delays. Moreover, unavailability of goods due to supply side issues posed challenges in fully capitalising the opportunities in the market driven by demand surge across many sectors of the economy.

The crops protection chemicals segment faced major challenges in trading owing to a historic shortage of cotton production that led to a decreased demand for pesticides. According to experts, cotton production in Punjab and Sindh declined by 34% and 38%, respectively. Further challenges included a market inclination towards opportunistic buying, as customers switched to other avenues to meet the demand. In the 4th quarter, continued shortages of core products and solvents in most emulsions and active ingredients led to less formulation and low cotton sowing levels which resulted in a lower demand for pesticides. Moreover, the ban imposed by the government on pesticide sprays for 60-90 days, effective from mid-June worsened the segment's performance in terms of meeting its targets.

Key Developments

Over the year the partnership with Huntsman Textile Effects continued to thrive with an increase in market penetration, benefitting from strong R&D, technology transfer from Huntsman and a premium product range. This has resulted in enhanced brand equity, shifting from a commodity to a specialty supplier and entry into new segments of dyes and specialised textile chemicals. ICI Pakistan Limited also saw major business developments with some of the key players in textile segment such as Lucky Textile Mills, Serena Industries, Style Textiles and Kohinoor Textiles. Positive turnaround in this segment led to a healthy PAT delivery owing to an increased customer base of major textile players, an efficient optimisation of inventory and portfolio rationalisation targeting low margin products. Moreover, the Chemical's Technical Literature App was launched which is an innovative mobile app for the textiles and adhesives segments designed to keep material safety, technical and comparative industry data readily available for the team.

The industrial chemicals and crops protection chemicals segments continued to deliver healthy margins with industrial chemicals registering exceptional PAT growth of over 50% versus the prior year despite tough market conditions and significant supply side challenges. The segment is focussed on customer and supplier engagement via regular virtual connects and training sessions thereby helping to further strengthen partnerships.

Challenges

During the year, the textiles industry saw a halt in manufacturing due to export orders cancellation and shortages of raw materials due to port congestion and vessel unavailability. Unstable product availability, Indian origin ban, and shipment delays at suppliers end impacted the business adversely. Furthermore, COVID-19 remained a challenge causing low off take at the start of the year in all three segments, supply-side challenges, and unprecedented price volatility. Moreover, the crops protection chemicals segment faced challenges due to low cotton production, shift of farmers towards more lucrative crops, and low formulations in the on-going cotton season.

Customer Engagement

Throughout the year, the textiles segment carried out various customer engagement initiatives. These included multiple customer visits and virtual connects with existing and new customers regarding product technicalities and safety guidelines. Following the outbreak of COVID-19, the textiles division also arranged customer awareness sessions regarding the manufacturing of medical textiles (PPEs and scrubs). Furthermore, the segment organised marketing and promotional activities at the customer end including bulk trials for its sustainable product line.

The industrial chemicals segment conducted HSE&S trainings for key accounts. The focus of these sessions was to outline chemical handling at the Plant site. The segment continued to dedicate its efforts, in line with Customer Centricity, to engage and on-board existing and new customers through strong customer relationships. The team also arranged connect sessions for customers with key international suppliers to help with innovative solutions.

In line with the Company's core value of Innovation, the crops protection chemicals sub-segment developed and commercialised new formulations with major customers and developed new principals during the year. This was made possible due to the dedicated lab at the Chemicals Technical Centre.

Future Outlook

Going forward, the Specialty Chemicals segment will continue to be driven by its prime goals of value creation for its existing and new customers along with continuous technical and commercial innovation to achieve the division's goals and to enhance its market share.

The textile segment will continue to capitalise business opportunities and provide market leading technical services to further develop its customer base. Further augmentation of business partnership with Huntsman Global via introducing new product ranges will be the key focus going forward.
In the industrial chemicals segment, smart buying decisions will remain vital to maintaining the market share amidst material availability constraints. However, instability in the international and local markets are expected to continuously impact prices in the coming months.

The crops segment is expecting to see slow offtake at the start of the financial year owing to a sub-optimal cotton crop this calendar year. However, the situation is expected to improve in the next calendar year given various measures being considered by the Government and on the basis of which stronger performance is expected. For now, the segment will focus on optimisation, improving efficiencies and a lean operating model to mitigate the challenges and focus on sustainable growth as the market situation improves.

Masterbatches

Market Overview

The market for Masterbatches has shown promising growth in Pakistan and this trajectory is expected to continue moving forward due to the increased use of plastic in different forms and changing lifestyles. Additionally, the industry has been moving towards sustainability where the focus has shifted towards responsible use of plastic across various industries. This changing trend also provides opportunities for product development and innovation to create value across the plastic and packaging industries thereby, establishing ICI Pakistan Limited's strong foothold in the market.

The Masterbatch commercial market remained competitive with multiple new players emerging across different regions and segments. Shades Masterbatch has positioned itself as a quality-conscious premier manufacturer, keeping ICI Pakistan Limited's values of Innovation and Delivering Enduring Value as the foundation of the business strategy. The segment's product offerings which include colours and additives have enabled its partners across different segments to maximise their product value. ICI Pakistan Limited Shades leveraged its state-of-the-art R&D facilities to constantly innovate and offer customised solutions to valued customers.

Customer Engagement

Shades Masterbatches team carried out customer engagement initiatives across multiple touchpoints. Customer visits were organised to the state-of-the-art facility across various plastic applications, while maintaining strict COVID-19 protocols during visits.

Utilising digital channels, the Masterbatch team organised multiple virtual connects with customers for product development to resolve commercial and technical aspects for customers. The Masterbatch team remained active towards facilitating customers at the forefront utilising the R&D lab to conduct frequent technical testing, and rigorous new product development focusing on recipe optimisation and minimising environmental hazards.

Due to lockdowns, different customers took this opportunity to experiment with product development ideas. The Shades team worked closely with customers to facilitate and develop technical expertise particularly in newer plastic applications such as PP non-woven, fibre and personal care products.

Moving forward, Masterbatch team will continue to focus on customer trainings particularly in HSE and testing excellence.

Business Performance and Key Development

Despite challenging commercial conditions, Shades ensured tremendous growth in business through product innovation and techno-commercial expertise. The business grew in all segments, with the focus of increasing market share in the existing segments, while also growing into new plastic application opportunities. Import substitution remained a top priority reaffirming the Company's commitment toward the well-being of the overall economy. Shades made successful inroads to localise currently imported masterbatches in the BOPP, PP non-woven and hard packaging segments.

Challenges

The COVID-19 outbreak posed several challenges across the industry due to extended lockdowns, halted operations, and reduced consumption. The business was negatively impacted by the global shipping crisis, resulting in delays on delivery dates and higher cost of raw material. The international prices of raw materials showed volatility throughout the year causing extreme uncertainty in the buying habits of manufacturers.

Future Outlook

Pakistan's plastics industry is still in an infant stage, compared to other regional markets. The per capita consumption of plastic is one of the lowest in the region, which offers high potential for new product development and growth of the Masterbatches segment. Shades remains committed to providing innovative solutions to customers across various plastic segments, while also leveraging its state-of-the-art facility to work on product development and import substitution to attain market leadership position.

Agri Sciences

Market Overview

Agriculture is the backbone of Pakistan's economy, accounting for 19.3% of the gross domestic product, employing 39% of the labour force and providing raw materials for several value-added sectors. Approximately 65-70% of the country's population depends, directly or indirectly, on agricultural output. It is also an important source of foreign exchange earnings and stimulates growth in other sectors. Thus, it plays a central role in national development, food security and poverty alleviation. The growth and output of the agriculture sector are dependent on several external factors including the environment, farm economics and government policies. During FY 2020-21, the performance of the agriculture sector improved over the previous year and other sectors. However, the challenges due to shrinking agricultural land, climate change, pest attacks and shortage of irrigation water have hindered it from achieving its true potential.

The COVID-19 pandemic has posed extraordinary challenges for almost all sectors of the economy of Pakistan, including agriculture. Keeping in view the need for maintaining food security and livelihoods, the business collaborated with the Agriculture University to develop new hybrids to contribute to this cause, supporting Pakistan's overall growth and economy. The cereal markets are expected to remain balanced despite uncertainties over the impact of COVID-19. Moreover, the economy is gradually on its way to recovery from the impact of COVID-19, however, the economy can still expect operational challenges while adapting to the "new normal." As logistical issues may pose challenges to the food supply, it is important to take measures for boosting agriculture production which will contribute to mitigating the socio-economic impact of COVID-19.

The performance of agriculture during 2020-21 was higher than the previous fiscal year, but the growth rate was not replicated. On the aggregate, the sector recorded strong growth of 2.77% but this was lower than the previous year where Pakistan recorded a tremendous increase of 3.31%. The crops sector overall, experienced a growth of 2.47% due to increase in growth of important crops by 4.5%. The production of major Kharif crops in 2020, such as sugarcane, maize and rice indicated considerable improvement compared to last year and surpassed the production targets.

The seeds industry has been dominated by the open pollinated variety (OPV) seed market with more than 69% share. Within the seeds industry, a growing trend of hybridisation is observed. Similar to the field crops seed industry, the vegetable seeds industry is also dominated by OPVs. It is a segment where many local distributors compete in an unorganised and unstructured manner. The pesticides industry continues to be focused largely in the insecticides segment, with awareness for herbicides and fungicides remaining low but increasing gradually. The import ban from India impacted the availability of certain agrochemicals and hybrid seeds for farmers in the current year as well.

However, the cotton crop suffered mainly due to a decline in area sown, heavy monsoon rains and pest attacks. The cotton production reduced by 22.8% to 7.064 million bales from 9.148 million bales last year.

Rice production recorded a massive 13.6% increase to 8.42 million tonnes and maize production plummeted by 7.4% to 8.47 million tonnes while cotton was a poor performer in 2020-21 as its production declined a staggering 22.8% to 7.064 million bales and sugarcane showed a healthy resurgence to 22% at 82 million tonnes. Sugarcane has bounced back this year after suffering negative growth in the last financial year. Wheat is the most important crop of "Rabi", which showed growth of 8.1% and reached 27.293 million tonnes, and the general trajectory of wheat has been upwards since the last 2 years, which is clearly indicative of the Government's focus. Other crops having a share of 10.22% in agriculture value addition and 1.97% in GDP, showed a decline of 3.9% mainly due to a decrease in cultivable land and decline in production of vegetables, Gram (Besan), Bajra (Millet), and Jowar (Sorghum).

Business Performance

The Agri Sciences business has faced a challenging environment during the year under review. Domestic market conditions, lower international prices of commodities and government policies focused mainly on wheat have adversely affected farmers' interest in sunflower crop, one of the major contributors for the Agri Sciences segment. During the year, the import ban from India affected the availability of agrochemicals and seeds. This coupled with failure of cotton crop adversely affected performance of the agrochemicals segment as cotton crop consumes a major chunk of agrochemicals.

These challenges, along with the adverse effects imposed by the pandemic, accounted for the diminished performance during this fiscal year. The business realises the gaps that need to be filled, and is also mindful of the benchmarks set in the past.

The business is on course to replicate past successes. Despite all the challenging exogenous factors, the seeds segment has performed well, and the Agri Sciences business has some valuable additions in the pipeline to help it bounce back next year.

Customer Engagement

The Agri Sciences business continues to focus on improving the offerings to its customers, adapting to the varying needs of customers across the country. In 2020-21, the Agri Sciences business focused primarily on boosting its secondary sales with the vision of expanding the farmer base that would in turn result in exponential demand generation. Keeping diversification as the sole mantra, the business launched 6 new products in agrochemicals while its vegetable seeds segment was strengthened by 4 new product launches.

The sales and development staff regularly train farmers on the latest production technologies and on more efficient farm management practices. ICI Pakistan Limited also collaborated with a digital player to equip and empower farmers with better decision making and prosperity in farming. This helped farmers to track their crop at every stage thus giving them an opportunity to intervene proactively ensuring maximum productivity. Digitalisation of field services also allowed the business to customise its call-to-action for farmers.

ICI Pakistan Limited's Agri Sciences team has demonstrated resilience and innovation during the unprecedented times and have shown how to truly stay connected in a physically disconnected world during COVID-19. While so many people and businesses were badly impacted by the COVID-19 crisis, through various initiatives ICI Pakistan Limited was able to sustain farming communities and food supply. The business will continue to fulfil this mission, with health and safety at the forefront of everything it does. Adopting innovative ways of reaching valued customers the business is able to demonstrate concrete results. The helpline number provides guidance to farmers during lockdown and ensures constant customer contact through inclusion of digital technology. The sales and marketing teams engaged farmers and dealers through virtual field days, gatherings and product trainings thus motivating stakeholders for maximum output. The business teams are agile, customer focused and fully operational despite COVID-19.

In the agriculture industry, retail partners play a pivotal role in ensuring the availability of product to farmers. The Agri Sciences business undertook a series of partner trainings to ensure close customer connect and improved partnerships.

Challenges

Challenges faced during the period under review included declining acreage of cotton crop, a recovering economy, high input prices, import ban from India, and general restrictions imposed due to the global pandemic. Liquidity crunch due to the COVID-19 situation also impacted farmers' ability to invest in quality products. Abrupt changes in weather patterns, such as prolonged high temperature, long dry spells and decreased winter seasons, have all affected the yields of crops.

Unorthodox market practices along with the complex supply chain model of the agricultural industry continue to be a major challenge. Farmers have limited access to formal credit and therefore, lack the financial capacity required to enhance the quality and yield of the crop is a constant challenge. Furthermore, poor controls and a lack of standardisation have flooded the market with inferior quality seeds and agrochemicals.

Future Plans

The Agri Sciences business is geared to continue its growth trend in the coming years. The business has undertaken strategic actions to prepare for both, the realities of today, and the opportunities ahead. It is committed to consolidating its position with regard to its existing brands, and diversifying its portfolio to cater to the unmet needs of farmers going forward. The seeds segment will be strengthened by minimising reliance on sunflower seeds and focusing on creating a footprint in other products. After having invested resources on portfolio diversification, the Company will have variants of cotton seeds for commercial use in coming years. ICI Pakistan Limited has already registered two varieties for production and cultivation of cotton in Punjab and Sindh. This would provide farmers with good quality and high yielding cotton varieties that would in turn lead to revitalisation of cotton crop in Pakistan. At the same time, the Agrochemicals segments will drive stronger business development, supported by an expected pipeline of new partners and products in the segment. Going forward, the business believes that it is well positioned to deliver value-added products to growers and farmers, enabling the Company to expand its business and maximise returns.

Abdul Wahab Khan, Business Manager Agri Division addressing the audience at the Sunflower Seminar.

Sustainability Performance

Towards a Greener Future

As a progressive and value-driven organisation, ICI Pakistan Limited understands that sustainability is critical to future survival. The Company makes conscious decisions and mindful efforts to conserve resources, minimise waste and reduce its carbon footprint. The sustainability agenda of ICI Pakistan Limited is aimed at creating a future, where all thrive.

This section contains a comprehensive report on the Company's sustainability strategy, KPIs, annual and long-term targets and performance.

STEP

Towards a Greener Future

Sustain • Transform • Evolve • Preserve

Table of Contents

Leadership Statement

Dear Stakeholders,

It gives me immense pleasure to share with you ICI Pakistan Limited's thirteenth annual Sustainability Report, presented as part of the Company's Annual Report 2020-21. The Company's voluntary adoption of sustainability reporting to GRI Standards and UN Sustainable Development Goals (UNSDGs) is a testament to ICI Pakistan Limited's continual commitment to responsible stewardship.

The COVID-19 pandemic brought with it a greater focus on the safety and well-being of our people and the community at large. In the early days of the pandemic, the Company established a Pandemic Watch Committee and supplemented it by introducing a Pandemic Management Manual. The Manual largely focuses on creating effective internal communication channels and spreading awareness on COVID-19 preventative measures to ensure business continuity. This allowed ICI Pakistan Limited to serve the larger Pakistan community, uninterruptedly and responsibly.

As a manufacturing and trading concern, we are cognizant of our impact on the economy, environment, and the communities in which we operate. Driven by our brand promise of Cultivating Growth, we believe that we must nurture growth and responsibility in everything we do. In this regard, we continue to manage our impact, work towards offsetting negative and maximising positive contributions, while ensuring sustainable growth of the businesses and Delivering Enduring Value for our stakeholders.

Our Sustainability Council is entrusted with steering our sustainability agenda. The Council is tasked with setting voluntary targets for future performance, based on data gathered from our Environmental Performance Management System database. This guides our sustainability performance for the coming years.

This year, we reinforced sustainability within the Company by launching our flagship sustainability drive, STEP (Sustain, Evolve, Transform and Preserve). This initiative is aimed at enhancing employee awareness of sustainable practices and encourage our businesses to further create a positive impact, bolstering ICI Pakistan Limited's mission of Improving Lives.

We recognise that we have a unique and inspiring opportunity to grow while making the world stronger, safer, and healthier. To that end, I feel privileged to share that our Polyester business has surpassed expectations by delivering strategic niche innovations to their polyester fibre portfolio. Moreover, geared towards reducing ICI Pakistan Limited's carbon footprint, our businesses have made strides in developing innovative packaging solutions by reducing or eliminating components of excessive packaging.

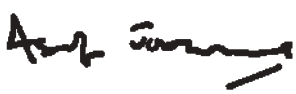
As a leader in the corporate landscape, ICI Pakistan Limited ensures the highest standards of Health, Safety, Environment and Security (HSE&S). The Company has achieved the milestone of over 35 million man-hours without injury, reflecting our robust HSE&S systems. HSE&S is and will remain our license to operate as we work towards continuously raising the bar. During the year in review, the Company has successfully reduced its energy consumption by 13% and water consumption by 21%, per tonne of production. Moving forward, ICI Pakistan Limited strives to improve its performance on waste management, projects for which have already been initiated by the businesses this year.

We believe in the power of doing better by doing good. ICI Pakistan Limited has been committed to strengthening the communities it operates in, by investing in its pillars of corporate social responsibility: education, health, women's empowerment, sustainability, and community development. During the year, through the Company's employee volunteer programme, Pehchan, 155 volunteers invested 2455 hours in community development programmes. In the truest sense, the Company's people have upheld its brand promise of Cultivating Growth.

Our best practices in the realm of Corporate Social Responsibility were recognised when ICI Pakistan Limited won the Global Diversity and Inclusion Benchmark Award 2021 in the 'Social Responsibility' category by HR Metrics.

ICI Pakistan Limited's progress over the past year is addressed in greater detail in this report. We remain deeply committed to playing our part in ensuring that in growing our business, we operate with integrity and responsibility towards our people, the environment, and communities at large.

Warmest Regards,



Asif Jooma
Chief Executive
ICI Pakistan Limited

Sustainability at a Glance

Highlights for 2020-21

No occupational illness reported

Product Stewardship 100 million PET bottles consumed to produce Terylene Clean.

STEP company-wide drive to foster a culture of sustainability.

13% reduction in energy per tonne of production as compared to last year.

21% reduction in water consumption per tonne of production as compared to last year.

19,000 trees planted across ICI Pakistan Limited sites.

ISO 45001:2018 Certification – The Polyester business's manufacturing site obtained ISO 45001:2018 certification.

15,500 tonnes of carbon dioxide emissions reduced as a result of various energy-saving projects.

No code of conduct case reported

Lean Six Sigma Program rolled out in ICI Pakistan Limited to enhance efficiencies.

Awards

- In March 2021, ICI Pakistan Limited won in the category of 'Social Responsibility' at Diversity Hub Pakistan's Global Diversity and Inclusions Benchmark Awards 2021, hosted by HR Metrics.
- ICI Pakistan Limited won the gold award for 'Best Graduate Training Program' and silver award for 'Best HR Training Capability Programme' by Employee Experience Awards, Singapore

ICI Pakistan Foundation Certified by PCP

ICI Pakistan Foundation has been certified by the Pakistan Centre for Philanthropy (PCP). PCP is the first and only certification agency authorised by the Federal Board of Revenue (FBR), Government of Pakistan to undertake performance evaluation of non-profit organisations in Pakistan. The PCP evaluation process examines the operations of the organisation in light of the objectives stated in the governing document of the organisation and certifies that requirements are met as per the set standards agreed with the FBR. PCP's certification programme is aimed at fostering an enabling environment for philanthropy and thereby supports social development.

Pakistan Centre for Philanthropy

Creating Shared Value

In line with its core values and brand promise of Cultivating Growth, ICI Pakistan Limited believes in delivering sustained growth and creating enduring value for all key stakeholders. The Company's triple-bottom line concept of the sustainability framework is focused on creating shared value, based on social, environmental and economic parameters.

Key Inputs

Social

- 1,700+ employees nationwide.
- Pioneer in adopting principles of sustainability (Health, Safety and Environment).
- Employee and leadership development.
- Partnerships with communities and universities.
- Pandemic management.
- PKR 30 million allocated to corporate social responsibility (CSR) programmes last year.
- Strong culture of corporate governance and business ethics.
- Foster a culture of inclusivity and diversity.

Environmental

- Reduced environmental impact of operations.
- Tree plantation drives.
- Improvement in biodiversity.

Economic

- Project investments.
- Business Continuity Plans during pandemic.
- Delivered strong and healthy return on equity.
- 100,000+ vendors.

Supply Chain

Manufacturing

Value Creation and Addition

The Company's sourcing and manufacturing processes are sustainable, safe and continuously optimised.

ICI Pakistan Limited manufactures, markets and produces high-quality and innovative products.

Key Outputs/Impact

Social

- 35+ million safe man-hours.
- Farmer and customer awareness sessions.
- Impact Women's Development Programme.
- 24,000+ direct beneficiaries of CSR programmes in 2020-21.
- 20 CSR projects funded in 2020-21 by the ICI Pakistan Limited Foundation.

Distributors

Customers

Environmental

- 19,000 trees planted at various sites.
- 33% improvement in biodiversity as compared to 2003.
- 2,113+ birds of 82 species and 293+ species of plants are found at the ICI Pakistan Limited site in Khewra, as per the WWF flora and fauna study.
- 15,500 tonnes of CO_2 emissions eliminated by ICI Pakistan Limited.

Economic

- PKR 6.3 billion contributed to the national exchequer in taxes and duties.
- 62% payout ratio to shareholders.
- PKR 5.3 billion consolidated profit after tax.

The Company maintains a strong focus on supporting and investing in communities.

ICI Pakistan Limited's brand promise of Cultivating Growth creates sustainable value for all stakeholders.

Sustainability Strategy

Through the expansive scope of its diverse businesses, ICI Pakistan Limited believes in driving inclusive growth for its stakeholders while making a positive environmental impact, exploring opportunities for enhanced quality of life and supporting the communities that the Company operates in.

Approach

Sustainability is integrated in all areas of the Company's operations – for the benefit of customers, shareholders, employees, and the world around it. The Company's sustainability strategy is simple and compelling. It is divided into the following underlying principles, which it aims to uphold and adhere to:

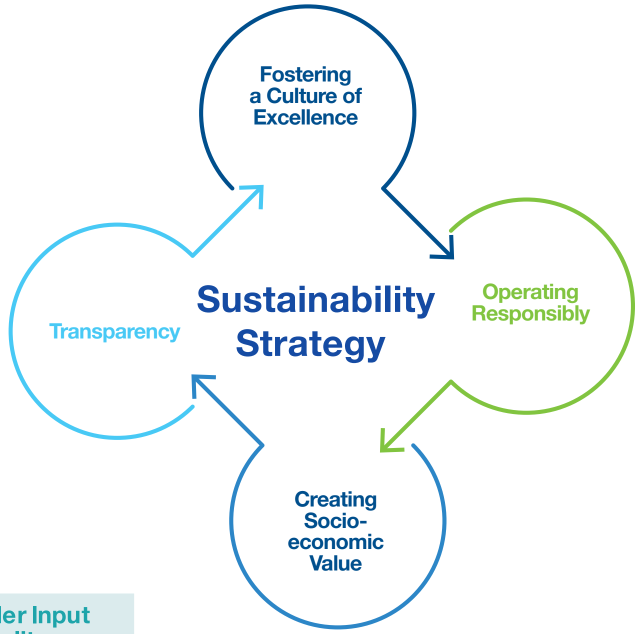
Fostering a Culture of Excellence: ICI Pakistan Limited aims to build an environment in which its people constantly strive to deliver more, it endeavours to achieve this through attracting and retaining the best talent.

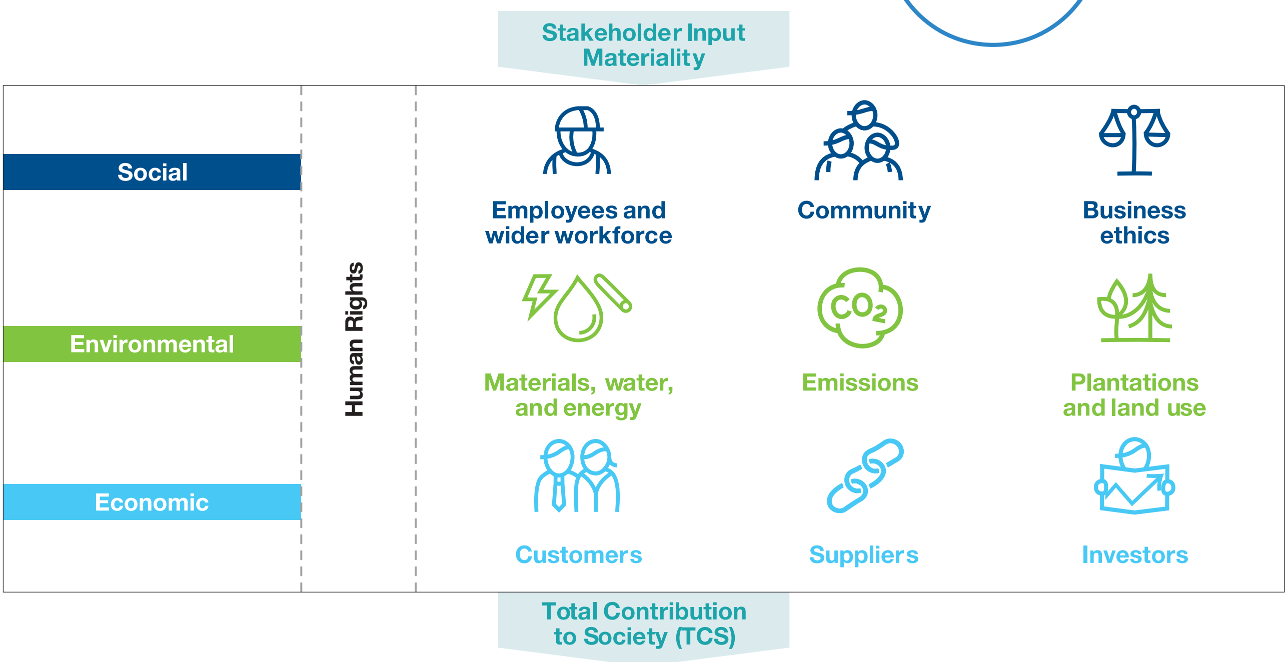
Operating Responsibly: The Company strives to operate with due respect and consideration for the environment, the communities in which it operates, and other stakeholder groups.

Environmental Stewardship: ICI Pakistan Limited is a leader in innovation and developing solutions for cleaner and greener systems to reduce its impact on the environment.

Creating Socioeconomic Value: ICI Pakistan Limited is working to create value in local communities by providing the tools and assistance required for capacity building and improving quality of life.

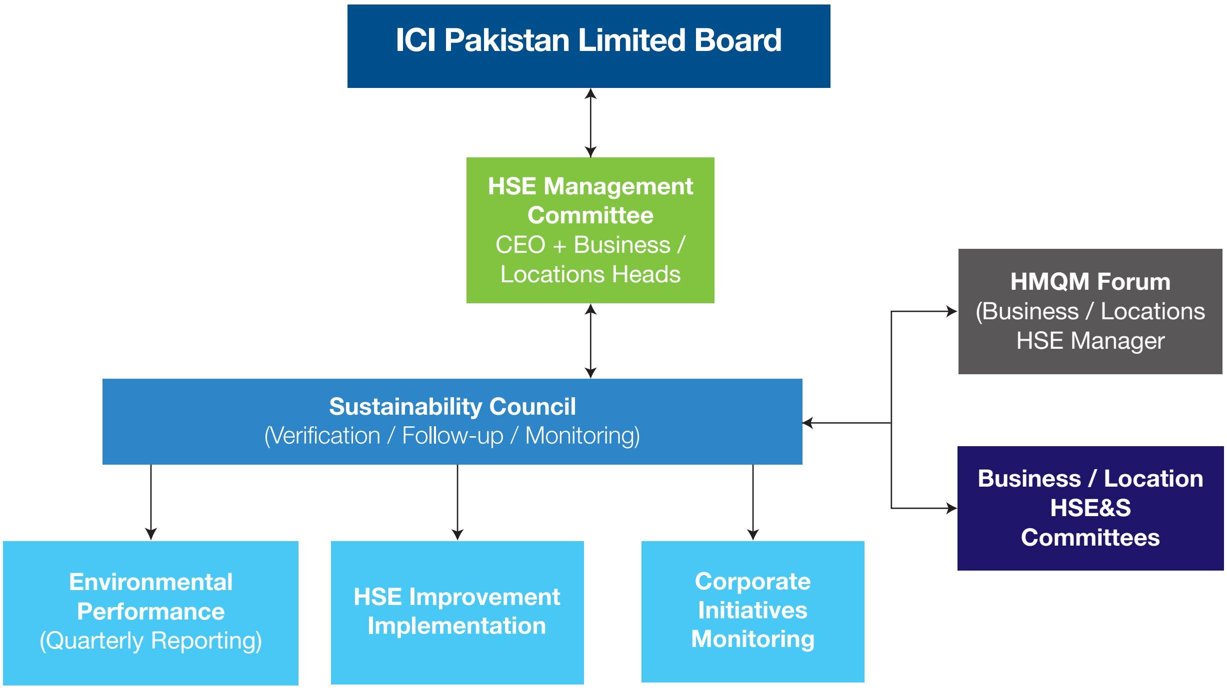
Transparency: ICI Pakistan Limited ensures that processes and operations at its businesses and functions are transparent to promote trust.





ICI Pakistan Limited's triple-bottom line concept of sustainability framework based on social, environmental and economic parameters

Structure and Operation of the Sustainability Process at ICI Pakistan Limited



Sustainability Council

Established to foster sustainable growth for ICI Pakistan Limited, the Sustainability Council is a multi-disciplinary team from all businesses and functional areas of the Company.

The Council's objective is to assist the Board in fulfilling its overarching responsibility to shareholders regarding the Company's sustainability practices. The Council's scope includes development, implementation and monitoring of the Company's Health, Safety, Environment and Security (HSE&S) policies and practices.

Responsibilities of the Council

Within the overarching areas of Corporate Social Responsibility, environmental stewardship of operations and economic impact and growth, the Council will act to:

- Define sustainability KPIs, measurement matrices, and establish sustainability targets.
- Review partnerships and relationships, both current and proposed, with stakeholders, i.e., customers, regulators, communities, shareholders, and suppliers.
- Formulate and execute communication strategies relating to the Company's sustainable growth.
- Introduce new and innovative technologies that will further the goal of sustainability within the Company and implement actions to promote such technologies.
- Set guidelines for managing sustainable change.
- Define broad parameters for enhancing product responsibility.
- Prioritise sustainability goals towards areas where the Company can make the most meaningful impact and generate the biggest results.
- Review the environmental footprint and develop strategies to mitigate impact.

In accordance with requirements of the ICI Pakistan Limited HSE&S Management System, all businesses and functional locations are required to monitor and report parameters that directly affect the Company's Operational Eco-Efficiency (OEE) footprint. Besides this, all businesses are also required to report their health and safety performance. The reporting is governed through a state-of-the-art application called the Environmental Performance Management (EPM) database.

The Corporate HSE function acts as an independent authority within the organisation and is the custodian of the EPM database. The Corporate HSE team analyses data to extract trends for each sustainability KPI and benchmarks performance against the baseline. These trends are then presented to the Sustainability Council for review.

After discussion, the Council agrees on a suitable mechanism for control of the KPIs based on global sustainability guidelines. The Council also briefs the Company's Executive Management Team (EMT) regarding the OEE footprint, potential technological requirements, and the financial impact that these may have on the Company and its communities.

Adopting the Sustainable Development Goals

ICI Pakistan Limited's brand promise of Cultivating Growth is at the heart of all that it does and aligns well with the SDGs for a brighter and more exciting future.

While the Company supports most of the SDGs, it is prioritising its actions where it can create the greatest impact.

Demonstrating Leadership in Sustainability

ICI Pakistan Limited remains committed to its vision of building a strong local and international footprint through sustainable growth and by creating value for all its stakeholders. The Company's vision and values help to further engrain its commitment to the principles of sustainability. As an organisation, the Company is driven towards respecting the environment, enhancing the quality of life and creating a positive economic and social impact in the communities it operates in.

Flagship Sustainability Drive Launched

In line with its commitment towards creating a greener future, ICI Pakistan Limited rolled out its sustainability drive - 'STEP', an acronym for Sustain, Transform, Evolve and Preserve. This initiative was designed to enhance employee awareness and highlight the positive impact created by sustainability initiatives of each of the Company's businesses. The engaging activities under this banner work to forge a culture of sustainability and bolster ICI Pakistan Limited's mission of Improving Lives.

Working Beyond Organisational Boundaries

ICI Pakistan Limited partnered with the Centre of Excellence in Responsible Business (CERB – Pakistan Business Council) to conduct a webinar promoting sustainable practices. The webinar on Waste Management was conducted by Sabir Mahmood; Corporate HSE Manager and Ahmed Jamal Cheema; HR Manager Polyester and highlighted the responsible business practices adopted by ICI Pakistan Limited. The event was designed to identify the waste produced in value chains and the importance of the waste reduction process as per SDG 12 requirements.

Global Recycling Day

On March 18, Global Recycling Day was celebrated across all key locations of the Company to further the cause of recycling. The Company partnered with the Al-Wasila Trust and the Aabroo Educational Welfare Organization to recycle the administrative waste from its Karachi Head Office, Polyester Sheikhupura Plant and Mozang Office. Funds generated from recycling support their medical centres and schools respectively. Under its Pehchan volunteer program, employees from all locations participated in a newspaper donation drive and donated over 800 Kgs of the same in favour of the Ra'na Liaquat Craftsman Colony.

Celebrating World Environment Day

As an advocate of environmental conservatism, ICI Pakistan Limited celebrated World Environment Day across its locations nationwide on June 5, 2021. Tree plantation initiatives were undertaken at multiple locations. Moreover, the Soda Ash business conducted an internal and external awareness campaign with a special focus on sustainable management solutions.

ICI Pakistan Pharamaceuticals' Pehchan Volunteers planted trees on World Environment Day

International Firefighters' Day

In line with its core value of Passion for People, ICI Pakistan Limited paid homage to the dedication of the firefighting community on International Firefighters' Day, observed on May 4, 2021. The Soda Ash business celebrated this day with their firefighting team, where their services were recognised and commended by the 1122 Rescue Team. Over the years, ICI Pakistan Limited's Soda Ash firefighting team has extended its support to the Khewra community in times of fire related emergencies.

Life Saving Rules

A "Life Saving Rules" campaign was developed and launched this year by Corporate HSE&S with the aim of creating awareness of HSE&S onsite protocols across all sites of ICI Pakistan Limited.

WWF – Alliance for Water Stewardship

ICI Pakistan Limited participated in a seminar on "Promoting a holistic approach to water through Alliance for Water Stewardship standard" organised by the WWF. The agenda of the event was to spread awareness regarding water conservation and highlight the best industrial practices to conserve water.

ICI Pakistan Limited's heroic firefighting team has been extending its support to the Khewra community for many years

About the Report

This is the thirteenth annual Sustainability Report of ICI Pakistan Limited and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

This report also contains a reference to the UN SDGs. ICI Pakistan Limited began the practice of voluntary sustainability reporting in 2008, and this continues to be an important part of the Company's commitment to sustainable practices and transparency.

Report Boundary

The report covers the five core businesses and corporate functions of ICI Pakistan Limited, including manufacturing sites, corporate offices and regional/business offices. The data in this report does not cover subsidiaries or associated companies of ICI Pakistan Limited.

Employee data includes management and non-management staff. Community investment initiatives are managed by the ICI Pakistan Foundation, which is a separate legal entity registered as a Trust. All monetary amounts in this report are given in Pakistani rupees unless otherwise indicated.

Reporting Period

The reporting period corresponds with the Company's financial year 2020-21 (from July 1, 2020 to June 30, 2021). The cycle of reporting is annual.

Report Content

This report provides information on topics that have been assessed to be material to the Company, based on the significance of the impact on the economy, environment, and society, and are significant for stakeholder interests and decision-making.

The content of this report has been developed keeping in consideration the GRI 101 Foundation (2016) Reporting Principles, which include principles that govern both the content and quality.

Developed in accordance with the Company's sustainability strategy (outlined in this document), this report also presents Key Performance Indicators (KPIs) relating to the material topics that have been set internally by the Company's sustainability reporting governing body, the Sustainability Council. The KPIs shared in this report were set during 2016-17 and presented for the first time in that year's report. This year's report also presents achievements on the previous five years' targets.

The five-year target will serve to guide the Company in its sustainability efforts going forward. However, given the Company's growth and expansion, as well as the changing economic and political landscape, these targets may be subject to review and revision going forward. There were no significant changes in the list of material topics or boundaries from previous year's report

Data Collection

The data to compile this report has been obtained from the Company's financial management reporting systems, the Corporate HR Information Management System, and the Company's Environmental Performance Management (EPM) database, which is a tool for the collection and reporting of Health, Safety, Environment & Security (HSE&S) parameters.

ICI Pakistan Limited's reporting cycle takes place on a quarterly basis and related information is gathered and input by the respective businesses and functions for review by the Corporate Health, Safety, Environment and Security (HSE&S) function. The Corporate HSE Manager is responsible for the overall data of ICI Pakistan Limited. The data pertaining to integrity management, employment practices, sourcing and community investment is compiled and monitored by the Sustainability Council members responsible for each area. Where limitations in collecting data exist, appropriate explanations have been added to the report.

Assurance

Independent review of this report was conducted by CSRCP, in accordance with GRI Standards, ISAE 3000 (Revised) standard and principles of inclusivity, materiality, responsiveness and impact. A statement from the independent external reviewer is included at the end of this sustainability report, and outlines the scope of the assurance, activities carried out and opinion.

Contact Us

To share any feedback or comments related to the Sustainability Report, please email at:
sustainability.council@ici.com.pk

For any further information, please contact the following:

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*A soft copy of this report and additional information on the Company, including the business units and products, is available on the website at **www.ici.com.pk***

Materiality Assessment

ICI Pakistan Limited focuses its sustainability efforts on those areas which are deemed to be of the greatest value to the Company's continued growth, performance, and success, and could potentially have a significant impact on the economy, environment, communities, and other vital stakeholder groups. This section shares information on these critical or material topics and aims to explain how they have been chosen and why they are critical to the Company's operations.

Material topics for sustainability performance have been identified based on several factors, including alignment with the Company's strategy, objectives, vision, values, and brand promise (Cultivating Growth); the past practice of the Company; and internal analysis, debate and discussion on issues raised by the Sustainability Council. Material topics are also chosen based on stakeholders' concerns and feedback, general relevance, and likely impact in the broader social, economic, and environmental context, such as the markets in which the Company operates, energy availability, environmental issues and climate change.

List of Material Topics and their Boundaries

Area	Material Topic	Boundary
Economic	Economic Performance	ICI Pakistan Limited
	Indirect Economic Impacts	Local community
	Market Presence	ICI Pakistan Limited
	Compliance	ICI Pakistan Limited
	Anti-Competitive Behaviour	ICI Pakistan Limited
Environmental	Energy	ICI Pakistan Limited, customers
	Water	ICI Pakistan Limited, local communities, customers
	Emissions	ICI Pakistan Limited, suppliers, and local communities
	Effluents & Waste	ICI Pakistan Limited, suppliers, and local communities
Social	Employment and labour relations	ICI Pakistan Limited
	Training and Education	ICI Pakistan Limited
	Occupational Health and Safety	ICI Pakistan Limited
	Diversity and Equal opportunity	ICI Pakistan Limited
	Non-Discrimination	ICI Pakistan Limited
	Freedom of Association	ICI Pakistan Limited
	Child Labour	ICI Pakistan Limited
	Local Communities	ICI Pakistan Limited, and local communities

Relevance of Material Topics to ICI Pakistan Limited

ECONOMIC

Economic Performance: Deemed to be material as disclosures under this topic relate directly to the Company's value creation agenda as embodied by its vision, values, and brand promise of Cultivating Growth. ICI Pakistan Limited is committed to providing enduring growth and value for the stakeholders, and this growth and value can be quantified and assessed accurately through complete, audited financial statements of the Company, which are attached with this report. In addition, economic performance carries implications for all other material topics reported upon.

Indirect Economic Impacts: Disclosures under this topic illustrate the Company's economic impact on a wider socio-economic front than if it were simply to take the customers and suppliers into consideration. ICI Pakistan Limited's intent to support growth and development is not limited to the Company. The Company considers itself as a responsible corporate citizen and, therefore, it is important to monitor and measure its ongoing indirect economic impact in the wider context.

Market Presence: The Company's presence in the markets that it serves has a significant impact in terms of the provided employment opportunities, numbers and level of professionals employed, regional employment prospects, and compensation and benefits provided. Information in this regard is, therefore, highly relevant to the Company's operations and its value creation agenda.

Compliance: Compliance is a material topic due to its significance on the license to operate and economic impact in form of fines and penalties in the case of violation. Non-compliance also negatively impacts the brand image.

Anti-Competitive Behaviour: Anti-Competitive Behaviour is a material topic due to its significance on the license to operate and economic impact in form of fines and penalties in the case of violation. Non-compliance also negatively impacts the brand image.

ENVIRONMENTAL

Energy: Due to energy shortages in the country, this topic is deemed material as energy costs directly impact the cost of doing business and manufacturing products. More efficient energy usage is, therefore, not only vital in terms of the environment but also because it can provide the Company with a competitive edge in terms of the cost factor.

Water: This is deemed a material topic based on not only the water usage requirements of the Company's operations but also the current state of water availability in the country. According to a recent report by the International Monetary Fund (IMF), Pakistan ranks third in the world among countries facing acute water shortages. The United Nations Development Programme (UNDP) and the Pakistan Council of Research in Water Resources (PCRWR) have also warned that the country will reach absolute water scarcity by 2025.

Emissions: Emissions control relates directly to climate change and the impact of gaseous emissions on the ozone layer. As a manufacturing concern, this is of vital importance. Disclosures in this regard also provide an overview of the Company's compliance to national and governmental regulations, such as National Environmental Quality Standards (NEQS).

Effluents and Waste: As a manufacturing concern, this is an important topic as it has an impact not only on the Company's operations but also on local communities where waste is generated and disposed of. The management and minimisation of waste materials are also important for the preservation of biodiversity in the relevant areas.

SOCIAL

Employment and Labour Relations: The employment topic is critical to ICI Pakistan Limited and is driven by its core value of Passion for People. ICI Pakistan Limited aspires to be an employer of choice and recognises that the development of employees in terms of training and education, growth opportunities, compensation and benefits are of utmost importance. The Company maintains a strong focus on providing skills and value to employees, while its policies and employment practices ensure an environment that encourages diversity, engagement, personal growth, and professional development. To attract, retain and bring out the best in its people, ICI Pakistan Limited invests in leadership and development training and offers rewarding careers where employees can continuously learn and grow.

Training and Education: Closely linked to the material topic of employment, training and education remains an ongoing focus for ICI Pakistan Limited, in pursuit of the Company's ambition to be an employer of choice, recruiting and retaining the brightest talent. Training, education, and development of its people is, therefore, a topic of critical importance to the Company. It is an area where ICI Pakistan Limited works on an ongoing basis with formal training, development, and growth opportunities, effective, timely, performance appraisals and feedback systems, and by creating an open culture that encourages feedback and discussion.

Occupational Health and Safety: This topic carries tremendous significance in relation to ICI Pakistan Limited as health and safety are a primary concern and an overarching responsibility of the Company under its values (Passion for People; Integrity and Responsibility) and the HSE&S policy. The topic affects not only employees of the Company, but also service providers, suppliers, and members of the communities. ICI Pakistan Limited also focuses on customer Health & Safety and provides training sessions to their customers covering aspects of products safety, environmental compliance and general health, and safety orientation.

Diversity and Equal Opportunity: As an equal opportunity provider, ICI Pakistan Limited takes great pride in its commitment to fostering diversity and inclusion and valuing the contributions of its diverse workforce. The Company's commitment to diversity and inclusion is driven by its core values (Passion for People; Integrity and Responsibility), the brand promise of Cultivating Growth and Code of Conduct.

Non-Discrimination: ICI Pakistan Limited is committed to ensuring fair, free of bias and equal treatment of employees. This belief is driven by its core values (Passion for People; Integrity and Responsibility), the brand promise of Cultivating Growth and the Code of Conduct.

Local Communities: Disclosures on this topic, which consider initiatives for the development of communities, are important because they provide an overview and impact of these initiatives. As a result, various stakeholders can assess the value added by such initiatives.

Freedom of Association and Child Labour: In line with ICI Pakistan Limited's core value of Integrity and Responsibility and as per its Code of Conduct the Company upholds the highest standards of internationally proclaimed human rights. The Company supports and abides by international charters on freedom of association, ILO Conventions, and local regulations in its sphere of influence.

Stakeholder Engagement

ICI Pakistan Limited's approach to engaging with key stakeholders is underpinned by the Company's core values of Customer Centricity and Passion for People, in line with its vision to be the partner of choice and furthering its brand promise of Cultivating Growth.

Being a pioneer in responsible stewardship, the Company continuously engages with key stakeholders to build strong relationships, better understand the material issues that affect them and align its sustainability strategy with their needs to create shared value.

Major initiatives carried out during the year for stakeholder groups include:

Shareholders/Investors

AGMs and EoGMs were carried out as required to inform and obtain the consent of the shareholders. The Board members and senior management of the Company were also available at these occasions to answer queries and address any concerns of the shareholders, investors, and analysts. An Investor Relations Policy is also in place to govern the timely, accurate and comprehensive release of information.

Employees

To cascade the corporate strategy and share updates about key business initiatives, Chief Executive communication sessions are held bi-annually at ICI Pakistan Limited. Each business head also organises town hall and skip-level meetings to ensure strategic alignment across the Company and create a culture of engagement. This year, ICI Pakistan Limited has won the silver award for "The Employer of the Year" in the "Large National Companies" category by the Employer's Federation of Pakistan. The second round of the ICI Pakistan Limited's intrapreneurship programme, the Explore Challenge, also received an overwhelming response from the employees and is being implemented in all its businesses. The Company also initiated the Lean Six Sigma program in accordance with its value of Innovation.

Customers

Customer Centricity is one of the Company's key values and all businesses are committed to the success of their respective customers. The businesses continued to focus on multiple customer engagement initiatives, including regular customer meetings, customer visits to the manufacturing facility, technical assistance, and the distributors/customers conference to further strengthen their strong business relationships. All engagement activities were conducted in adherence to COVID-19 safety protocols.

Local community

In 2020-21, new projects were launched in addition to the ongoing, longstanding initiatives that benefit local communities, particularly in the areas of healthcare provision, education/vocational training, and women empowerment. Throughout the year, employees continued to take part in various activities organised under the Pehchan Volunteer Programme. (For details, please refer to the Pehchan Volunteer section of this report).

The Company's core groups of stakeholders are identified by the business and functional teams, based on the nature and scope of their operations. These are endorsed by the EMT and the Sustainability Council as significant groups to engage with, and engagement objectives and strategies are formulated and carried out accordingly.

Customer engagement is monitored at the level of each business by surveys and feedback collected through various channels. Community engagement is maintained and monitored by the CSR contacts in each business, and through effective coordination with labour unions at the plants and manufacturing sites. Employee engagement is driven across the Company at a corporate level. The Chief Executive (CE) communication sessions are conducted Company-wide as a platform to cascade the business strategy, performance, and key updates to employees. The Company's annual employee engagement survey, as well as performance appraisal and management systems, serve as vital channels for feedback and monitoring of progress against the set engagement targets. In each area of stakeholder engagement, concerns and suggestions are registered and actions outlined accordingly.

Government and other regulatory bodies

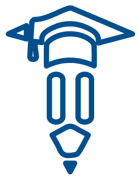
During the year, the Company worked with government and regulatory bodies to provide inputs, both directly and through relevant platforms and forums, on draft legislation and regulations, where required. Additionally, ICI Pakistan Limited makes it a practice to share information on the industry-related matters which could potentially impact the business and economic landscape of the country.

Media

A streamlined process is in place to share timely and prompt updates on the Company website regarding any disclosure of material information, such as financial results, acquisitions, expansions, new partnerships and product launches. The channels of communication open to media and the public include email, as well as social media platforms. The Company continued to leverage its social media presence in 2020-21 to better inform the media and the public about its operations and key initiatives.

Civil Society/NGOs

In response to ongoing socio-economic gaps, the ICI Pakistan Foundation continued to fund and partner with reputed NGOs and other non-profit organisations to support community development initiatives in the areas of health, education, environment, community development, and women empowerment.



Academic Institutions

ICI Pakistan Limited's employees also participated in multiple guest speaker sessions and recruitment drives in different universities across Pakistan. These events provided the employees an opportunity to share their professional experiences and mentor the students.

Key Stakeholder Groups

Stakeholder group	Engagement frequency	Mode of consultation	Topics identified by stakeholders	ICI Pakistan Limited's response
Shareholders/ Investors	Regular	Corporate Finance, Company Secretary, Corporate Communications and Public Affairs Department, analyst briefings, meetings	Ongoing economic viability, growth prospects, petrochemical market situation, new projects and expansions	Commitment to ongoing growth and value creation; continuing transparency of financial and other information; timely public disclosures; clarifications, if any required
Employees	Regular	CE Sessions, internal events, annual engagement survey, discussions, internal communications	Training and education; career development;	Career roadmap launched; increased transparency of HR processes; focus on capacity-building trainings
Customers	Regular	Technical Support Services, surveys, field visits, advisory services	Cost, quality and product availability	Customer capacity-building, expanding/increasing product offerings, efficiencies in supply chain, HSE-related support to customers for optimisation of systems, efficiencies and energy conservation.
Suppliers	Regular	Code of conduct compliance, surveys, visits	Favourable terms and conditions	The suppliers are given ample opportunity for discussion & negotiation. ICI Pakistan Limited strives to provide fair and market compatible rates
Local Community	Regular	Manufacturing site employees, CSR teams	Manufacturing sites' impact; employment prospects; community development	Understanding and ensuring all legal and regulatory requirements are complied with.
Government and other regulatory bodies	Regular/Case Basis	Relevant Business or functional representatives, meetings with officials, submissions of data for review and compliance	Compliance with regulations and laws	Understanding and ensuring all legal and regulatory requirements are complied with. Engaging with the Government to address matters impacting the business.
Media	Occasional	Press Releases, one-on-one media engagement	Information on the operations of the Company, growth prospects and sustainability practices, economic contribution	Press and media releases on relevant subjects, Chief Executive's statements/ interviews, responsiveness to media queries
Academic Institutions	Occasional	Guest speaker sessions, recruitment drives, internship programme, participation in career fairs	Career development, opportunities and placements, leadership and workplace insights	The Company's employees participated in multiple guest speaker sessions that enable sharing of experiences and advice imparted by professionals to the student body. The Company also holds regular recruitment drives at various universities.
Civil Society/ NGOs	Regular	Meetings, one-on-one engagement	Funding for programmes; logistical and technical support.	ICI Pakistan Foundation-led and funded partnerships to support community development initiatives; volunteer programme and activities

Customer Engagement 2020-21

ICI Pakistan Limited has built its brand equity on the grounds of the strong relationships established with its customers. The Company recognises the importance of retaining customers and thus, identifies 'Customer Centricity' as a core value.

During the year the following initiatives were undertaken by each of the Company's businesses to enhance customer engagement and remain a partner of choice:

Soda Ash Business

- Customers were given a walkthrough of the production and dispatch processes at the Soda Ash Plant followed by a tour of the renowned Khewra Salt Mines.

- The business continued to engage with customers through regular meetings, technical assistance and advisory services.

- Compliance: In line with its commitment to being the supplier of choice, the Soda Ash business achieved successful site compliance with SEDEX Member Ethical Trade Audit (SMETA) 6.0. The audit assessed the site based on internationally established standards of labour, health, safety, environment and business ethics.

Polyester Business

- Terylene Express: The business introduced its Terylene App, creating a virtual dashboard to share daily market intelligence with its customers. The App tracks changes in the upstream and downstream markets and provides customers with information on new product developments.

Pharmaceuticals Business

- Successful integration of new digital channels in order to deliver exceptional customer experiences to healthcare professionals (HCPs).

Closing ceremony of ThinkHealth'21

- More than 90 webinars were successfully delivered, hosting an audience of 10,000+ HCPs to facilitate scientific discourse.

- An MoU was signed with the Medical Microbiology and Infectious Diseases Society of Pakistan. The partnership propagates the appropriate usage of antibiotics demonstrating its commitment towards addressing the issue of rising Antimicrobial Resistance AMR.

- Protective gear including masks, gloves and sanitisers were distributed and more than 6,000 OPDs have been provided with PPEs.

- Through the ICI Pakistan Foundation, a bus stand has been set up to facilitate patients outside the Nuclear Medicine Oncology & Radiotherapy Institute in Nawabshah and medicines were donated to the Shahid Afridi Foundation for those in need.

Chemicals & Agri Sciences Business

Chemicals Segment

- Sessions were organised at the Chemicals Technical Center, Karachi to strengthen relationships with customers and better understand the product requirements of customers.

- Surveys were conducted across customer segments to gauge feedback regarding the quality of its products and services during COVID-19.

The Animal Health team assisting farmers during the deworming campaign.

- Following the outbreak of COVID-19, the business distributed hygiene kits to all major customers.

- The Industrial Chemicals' segment conducted HSE&S training regarding chemical handling at the plant site.

- The Adhesives segment engaged carpenters from all over Pakistan in a series of "Baithak" events to drive Calabond brand awareness. All events were conducted in compliance with COVID-19 protocols.

Agri Sciences Business

- Regular farmer gatherings and trainings were organised, facilitating knowledge transfer on specific crops to enable farmers to become self-sufficient on product selection.

- The business initiated a seminar to educate women on potential occupational hazards while working in the field and raised awareness on the long-term health implications of hazards.

Animal Health Business

- Various symposiums were conducted in collaboration with Trouw Nutrition to enhance farmers' awareness on the use of clean drinking water, rationalising of anti-biotics and good practices for healthy poultry farming.

- The business actively participated in various dairy and livestock exhibitions , such as the Pakistan Dairy & Sindh livestock Expo and Sindh Para Veterinary Staff Ceremony.

Employee Engagement and Wellness

ICI Pakistan believes that its people and culture are the Company's greatest assest. Delivery of the Company's growth aspirations is underpinned by attracting the best talent, ensuring their well-being, and providing them with an enabling environment and opportunities to excel.

ICI Pakistan Limited's employer brand is synonymous with people centricity and its rich heritage is a testament to that. The Employee Value Proposition 'One Team, Many Possibilities' reflects the Company's constant strive to provide its existing and future talent with possibilities to grow, learn, succeed and celebrate.

In light of the challenges presented by COVID-19, the strength and resilience of ICI Pakistan Limited's people and culture came to the forefront. As always, the well-being of its people remained the Company's topmost priority. A very close check was kept on the health, safety and wellness of its people with the Company playing an active role in creating awareness and strong advocacy around adherence to COVID-19 SOPs. With the changing practices around the globe, the Company showcased high agility in adopting and embracing new avenues for engagement, learning and development.

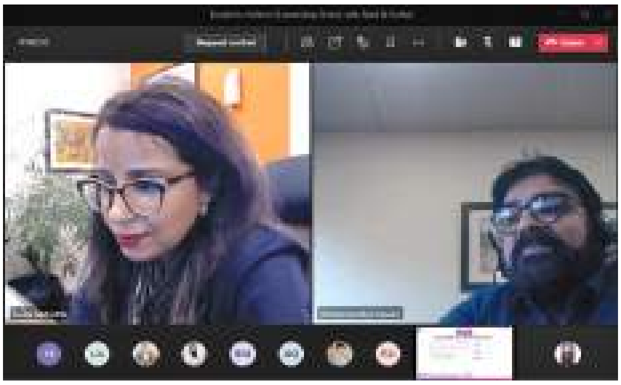
The following initiatives were taken:

To keep a check on employee morale and engagement levels, monthly pulse surveys were conducted to enable line managers to engage in constructive dialogue with their teams and address their concerns. Platforms such as "AskHR", "Subha ki Chai" and "Leadership Connect" were set up to provide employees with multiple avenues to connect with the HR and leadership teams. This helped employees gain a better understanding of the organisation's direction, policies, and practices.

To strengthen the focus on the health and wellness of its employees and their families, ICI Pakistan Limited designed and implemented a structured Workplace Wellness Program. Through this platform, designated wellness ambassadors ensured that each of the Company's sites were covered.

ICI Pakistan Limited's people stayed engaged and motivated virtually despite the challenges

Employee Appreciation Day celebration.



Fariha Salahuddin, General Manager HR & Administration and Abid Ganatra, Vice President Soda Ash business conducting a Leadership Connect session.

These ambassadors played a pivotal role in driving and embedding the wellness agenda and made it possible for the entire organisation to come together and participate in various specially designed COVID-19 friendly engagement activities, such as Employee Appreciation Week, Possibilities to Celebrate – a campaign celebrating cultural diversity, and the Humans of ICI Pakistan stories.

To reaffirm the commitment of its people to the Company's values an organisation-wide campaign was launched, which included exciting activities, leadership messages and learning modules.

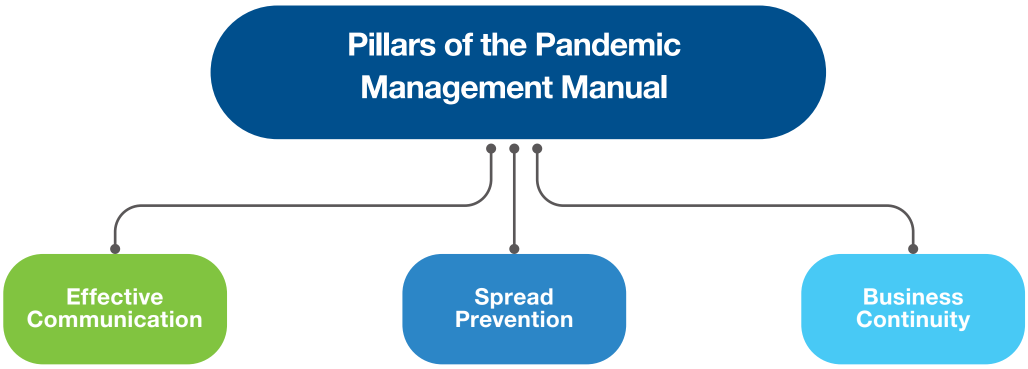
The Company's efforts were recognised and appreciated not only by its people, but also by various other local and international platforms. ICI Pakistan Limited won the Gold award for "Best Graduate Training Program" and the Silver award for "Best HR Capability Development Programme" from Employee Experience Awards, Singapore. The Company also won the Silver award for "Employer of the Year" from the Employer's Federation of Pakistan.

Managing COVID-19 at ICI Pakistan Limited

The COVID-19 pandemic has drastically altered how organisations conduct business and how individuals engage with one another. The initial waves of the pandemic presented a multitude of challenges for companies across the globe. While managing the challenges onset by COVID-19, ICI Pakistan Limited remained committed to ensuring the wellness of its people, business continuity and community outreach.

To curtail the impact of economic, social and environmental implications of the pandemic, the Company adopted bold measures early on. A Pandemic Watch Committee was established to develop, coordinate, and implement uniform pandemic management policies across all businesses and locations. The Pandemic Management Manual was developed and implemented on March 20, 2020 with the aim of furthering effective communication, and business continuity, while preventing the spread of COVID-19.

The various initiatives undertaken have enabled the Company to work towards ensuring the wellbeing of its employees while ensuring continued business operations. As a supplier of essential products with applications across diverse sectors, uninterrupted business operations helped the Company to better serve its stakeholders and the nation.



Economic Performance: Management Approach

Management approaches for the following material topics are covered in this section: Economic Performance, Indirect Economic Impacts, Market Presence, Compliance and Anti-competitive Behaviour. Other disclosures for these topics are presented in the GRI Content Index, and/or in the Company's Financial Statements 2020-21.

ICI Pakistan Limited's performance is guided by its vision, values and the brand promise of Cultivating Growth, which underpins everything that the Company does. ICI Pakistan Limited recognises that its operations and activities have an economic impact, at both the community and national levels, and is committed to sustainable growth and value creation for all stakeholders. Economic performance is thereby a key driver of the Company's aspirations, goals, strategy and operations, and is proactively managed accordingly by all relevant stakeholders across the organisational hierarchy. The Company continues to demonstrate its commitment to fulfilling its promise of value creation and sustainable growth. The overall responsibility of governing the organisation, along with driving its economic performance, lies with the Board of Directors. [For details on how the Board functions, please turn to page 72 of the Annual Report].

Integrity Management

Key Performance Indicators

Integrity Management		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21 Target
Code of Conduct confirmed incidents	number	0	3	5	4	1	0	**0**
Code of Conduct acceptance	% employees	100	100	100	100	100	100	**100**
Management audits including reassurance audits	number	6	0	6	6	6	6	**6**
Serious Incidents - Level 3	number	0	1	1	0	0	0	**0**
Serious Incidents - Level 1, 2	number	0	4	2	2	4	4	**0**
Serious loss of containment - Cat D	number	0	0	0	0	0	0	**0**
Regulatory action - Level 3	number	0	0	0	0	0	0	**0**

Overview 2020-21

The Code of Conduct is a significant part of employee induction at ICI Pakistan Limited. Upon joining the Company, all new hires are required to read, understand and sign a declaration of compliance to the Code of Conduct. The Company has an e-module for the Code of Conduct and Health, Safety, Environment and Security (HSE&S) training that is mandatory for all employees to go through and be well versed with.

The Company also has a whistleblowing policy, known as Speak Up, through which all employees can confidentially report any Code of Conduct violations. This programme ensures that all checks and balances are in place with regard to any other sort of violations of the Code. In 2020-21, no case was reported against Code of Conduct violations.

The frequent site audits and communication of Corporate HSE&S to all businesses ensures company-wide implementation and compliance with the ICI Pakistan Limited HSE&S Management System. A quarterly review of all businesses is conducted based on the assessment of hazards, and the recommendations from the previous review.

This year, 4 incidents of level 2 were reported. (For details, please refer to the Occupational Health and Safety KPI overview section of this report on page no 157.

Socio-Economic Compliance

ICI Pakistan Limited maintains a zero-tolerance policy towards corruption. ICI Pakistan Limited's business operations are subject to various domestic federal and provincial laws and regulations. It is a core principle of the Company, enshrined in its Code of Conduct that it will comply with all applicable laws.

Freedom of Association & Child Labour

ICI Pakistan Limited respects its employees rights to freedom of association. There were no cases in which freedom of association or the right-to-collective bargaining were endangered or breached during the year under review. ICI Pakistan Limited rejects any form of child labour, forced labour or slavery and strictly complies with local regulations concerning legal minimum age requirements for work permits.

Sourcing

The Company's supply chain network includes the respective supply chain managers of each business, along with their teams. ICI Pakistan Limited's supply chain network aims to enhance the effectiveness of procurement practices and material handling processes to deliver excellence in supply chain management. This is done by actively seeking out and applying best practices, and by capitalising on opportunities for synergy between businesses.

The Company believes in the cradle to grave approach, ensuring its products are compliant with the Company's HSE&S Management System at all stages of the life cycle. With respect to supplier evaluation and selection, the Company has stringent procedures in place to ensure that only high-quality raw materials are purchased through local and international suppliers.

Through the ICI Pakistan Limited Vendor Policy, the Company continues to engage new suppliers while ensuring that all suppliers are compliant with applicable laws, regulations and ICI Pakistan Limited's value system. The Vendor Policy covers compliance with human rights, labour and social standards, and anti-discrimination and anti-corruption policies in addition to protecting the environment. Continuous review of the Vendor Policy for Suppliers is conducted, including a full analysis of current standards and industry best practices to ensure that the Company's suppliers are held to the highest standards of sustainability, human rights, labour & social standards and environmental health and safety.

240
supportive supplier visits completed

Key Performance Indicators

Integrity Management		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21 Target
Vendor Policy signed by key suppliers	%	87	91.3	98	99	96	96	**96**
Vendor Policy signed by Central NPR Suppliers*	%	40	80.8	83.3	83	84	92	-
Supportive Supplier Visits	number	-	30	48	131	165	240	**146**

* Major public sector utility suppliers not included in this analysis.

Overview 2020-21

To achieve sustainable growth, ICI Pakistan Limited has a strong policy in place to build relationships with suppliers whose working practices meet the Company's HSE&S Management System requirements. The Company aims to do business with partners that endorse its ethical values as well as social and environmental standards.

ICI Pakistan Limited has a comprehensive supplier evaluation process described in its HSE&S Management Manual. All suppliers are screened against social, environmental and safety aspects before they are included in the approved supplier list based on the Corporate Guideline for Selection of Suppliers. The most critical suppliers are also evaluated based on the "CEFIC" protocol.

ICI Pakistan Limited's defined target is 96% compliance with its Vendor Policy and in 2020-21, the Company was able to achieve this target along with the integration of new suppliers to the Polyester business.

ICI Pakistan Limited has a programme to develop its critical suppliers as sustainable business partners. Through formal feedback and follow-up visits, the Company works together with suppliers to improve their overall sustainability.

As per its policies, the Company does not allow the employment of child or bonded labour and it does not engage with suppliers who cannot provide the same assurance. Regular HSE&S audits and site visits of suppliers are conducted to ensure that no malpractices are taking place. Relevant avenues for improvement are shared with suppliers as part of the audit process. Frequent pro-bono trainings on HSE&S best practices in warehousing, transportation and logistics are conducted by the Company so that none of its suppliers faces a loss-time injury or worse, a fatality.

During the current fiscal year, COVID-19 was a major challenge for the Company. In line with its value of Innovation, ICI Pakistan Limited worked virtually with more than 200 suppliers to build their HSE&S capacity.

The Company's efforts for the future entail continuing to bring all its direct suppliers, both product and non-product related, under the umbrella of ICI Pakistan Limited's sustainability efforts.

Spend Analysis

Through ICI Pakistan Limited's Polyester, Soda Ash, Pharmaceuticals, Animal Health and Chemicals & Agri Sciences businesses, the Company deals in a diversified product portfolio, including light and dense soda ash, refined sodium bicarbonate, polyester staple fibre, general & speciality chemicals, pharmaceuticals, nutraceuticals, animal health and agricultural products. ICI Pakistan Limited's supply chain operations are therefore complex, involving multiple suppliers across the country, as well as internationally.

The Company's partnerships with suppliers are based on mutual value-creation, as well as a reliable supply of raw materials, technical goods and services at competitive prices. The Company works with suppliers in an open and transparent manner to generate long-term benefits for both parties. In doing so, the Company creates value addition that goes above and beyond procurement alone.

ICI Pakistan Limited Spend Data

S. No	Business	Procurement spend(pkr million)				
		Local	Import	Total	Local	Import
1	Polyester	9,328	9,332	18,660	50 %	50 %
2	Soda Ash	2,829	5,942	8,771	32 %	68 %
3	Chemicals & Agri	1,685	5,424	7,109	24 %	76 %
4	Pharma	2,875	1,366	4,241	68 %	32 %
5	Animal Health	966	2,814	3,780	26 %	74 %
	Grand Total	17,683	24,878	42,561	40 %	60 %

Transportation

ICI Pakistan Limited is operating diverse businesses having varied transportation requirements for inbound and outbound materials. On one hand, there are specific requirements for the transportation of materials in bulk like Lime Stone, Salt, Coal, Met Coke, PTA, MEG, VAM, Polyol and finished goods and on other hand, there are specific requirements for the transportation of temperature-sensitive pharmaceutical raw materials and finished products.

To reduce carbon footprint, special efforts are made to transport materials through railways. This year, 70% of coal used at the Polyester plant and 58% of coal used at the Soda Ash plant has been transported through Pakistan Railways. A total quantity of 140,016 metric tons of materials, mainly coal, has been moved through Pakistan Railways. With a target to increase the movement of coal by 15%, the Company successfully achieved an increase by 54%. To move 140,016 metric tons of material through train, 89 train tracks were utilised. Alternatively, to move this material by road 2979 trailers (22 wheelers) would have been required.

Environmental Performance: Management Approach

Management approaches for the following material topics are covered in this section: Energy, Water, Emissions, Effluents and Waste. Other disclosures for these topics are presented in the GRI Content Index or referenced therein if occurring elsewhere in the Annual and Sustainability Report.

ICI Pakistan Limited recognises that its operations have a significant impact on the environment. Monitoring and evaluation of environmental performance come under the domain of the Health, Safety, Environment (HSE) function. The Company's enduring commitment to the highest standards of health and safety for its employees, customers and contractors, as well as protection of the environment, leads it to abide by a set of HSE&S beliefs and principles. In line with these principles, the Company strives to continually innovate and improve its HSE&S performance, which is the collective responsibility of every individual, from the Board of Directors, Executive Management Team to each employee. Accordingly, the Company strives to apply the most stringent HSE&S standards at the workplace.

ICI Pakistan Limited has in place an integrated HSE&S policy that governs all HSE&S-related matters, providing clear provisions for environmental performance management. The Corporate HSE department is responsible for overseeing HSE&S for the Company. Along with this, each business has its own HSE&S department, which handles more business-specific, localised environmental and other HSE&S-related matters. HSE is at the core of the Company's operations, and every employee or any person entering ICI Pakistan Limited premises is responsible for complying with HSE&S policies and procedures and is held accountable accordingly.

The Company's HSE&S Management System serves as a guideline for all ICI Pakistan Limited's operations, including existing projects and operations as well as new investments, and its scope extends to cover all businesses and locations of the Company.

The HSE&S Management System follows internationally recognised systems such as ISO 14001 Environmental Management Systems Standard; ISO 45001 Occupational Health and Safety Management Systems; and the Responsible Care Management System. Strict compliance with HSE&S standards is a requirement at both the corporate and individual levels. The calculation of KPIs shared in the report is based on the HSE&S Management System and the reported KPIs cover all businesses of ICI Pakistan Limited. The HSE&S policies are approved by the Board of Directors, the ultimate governing body of the Company. The currently applicable HSE&S policy was issued in December 2013 and was reviewed by the Sustainability Council in 2016-17.

The management of vital environmental performance parameters is carried out not only in line with regulatory compliance requirements such as NEQS, but also based on best global practices and the Company's belief in sustainable development and growth, consistent with its vision and brand promise. The environmental performance is monitored and reported regularly (internally on a quarterly basis, while externally on an annual basis), through the use of a state-of-the-art Environmental Performance Management (EPM) database, an application for the collation and analysis of the Company's HSE&S data, and the reduction of the Company's Operational Eco-Efficiency (OEE) footprint. The data collected via the EPM database is studied against relevant sustainability parameters and utilised in various ways, including the analysis of each business's sustainability performance and to set the goals and targets for future sustainability performance.

Project Green at the Soda Ash facility at Khewra.

The Company's multi-functional Sustainability Council is tasked with reviewing annual performance and setting voluntary targets for future performance. Targets are set for five years, with the current target for the financial year 2020-21 based on the actual performance achieved in 2015-16 and approved by Sustainability Council members. However, these targets may require subsequent review and revision in line with the Company's changing business scenarios.

For the grievance and reporting mechanisms, ICI Pakistan Limited has a guideline titled "Information Notes for Managers: HSE 003 Arrangements for Reporting Health Safety Environment and Safety performance to Corporate HSE." This is a reporting guideline for any HSE&S related issue, such as injury and illness reporting, motor vehicle and distribution incidents, occupational health performance reporting, environmental reporting, product stewardship reporting and community involvement reporting. It outlines the procedure for reporting HSE&S violations and is available for all internal stakeholders. The ownership of this mechanism lies with the Corporate HSE function and is intended for use by the HSE departments of individual businesses. The reporting guidelines were last updated in March 2018.

The Corporate Engineering Procedures (CEPs) based on the international standards are guidelines for all hazardous activities. The responsible engineers for each of the procedures ensure compliance to these guidelines for monitoring areas related to energy, emissions, water and waste. Based on technological changes globally, the responsible engineers review their area procedures and implement the changes. The Corporate HSE department, which is the custodian of these CEPs, organises trainings for the relevant executives and engineers after every two years to enhance their knowledge and competency. The Company remains focused on assessing the effectiveness of existing regulatory HSE&S frameworks and methods on an ongoing basis. This helps it to ensure that the systems are sufficiently robust to safeguard both the people and the environment.

Water is being used in ICI Pakistan Limited in various processes including cooling, heating and manufacturing. ICI Pakistan Limited has implemented a sustainable water management process to minimise its water consumption and ensure the safe discharge of treated wastewater according to NEQs and ISO14000 requirements. The Sustainability Council of ICI Pakistan Limited works with all businesses to identify water-related impacts and set challenging targets, spread over five years, to reduce its consumption and minimise stress on groundwater sources.

Product Stewardship

Product Stewardship is an environmental management strategy whereby designers, producers, sellers and users of a product take responsibility for minimising the product's environmental impact at all stages of the products' life cycle, including end of life management. Product Stewardship integrates all aspects of a product's health, safety and environmental management through its life-cycle, taking into account existing and emerging regulatory requirements, societal pressures and best business practices. An integral part of sustainability, Product Stewardship provides a valuable framework to improve product management.

ICI Pakistan Limited has been a strong advocate and proponent of Product Stewardship since the commencement of operations in the 1940s. ICI Pakistan Limited acts responsibly to minimise the human health and environmental impacts of its products throughout their complete life cycle.

Innovating to Solve

Reducing the Global Plastic Load

Based on its four-tier strategy, the Polyester business has always made a conscious effort to introduce sustainable alternatives for its customers by bringing innovations in the manufacturing process. The business holds a valuable market share of the total recycled polyester produced in the country and has been venturing into other areas to explore efficient recycling methods. In this regard, new products have been developed offering a higher percentage of recycled PET in Semi-dull and Black Polyester fibre. The products come with Global Recycling Standard (GRS) Certification.

The business team, after multiple iterations, has developed a successful formula that is sustainable and environmentally friendly. The product, despite having a recycled PET content, has virgin-like quality and performance. This is in line with the world's demand for sustainable products, which is growing at a much faster pace than ever before.

A total of 3,000,000 kg of recycled PET chips have been utilised in the current year which accounts for around 100 million plastic bottles and is equivalent to a CO_2 footprint reduction by approximately 500,000 kg.

ThinkHealth'21: Pakistan's leading digital scientific exchange

Amidst a global pandemic, where in-person interactions are limited to minimise the risk of COVID-19 exposure, it is necessary to discover new avenues to continuously engage and remain connected with healthcare professionals. Innovation and Customer Centricity are core values of ICI Pakistan Limted and as such the Pharmaceuticals business scaled up its Multichannel Customer Engagement and launched ThinkHealth'21; Pakistan's leading digital scientific exchange on healthcare.

ThinkHealth'21 was a digital talkathon comprising of relevant engaging academic content, participation by leading healthcare experts and an extraordinary customer experience through a state-of-the-art interactive virtual conference venue. With 17 multidisciplinary sessions spread over the month of March, 2021, the talkathon was able to attract an audience of 5000+ Healthcare professionals via web-to-web and web-to-face setups. 60+ speakers and expert panellists led the scientific discourse across the talkathon.

Collaborating with 22 renowned scientific societies and institutions across the country ThinkHealth'21 worked to enhance scientific advocacy and offered a total of 13+ credit hours to attendees through external accreditations. The initiative was a remarkable success and has set a new benchmark for digital engagement amongst healthcare professionals. The Pharmaceuticals business will carry on this momentum and continue to bridge gaps in the industry through its innovative and progressive approach.

Improving Crops

ICI Pakistan Limited believes in going the extra mile to support its customers to form long-term sustainable partnerships. The Company's Agri Sciences business partnered with Ricult Pakistan to provide a digital platform that uses satellite imagery to provide actionable insights to farmers. This service will enable farmers to take informed actions through weather forecasts, product recommendations and application manuals to improve crop yield. This technology helps the farmers throughout the crop cycle and provides them with useful data points to evaluate their crops and make pre-emptive decisions.

Deworming Campaign Across the Country

As ICI Pakistan Limited is committed to the success of its customers and addressing their concerns. The Livestock segment conducted a deworming campaign across the country for the control and treatment of parasites. The campaign was conducted in KPK, Sindh and Southern & Central Punjab. The initiative is a true reflection of ICI Pakistan Limited's commitment to benefitting the communities and people around which it operates.

Energy

Key Performance Indicators

Energy Usage		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21 Target
Total energy consumption	1000Tj	6.5	8.2	6.75	7.6	7.79	7.92	**7.4**
Per tonne production	GJ/te	13.86	17.09	12.88	13.66	15.65	13.03	**15.38**

Overview 2020-21

ICI Pakistan Limited is focused on reducing its energy consumption by electronically monitoring it through the EPM database. Any deviation in consumption is immediately noted and conveyed to the relevant business.

Keeping in view the energy crisis in the country, all businesses implemented projects to reduce energy consumption. In the year 2020-21, energy consumption per tonnes of production was 13% lower than the same period last year, due to steady plant operations, energy optimisation projects and enhanced production of eco-efficient products.

Energy Conservation

As the Soda Ash business accounts for almost 55% of the variable cost of manufacturing, the Soda Ash Energy Conservation Team continuously strives to ensure that the most optimum operating scenarios are run at all times. This continuous drive to conserve energy not only contributes to the business's bottom line but also supports ICI Pakistan Limited's sustainability agenda to reduce emissions. The Energy Conservation Team is ever vigilant in identifying potential areas of energy minimisation. As a result, the Soda Ash business has successfully delivered several projects during 2020-21, which have helped the business in reducing energy consumption by 3% versus budget, resulting in financial savings of PKR 160 million. This energy conservation is equivalent to 167 Tera Joules (TJ) of energy saved during the year and its impact on reduced carbon footprint equates to 15,000 tons of carbon dioxide.

Following are some salient projects, which have been successfully completed:

- Saving in steam consumption at Calciner 5 through reduction of moisture in crude sodium bicarbonate, achieved by the installation of a higher mesh sieve at rotary drum vacuum filter.
- Reduction in coal consumption at Coal Fired Boilers 1 & 2 through water tubes' repair and removal of additional refractory.
- Design and installation of coal crusher for Coal-Fired Boilers 1 & 2 to handle a 50:50 feed mix ratio of local and imported coal.
- Savings in steam consumption at deaerators through the complete recovery of Calciner 3 condensates.
- Design and installation of a duplex strainer at the suction of Screw Compressor # 10 to ensure sustainable operations and minimise downtime.

Energy consumption is a key contributor to sustainable operations and in this regard, the Polyester business took various initiatives to reduce its electricity consumption. Major initiatives of the year included:

- Replacement of an old nitrogen compressor with a high-efficiency model resulting in 17% of energy savings.
- Installation of VSDs (variable speed drives) on raw water pumps and air handling units resulting in a 30% reduction in energy consumption.
- Integration of the Polyester and Circulating Fluidised Bed compressed air headers to benefit from energy-efficient compressors. This modification helped reduce compressed air energy consumption by 9%.
- Installation of a high-efficiency air dryer, reducing air wastage from 15% to 2%.

Together, these projects led to a CO_2 footprint reduction of approximately 400 tonnes.

The Chemicals & Agri Sciences business embarked on and implemented various energy conservation projects which include:

- Electricity saving by optimising the use of the cooling tower fan, energy conservation through condensate recovery and via installation of a Variable Frequency Drive at the cooling tower pump motors.
- In the winter season, the environment temperature reduces and allowed the business to optimise the use of its cooling tower fan, due to which an average of 1200 KWH is saved every winter season.
- Condensate recovery is used in boiler feed water to reduce fresh intake of RO water. Recovery has improved from 75% to 80%, which will result in a 5% reduction in freshwater intake.
- A cooling tower pump motor has 30 KWH reach and installation of VFDs on cooling tower pump motors will allow savings of up to 40% of the total KWH being used.

The Animal Health silage plant has replaced a 120HP tractor engine with a newly modified engine. The tractor was used for operating the Gowel Baler to make 1 tonne of silage bales, resulting in a reduction to manufacturing cost by 40% and to fuel consumption by 58%. It has also decreased CO_2 emissions by 61%.

13%

reduction in energy consumption per tonne of production

Water

Key Performance Indicators

Water Usage		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21 Target
Total fresh water use	million m3	4.22	4.83	5.4	5.5	5.3	5.1	**4.35**
Per tonne production	kg/te	8.91	10.01	10.48	9.78	10.62	8.30	**8.9**
% of sites with sustainable fresh water	%	33	33	25	17*	66*	66	**100**

**Newly acquired Cirin and Hawke's Bay Plants*

Overview 2020-21

This year water consumption reduced by 21% per tonne of production, as compared to last year, mainly due to increased production volume of polyester staple fibre, eco-efficient silage production and consistent operation of the Soda Ash plant.

Cross-functional teams were formed to monitor water usage, as well as to identify and take immediate action against instances of water leakage or overuse at all locations of ICI Pakistan Limited. There were several water conservation projects done at various locations of the Company to significantly conserve water. A breakdown of these initiatives, at each business site, is as follows:

Conserving Every Drop!

Water is a critical natural resource owing to which water management has remained a key driver towards the Company's sustainability strategy and has been vital to business continuity. The Water Conservation Team of the Soda Ash business strives to ensure responsible management of freshwater as well as to use recycled wastewater in its business operations.

During the year, several initiatives/projects were executed which enabled the business to reduce water consumption over the last year by 11%. In terms of volume, this reduction is equal to 140 million gallons of water. Some of the key projects executed last year include:

1. 100% condensate recovery from expansion tank of Calciner 3 through uprating of its condensate. line and utilisation of condensate in boilers' deaerators.
2. Optimisation of reverse osmosis plant operation through modification in recycling regime.
3. 100% recycling of RO second stage water through automation of tank level.
4. Recycling of cooling towers blowdown for preparation of crude brine at salt dissolving basin.

Reuse of RO Water

At the Animal Health plant, during the processing of raw water at the RO plant, only purified raw water is used in the manufacturing process and the remaining is counted as wastewater. In an effort to reuse this wastewater, the engineering team installed new storage tanks and piping systems. This repurposing has resulted in a saving of 45% of the wastewater, further resulting in a reduced load on groundwater usage by 270,000 gallons annually. This water is used for horticulture, administrative cleaning and maintenance purposes.

Reuse of Treated Effluent Water

A by-product of the manufacturing processing, the effluent being generated at the plant, is sent to the Effluent Treatment Plant. After treatment and analysis of quality parameters, the treated water is reused for horticulture, administrative and caustic cleaning activities.

140 million
US gallon reduction of water consumption by Soda Ash business

45%
of waste water saved by Animal Health business

Emissions

Key Performance Indicators

Emissions Control	Units	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21 Target
Total COD emissions	metric te	15.99	20.04	26.9	29.72	24.73	28.73	**16**
Per tonne production	kg/te	0.03	0.04	0.05	0.05	0.05	0.05	**0.03**
Total VOC emissions	te	3.56	3.52	3.31	3.22	2.85	3.04	**3.2**
Per tonne production	kg/te	0.01	0.01	0.01	0.01	0.01	0.01	**0.01**
Total N0x emissions	te	1611	2387.27	2017	2527.4	2878	2612	**2150**
Per tonne production	kg/te	3.4	4.95	3.84	4.49	5.77	4.29	**4.4**
Total S0x emissions	te	3562.32	4251.98	3438	3454.29	3680	3768	**3827**
Per tonne production	kg/te	7.53	8.82	6.55	6.14	7.38	6.19	**7.91**
Total Direct CO_2 emissions (Scope 1)	metric te	620,000	890,000	650,000	800,000	845720	831381	**800,000**
Per tonne production	kg/te	1318.7	1854.07	1247	1424.41	1696	1366	**1670**
Total indirect C02 emissions (Scope 2)	te	1501.56	1275.63	1864	1938.22	2213	1823	**1123**
Per tonne production	kg/te	3.17	2.64	3.55	3.44	4.44	3.00	**2.4**

Overview 2020-21

In 2020-21, one of the top priority deliverables of the Sustainability Council was to monitor and control emissions-related KPIs to ensure that they remained within the National Quality Environment (NEQS) and global requirements. At ICI Pakistan Limited, emissions are controlled through a robust Electronic Management System (EMS).

NOx, SOx and CO_2 emissions of ICI Pakistan Limited remained within the NEQs and on the lower side per tonne of production compared to last year. This significantly increased production with efficient operations of plants and reduced emissions. Silage production of the Animal Health business has also contributed to a reduction in specific emissions.

At the Polyester business, a shift to natural gas and HFO coupled with the closure of the coal fired boiler has resulted in reduced emissions this year. Utilised at the plant for power and steam generation, HFO and natural gas are comparatively cleaner sources of fuel that produce lower emissions as compared to coal. As a responsible corporate citizen, ICI Pakistan Limited is focused on the reduction of operational eco-efficiency KPIs and to control these emission levels within NEQS. Accordingly, the Company is now using low- sulphur-content coal. Process conditions/combustion ratios were also optimised to reduce SOx and NOx emissions.

To reduce CO_2 emissions, energy audits were conducted across all sites and sources of inefficiencies and loss were removed.

The Company's manufacturing sites have taken the initiative to monitor insulation surface temperature. Weak insulation was replaced in areas where the temperature was higher than the standard.

The absolute value of indirect CO_2 emission was higher this year due to high production volumes and high usage of electricity across the businesses. Various energy saving projects were conducted by all businesses to reduce the carbon footprint resulting in a reduction of 15,500 tonnes of Carbon dioxide emission.

Tree Plantation Drive

Planting and maintaining trees serve as the earth's natural solution to many challenges faced by today's world.

In line with its commitment to sustainable operations, the Soda Ash business initiated a tree plantation drive under Project Green, over dried lime beds in 1992. The project is now spread over an area of 41 acres. Approximately 450,000 saplings have been planted since the inception of the project.

Furthering its legacy of Improving Lives and the environment, the Soda Ash business has planted 18,500 trees in the year 2020-21. As a reflection of its commitment to the communities that it operates in, the business extended the tree plantation drive across the Khewra community to include Rescue 1122 stations, government schools, colleges, hospitals and other public areas.

360 new trees were planted at Pharmaceuticals business at the Hawke's Bay Plant and the Hattar Plant, and 200 trees were planted at various other locations of ICI Pakistan Limited.

CO_2

15,500

tonnes of reduction in TOTAL CO_2 emissions

Effluents and Waste

Key Performance Indicators

Waste Management	Units	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21 Target
Total waste	kte	28.94	8.86	40.83	34.19	37.5	101.7	**8**
Per tonne production	kg/te	61.13	18.38	77.88	60.74	75.2	167	**16.4**
Total hazardous waste	kte	0.006	0	0.2	0.028	0.024	0.095	**0**
Per tonne production	kg/te	0.013	0	0.38	0.05	0.05	0.16	**0**
Total non-reusable waste	kte	4.03	4.11	0.2	0.028	0.047	0.285	**3.8**
Per tonne production	kg/te	8.76	8.53	0.38	0.05	0.094	0.46	**8**
Total non-reusable hazardous waste	kte	0.006	0	0.2	0.028	0.024	0.095	**0**
Per tonne production	kg/te	0.013	0	0.38	0.05	0.05	0.16	**0**
Total hazardous waste to landfill	kte	0	0	0	0	0	0	**0**
Per tonne production	kg/te	0	0	0	0	0	0	**0**

Overview 2020-21

Waste management has been one of the biggest challenges for the businesses. Teams have been nominated at all sites to control waste and its resulting environmental impact .
This year, an increase in waste figures has been noted primarily due to increased sales of Fly Ash, ongoing projects at the Soda Ash business and increased waste generation at the Polyester business after the turnaround of its manufacturing plant.

The Company is striving to reduce its wastage through the following initiatives:

Reduced use of Polyethylene shrink wraps: The Agri Science business has introduced QR code based security seal labels, replacing the practice of using Polyethylene shrink wraps to seal the packaging. In addition to the added security feature, introduction of these seals have helped to reduce business's consumption of Polyethylene in an effort to reduce waste.

Reduction in paper usage: The Agri Sciences business upgraded its SFE software allowing the business to conduct technical evaluations/trainings online. This has resulted in cost savings of PKR 1.1 million for the business, increased training participation and has eliminated the use of paper in the process.

Reuse of Waste and Scrap: The Pharmaceuticals business actively worked to reduce waste and recycle waste products through adoption of cost-effective solutions at its manufacturing sites. This is in line with the United Nations Sustainability Development Goals (SDGs) for responsible manufacturing and consumption practices.

Waste Reduction: The Pharmaceuticals Hattar plant utilised effluent treated plant's sludge as a fertiliser in the plant's horticultural spaces.

Solid Waste Recycle Project: The Pharmaceuticals business has received approval from the Board to write off and recycle over 270 tonnes of defective/not suitable for sale packaging material.

Guard Huts: During the year, scrap wooden pallets and drums were used for the fabrication of guardrooms.

Process Chiller for Blister Machines: The Pharmaceuticals business utilised discarded split AC parts to fabricate mini process chillers for blister machines.

Sustainable Packaging: The Soda Ash plant reduced the liner weight of its bags, the Pharmaceuticals business de-cartoned Lederplex and Mucain syrups and reduced the number of PLY in its corrugated cartons from 5 PLY to 3 PLY. Similarly, the Chemicals business uses refurbished drums that generate 68% less CO_2.

Social Performance: Management Approach

Management approaches for the following material topics are covered in this section: Occupational Health & Safety, Training & Education, Diversity & Equal Opportunity, Non-discrimination, Local Communities, Freedom of Association & Child labour. Other disclosures for these topics are presented in the GRI Content Index or referenced therein if occurring elsewhere in the Annual and Sustainability Report.

ICI Pakistan Limited is focused on ensuring that its impact on society is positive and geared towards its value of Cultivating Growth. Society in this context covers the Company's workforce and the local communities that it operates in.

As an employer of over 1,700 people across Pakistan, ICI Pakistan Limited has a significant impact on the livelihood, opportunities and growth prospects of the people that work for the Company. As such, the Company needs to monitor and share information on these aspects. Social performance at the Company is the joint responsibility of three stakeholders, each responsible for their specified area; HSE&S, Corporate Social Responsibility (CSR) and Human Resources. As a responsible and ethical company driven by values such as Passion for People and Integrity and Responsibility, ICI Pakistan Limited places high value on the health and well-being of its employees.

As a corporate entity that operates within the context of a wider community, ICI Pakistan Limited is aware of its effects on, and responsibilities to, the communities that are situated nearby or are otherwise affected by the Company's operations. These include people from local communities that are geographically close to the Company's major manufacturing sites.

Community investments and CSR programmes at the Company are managed primarily by the Corporate Communications and Public Affairs function, under the guidance and approval of the Board of Trustees of the ICI Pakistan Foundation. Additionally, the multifunctional CSR teams of each business or location also carry out and manage CSR projects.

All CSR initiatives undertaken by the Company, as well as all related major investments, are approved by the Board of Trustees and monitored regularly. CSR initiatives are planned out on an annual basis, with some projects having a limited duration, and others being long-term, ongoing projects. The Board of Trustees is empowered to approve commitments to support social investment initiatives; this approval is granted based on the criticality of need and a thorough assessment of each proposal, in accordance with the Board-approved CSR Policy. The Company makes an annual contribution of a percentage of its profit after tax for the year to the Foundation, with the approval of the Board of Directors of ICI Pakistan Limited.

Guided by the Company's CSR Policy, which was approved by the Board of Directors in January 2017, the Foundation's initiatives (under the umbrella of the Hamqadam Programme) focus primarily on the following broad areas: education, health, community, women empowerment and the environment. Through the Foundation, ICI Pakistan Limited also supports civic development by investing in community projects, disaster relief and rehabilitation activities as needed.

Emergency First Aid and CPR Training at the Pharmaceuticals' business Hawke's Bay Plant

Firefighting training at the Chemicals Warehouse, Sahiwal

For the Human Resources function, practices and policies are governed by the Company's Code of Conduct and applicable laws and regulations. Depending on the nature of the HR initiative, approval is given by either the Board of Directors or the Executive Management Team of the Company.

Goals and targets are annually reviewed at the organisation and business levels, through which medium and long-term objectives are identified. The HR team facilitates these goals moving to the individual level and they become part of the performance and development (P&DD) system. Training needs and individual development areas are also reviewed through the Company's annual performance appraisal tool - P&DD.

Overall, targets for each of these areas of operation are set by the heads of the respective business/function, in consultation and agreement with the Chief Executive, Executive Management Team or Board of Directors, as and where applicable. In addition to these stakeholders, specific governing bodies/management teams (such as the Sustainability Council) are also responsible for approving and setting targets in collaboration with other key stakeholders.

Clear grievance mechanisms exist in the Company to support ethical and fair social performance. The whistleblowing programme, Speak Up, is open to all employees and is a provision made for the confidential reporting of Code of Conduct violations. Detailed information on the Code of Conduct can be found in the Corporate Governance and Compliance section of the Annual Report (page 54). Other complaints or issues can be raised and discussed directly with line managers.

ICI Pakistan Limited has a robust policy enshrined in its Code of Conduct which prohibits child labour and any form of forced or compulsory labour.

The effectiveness of the Company's social performance is gauged in various ways. In the area of HSE&S, effectiveness is determined through the Learning Event database, management audits and the Environmental Protection Management (EPM) database. For Human Resources, effectiveness is gauged through the Company's performance appraisal system and employee engagement surveys. For corporate social responsibility, effectiveness is gauged on the successful disbursement of the annual approved budget for the ICI Pakistan Limited Foundation, as well as the KPIs of individual ongoing CSR initiatives.

ICI Pakistan Limited has implemented a detailed HSE&S management system based on Responsible Care Management System, ISO 14001 and 45001 to mitigate risks associated with people, products, and process safety.

ICI Pakistan Limited has implemented multiple layers of hazard and risk assessments. The hazard studies process identifies risks and control mechanisms starting from project conceptualisation. All employees are encouraged to report hazards through the Learning Event database, which are then used to improve HSE&S processes. All work-related incidents are immediately reported to corporate HSE&S and higher management and incident investigation is initiated by competent HSE professionals.

ICI Pakistan Limited ensures the occupational health of its employees through Health Assessment and Hygiene Assessments plans.

Employees are further involved in communication and behavioural safety sessions, daily safety talks and all essential HSE&S training to foster an organisational culture that promotes HSE&S.

All employees are covered through a robust medical policy. ICI Pakistan Limited promotes a healthy lifestyle through various campaigns under its well-being initiatives.

Occupational Health and Safety

Key Performance Indicators

		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21 Target
Total reportable injury rate	\million hours	0	0.44	0.1	0.1	0.47	0.44	**0**
Occupational illness rate	\million hours	0	0	0	0	0	0	**0**
Total illness absence rate	%	1.17	1.43	1.51	1.28	1.28	1.39	**1.15**
Fatalities	number	0	1	1	0	0	0	**0**
Total reportable injury rate independent contractors	\million hours	0	0.33	0.45	0.28	0	0	**0**
Lost time injury independent Contractors	number	0	0	2	1	0	0	**0**
% sites with BBS programme	%	100	100	100	100	100	100	**100**
Distribution incidents	number	0	1	2	1	0	0	**0**
Motor vehicle incident with injury	number	0	2	0	0	0	0	**0**

Overview 2020-21

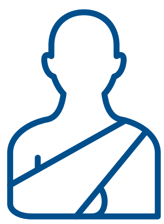
There were four reportable injuries during the year and total reportable injury rate remained at 0.44. The incidents of reportable injuries were investigated by a proficient committee and action plans were formulated and implemented against each finding to avoid recurrence.

Collectively, ICI Pakistan Limited recorded 35.2 million safe man-hours, with Soda Ash at 24.8 million; Chemicals & Agri Sciences at 4.04 million; Pharmaceuticals at 1.36 million; Animal Health at 2.91 million; Corporate Offices at 1.53 million and Polyester business at 0.53 million.

The Health Assessment Performance Index (HAPI) and Hygiene Performance Index (HYPI) Programmes were complied and practised in a true sense across the Company resulting in zero reportable occupational illnesses.

Furthermore, this year a detailed HSE&S management audit was conducted across all sites of ICI Pakistan Limited (excluding the Chemical's business) by trained safety professionals. The audit identified areas of improvement in each business to further the HSE&S agenda across all locations of ICI Pakistan Limited. The training of employees on vital HSE&S topics remains a key strategic item on the corporate agenda this year.

35.2 million
safe man-hours completed



Zero
reportable occupational illnesses

Training and Education

Key Performance Indicators

	Units	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21 Target
Average hours of training per employee (gender and grade)			Male: 38.1, Female: 30.5 G30: 28.9; G31: 36.8; G32: 29.8; G33: 46.9; G34: 44; G35: 39.6; G36: 57.6; G37: 57.3; G38: 26.3; Trainee: 40.9; WL-4: 19.6	Male: 14, Female: 28 G30: 15; G31: 37; G32: 5.46 ; G33: 18.08; G34: 23.11; G35: 38.13; G36: 41.48; G37: 24.4; G38: 7.75; Trainee: 36.09; WL-4: 3.3	Male: 86.7, Female: 13.2 G30: 6.34; G31: 4.52; G32: 9.06; G33: 18.23; G34: 20.09; G35: 32.31; G36: 27.35; G37: 60.62; G38: 16.00; G39: 50.00 G40: 37.00 Trainee: 41.47; WL-4: 42.00	Male: 6.8, Female: 8.4, G30: 2.04 , G31: 5.1, G32: 2.9,G33: 6.18 G34: 7.12 G35: 18.5; G36: 25.8; G37: 44.1; G38: 46.5; G39: 30.8 G40: 24 Trainee:6.2; WL-4: 40	Male: 4.6, Female:3.3, G30: 3.1; G31: 3.7; G32: 4.36; G33: 4.46; G34: 4.6; G35: 5.15; G36:5.7; G37: 4.9; G38: 5.5; G39: 7.2; G40: 6.3 Trainee: 3.03;	**43.5**
On-line P&D Discussion participation	%	98	98.5	98.5	85	98	100	**100%**
Management Development Programme	No. of Managers	572	743	643	238	439	86	**90%***
Employee engagement index	%	58	68	82	NR	NR	78	**75**

**Percentage of total managers*

Overview 2020-21

Employee Training and Development is of paramount importance for ICI Pakistan Limited, building on the Company's value of Passion for People. In the year 2020-21, on account of COVID-19, a majority of the learning interventions were conducted virtually. Furthermore, the organisation went through an HR transformation allowing for a centralised organisation and execution of learning interventions.

Launched in 2019, the ICI Pakistan Limited Learning Academy platform, continually works toward building employee capability. The programs being offered under the umbrella of the Learning Academy are primarily from the following streams:

- Finance
- Leadership
- Personal Effectiveness
- Commercial
- Technical
- Organisational Development
- Employee, Health & Safety

The Core Development Programme (CDP) for engineers acts as a building block for future competence. The programme aims to position engineers as an integral part of ICI Pakistan Limited, by enhancing their knowledge and skills in HSE&S and technical functions through a series of training courses. To continue building onto the technical skills, the content was updated in eighteen areas and learning interventions were lined up.

To further embed the Leadership framework, "Enable to Achieve", the team added two more phases to the existing three-phase Leadership Growth Journey (building trust and resilience and developing teams to create impact). During the year 2020-21, owing to reduced participation resulting from COVID-19, the sessions came to a halt. The Company has plans to resume the sessions across all businesses in the coming year.

Additionally, the following interventions were introduced:

- INSEAD "Leadership in Crisis": An online programme organised for higher management. The course aims to identify the Company's key stakeholders, the challenges faced by organisations during a crisis and offers a guide to designing an effective crisis action plan.
- Harvard Manage Mentor: An online comprehensive resource portal catering to the challenges faced by the executive management team.
- E-Library: E-books curated for employees to explore and enhance their knowledge on a wide variety of subjects.
- Pause for Thought: In partnership with various acclaimed trainers, bite-size learnings are shared with all employees once a week through the 'Learning Lounge' platform. Curated content on a new area of learning is featured each month.

ICI Pakistan Limited has set up a performance evaluation and development system for appraisal and employee development aiming to sustain the performance and growth of both the Company and its people. Categorised into three phases: Objective setting, Mid-Year review and Year-End review, the system is accessed via an online application. The system continues to be an essential tool in providing constructive and regular feedback to employees at all levels, allowing employees and their managers to assess performance against set targets and objectives. The participation rate increased to 100% for the P&DD discussion this year.

The employee engagement index increased from 7.2 to 7.8 this year. This reflects that the Company's workforce is more engaged and satisfied with their work and the environment they operate in.

78%
employee engagement index

Diversity and Equal Opportunity

Key Performance Indicators

Diversity and Equal Opportunity	2018-19	2019-20	2020-21
Percentage of governance body by gender	Male 6, Female 2(75%M,25%F)	Male 6, Female 2 (75%M,25%F)	Male 8, Female 6 (57%M,43%F)
Percentage of employees by gender	Management – Male 1351, Female 88 Trainees – 29 Male, 25 Females 93.88 M 6.12 F	Management – Male 1520, Female 92 Trainees - Male 27, Females 13 M 93.6%, F 6.3%	Management – Male 1597, Female 107 Trainees - Male 11, Females 4 M 94%, F 6%
Percentage of governance body by age	30-50:62.5% (5) Above 50 37.5% (3)	Between 30 - 50 - 38% (3) Above 50 - 63% (5)	Less than 30 - 14% (2) Between: 30-50 - 86% (12)
Percentage of employees by age	Under 30: 426 (29.60%). 30-50: 850 (59.07%) , Above 50: 163 (11.33%)	Less than 30 - 483 (29.2%) Between 30 & 50 - 1025 (62.0%) Above 50 - 144 (8.7%)	Less than 30 - 474 (28%) Between: 30 & 50 - 1077 (63%) Above 50 - 153 (9%)

**As of June 30, 2021*

Overview 2020-21

ICI Pakistan Limited is committed to creating a workplace where all employees have a chance to develop skills and talent consistent with the Company's values, based on merit and suitability. The Company's Code of Conduct and core values of Passion for People and Integrity and Responsibility inculcate these principles and are followed by everyone associated with ICI Pakistan Limited.

In order to increase diversity and inclusion, ICI Pakistan Limited has formed a Diversity and Inclusion (D&I) Council. The Council has representatives from each business who endeavour to meet every quarter to monitor the progress and work towards introducing initiatives to attract and retain diverse employees. The D&I council annually sets diversity targets for each business to accomplish, which are cascaded to executives, managers, and employees performance plans.

Gender diversity as well as gender sensitisation within the workforce is imperative to the Company's diversity agenda. Today, the Company has 22% female representation in its Executive Management Team (EMT), the body responsible for the management of the organisational affairs on an ongoing basis. With plans to further improve female representation in its overall workforce, the gender diversity ratio was maintained at 6% from the year before.

Diversity and Inclusion Highlights

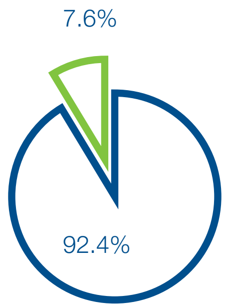
- Under iMPACT, the Company continued its female scholarship programme. The iMPACT Scholarship Programme aims to provide scholarship opportunities to females with financial limitations to pursue their undergraduate degrees at prestigious universities in Pakistan.
- The Women Development Programme currently provides internship opportunities to female students from diverse backgrounds. The aim of the programme is to provide high calibre students with an opportunity to gain direct exposure to a wide range of learning, networking and corporate exposure opportunities.
- An internal job posting mechanism was implemented to inform all employees about job opportunities across all businesses.
- Social media has been effectively utilised to communicate the Company's D&I agenda to attract a diverse talent pool.
- Diversity & Inclusion Awareness and Unconscious Bias training were conducted to create awareness about the D&I agenda.
- The Company holds organisation-wide D&I days geared towards diversity awareness, workforce education and workplace inclusion. The aim of such initiatives is to promote cultural tolerance and diversity.
- An online dashboard was set up to monitor and gauge gender diversity progress in each business.

Anti-competitive behaviour

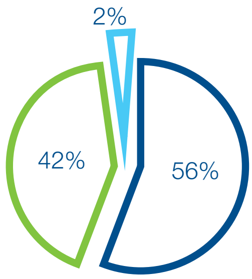
There are no legal actions initiated or pending against the Company during the reporting period before the Competition Commission of Pakistan.

All personnel at ICI Pakistan Limited are expected to conduct Company business in compliance with applicable competition laws. As such, compliance with competition laws falls within the framework of the Company's Code of Conduct, where it is dealt with in a detailed section. The Code is accessible to and read by every employee of the Company.

Total number and rate of new employee hires during the reporting period, by gender and age group:

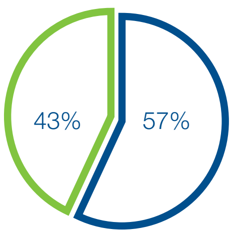


Male: 389
Female: 32



Under 30: 236
30 to 50: 176
Above 50: 9

Percentage of governance body by gender

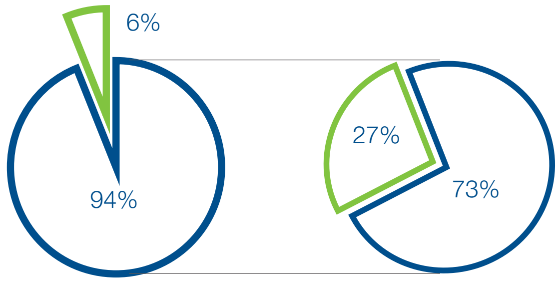


Male: 8
Female:6

Percentage of employees by gender

Management

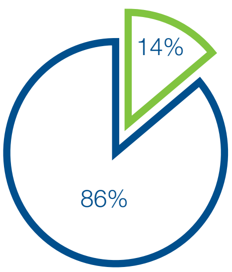
Trainee



Male: 1597
Female: 107

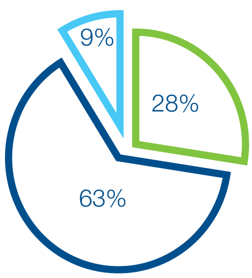
Male: 11
Female: 4

Percentage of governance body by age



Between: 30-50 - 12
Less than: 30 - 2

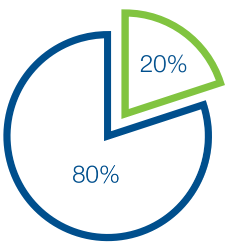
Percentage of employees by age



Less than 30 - 474
Between: 30 & 50 - 1077
Above: 50 - 153

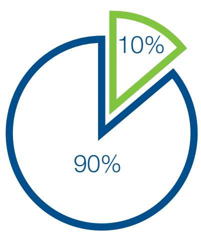
Total number and rate of employee turnover during the reporting period, by age group and gender.

Attrition Rate 20%



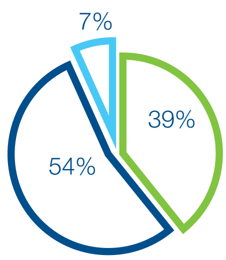
Leaving: 342
HC June 2021: 1704

Percentage of leavers by gender



Female: 33
Male: 309

Percentage of leavers by age group



Under 30 - 134
30 & 50 - 185
Above 50 - 23

Non-Discrimination

Key Performance Indicators

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21 Target
Total number of Incidents of discrimination	NR	NR	NR	0	0	0	**0**

Overview 2020-21

Non-Discrimination is an integral part of ICI Pakistan Limited's Code of Conduct and Values. The Code explicitly states that the suitability of candidates for job opportunities depends solely on objective and non-discriminatory criteria.

ICI Pakistan Limited also has a whistleblowing policy in place known as Speak Up, which is open to all employees for confidential reporting of any Code of Conduct violations. This policy ensures that all checks and balances are in place with regards to, not only the discriminatory practices but also any other sort of violations of the Code. In the year 2020-21, there were no reported incidents of discrimination at the Company.

The Company aims to maintain this status quo, and strengthen its ongoing focus on ethical and responsible behaviour.

No case

of Discrimination reported in 2020-21

ICI PAKISTAN FOUNDATION

Local Communities

Key Performance Indicators

Community Investment		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21 Target
Community programme investment	PKR Million	20	20	30	30	30	30	30

In line with its mission of Improving Lives, ICI Pakistan Limited is involved in numerous Corporate Social Responsibility (CSR) projects and initiatives that aim to support and invest in the local communities around it. In doing so, the Company is doing its part to create and shape a more sustainable future for generations to come.

Through its Hamqadam Programme, the Company focuses on community investment activities in five main areas namely education, health, community, women empowerment and the environment. With these activities, ICI Pakistan Limited has embraced its corporate citizenship and supported civic development through investment in community projects, disaster relief and rehabilitation activities. (For more details refer to page 84-86).

With the COVID-19 pandemic having a significant adverse impact on communities in general, ICI Pakistan Limited played its part in alleviating the hardships faced by the healthcare industry by donating PPEs to non-profit organisations and district hospitals in Sindh and Punjab to assist frontline workers in the fight against COVID-19.

PKR 140 million
committed to community investments over the last five years

20 projects
were funded under the community investment programme in 2020-21

250,000+
community members have been benefitted directly and indirectly from the Company's community programmes so far

Testimonials from CSR Partners

Montessori Teachers Training Course-Kakapir

Besides conducting regular teachers training sessions for the faculty at the Govt. Boys and Girls Primary School, Kakapir Village, in August 2019, ICI Pakistan Limited initiated a six-month Montessori Teachers Training course in collaboration with Global Education Consultants. School faculty and teachers of surrounding schools were invited to participate. In February 2021 the second round of this course was successfully initiated with a total of 48 participants currently enrolled and an attendance rate of 94%.

I am doing BS in Education from Federal Urdu University of Arts, Science & Technology. This Diploma course is very practical and easy to understand. It is helping me understand children better, be an understanding teacher and look after children's needs. I am teaching class prep at the Bavaria Model School. I am using the method of teaching that I have learned from this course. I have gained a significant amount of knowledge related to child development connected with Maria Montessori's educational approach.

I would like to thank ICI Pakistan Limited and Ms. Humaira and Husna for their remarkable commitment to the Montessori method of teaching. They instruct with care, dedication and precision. This course provided me with an enriched experience that I will always carry with me throughout my teaching career.

Shazia Hammed
Teacher

Al-Wasila Trust

Al-Wasila Trust operates projects in the field of microfinance, healthcare, community service, and disaster relief management. ICI Pakistan Limited contributed to the cause of Al-Wasila Trust by donating all administrative waste generated at the Company's Head Office. A total of 12,420 Kgs of paper, plastic and metal waste have been donated to the Al-Wasila Trust; funds generated from the recycling of this waste has helped treat 3,577 OPD patients in Karachi and other healthcare initiatives.

We would like to thank ICI Pakistan Limited for providing waste that is recycled as funds generated through this supports our clinics, and contribute to the betterment of our society. We are glad that your company realises the importance of a healthy and clean environment. Safai Wala Programme is dedicated to providing high-quality services and working for our society and continue to render services that are beneficial for the environment. We hope that we will continue working together for a better Pakistan.

Asim Ismail
Founder and CEO

ChildLife Foundation (CLF)

ChildLife Foundation, a non-profit institution, operates and manages the Peadiatric Emergency wards in both Civil and Jinnah Hospitals, Karachi. In 2016, ICI Pakistan Limited made a three-year pledge and contributed to the establishment of three additional pediatric emergency facilities to the CLF network. In 2019, ICI Pakistan Limited signed a Memorandum of Understanding (MoU) with the CLF through which it is partially sponsoring the Fast Track OPD (FTO) Block in the Sindh Government Lyari General & Teaching Hospital Karachi's new Children's Emergency.

ChildLife Foundation is grateful to the ICI Pakistan Foundation for their contribution over the past few years. Their support towards the Fast-Track OPD at our Emergency Room in Lyari General Hospital served in saving thousands of children in the community. Children are our future, and we believe through this partnership we can safeguard the future of Pakistan. Thank you once again for your support with hopes to continue making Pakistan safe for children in the future as well.

Tabish Shahzad
General Manager Communications

Ra'ana Liaquat Craftsmen's Colony (RLCC)

RLCC is a non-profit organisation committed to the aim of empowering women through improved health, education and economic independence. ICI Pakistan Limited's partnership with RLCC was initiated with the project of constructing sheds using recycled material. On World Environment Day, Agri Sciences business donated seeds for plantation to RLCC and on Global Recycling Day, an exclusive handicrafts exhibition was held at the Head Office, Karachi, to highlight the work of RLCC's talented craftsmen. Further, the Chemicals business also donates Calabond glue for use in the workers' craft to RLCC.

RLCC is eternally grateful to ICI Pakistan Limited and its wonderful team for donating and installing shade and insulation at various locations for our project. Our clinic patients, school children, and artisans are now protected from the harsh sunlight and rain as they wait for their turn, play on the school grounds, and enjoy lunch in our cafe during the summertime. This is just one of many integral projects and donations that ICI Pakistan Limited has so graciously supported us with, in this past year. We are honoured to be in partnership with ICI Pakistan Limited for their CSR initiatives and look forward to continued collaboration for several other projects in the pipeline.

Somayeh Bardai
Project Lead- Livelihoods Program

Pehchan Volunteer Programme

ICI Pakistan Limited launched its Pehchan Volunteer Programme in June 2018, which is directed by the Company's CSR Policy as well as its core values of Passion for People, Integrity and Responsibility and Delivering Enduring Value. The Pehchan Volunteer Programme aims to promote and engage its employees to take part in community-based CSR initiatives, in line with its culture, values and brand promise of Cultivating Growth. Employee participation in the Programme is supported and encouraged by the Company, with employees being able to devote up to two working days (16 working hours) annually on Company's time to take part in the Programme's volunteer activities.

In 2020-21, employees overwhelmingly participated in the Pehchan Volunteer activities, with over 155 employees spending more than 2,455 hours in over 18 activities.

Volunteering for Impact

Pehchan volunteers actively took part in the following initiatives during 2020-21:

- Organised a fundraising auction to help those affected by the urban flooding in Karachi;
- Organised a clothing collection drive for the Oosman and Rahima Bai Foundation to distribute clothes amongst those affected by the urban flooding in Karachi.
- Participated in multiple blood donation drives in partnership with the Fatimid Foundation to help individuals in desperate need of aid;
- Organised a beach clean-up activity at Sandspit beach;
- Donated recycled materials to the Ra'na Liaquat Craftsmen's Colony;
- Conducted awareness sessions for rural women and children on the safe and responsible disposal of packaging for agrochemicals products;
- Participated in multiple tree plantation drives across business locations nationwide, successfully planting over 7,000 saplings;
- Provided shelter to the community from the scorching heat by using recycled material to construct a bus stand at NORIN and sheds at the Ra'ana Liaquat Craftsmen's Colony (RLCC) and the Kakapir Dispensary.

Shed Construction at RLCC

Awareness Session for Rural Women

Fund Raising Auction

Blood Donation Drive

Tree Plantation Drive

ICI Pakistan Limited

VOLUNTEER PROGRAMME

GRI Content Index

Full Compliance:

Partial Compliance:

GRI STANDARD CORE DISCLOSURES

Disclosures		Response	Compliance
General Disclosures			
GRI 102: General Disclosures 2016			
Organizational Profile			
102-1	**Name of the organisation**	**Section:** ICI Pakistan Limited at a Glance– Page 6	
102-2	**Activities, brands, products and services**	**Section:** ICI Pakistan Limited at a Glance - Page 6-7 **Section:** Soda Ash Business - Page 106-109 **Section:** Pharmaceuticals - Page 116-119 **Section:** Animal Health – Page 120-123 **Section:** Chemicals & Agri Sciences – Page 124-129 **Section:** Polyester - Page 110-115	
102-3	**Location of headquarters**	**Section:** ICI Pakistan Limited at a Glance- Page 8	
102-4	**Location of operations**	**Section:** ICI Pakistan Limited at a Glance - Page 8	
102-5	**Ownership and legal form**	**Section:** : ICI Pakistan Limited at a Glance - Page 6-9 **Section:** Corporate Governance and Compliance - Page 56-63, F66-F67	
102-6	**Markets served**	**Section:** ICI Pakistan Limited at a Glance - Page 6-8	
102-7	**Scale of the organisation**	**Section:** ICI Pakistan Limited at a Glance - Page 6-9 **Section:** Report of the Directors for the Year Ended – Page 88-90 **Section:** ICI Pakistan Limited Unconsolidated Financial Statement - Page F06-F09	

102-8	**Information on employees and other workers**	**Section:** Diversity and Equal Opportunity - Page 160 **Response:** Permanent - 1593 (Male 1509, Female 84) (Temporary Staff - 111 (96 contractual and 15 Trainees) 79% Male, 21% Female. Trainees (15) are employees on temporary employment contracts. Employees perform significant portion of ICI Pakistan Limited's activities. Data was compiled by the Corporate HR Department as per actual and no assumptions are made. The employees are distributed in Punjab (60%), Sindh (30%), KPK (5.5%), Islamabad (2.7%), Balochistan (1%) and AJK (0.3%).	
102-9	**Supply chain**	**Section**: Sourcing - Page 145	
102-10	**Significant changes to the organisation and its supply chain**	**Section**: Sourcing - Page 145-146 **Section:** A Rich Legacy of Corporate Leadership– Page 5	
102-11	**Precautionary principle or approach**	**Section:** Corporate Governance and Compliance: Code of Conduct - Page 19, 57-63	
102-12	**External initiatives**	**Response:** GRI Standards adopted for the 2019-20 Sustainability Report and United Nation Sustainable Development Goals.	
102-13	**Membership of associations**	**Response:** Chamber of Commerce, EPA – All Provinces, Competition Commission of Pakistan, National Board of Boilers and Pressure Vessels, National Environmental Quality Standards, Pakistan Business Council (PBC), Pakistan Institute of Corporate Governance, MAP, OICCI	
Strategy			
102-14	**Statement from senior decision-maker**	**Section:** Message from CE - Page 22, 134	
Ethics and integrity			
102-16	**Values, principles, standards and norms of behaviour**	**Section:** Vision, Mission and Values - Page 14 **Section:** Code of Conduct - Page 18 **Section:** Sustainability Strategy – Page 128	
Governance			
102-18	**Governance structure**	**Section:** Board and Management Committees - Page 72 **Section:** Company Information - Page 73 **Section:** ICI Pakistan Limited at a Glance – Page 9 **Section:** Sustainability Strategy & Sustainability Council - Page 128-129	

Stakeholder Engagement

102-40	**List of stakeholder groups**	**Section**: Stakeholder Engagement - Page 138	[redacted]
102-41	**Collective bargaining agreements**	**Response**: Response: 472 employees (28%) covered by collective bargaining agreements of employees. Total number of employees: management 1591; Contractual 97; trainees 5	[redacted]
102-42	**Identifying and selecting stakeholders**	**Section:** Stakeholder Engagement - Page 136-137	[redacted]
102-43	**Approach to stakeholder engagement**	**Section**: Stakeholder Engagement - Page 138	[redacted]
102-44	**Key topics and concerns raised**	**Section:** Stakeholder Engagement - Page 138	[redacted]

Reporting Practice

102-45	**Entities included in the consolidated financial statements**	**Response:** ICI Pakistan Limited at a Glance – Page 9 **Section**: About the Report - Page 133	[redacted]
102-46	**Defining report content and topic Boundaries**	**Section**: About the Report - Page 133 **Section:** Materiality Assessment - Page 134-135	[redacted]
102-47	**List of material topics**	**Section:** Materiality Assessment - Page 134-135	[redacted]
102-48	**Restatements of information**	**Response:** Not Applicable - no restatements of information given	[redacted]
102-49	**Changes in reporting**	**Section:** About the Report - Page 133	[redacted]
102-50	**Reporting period**	**Section:** About the Report - Page 133	[redacted]
102-51	**Date of most recent report**	**Response:** August 2020	[redacted]
102-52	**Reporting cycle**	**Section:** About the Report - Page 133	[redacted]
102-53	**Contact point for questions regarding the report**	**Section:** About the Report - Page 133	[redacted]
102-54	**Claims of reporting in accordance with the GRI Standards**	**Section:** About the Report - Page 133	[redacted]
102-55	**GRI Content Index**	**Section:** GRI Index – Page 168-179	[redacted]
102-56	**External Assurance**	**Section:** About the report – Page 133 **Section:** External Assurance – Page 182-183	[redacted]

Material Topics

Category: Economic

ECONOMIC PERFORMANCE			
GRI 103: Management Approach 2016			
103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	
103-2	**The management approach and its components**	**Section:** Economic Performance Management Approach - Page -143, 54	
103-3	**Evaluation of management approach**	**Section:** Economic Performance Management Approach - Page 143 **Section:** Corporate Governance and Compliance 55-56, 62-63	
GRI 201: Economic Performance 2016			
201-1	**Direct economic value generated and distributed**	See ICI Pakistan Limited Financial Statements Page F08-F09	
MARKET PRESENCE			
GRI 103: Management Approach 2016			
103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	
103-2	**The management approach and its components**	**Section:** Economic Performance Management Approach - Page 143 **Section:** Corporate Governance and Compliance 54	
103-3	**Evaluation of management approach**	**Section:** Economic Performance Management Approach - Page 143 **Section:** Corporate Governance and Compliance 55-56. 62-63	
GRI 202: Market Presence 2016			
202-1	**Ratios of standard entry level wage by gender compared to local minimum wage**	**Response:** ICI Pakistan Limited adheres to all local and federal laws with regards to minimum wage and the ratio of entry level wage by gender is above than the minimum wages at all location of operations.	
202-2	**Proportion of senior management hired from the local community**	**Response:** Karachi: 100%, Lahore: Nil, Sheikhupura: Nil, Khewra: Nil Senior Management – G37 plus excluding EMT; Local: Residence and belonging to the significant location identified	

INDIRECT ECONOMIC IMPACTS

GRI 103: Management Approach 2016

103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	
103-2	**The management approach and its components**	**Section:** Economic Performance Management Approach - Page 153 **Section:** Corporate Governance and Compliance 54	
103-3	**Evaluation of management approach**	**Section:** Economic Performance Management Approach - Page 143 **Section:** Corporate Governance and Compliance 55-56, 62-63	

GRI 203: Indirect Economic Impacts 2016

203-1	**Infrastructure investments and services supported**	**Section:** Local community - Page 163-167	

ANTI-COMPETITIVE BEHAVIOR

103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	
103-2	**The management approach and its components**	**Section:** Economic Performance Management Approach - Page 143 **Section:** Corporate Governance and Compliance 56-57	
103-3	**Evaluation of management approach**	**Section:** Economic Performance Management Approach - Page 143 **Section:** Corporate Governance and Compliance 55-57, 62-63	

GRI 206: Anti-competitive Behavior

206-1	**Legal actions for anti-competitive behavior, anti-trust, and monopoly practices**	**Section:** Diversity and Equal Opportunity 161	

Compliance

103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	
103-2	**The management approach and its components**	**Section:** Economic Performance Management Approach Page -143, **Section:** Corporate Governance and Compliance 56-63	
103-3	**Evaluation of management approach**	**Section:** Economic Performance Management Approach Page -143 **Section:** Corporate Governance and Compliance 56-63	

GRI 419: Socioeconomic Compliance

419-1	**Non-compliance with laws and regulations in the social and economic area**	**Section:** Integrity Management – 144	

Category: Environmental		
ENERGY		
GRI 103: Management Approach 2016		
103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135
103-2	**The management approach and its components**	**Section:** Environmental Performance Management Approach - Page 147-148
103-3	**Evaluation of management approach**	**Section:** Environmental Performance Management Approach - Page 147-148
GRI 302: Energy 2016		
302-1	**Energy Consumption within the organization**	**Section:** Energy - Page 150 **Response:** Standard calorific values of fuels are used for conversion
302-3	**Energy intensity**	**Section:** Energy - Page 150
302-4	**Reduction of energy consumption**	**Section:** Energy - Page 151
WATER		
GRI 103: Management Approach 2016		
103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135
103-2	**The management approach and its components**	**Section:** Environmental Performance Management Approach - Page 147-148
103-3	**Evaluation of management approach**	**Section:** Environmental Performance Management Approach - Page 147-148
GRI 303: Water and Effluents 2018		
303-1	**Interactions with water as a shared resource**	**Section:** Environmental Performance Management Approach - Page 147-148
303-2	**Management of water discharge-related impacts**	**Section:** Environmental Performance Management Approach - Page 147-148
303-4	**Water discharge**	**Section:** Water - Page 152
303-5	**Water consumption**	**Section:** Water - Page 152
EMISSIONS		
GRI 103: Management Approach 2016		
103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135
103-2	**The management approach and its components**	**Section:** Environmental Performance Management Approach - Page 147-148
103-3	**Evaluation of management approach**	**Section:** Environmental Performance Management Approach - Page 147-148

GRI 305: Emissions 2016			
305-1	**Direct (Scope 1) GHG emissions**	**Section:** Emissions - Page 153 **Response:** ICI Pakistan Limited reporting is compliant with National Environmental Quality Standards (NEQs) Factors used in the calculation of emissions are based on the current International Energy Agency	
305-2	**Energy indirect (Scope 2) GHG emissions**	**Section:** Emissions - Page 153	
305-4	**GHG emissions intensity**	**Section:** Emissions - Page 153	
305-5	**Reduction of GHG emissions**	**Section:** Emissions – Page 153	
305-6	**Emissions of ozone-depleting substance (ODS)**	**Section:** No chemical classified as an ODS is listed in the Chemical Substance Inventory of ICI Pakistan Limited	
305-7	**Nitrogen oxides (NOx), sulfur oxides (Sox), and other significant air emissions**	**Section:** Emissions - Page 153	
EFFLUENTS AND WASTE			
GRI 103: Management Approach 2016			
103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	
103-2	**The management approach and its components**	**Section:** Environmental Performance Management Approach - Page 147-148	
103-3	**Evaluation of management approach**	**Section:** Environmental Performance Management Approach - Page 147-148	
GRI 306: Effluents and Waste 2016			
306-2	**Waste by type and disposal method**	**Section:** Effluents and Waste - Page 154	
Category: Social			
EMPLOYMENT AND LABOUR RELATIONS			
GRI 103: Management Approach 2016			
103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	
103-2	**The management approach and its components**	**Section:** Social Performance Management Approach- Page 155-156	
103-3	**Evaluation of management approach**	**Section:** Social Performance Management Approach- Page 155-156	

GRI 401: Employment 2016

401-1	**New employee hires and employee turnover**	**Section:** Diversity and Equal Opportunity – Page 161	
401-2	**Benefits provided to full-time employees that are not provided to temporary or part-time employees**	**Section:** Life Insurance, Health Care, Disability Coverage, Parental Leave, Retirement Provision Significant locations of operation are all ICI Pakistan manufacturing sites, offices and warehouses.	

GRI 402: LABOR/MANAGEMENT RELATIONS 2016

402-1	**Minimum notice periods regarding operational change**	**Section:** 4 weeks Also mentioned in collective agreements	

OCCUPATIONAL HEALTH AND SAFETY

GRI 103: Management Approach 2016

103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	
103-2	**The management approach and its components**	**Section:** Social Performance Management Approach- Page 155-156	
103-3	**Evaluation of management approach**	**Section:** Social Performance Management Approach- Page 155-156	

GRI 403: Occupational Health and Safety 2018

403-1	**Occupational health and safety management system**	**Section:** Social Performance Management Approach- Page 155-156	
403-2	**Hazard identification, risk assessment, and incident investigation**	**Section:** Social Performance Management Approach- Page 155-156	
403-3	**Occupational health services**	**Section:** Social Performance Management Approach- Page 155-156	
403-4	**Worker participation, consultation, and communication on occupational health and safety**	**Response**: Our manufacturing sites have different systems in place to promote such programs. Monthly joint management and worker safety meetings are one such process, steered by line managers and occasionally section head of all functional departments. The agenda is set by the HSE&S department and feedback is recorded. These meetings ensure 100% participation by the workforce	
403-5	**Worker training on occupational health and safety**	**Section:** Social Performance Management Approach- Page 155-156	

403-6	**Promotion of worker health**	**Section:** Social Performance Management Approach- Page 155-156	
403-7	**Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**	**Response:** Workers involved in occupational activities that have a high risk of specific diseases are trained on, and well-versed in, the appropriate health and safety protocols, provided appropriate equipment, and regularly monitored. For example, laboratory employees are provided with protective equipment and training, and are assessed for lung-related diseases that may rise due to fume inhalation. Similarly, employees working in high noise areas are provided with appropriate protective equipment and are annually checked for any hearing loss. These procedures are as per the ICI Pakistan HSE&S Management System and the Company's Occupational Health Policy. Areas at all manufacturing sites have been assessed for health risks and accordingly Health Monitoring Programs have been developed for employees.	
403-9	**Work-related injuries**	**Response:** Occupational Health & Safety - Page 157	
403-10	**Work-related ill health**	**Response:** Occupational Health & Safety - Page 157	
TRAINING AND EDUCATION			
GRI 103: Management Approach 2016			
103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	
103-2	**The management approach and its components**	**Section:** Social Performance Management Approach- Page 155-156	
103-3	**Evaluation of management approach**	**Section:** Social Performance Management Approach- Page 155-156	
GRI 404: Training and Education 2016			
404-1	**Average hours of training per year per employee**	**Section:** Training and Education – Page 158-159	

404-2	**Programs for upgrading employee skills and transition assistance programs**	**Response::** Leadership Essentials: Code of Conduct, HSE Awareness, Performance Management System, HR for Non HR Managers, Discovering the Leadership Within, Behavioral based interviewing skills Leadership Development Roadmap Leadership Development Journey, Leading Beyond, Leading and Developing Teams, Self-development Program, Creative Thinking & Collaboration, Greater Self, Leading Teams for Impact Functional skills development programs Core Development Program for engineers E-modules Toolkit A core technical training program for engineers comprises of e-modules on Success Factors	[redacted]
404-3	**Percentage of employees receiving regular performance and career development reviews**	**Section:** Training & Education - Page 158-159	[redacted]
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 103: Management Approach 2016			
103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	[redacted]
103-2	**The management approach and its components**	**Section:** Social Performance Management Approach- Page 155-156	[redacted]
103-3	**Evaluation of management approach**	**Section:** Social Performance Management Approach- Page 155-156	[redacted]
GRI 405: Diversity and Equal Opportunity 2016			
405-1	**Diversity of governance bodies and employees**	**Section:** Diversity & equal Opportunity - Page 160	[redacted]
NON-DISCRIMINATION			
GRI 103: Management Approach 2016			
103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	[redacted]

103-2	**The management approach and its components**	**Section:** Social Performance Management Approach- Page 155-156	
103-3	**Evaluation of management approach**	**Section:** Social Performance Management Approach- Page 155-156	
GRI 406: Non-Discrimination 2016			
406-1	**Incidents of discrimination and corrective actions taken**	**Section:** Non-discrimination – Page 162	
CHILD LABOUR			
GRI 103: Management Approach 2016			
103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	
103-2	**The management approach and its components**	**Section:** Social Performance Management Approach- Page 155-156	
103-3	**Evaluation of management approach**	**Section:** Social Performance Management Approach- Page 155-156	
GRI 408: Child Labour 2016			
408-1	**Operations and suppliers at significant risk for incidents of child labour**	**Section:** Integrity Management – Page 144	
FREEDOM OF ASSOCIATION			
GRI 103: Management Approach 2016			
103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	
103-2	**The management approach and its components**	**Section:** Social Performance Management Approach- Page 155-156	
103-3	**Evaluation of management approach**	**Section:** Social Performance Management Approach- Page 155-156	

GRI 407: Freedom of Association and Collective Bargaining 2016			
407-1	**Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk**	**Section:** Integrity Management – Page 144	
LOCAL COMMUNITIES			
GRI 103: Management Approach 2016			
103-1	**Explanation of the material topic and its Boundary**	**Section:** Materiality Assessment - Page 134-135	
103-2	**The management approach and its components**	**Section:** Social Performance Management Approach- Page 155-156	
103-3	**Evaluation of management approach**	**Section:** Social Performance Management Approach- Page 155-156	
GRI 413: Local Communities 2016			
413-1	**Operations with local community engagement, impact assessments, and development programs**	**Section:** Local Communities - Page 163-167	

SDGs Index

SDGs		PAGE NO.	GRI STANDARDS DISCLOSURE
1 NO POVERTY	End poverty in all its forms everywhere	171	202-1
2 ZERO HUNGER	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	F08-F09, 163-167	201-1, 203-1
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	153, 154, 155, 156	305-1, 305-2, 305-6, 305-7, 306-2, 403-2, 403-3
4 QUALITY EDUCATION	Ensure inclusive and quality education for all and promote lifelong learning	158-159	404-1
5 GENDER EQUALITY	Achieve gender equality and empower all women and girls	F08-F09, 158-159, 160, 161, 162, 163-167, 171	201-1, 202-1, 203-1, 401-1, 404-1, 404-3, 405-1, 406-1
6 CLEAN WATER AND SANITATION	Ensure access to water and sanitation for all	147-148, 152, 154	303-1, 303-2, 303-4, 304-5, 306-2
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all	F08-F09, 163-167, 150-151	201-1, 203-1, 302-1, 302-3, 302-4

SDGs		PAGE NO.	GRI STANDARDS DISCLOSURE
8 DECENT WORK AND ECONOMIC GROWTH	Promote inclusive and sustainable economic growth, employment and decent work for all	160,169, 170, F08-F09, 171, 150-151, 147-148, 152, 161, 174. 155-157, 158-159, 176, 162, 144	102-8, 102-41, 201-1, 202-1, 202-2, 302-1, 302-3, 302-4, 303-1, 303-2, 303-4, 303-5, 401-1, 401-2, 402-1, 403-1, 403-2, 403-3, 403-4. 403-5, 403-6, 403-7, 403-9, 403-10, 404-1, 404-2, 404-3, 405-1, 407-1, 408-1
9 INDUSTRY, INNOVATI AND INFRASTRUCTURE	Build resilient infrastructure, promote sustainable industrialization and foster innovation	F08-F09 163-167	201-1, 203-1
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities inclusive, safe, resilient and sustainable	163-167	203-1
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	150-151, 147-148, 152, 153, 154	302-1, 302-3, 302-4, 303-1,303-2, 303-4, 303-5 305-1, 305-2, 305-6, 305-7, 306-2
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	150-151, 153	302-1, 302-3, 302-4, 305-1, 305-2, 305-4
14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas and marine resources	153	305-1, 305-2, 305-4, 305-5, 305-7
15 LIFE ON LAND	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	153	305-1, 305-2, 305-4, 305-5, 305-7
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote just, peaceful and inclusive societies	14, 18, 128, 161, 162, 144	102-16, 206-1, 406-1,408-1, 419-1
17 PARTNERSHIPS FOR THE GOALS	Revitalize the global partnership for sustainable development	131	Not Applicable

CSRCP
Corporate Social Responsibility Centre Pakistan

Independent Assurance Statement for the ICI Pakistan Limited Sustainability Report 2021

Corporate Social Responsibility Centre Pakistan (CSRCP) was engaged by ICI Pakistan Limited to carry out an independent review of the ICI Pakistan Limited Sustainability Report 2021, which was prepared 'in accordance' with Global Reporting Initiative's (GRI) Standards' Core option. The objective of the critical independent review is to provide ICI Pakistan Limited's Management with an independent opinion about the quality of the report and adherence to the principles of Inclusivity, Materiality, Responsiveness and Impact.

Responsibility of ICI Pakistan Limited and of CSRCP

The Management of ICI Pakistan Limited is responsible for the preparation of the Sustainability Report and for the information and statements contained within it. The Management is responsible for determining the sustainability goals, performance and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Our responsibility is to express independently a conclusion on the Sustainability Report as defined within the scope of work to The Management of ICI Pakistan Limited only in accordance with the terms of reference agreed with them. We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance placed on the report by any third party is entirely at its own risk.

Scope of Assurance

CSRCP was engaged to express an opinion in relation to the review scope, which includes the following aspects:

- Review of the policies, initiatives, practices and performance described in the non-financial - qualitative and quantitative information (sustainability performance) reported and referenced in the report.
- Evaluation of the disclosed information in the report to check adherence to the GRI's Universal and Topic Specific Standards.
- Adherence to International Standard on Assurance Engagement (ISAE) 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Statements' to provide limited assurance on performance data within the Sustainability Report.
- Adherence to the principles of Inclusivity, Materiality, Responsiveness and Impact.
- Review of the Sustainable Development Goals (SDG) linkage with GRI Standards General and Topic Specific Disclosures reported in the SDG Index.

Assurance methodology

We carried out a desk review of the final draft report. We communicated with ICI Pakistan Limited to determine the accuracy and authenticity of the report content, data points, methodologies and policies around the organization's social, environmental and economic data and activities.

Our procedures on this engagement included:

- Critical review of the Sustainability Repot 2021 and respective Content Index to check consistency and adherence to GRI´s Universal and Topic-Specific Standards
- Evaluation of the report adherence to the in accordance: Core option
- Critical review of the Sustainability Report to obtain limited assurance about whether the Sustainability Report is free from material misstatement
- Analysis of the report content against principles of Inclusivity, Materiality, Responsiveness and Impact
- Review of the SDGs Index to check correctness of references with GRI Standards General and Topic Specific Disclosures
- Elaboration of the adjustment report
- Final review of the report content

Our assurance activities were planned and conducted to provide limited, rather than absolute assurance and we believe that the desk review of the ICI Pakistan Limited Sustainability Report completed by CSRCP provides an appropriate basis for our conclusions.

Opinion

GRI Standards in accordance option

ICI Pakistan Limited declares the report to be in accordance with GRI Standards: Core option. CSRCP evaluated the quality of the application of GRI Universal and Topic Specific Standards. Based on the evaluation, CSRCP made a series of recommendations to compete the content or adjust the disclosure level in the Content Index, which have been accepted by the company. Based on the rectifications and acknowledging the fact that the Disclosures on Management Approach (DMA) and Topic Specific Standard Disclosures need a more detailed response for achieving full compliance in future reports, we can confirm that the report is attending the above mentioned 'in accordance' option, giving a complete overview of ICI Pakistan Limited's sustainability governance and management systems in place to report on a relevant set of disclosures related to the identified material topics.

Main Conclusions on Adherence to Principles of Inclusivity, Materiality, Responsiveness and Impact

CSRCP reviewed the report to analyze adherence to the Principles of Inclusivity, Materiality, Responsiveness and Impact. For this report, the main considerations of this analysis were the following:

- As a GRI in accordance report, the report is considering all four principles in the report content and elaboration.

- The report addresses how company identifies and engages with different stakeholders, including focus for engagement and response to stakeholders' concerns. The material issues emerging from the stakeholder engagement were collected, prioritized and the results are fairly reflected in the report.
- Material issues have been identified, considering the influence on stakeholder assessment and decisions and the significance of environmental, social and economic impacts, using a commonly accepted approach. The parameters of risks and opportunities were considered in the materiality determination process, which makes the process more focused on prioritizing issues relevant to ICI Pakistan Limited.
- ICI Pakistan Limited has appropriate policies and externally certified quality, environmental and health & safety management systems, which involve a high-level analysis of risks, non-compliance of applicable laws and regulations and corrective actions.
- Sustainability management at ICI Pakistan Limited maintains high level support in the shape of Sustainability Council, conforming ICI Pakistan Limited's commitment to address sustainability challenges, stakeholder concerns and promoting sustainable practices in its supply chain. The launch of Flagship Sustainability Drive STEP demonstrates ICI Pakistan Limited commitment to embed sustainability in its culture, stimulate workforce to adopt sustainable practices and enhance sustainability impacts of business.
- The report demonstrates a system for suppliers' evaluation against social, environmental and security aspects and activities supporting safety, health and environment practices at supply chain partners.
- ICI Pakistan Limited environmental impact has increased over the years. The environmental performance in most of the impact areas missed the targets in 2020-2021.
- ICI Pakistan Limited reiterates its commitment with the UNGC Ten Principles, has adopted SDGs relevant to ICI Pakistan Limited operations and activities and exhibited alignment of its activities with UN Sustainable Development Goals (SDGs). ICI Pakistan Limited performing a leading role to share best practices with industry on SDGs 12 and promote sustainability practices among industry.
- While, in general, the principles are addressed in a satisfactory manner, we can appoint areas of improvement for the next reporting cycle:

  - ICI Pakistan Limited describes how it engages with different stakeholders and how information gathered by engagements informs materiality process. We recommend implementing a report specific stakeholders' engagement and refresh list of material topics taking into consideration expansion, acquisitions and the significant changes in global and local sustainability context as a result of pandemic which can influence significantly the list of material topics.
  - ICI Pakistan Limited targets for material impact areas expired this year. We recommend to take into consideration climate science for defining target for environmental impact areas. We further recommend to align the targets with material sustainability topics in the report.
  - ICI Pakistan Limited promotes safety, health and environment practices at supply chain partners. We recommend to include aspects of social impact while promoting sustainability management practices in supply chain.
  - The report demonstrates linkage of company various activities with SDGs. We recommend to demonstrate how ICI Pakistan Limited is capitalizing the opportunities offered by the SDGs and the impact of products and services to meet the SDGs.

Statement of conclusion

Based on the scope of our work and the assurance procedures we performed using the International Standard on Assurance Engagement (ISAE) 3000 (Revised), 'Assurance Engagements Other than Audits or Reviews of Historical Financial Statements, we conclude that nothing has come to our attention that causes us to believe that the information in ICI Pakistan Limited's Sustainability Report 2021 is in all material aspects not fairly stated.

We confirm that the report is aligned with the requirements of the GRI Standards and reports its material topics in an adequate manner. The compliance with GRI Standards has been disclosed in more detail in the Content Index which provides overview of which standards have been fully complied and which have been partially complied in the report. In our opinion ICI Pakistan Limited has appropriate systems for collection, aggregation and analysis of the data presented in the report.

Limitations and exclusions

Excluded from the scope of our work is any verification of information relating to:

- Physical verification of data, content of ICI Pakistan Limited's Sustainability Report;
- Positional statements (expression of opinion, belief, aim or future intention of ICI Pakistan Limited) and statements of future commitment.

Statement of independence, impartiality and competence

CSRCP operates strict conflict of interest checks and has confirmed our independence to work on this engagement with ICI Pakistan Limited. The members of the review team have not provided consulting services and were not involved in the preparation of any part of the report. CSRCP is a consulting firm specialized in sustainability. The review team has the required combination of education, experience, training and skills for this engagement.

Muhammad Arfan Nazir,
Director,
Corporate Social Responsibility Centre Pakistan.

Muhammad Imran,
Muhammad Imran & Co.,
Cost & Management Accountants Pakistan.
ICMAP Membership # 1382

Financial Performance

Delivering Beyond Expectations

ICI Pakistan Limited upholds an enduring legacy for delivering sustained value for all its stakeholders. The Company's exceptional performance reflects its firm determination and unyielding drive to be the best-in-class.

This section provides a complete record of ICI Pakistan's financials for 2020-2021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S.E.C.P

ICI Pakistan Limited
Financial Statements

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Independent Auditors' Report

To the members of ICI Pakistan Limited

Report on the Audit of unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **ICI Pakistan Limited** (the Company), which comprise the statement of financial position as at **30 June 2021**, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30 June 2021** and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Voluntary change in accounting policy for remeasurement of certain classes of property, plant and equipment	
As disclosed in note 4 to the unconsolidated financial statements, the Company has voluntarily changed its accounting policy in respect of subsequent measurement of certain classes of its property, plant and equipment (i.e. freehold land, buildings on freehold & leasehold land and plant & machinery). These are now being carried at cost less accumulated depreciation and impairment, if any. Previously, these were carried at revalued amounts less accumulated depreciation and impairment, if any. The above change in accounting policy has been applied retrospectively in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors'.	Our audit procedures, amongst others, included the following: - evaluated the rationale provided by the management for the change in accounting policy and its appropriateness based on the requirements of IAS 8 and the given facts and circumstances of the Company. In this regard, we considered the allowability of using the new accounting policy under IFRS requirements as applicable to the Company as well as practices followed by other businesses comparable with the Company across its business segments locally and internationally. Such analysis was aimed to assess the appropriateness of the change in accounting policy with the objective of providing most relevant and reliable information to the users of the financial statements;

Key audit matter	How our audit addressed the key audit matter
Due to the significance of the judgement involved in determining the appropriateness of the change in accounting policy under the requirements of the applicable financial reporting standards, we have considered the same as a key audit matter.	- reviewed minutes of the meetings of the Board of Directors and Audit Committee for the considerations and discussions triggering the change in accounting policy and its approval by the Audit Committee and the Board; - checked the accuracy of application of the new accounting policy through retrospective restatement of the carrying amounts in the unconsolidated financial statements and the adequacy of the disclosures made in this regard as required under the applicable financial reporting standards.
2. Investment in a subsidiary company	
As disclosed in note 9 to the unconsolidated financial statements, the Company has an investment in NutriCo Morinaga (Private) Limited with a cost of PKR 2.23 billion representing 51% shareholding. The investment is carried at cost less impairment losses, if any in the unconsolidated financial statements of the Company. The above investment was subject to impairment test due to certain triggering events and factors such as the cost of investment exceeding the net asset value of investment based on the subsidiary's net assets and the losses incurred by the subsidiary company. As the impairment test was undertaken based on value in use approach under IAS 36, involving significant judgements, assumptions and estimates in determination of recoverable amount by estimating future cashflows in relation to the subsidiary company, we have considered the same as a key audit matter.	Our audit procedures, amongst others, included the following: - obtained an understanding of the management's process for determination of recoverable amount / value in use (VIU) of investment in subsidiary company; - assessed the reasonableness of commercial and other assumptions used in the determination of VIU such as the expected cash flows, inflation rates, sales price increase, sales volume growth, discount rate etc.; - consulted with our internal specialists to assess the appropriateness of technical assumptions used in the VIU computation; and - checked the accuracy of VIU computations based on the financial model prepared by the management; - assessed the adequacy and appropriateness of the disclosures in the unconsolidated financial statements as required under the applicable financial reporting framework.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our Auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Independent Auditors' Report

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent Auditors' report is **Riaz A. Rehman Chamdia.**

EY Ford Rhodes

Date: 03 September, 2021
Karachi

EY Ford Rhodes
Chartered Accountants

Unconsolidated Statement of Financial Position

As at June 30, 2021

Amounts in PKR '000

	Note	**June 30, 2021**	June 30, 2020 Restated	July 01, 2019 Restated
ASSETS				
Non-current assets				
Property, plant and equipment	6	**19,379,813**	18,907,664	19,620,763
Intangible assets	7	**1,678,401**	1,689,611	931,806
Right-of-use assets	8	**234,202**	318,278	-
		21,292,416	20,915,553	20,552,569
Long-term investments	9	**3,696,776**	3,186,776	3,913,076
Long-term loans	10	**611,439**	510,683	434,114
Long-term deposits and prepayments	11	**39,703**	37,885	39,231
		4,347,918	3,735,344	4,386,421
		25,640,334	24,650,897	24,938,990
Current assets				
Stores, spares and consumables	12	**1,094,184**	988,580	984,992
Stock-in-trade	13	**11,286,373**	9,327,845	9,841,165
Trade debts	14	**2,653,804**	2,288,996	2,388,029
Loans and advances	15	**724,296**	595,180	559,563
Trade deposits and short-term prepayments	16	**493,492**	408,056	278,987
Other receivables	17	**1,502,697**	1,013,061	1,647,518
Taxation - net		**174,407**	1,990,113	2,637,613
Cash and bank balances	18	**233,978**	246,383	237,374
		18,163,231	16,858,214	18,575,241
Total assets		**43,803,565**	41,509,111	43,514,231

Amounts in PKR '000

	Note	June 30, 2021	June 30, 2020 Restated	July 01, 2019 Restated
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorised capital				
1,500,000,000 (June 30, 2019: 1,500,000,000) ordinary shares of PKR 10 each		**15,000,000**	15,000,000	15,000,000
Issued, subscribed and paid-up capital	19	**923,591**	923,591	923,591
Capital reserves	20	**309,643**	309,643	309,643
Revenue reserve - unappropriated profit		**22,645,974**	18,998,573	17,375,706
Total equity		**23,879,208**	20,231,807	18,608,940
Non-current liabilities				
Provision for non-management staff gratuity	21	**118,587**	112,493	93,982
Long-term loans	22	**3,495,927**	6,129,340	6,763,257
Lease liabilities	8	**171,533**	253,591	-
Deferred income - Government grant	23	**139,234**	-	-
Deferred tax liability - net	24	**1,363,479**	1,528,635	1,681,975
		5,288,760	8,024,059	8,539,214
Current liabilities				
Trade and other payables	25	**10,991,460**	8,231,438	7,185,136
Accrued mark-up		**122,191**	227,281	340,156
Short-term financing	26	**1,799,122**	3,399,161	7,056,373
Current portion of long-term loans	22	**1,476,690**	1,227,787	1,690,894
Current portion of lease liabilities	8	**94,102**	79,256	-
Current portion of deferred income - Government grant	23	**52,746**	-	-
Unclaimed dividend		**99,286**	88,322	93,518
		14,635,597	13,253,245	16,366,077
Total equity and liabilities		**43,803,565**	41,509,111	43,514,231
Contingencies and commitments	27			

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Atif Aboobukar
Chief Financial Officer

Unconsolidated Statement of Profit or Loss

For the year ended June 30, 2021

Amounts in PKR '000

	Note	For the year ended June 30, 2021	For the year ended June 30, 2020 Restated
Net turnover	29.1	**62,617,966**	53,598,537
Cost of sales	29.2	**(48,269,723)**	(43,042,158)
Gross profit		**14,348,243**	10,556,379
Selling and distribution expenses	31	**(4,155,004)**	(3,389,472)
Administration and general expenses	32	**(1,794,401)**	(1,497,668)
Operating result		**8,398,838**	5,669,239
Other charges	33	**(635,321)**	(332,930)
Finance costs	34	**(593,661)**	(1,594,776)
Exchange gain / (loss)		**55,980**	(366,978)
		(1,173,002)	(2,294,684)
Other income	35	**1,002,966**	955,328
Profit before taxation		**8,228,802**	4,329,883
Taxation	36	**(2,269,356)**	(1,234,025)
Profit after taxation		**5,959,446**	3,095,858
Basic and diluted earnings per share (PKR)	37	**64.52**	33.52

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Atif Aboobukar
Chief Financial Officer

Unconsolidated Statement of Other Comprehensive Income

For the year ended June 30, 2021

Amounts in PKR '000

	For the year ended June 30, 2021	For the year ended June 30, 2020 Restated
Profit after taxation	**5,959,446**	3,095,858
Other comprehensive loss		
Items that will not to be reclassified to profit or loss in subsequent periods:		
Remeasurement of defined benefit plans	**(5,571)**	(52,516)
Income tax effect	**2,504**	11,091
	(3,067)	(41,425)
Total comprehensive income for the year	**5,956,379**	3,054,433

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Atif Aboobukar
Chief Financial Officer

Unconsolidated Statement of Changes in Equity
For the year ended June 30, 2021

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Surplus on revaluation of property, plant and equipment	Revenue reserve - unappropriated profit	Total
As at July 1, 2019	**923,591**	**309,643**	**598,103**	**17,375,706**	**19,207,043**
Effect of retrospective application of change in accounting policy (net of tax) - note 4	-	-	(598,103)	-	(598,103)
As at July 1, 2019- restated	**923,591**	**309,643**	**-**	**17,375,706**	**18,608,940**
Final dividend for the year ended June 30, 2019 @ PKR 4.50 per share	-	-	-	(415,616)	(415,616)
Interim dividend for the year ended June 30, 2020 @ PKR 11.00 per share	-	-	-	(1,015,950)	(1,015,950)
	-	**-**	**-**	**(1,431,566)**	**(1,431,566)**
Profit for the year - restated	-	-	-	3,095,858	3,095,858
Other comprehensive loss for the year - net of tax	-	-	-	(41,425)	(41,425)
Total comprehensive income - restated	-	-	-	**3,054,433**	**3,054,433**
As at June 30, 2020 - restated	**923,591**	**309,643**	**-**	**18,998,573**	**20,231,807**
Final dividend for the year ended June 30, 2020 @ PKR 5.00 per share	-	-	-	(461,796)	(461,796)
Interim dividend for the year ended June 30, 2021 @ PKR 20.00 per share	-	-	-	(1,847,182)	(1,847,182)
	-	**-**	**-**	**(2,308,978)**	**(2,308,978)**
Profit for the year	-	-	-	5,959,446	5,959,446
Other comprehensive loss for the year - net of tax	-	-	-	(3,067)	(3,067)
Total comprehensive income	**-**	**-**	**-**	**5,956,379**	**5,956,379**
As at June 30, 2021	**923,591**	**309,643**	**-**	**22,645,974**	**23,879,208**

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Atif Aboobukar
Chief Financial Officer

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2021

Amounts in PKR '000

	For the year ended June 30, 2021	For the year ended June 30, 2020
Cash flows from operating activities		
Cash generated from operations - note 38	**10,378,489**	9,984,563
Payments for:		
Staff retirement benefit plans - note 21.3.2	**(64,565)**	(63,358)
Non-management staff gratuity and eligible retired employees' medical scheme	**(39,622)**	(30,484)
Taxation	**(616,302)**	(666,594)
Interest	**(590,840)**	(1,676,272)
Net cash generated from operating activities	**9,067,160**	7,547,855
Cash flows from investing activities		
Capital expenditure	**(2,828,353)**	(1,604,329)
Proceeds from disposal of operating fixed assets	**59,234**	11,772
Interest received on bank deposits	**12,284**	10,093
Investment in subsidiary	**(510,000)**	(255,000)
Dividend from subsidiary	**300,000**	30,000
Dividend from associate	**100,000**	800,000
Net cash used in investing activities	**(2,866,835)**	(1,007,464)
Cash flows from financing activities*		
Payment of lease liabilities	**(100,913)**	(78,958)
Long-term loans obtained	**1,552,267**	438,171
Long-term loans repaid	**(3,766,031)**	(1,539,015)
Dividends paid	**(2,298,014)**	(1,436,762)
Net cash used in financing activities	**(4,612,691)**	(2,616,564)
Net Increase in cash and cash equivalents	**1,587,634**	3,923,827
Cash and cash equivalents at the beginning of the year	**(3,152,778)**	(6,818,999)
Transfer upon amalgamation	**-**	(257,606)
Cash and cash equivalents at the end of the year	**(1,565,144)**	(3,152,778)
Cash and cash equivalents at the end of the year comprise of:		
Cash and bank balances - note 18	**233,978**	246,383
Short-term financing - note 26	**(1,799,122)**	(3,399,161)
	(1,565,144)	(3,152,778)

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

The annexed notes 1 to 51 form an integral part of these unconsolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Atif Aboobukar
Chief Financial Officer

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

1 The Company and its operations

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

The Company is a subsidiary company of Lucky Cement Limited (the Holding Company). ICI Pakistan PowerGen Limited and NutriCo Morinaga (Private) Limited are the subsidiaries of the Company.

These are the separate financial statements of the Company in which investment in subsidiaries and associates are stated at cost less impairment losses, if any.

Geographical location and addresses of major business units including mills / plants of the Company are as under:

Karachi	**Purpose**
ICI House, 5 West Wharf	Head office and production plant
S-33, Hawksbay Road,	Production plant
Lahore	
ICI House, 63 Mozang Road	Regional office
30-km, Sheikhupura Road, Lahore	Production plant
45-km, off Multan Road, Lahore	Production plant
Khewra	
ICI Soda Ash, Tehsil Pind Dadan Khan, District Jhelum	Regional office and production plant
Haripur	
Plot No.32/2A Phase III, Industrial Estate Hattar, District Haripur	Production plant
Islamabad	
Islamabad Corporate Centro, 2nd floor, H-13, Islamabad	Regional office

1.1 Impact of COVID-19 pandemic on these unconsolidated financial statements

The COVID-19 pandemic caused significant and unprecedented curtailment in economic and social activities during the period from March 2020 in line with the directives of the Government. This situation posed a range of business and financial challenges across various sectors of the economy in Pakistan. The lockdown, however, excluded companies involved in the business of necessary consumer supplies to operate with strict compliance with necessary Standard Operating Procedures (SOPs). Consequently, the Company's plants and offices have continued to operate. Due to this, the management has assessed the accounting implications of these developments on these financial statements, including but not limited to expected credit losses under IFRS 9, 'Financial Instruments', the impairment of tangible and intangible assets under IAS 36, 'Impairment of non-financial assets', deferred tax assets in accordance with IAS 12, 'Income taxes', provisions and contingent liabilities under IAS 37, including onerous contracts, and going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these unconsolidated financial statements.

2 Basis of preparation

2.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs), issued by International Accounting Standard Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

2.2 Accounting convention

These unconsolidated financial statements have been prepared under the historical cost convention, except as disclosed in relevant accounting policies below.

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events that are believed to be reasonable under circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the unconsolidated financial statements in subsequent years are stated in note 48.

3 Summary of significant accounting policies

3.1 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Capital work-in-progress is stated at cost less impairment, if any. Cost of certain property, plant and equipment comprises historical cost. Such cost includes the cost of replacing parts of the property, plant and equipment and the cost of borrowings for long-term construction projects, if the recognition criteria is met.

Depreciation charge is based on the straight-line method whereby the cost of an asset is written off to unconsolidated statement of profit or loss over its estimated useful life after taking into account residual value, if material. The cost of leasehold land is depreciated in equal installments over the lease period. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month of disposal.

Spare parts and servicing equipment are classified as property, plant and equipment under plant and machinery rather than store, spares and loose tools where they meet the definition of property, plant and equipment. Available for use capital spares, and servicing equipment are depreciated over their useful lives, or the remaining life of principle asset, whichever is lower.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed at each reporting date and adjusted, if appropriate.

Maintenance and normal repairs are charged to unconsolidated statement of profit or loss as and when incurred. Improvements are capitalised when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably. Assets replaced, if any, are derecognized.

Gains and losses on disposal of assets are taken to the unconsolidated statement of profit or loss.

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2021

3.2 Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in business combinations is their fair value at the date of acquisition.

Intangible assets with finite useful lives are amortized over useful lives and assessed for impairment whenever there is indication that the asset may be impaired. Intangible assets with indefinite lives are not amortized, but are tested for impairment annually, either individually or at the cash generated unit (CGU) level, as appropriate. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, a change in useful life from indefinite to finite is made on a prospective basis.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in unconsolidated statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

3.3 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and building	2 to 9 years
Motor vehicles	4 to 5 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the note 3.11 to these unconsolidated financial statements for policy on impairment of non-financial assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date, where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of regional sales offices, warehouses, summer houses and beach huts (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. For such contracts, the management has competitive options available in the market and the replacement costs are estimated to be minimal.

Ijarah contracts

Payments made under ijarah contract are charged to the unconsolidated statement of profit or loss on a straight line basis over the period of the lease as per IFAS 2.

3.4 Investments in subsidiary companies and associate

Investments in subsidiary companies and associate are stated at cost less impairment, if any. An assessment is made at each reporting date to determine whether there is any indication that an investment may be impaired. If such indication exists, the estimated recoverable amount of the investment is determined and any impairment loss is recognised for the difference between the recoverable amount and the carrying value.

3.5 Advances, deposits, prepayments and other receivables excluding financial assets

These are stated at cost less accumulated impairment losses, if any.

3.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade debts, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in note 3.20 to these unconsolidated financial statements.

In order for a financial asset to be classified and measured at amortised cost, or fair value through OCI it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2021

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

• Financial assets at amortised cost (debt instruments)
• Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
• Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

• The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the unconsolidated statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the unconsolidated statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments which the Company had not irrevocably elected to classify at fair value through OCI.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's unconsolidated statement of financial position) when:

• The rights to receive cash flows from the asset have expired
Or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

• Disclosures for significant assumptions note 48
• Trade debts note 14

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For all other financial assets, the Company applies the general approach.

The Company considers a financial asset in default when contractual payments are 60 - 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2021

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the unconsolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the unconsolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the unconsolidated statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 22.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the unconsolidated statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.7 Stores, spares and consumables

Stores, spares and consumables are stated at the lower of weighted average cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less net estimated costs to sell, which is generally equivalent to replacement cost.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

3.8 Stock-in-trade

Stock-in-trade is valued at the lower of weighted average cost and estimated net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and sell.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

3.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the unconsolidated statement of profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in unconsolidated statement of other comprehensive income, respectively.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognised using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Company recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside unconsolidated statement of profit or loss is recognised outside unconsolidated statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in unconsolidated statement of other comprehensive income or directly in equity.

Sales Tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

- When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the unconsolidated statement of financial position.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

3.10 Cash and cash equivalents

These are carried at cost. Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks, which are subject to insignificant risk of change. Short-term finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of statement of cash flows.

3.11 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for asset is required then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining the fair value less cost of disposal, recent market transaction are taken into account, if no such transaction can be identified appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or available fair value budgets. The company bases its impairment calculation on detailed budget and forecast calculation, which are prepared separately for each of the Company CGU to which individual assets are allocated. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the unconsolidated statement of profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

3.12 Staff retirement benefits

The Company's retirement benefit plans comprise of provident funds, pensions, gratuity schemes and a medical scheme for eligible retired employees.

Defined benefit plans

The Company operates a funded pension scheme and a funded gratuity scheme for management staff. The pension and gratuity schemes are salary schemes providing pension and lump sums, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Company also operates gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. The pension and gratuity plans are final salary plans. The Company recognises expense in accordance with IAS 19 "Employee Benefits".

An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses, the effect of asset ceiling are recognised in full in the period in which they occur in the unconsolidated statement of other comprehensive income.

All past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or termination benefits.

Defined contribution plans

The Company operates two registered contributory provident funds for its entire staff and a registered defined contribution superannuation fund for its management staff, who has either opted for this fund by July 31, 2004 or have joined the Company after April 30, 2004.

Medical scheme

The pensioner's medical plan reimburses actual medical expenses to pensioners as per entitlement.

3.13 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. It is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

3.14 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

3.15 Provisions and contingent liabilities

A provision is recognised in the unconsolidated statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. They are reviewed at each reporting date and adjusted prospectively.

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pak Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pak Rupees at the foreign exchange rates at the reporting date. Exchange differences are taken to the unconsolidated statement of profit or loss.

3.17 Functional and presentation currency

Items included in the unconsolidated financial statements are measured using the currency of the primary economic environment in which the Company operates. The unconsolidated financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

3.18 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved. However, if these are approved after the reporting period but before the financial statement are authorised for issue, disclosure is made in the unconsolidated financial statements.

3.19 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditures. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

For management purposes, the Company is organised into business units based on its products and services and has five reportable segments, namely Polyester, Soda Ash, Animal Health, Pharma and Chemicals and Agri Sciences. No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the unconsolidated financial statements.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transaction with third parties.

3.20 Revenue from contracts with customers

The Company is in the business of sale of goods. Revenue from contracts with customers is recognised at a point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 48.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., right of returns, volume rebates). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration. Contracts with the Company's customers provide them with a right of return, price adjustments and volume rebates and are considered as variable consideration.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Volume rebates

The Company provides retrospective volume rebates (discounts) to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Contract balances

Trade debts
A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note 3.6 to these unconsolidated financial statements.

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2021

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer.

The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Cost to obtain a contract

The Company pays sales commission to its sales agents for certain contracts. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions because the amortisation period of the asset that the Company otherwise would have used is one year or less.

Trade debts

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Performance obligations

Information about the Company's performance obligations are summarised below:

Soda Ash

The performance obligation is satisfied upon transfer of physical possession of the goods to the customer (i.e. ex-works) for local sales whereas for export sales, performance obligation is satisfied when the customer has accepted the goods.

Payment is generally due within 30 to 90 days from delivery.

Polyester

The performance obligation is satisfied when the physical possession of the goods has passed to the customers for local sales whereas for export sales, performance obligation is satisfied when the risk and rewards in respect of the goods are transferred to the customer. Payment is generally due within 30 to 90 days from delivery.

Pharma, Animal Health and Chemicals, Agri Sciences

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from delivery. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

Commission income is recognised on the date of shipment from suppliers.

Profit on short-term deposits is accounted for using the effective interest rate method.

Dividend income is recognised when the right to receive dividend is established.

Toll manufacturing income is recognised when services are rendered.

Other income is recognised on accrual basis.

Amounts in PKR '000

4 Change in accounting policy

Previously, certain items of property, plant and equipment including freehold land, buildings on freehold and leasehold land and plant and machinery were stated at revalued amounts less accumulated depreciation and impairment losses, if any. Independent valuations were performed periodically, the carrying amounts were reviewed against these valuations and adjustments were made where there were material changes. Revaluation surplus and deficit were recognized on statement of financial position as surplus on revaluation of property, plant and equipment, except where a deficit on revaluation in any year was in excess of surplus recognized in the statement of profit or loss upto the immediately preceding accounting period, in which case the adjustment to the carrying values of the financial assets was limited to the surplus recognized in the statement of profit or loss.

With effect from July 01, 2020, the Company has revised its accounting policy retrospectively in respect of aforementioned assets to cost model, under which these assets are now carried at cost less accumulated depreciation and impairment losses, if any. The said practice enhances the comparability of the Company's financial statements with other businesses comparable with the Company across its business segments locally and internationally. The management believes that the new policy provides reliable and more relevant information to the users of these unconsolidated financial statements.

This change in accounting policy has been accounted for retrospectively as referred under International Accounting Standard - 8 'Accounting policies, Changes in Accounting Estimates and Errors', and the comparative financial statements have been re-stated.

Effect of the retrospective application of change in accounting policy is as follows:

	As at June 30, 2020			As at July 01, 2019		
	As previously reported	As restated	Restatement	As previously reported	As restated	Restatement
Effect on statement of financial position						
Property, plant and equipment	19,521,939	18,907,664	(614,275)	20,329,199	19,620,763	(708,436)
Surplus on revaluation of property, plant and equipment	(531,249)	-	531,249	(598,103)	-	598,103
Deferred tax	(1,611,661)	(1,528,635)	83,026	(1,792,308)	1,681,975	110,333

	For the year ended June 30, 2020		
	As previously reported	As restated	Restatement
Effect on statement of profit or loss			
Cost of good sold / depreciation expense	2,540,403	2,446,242	94,161
Deferred tax	(148,455)	(121,148)	(27,307)
Profit after taxation	3,029,003	3,095,858	66,855
		Amount in PKR	
Effects on earning per share			
Earnings per share - basic and diluted	32.80	33.52	0.72

The change did not have any impact on other comprehensive income for the year and the Company's operating, investing and financing cash flows

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2021

5 Details of related parties of the Company

Details of related parties with whom the Company has entered into transactions with or has arrangements / agreements in place during the year are as follows;

Name of related party	Basis of relationship
ICI Pakistan PowerGen Limited	Wholly owned subsidiary & common directorship
NutriCo Morinaga (Private) Limited	Subsidiary & common directorship
Arabian Sea Country Club Limited	Equity investment
NutriCo Pakistan (Private) Limited	Common directorship & associate
Lucky Holdings Limited	Group company & common directorship
Lucky Cement Limited	Holding company & common directorship
Yunus Textile Mills Limited	Group company & common directorship
Lucky Textile Mills Limited	Group company & common directorship
Gadoon Textile Mills Limited	Group company & common directorship
Lucky Motors Corporation Limited	Group company & common directorship
Lucky Foods (Private) limited	Group company & common directorship
ICI Pakistan Management Staff Provident Fund	Common directorship
ICI Pakistan Management Staff Gratuity Fund	Common directorship
ICI Pakistan Management Staff Defined Contribution Superannuation Fund	Common directorship
ICI Pakistan Non-Management Staff Provident Fund	Common directorship
ICI Pakistan Management Staff Pension Fund	Common directorship
ICI Pakistan Foundation	Common directorship
Lahore University of Management Sciences	Common directorship
Pakistan Business Council	Common directorship
Global Commodities Limited	Common directorship
Tabba Kidney Institute	Common directorship
Tabba Heart Institute	Common directorship
National Bank of Pakistan	Common directorship
YB Pakistan Limited	Common directorship
Yunus Textile Holdings (Private) Limited	Common directorship
Asif Jooma	Key management personnel
M Abid Ganatra	Key management personnel
Atif Aboobukar	Key management personnel
Nauman Afzal	Key management personnel
Arshaduddin Ahmed	Key management personnel
Aamer Mahmud Malik	Key management personnel
Fariha Salahuddin	Key management personnel
Nausheen Ahmed	Key management personnel
Eqan Ali Khan	Key management personnel

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
			Restated
6	**Property, plant and equipment**		
6.1	The following is break-up of property plant and equipment:		
	Operating fixed assets - note 6.2	**16,347,168**	17,676,477
	Capital work-in-progress - note 6.6	**3,032,645**	1,231,187
		19,379,813	18,907,664

6.2 The following is a statement of operating fixed assets:

	Land		**Lime beds on freehold land**	**Buildings**		**Plant and machinery**	**Rolling stock and vehicles**	**Furniture and equipment**	**Total**
	Freehold	**Leasehold**		**On freehold land**	**On leasehold land**				
	Note 6.3 and 6.4			**Note 6.3 and 6.4**		**Note 6.3 and 6.4**			
					As at June 30, 2021				
Net carrying value basis									
Opening net book value - as restated	**436,668**	**-**	**370,547**	**694,142**	**2,921,139**	**12,846,103**	**51,195**	**356,683**	**17,676,477**
Additions / transfers - note 6.2.1	**641**	**-**	**9,854**	**3,709**	**82,299**	**966,764**	**-**	**93,601**	**1,156,868**
Disposals at net book value	**-**	**-**	**-**	**(96)**	**(8,588)**	**(14,967)**	**(7,677)**	**(3,387)**	**(34,715)**
Depreciation charge - note 6.5	**-**	**-**	**(28,060)**	**(55,163)**	**(209,203)**	**(2,047,439)**	**(14,289)**	**(97,308)**	**(2,451,462)**
Closing net book value	**437,309**	**-**	**352,341**	**642,592**	**2,785,647**	**11,750,461**	**29,229**	**349,589**	**16,347,168**
Gross carrying value basis									
Cost	**437,309**	**562,166**	**601,675**	**3,175,462**	**4,824,129**	**37,547,764**	**147,405**	**1,060,553**	**48,356,463**
Accumulated depreciation	**-**	**(562,166)**	**(249,334)**	**(2,532,870)**	**(2,038,482)**	**(25,797,303)**	**(118,176)**	**(710,964)**	**(32,009,295)**
Closing net book value	**437,309**	**-**	**352,341**	**642,592**	**2,785,647**	**11,750,461**	**29,229**	**349,589**	**16,347,168**
Depreciation rate % per annum	**-**	**2 to 4**	**5 to 25**	**5 to 25**	**3 to 33.33**	**3.33 to 50**	**10 to 33.33**	**10 to 50**	
					As at June 30, 2020				
Net carrying value basis									
Opening net book value - as previously reported	754,645	-	317,888	762,717	3,004,741	14,002,675	55,028	373,291	19,270,985
Effect of retrospective application of change in accounting policy - note 4	(327,977)			(80,661)	-	(299,798)	-	-	(708,436)
Opening net book value - as restated	426,668	-	317,888	682,056	3,004,741	13,702,877	55,028	373,291	18,562,549
Transfer upon amalgamation	10,000	-	-	60,515	-	131,335	6,956	39,461	248,267
Additions / transfers - note 6.2.1	-	-	76,146	1,177	132,440	1,101,115	3,684	53,519	1,368,081
Disposals at net book value	-	-	-	-	-	(9,864)	-	(479)	(10,343)
Depreciation charge - as previously reported	-	-	(23,487)	(63,180)	(216,042)	(2,159,947)	(14,473)	(109,109)	(2,586,238)
Effect of retrospective application of change in accounting policy - note 4	-	-	-	13,574	-	80,587	-	-	94,161
Depreciation charge - as restated - note 6.5	-	-	(23,487)	(49,606)	(216,042)	(2,079,360)	(14,473)	(109,109)	(2,492,077)
Closing net book value - as restated	436,668	-	370,547	694,142	2,921,139	12,846,103	51,195	356,683	17,676,477
Gross carrying value basis									
Cost / revaluation - as previously reported	764,645	562,166	591,822	3,253,314	4,815,104	37,517,346	175,310	1,132,525	48,812,529
Effect of retrospective application of change in accounting policy - note 4	(327,977)	-	-	(80,661)	-	(299,798)	-	-	(708,436)
Cost - as restated	436,668	562,166	591,822	3,172,653	4,815,104	37,217,548	175,310	1,132,525	48,104,093
Accumulated depreciation	-	(562,166)	(221,275)	(2,478,511)	(1,893,965)	(24,371,445)	(124,115)	(775,842)	(30,427,616)
Closing net book value	436,668	-	370,547	694,142	2,921,139	12,846,103	51,195	356,683	17,676,477
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 25	3 to 33.33	3.33 to 50	10 to 33.33	10 to 50	

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2021

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
6.2.1	Additions to plant and machinery include transfer from capital work-in-progress which includes borrowing cost for projects determined using an average capitalization rate of 7.43% (June 30, 2020: 12.77%) amounting to:	**13,288**	15,808
6.2.2	Operating fixed assets include the following major spare parts and stand by equipment having:		
	Cost	**591,775**	602,339
	Net book value	**364,943**	155,559

6.3 Particulars of immovable asset of the Company are as follows:

Location	Addresses	Usage of immovable property	Covered Area (sq.ft)
Karachi	ICI house 5 West Wharf, Karachi	Head office and production plant	117,619
	S-33, Hawksbay Road, S.I.T.E	Production plant	11,500
Lahore	ICI House 63 Mozang Road, Lahore	Regional office	28,454
	30-Km, Sheikhupura road, Lahore	Production plant	1,928,910
	45-Km, Off Multan Road, Lahore	Production plant	14,601
Khewra	ICI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	Regional office and production plant	2,744,404
Haripur	Plot No.32/2A Phase III, Industrial Estate Hattar, District Haripur	Production plant	39,916
Islamabad	2nd floor, Islamabad corporate center, golra road, Islamabad	Regional office	7,180

		As at June 30, 2021	As at June 30, 2020
6.4	Plant and machinery including equipment held with Searle Pakistan Limited for toll manufacturing is as follows:		
	Cost	**5,886**	8,508
	Net book value	**1,020**	1,702

		For the year ended June 30, 2021	For the year ended June 30, 2020 Restated
6.5	The depreciation charge for the year has been allocated as follows:		
	Cost of sales - note 30	**2,381,152**	2,415,805
	Selling and distribution expenses - note 31	**47,862**	49,784
	Administration and general expenses - note 32	**22,448**	26,488
		2,451,462	2,492,077

Amounts in PKR '000

6.6 The following is the movement in capital work-in-progress during the year:

	Civil works and buildings	Plant and machinery	Miscellaneous equipment	Advances to suppliers / contractors	Designing, consultancy and engineering fee	Total
			As at June 30, 2021			
Opening balance	**135,072**	**620,820**	**178,235**	**22,223**	**274,837**	**1,231,187**
Additions during the year	**193,803**	**1,618,759**	**64,805**	**980,813**	**13,961**	**2,872,141**
Transferred to operating fixed assets during the year	**(103,023)**	**(830,976)**	**(114,825)**	**(21,859)**	**-**	**(1,070,683)**
Closing balance	**225,852**	**1,408,603**	**128,215**	**981,177**	**288,798**	**3,032,645**
			As at June 30, 2020			
Opening balance	186,297	673,965	77,771	81,379	38,802	1,058,214
Transfer upon amalgamation	-	-	-	2,958	-	2,958
Additions during the year	141,337	921,192	209,041	14,279	236,035	1,521,884
Transferred to operating fixed assets during the year	(192,562)	(974,337)	(108,577)	(76,393)	-	(1,351,869)
Closing balance	135,072	620,820	178,235	22,223	274,837	1,231,187

		As at June 30, 2021	As at June 30, 2020
6.6.1	This includes interest charged in respect of long-term loans obtained for projects, determined using an average capitalisation rate of 7.43% (June 30, 2020: 12.77%) amounting to:	**38,291**	48,326

6.7 Details of operating fixed assets' disposal having net book value in excess of PKR 500,000 are as follows:

For the year ended June 30, 2021

	Mode of disposal	Cost	Accumulated depreciation	Net book value	Sales proceed	Gain / (loss)	Relationship of purchaser with the Company	Particulars of buyers
Certain Civil work at boiler area	**Scrap**	**4,000**	**3,263**	**737**	**-**	**(737)**	**N/A**	**Shahid Hanif Ghori Mandibahudin**
Certain portions of offices at CFB area	**Scrap**	**791**	**236**	**555**	**154**	**(401)**	**N/A**	
Bulker 1 for bulk transportation of Soda Ash	**Scrap**	**4,176**	**800**	**3,376**	**3,800**	**424**	**N/A**	**Muhammad Rizwan**
Chilling unit for carbonating tower cooling water	**Scrap**	**18,029**	**15,429**	**2,600**	**3,491**	**891**	**N/A**	**Sher Ali Rawalpindi**
Chilling unit (Phase 2)	**Scrap**	**21,091**	**17,550**	**3,541**	**4,756**	**1,215**	**N/A**	
Lahore office (certain portions)	**Scrap**	**2,396**	**893**	**1,503**	**440**	**(1,063)**	**N/A**	**Tariq Mehmood**

For the year ended June 30, 2020

DCS - Software	Scrap	2,031	1,320	711	-	(711)	N/A	N/A
DCS - Control panel and Control stations	Scrap	28,347	23,517	4,830	3,020	(1,810)	N/A	Ghulam Raza Trader, Lahore
Calciner 4 - Gas pipes and gearboxes	Scrap	2,500	1,872	628	30	(598)	N/A	Shahid Hanif Ghouri Mandi Bahauddin

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

7 Intangible assets

	As at June 30, 2021				
Net carrying value basis	**Brands**	**Goodwill**	**Software**	**Licenses**	**Total**
Opening net book value	**1,437,679**	**206,374**	**12,470**	**33,088**	**1,689,611**
Additions / transfers	**-**	**-**	**4,062**	**-**	**4,062**
Disposal at net book value	**-**	**-**	**-**	**-**	**-**
Amortisation charge - note 7.1	**-**	**-**	**(8,980)**	**(6,292)**	**(15,272)**
Closing net book value	**1,437,679**	**206,374**	**7,552**	**26,796**	**1,678,401**
Gross carrying amount					
Cost	**1,437,679**	**206,374**	**215,525**	**241,779**	**2,101,357**
Accumulated amortisation	**-**	**-**	**(207,973)**	**(214,983)**	**(422,956)**
Closing net book value	**1,437,679**	**206,374**	**7,552**	**26,796**	**1,678,401**
Amortisation rate % per annum	-	-	**20**	**20 to 50**	

	As at June 30, 2020				
Net carrying value basis					
Opening net book value	753,460	126,510	14,565	37,271	931,806
Transfer upon Amalgamation	684,219	79,864	-	-	764,083
Additions / transfers	-	-	6,666	2,911	9,577
Amortisation charge - note 7.1	-	-	(8,761)	(7,094)	(15,855)
Closing net book value	1,437,679	206,374	12,470	33,088	1,689,611
Gross carrying amount					
Cost	1,437,679	206,374	211,463	241,779	2,097,295
Accumulated amortisation	-	-	(198,993)	(208,691)	(407,684)
Closing net book value	1,437,679	206,374	12,470	33,088	1,689,611
Amortisation rate % per annum	-	-	20	20 to 50	

	For the year ended June 30, 2021	For the year ended June 30, 2020
7.1 The amortisation charge for the year has been allocated as follows:		
Cost of sales - note 30	**2,689**	2,792
Selling and distribution expenses - note 31	**983**	1,021
Administration and general expenses - note 32	**11,600**	12,042
	15,272	15,855

7.2 Impairment testing of goodwill, intangibles with indefinite lives

Goodwill and brands acquired through business combinations and intangibles with indefinite useful lives have been allocated and monitored at the Pharma division of the Company. Intangible assets with indefinite useful lives include Brands. The Company has performed its annual impairment test as at June 30, 2021.

The recoverable amount is determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the senior management covering a five year period and applying the expected value approach. The discount rate applied to cash flow projections is 14.28 percent for goodwill impairment testing and 14.28 percent for intangibles with indefinite useful lives. The growth rate used to extrapolate the cash flows beyond the five-year period is 2 percent. As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of PKR 206.374 million and intangibles with indefinite useful lives (Brands) of PKR 1,437.679 million are allocated.

Key assumptions used in value-in-use calculations

The calculation of value-in-use is most sensitive to the following assumptions:
- Discount rates
- Key business assumptions

Discount rates

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The discount rate reflects the target Weighted Average Cost of Capital of the Company.

Amounts in PKR '000

Key business assumptions

These assumptions are based on industry data for growth rates, management assess how the unit's position, relative to its competitors, might change over the projected period. Management expects revenues and margins to improve on the basis of multiple strategies planned including increase in sales volume and price.

Sensitivity to changes in assumptions

Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

8 Right-of-use assets and lease liabilities

The Company has lease contracts for various items of land and buildings and vehicles used in its operations. Leases of land and buildings generally have lease terms between 2 to 9 years, while motor vehicles generally have lease terms of between 4 to 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

The Company also has certain leases of sales offices, warehouses, summer houses and beach huts with lease terms of 12 months or less. The Company applies the 'short-term lease' exemptions for these leases. For such contracts, the management has competitive options available in the market and the replacement costs are estimated to be minimal.

	Motor Vehicles	**Land and Buildings**	**As at June 30, 2021**	As at June 30, 2020
Net carrying value basis				
Opening balance	**8,527**	**309,752**	**318,279**	363,440
Transfer upon Amalgamation	**-**	**-**	**-**	34,135
Depreciation charge - note 8.1	**(4,447)**	**(79,630)**	**(84,077)**	(79,297)
Closing balance	**4,080**	**230,122**	**234,202**	318,278

Set out below is the carrying amount of lease liabilities and the movement during the year:

	As at June 30, 2021	As at June 30, 2020
Opening balance	**332,847**	336,623
Transfer upon Amalgamation	**-**	36,541
Accretion of interest - note 34	**33,701**	38,641
Payments	**(100,913)**	(78,958)
Closing balance	**265,635**	332,847
Current portion of lease liabilities	**94,102**	79,256
Non-current lease liabilities	**171,533**	253,591
	265,635	332,847

	For the year ended June 30, 2021	For the year ended June 30, 2020
The following are the amounts recognised in the unconsolidated statement of profit or loss:		
Depreciation expense of right-of-use assets - note 8.1	**84,077**	79,297
Accretion of interest on lease liabilities	**33,701**	38,641
Expenses related to short-term leases - note 8.2	**64,406**	64,928
	182,184	182,866

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

8.1 Allocation of depreciation expense

	2021	2020
Cost of sales - note 30	**45,871**	27,645
Selling and distribution expenses - note 31	**6,052**	26,748
Administration and general expenses - note 32	**32,154**	24,904
	84,077	79,297

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

		For the year ended June 30, 2021	For the year ended June 30, 2020
8.2	**Allocation of short-term leases expense**		
	Selling and distribution expenses - note 31	**64,406**	64,928
		64,406	64,928

		As at June 30, 2021	As at June 30, 2020
9	**Long-term investments**		
	Unquoted - at cost		
	Subsidiaries		
	- ICI Pakistan PowerGen Limited (wholly owned)		
	7,100,000 ordinary shares (June 30, 2020: 7,100,000) of PKR 100 each - note 9.1	**710,000**	710,000
	Provision for impairment loss	**(209,524)**	(209,524)
		500,476	500,476
	- NutriCo Morinaga (Private) Limited (51% holding)		
	22,338,000 ordinary shares (June 30, 2020: 17,238,000) of PKR 100 each - note 9.2	**2,233,800**	1,723,800
	Associate		
	- NutriCo Pakistan (Private) Limited (40% holding) 200,000 ordinary shares (June 30, 2020: 200,000) of PKR 1,000 each and premium of PKR 3,800 per share	**960,000**	960,000
	Others		
	Equity		
	-Arabian Sea Country Club Limited 250,000 ordinary shares (June 30, 2020: 250,000) of PKR 10 each	**2,500**	2,500
		3,696,776	3,186,776
9.1	As of the reporting date, the value of the Company's investment on the basis of net assets of ICI Pakistan PowerGen Limited (the Subsidiary) as disclosed in its financial statements was:	**867,908**	750,096
9.2	On 6th March 2017, the Company entered into a joint venture with Morinaga Milk Industry Company Limited ("Morinaga") of Japan and Unibrands (Private) Limited ("Unibrands") to set up a plant for manufacturing infant/growing up formula. To initiate this project, a new Company NutriCo Morinaga (Private) Limited was incorporated which is a subsidiary of the Company. During the current year, the Company has subscribed for right issues resulting in no change in shareholding percentage and has considered the same as strategic investment. As of the reporting date, the value of the Company's investment on the basis of net assets as disclosed in its financial statements:	**1,733,539**	1,578,079

9.3 Determination of recoverable amount

The recoverable amount is determined based on a value-in-use calculation considering commercial and other assumptions used such as the expected cash flow, inflation rate, sales price increase, sales volume growth, discount rate etc. Cash flow projections from financial budgets are approved by the senior management covering a five year period and applying the expected value approach. The discount rate applied to cash flow projections is 15.10 percent. The growth rate used to extrapolate the cash flows beyond the five-year period is 4 percent. As a result of this analysis, the management did not identify any impairment for the investment in subsidiary company.

Key assumptions used in value-in-use calculations

The calculation of value-in-use is most sensitive to the following assumptions:
- Discount rate
- Key business assumptions

Amounts in PKR '000

Discount rate

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model.

Key business assumptions

These assumptions are based on industry data for growth rates, management assesses how the subsidiary company's position, relative to its competitors, might change over the projected period. Management expects revenues and margins to improve on the basis of multiple strategies planned including increase in sales volume and price.

Sensitivity to changes in assumptions

Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the investment to materially exceed its recoverable amount.

9.4 Investment in subsidiaries and associates have been made in accordance with the requirements of the Act.

		As at June 30, 2021	As at June 30, 2020
10	**Long-term loans**		
	Considered good - secured		
	Due from executives and employees - note 10.1	**611,439**	510,683

10.1 Due from executives and employees

	Motor Vehicle	**House building**	**Total**	Total
Due from executives - note 10.2	**111,649**	**49,069**	**160,718**	135,309
Receivable within one year	**(21,761)**	**(43,869)**	**(65,630)**	(45,082)
	89,888	**5,200**	**95,088**	90,227
Due from employees - note 10.2			**641,583**	538,704
Receivable within one year			**(125,232)**	(118,248)
			516,351	420,456
			611,439	510,683
Outstanding for period:				
- less than three years but over one year			**201,832**	168,573
- more than three years			**409,607**	342,110
			611,439	510,683

10.2 Loans for purchase of motor cars and house building are repayable between two to ten years. These loans are interest free and granted to the employees, including executives of the Company, in accordance with their terms of employment.

11	**Long-term deposits and prepayments**		
	Deposits	**39,653**	37,502
	Prepayments	**50**	383
		39,703	37,885
12	**Stores, spares and consumables**		
	Stores - note 12.1	**116,681**	44,515
	Spares - note 12.1	**959,804**	936,221
	Consumables	**142,101**	141,487
		1,218,586	1,122,223
	Provision for slow moving and obsolete stores and spares - note 12.2	**(124,402)**	(133,643)
		1,094,184	988,580

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
12.1	Include stores and spares in transit amounting to:	**76,623**	15,859
12.2	Movement of provision for slow moving and obsolete stores and spares is as follows:		
	Opening balance	**133,643**	127,578
	Charge for the year - note 32	**9,213**	6,065
	Write-off during the year	**(18,454)**	-
	Closing balance	**124,402**	133,643
13	**Stock-in-trade**		
	Raw and packing material includes in-transit PKR 1,815.853 million (June 30, 2020: PKR 1,656.873 million) - note 13.3	**6,643,413**	5,480,270
	Work-in-process	**201,744**	250,271
	Finished goods include in-transit PKR 2.970 million (June 30, 2020: PKR 7.184 million)	**4,605,847**	3,848,522
		11,451,004	9,579,063
	Provision for slow moving and obsolete stock-in-trade - note 13.1		
	- Raw material	**(75,360)**	(110,116)
	- Finished goods	**(89,271)**	(141,102)
		(164,631)	(251,218)
		11,286,373	9,327,845
13.1	Movement of provision for slow moving and obsolete stock-in-trade is as follows:		
	Opening balance	**251,218**	158,916
	Transfer upon Amalgamation	**-**	50,400
	Charge for the year - note 32	**94,007**	122,461
	Reversal during the year	**-**	(19,315)
	Write-off during the year	**(180,594)**	(61,244)
	Closing balance	**164,631**	251,218

13.2 Stock amounting to PKR 4,203.313 million (June 30, 2020: PKR 777.761 million) is measured at net realisable value and expense amounting to PKR 43.565 million (June 30, 2020: PKR 75.381 million reversal) has been recognised in cost of sales.

		As at June 30, 2021	As at June 30, 2020
13.3	Includes raw and packing materials held with various toll manufacturers:		
	Searle Pakistan Limited	**387,062**	426,703
	Nova Med Pharmaceuticals	**39,470**	32,462
	Breeze Pharma Islamabad	**8,505**	11,999
	Others	**18,401**	10,396
		453,438	481,560
14	**Trade debts**		
	Considered good		
	- Secured	**727,324**	744,622
	- Unsecured		
	Due from associated companies - note 14.1 and 14.2	**16,091**	14,054
	Others	**2,182,329**	1,851,305
		2,925,744	2,609,981
	Considered doubtful - note 14.3	**184,106**	235,521
		3,109,850	2,845,502
	- Allowance for ECL - note 14.3	**(184,106)**	(235,522)
	- Provision for price adjustments and discounts	**(271,940)**	(320,984)
		(456,046)	(556,506)
		2,653,804	2,288,996

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
14.1	The above balances include amounts due from the following related parties which are neither past due nor impaired as of the reporting date:		
	Unsecured		
	Lucky Cement Limited	**60**	60
	Lucky Textiles Limited	**1,285**	2,258
	Yunus Textile Mills Limited	**7,373**	10,130
	Lucky Foods (Private) Limited	**6,367**	1,576
	NutriCo Morinaga (Private) Limited	**-**	30
	Tabba Kidney Institute	**613**	-
	Tabba Heart Institute	**393**	-
		16,091	14,054
14.2	The maximum amount outstanding at any time during the year with reference to month end balances are as follows:		
	Unsecured		
	Lucky Cement Limited	**5,712**	60
	Lucky Textiles Limited	**6,275**	3,020
	Yunus Textile Mills Limited	**10,307**	10,130
	Lucky Foods (Private) Limited	**6,367**	3,279
	NutriCo Morinaga (Private) Limited	**84**	89
	Tabba Kidney Institute	**613**	-
	Tabba Heart Institute	**1,694**	-
		31,052	16,578
14.3	Allowance for ECL		
	Opening balance	**235,522**	236,233
	Transfer upon amalgamation	**-**	10,600
	Reversal during the year - net - note 45.7	**(30,678)**	(10,682)
	Write - off - note 45.7	**(20,738)**	(629)
	Closing balance	**184,106**	235,522
15	**Loans and advances**		
	Considered good		
	Loans due from:		
	Executives - note 15.1	**65,630**	45,082
	Employees	**125,232**	118,248
		190,862	163,330
	Advances to:		
	Executives	**17,523**	14,851
	Employees	**3,430**	2,634
	Contractors and suppliers	**497,659**	410,209
	Others	**14,822**	4,156
		533,434	431,850
		724,296	595,180
	Considered doubtful	**17,472**	17,742
		741,768	612,922
	Allowance for ECL on loans and advances - note 45.4 and 45.6	**(17,472)**	(17,742)
		724,296	595,180
15.1	The maximum amount outstanding loans to executives at any time during the year calculated with reference to month end balances are as follows.	**79,700**	54,747
16	**Trade deposits and short-term prepayments**		
	Trade deposits	**257,429**	262,668
	Short-term prepayments	**236,063**	145,388
		493,492	408,056

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
17	**Other receivables**		
	Considered good		
	Duties, sales tax and octroi refunds due	**743,334**	632,970
	Commission and discounts receivable	**142,549**	101,554
	Due from subsidiaries - note 17.1	**1,875**	16,875
	Due from associated companies - note 17.1	**380,000**	-
	Receivable from principal	**151,365**	63,947
	Others	**83,574**	197,715
		1,502,697	1,013,061
	Considered doubtful	**9,007**	9,007
		1,511,704	1,022,068
	Allowance for ECL on receivables - note 17.3	**(9,007)**	(9,007)
		1,502,697	1,013,061

17.1 Due from related parties which are neither past due nor impaired includes the following:

Un-secured		
ICI Pakistan PowerGen Limited - Subsidiary	**1,875**	1,875
NutriCo Morinaga (Private) Limited - Subsidiary	**-**	15,000
NutriCo Pakistan (Private) Limited - Associate	**380,000**	-
	381,875	16,875

17.2 The maximum amount outstanding at any time during the year with reference to month end balances are as follows:

Un-secured		
ICI Pakistan PowerGen Limited - Subsidiary	**1,875**	1,875
NutriCo Morinaga (Private) Limited - Subsidiary	**-**	15,000
NutriCo Pakistan (Private) Limited - Associate	**380,000**	-
	381,875	16,875

17.3 Movement of allowance for ECL on other receivables

Opening balance	**9,007**	2,798
Charge for the year	**-**	6,209
Closing balance	**9,007**	9,007

18	**Cash and bank balances**		
	Cash at banks:		
	- Short-term deposits - note 18.1	**124,000**	124,000
	- Current accounts	**101,241**	115,837
	Cash in hand	**8,737**	6,546
		233,978	246,383

18.1 Represent security deposits from certain distributors that are placed with various separate bank accounts at pre-agreed rate maturing at various dates. These are interest based arrangements. The mark-up percentage on these deposits during the year was ranging from 6% to 10% (June 30, 2020: 8% to 11%) and these term deposits are readily encashable without any penalty.

Amounts in PKR '000

19 Issued, subscribed and paid-up capital

As at June 30, 2021	As at June 30, 2020		As at June 30, 2021	As at June 30, 2020
(Number of shares)				
83,734,062	83,734,062	Ordinary shares of PKR 10 each fully paid in cash	**837,341**	837,341
211,925	211,925	Ordinary shares of PKR 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation (note 19.1)	**2,119**	2,119
16,786	16,786	Ordinary shares of PKR 10 each issued as fully paid bonus shares	**168**	168
8,396,277	8,396,277	Ordinary shares issued pursuant to the previous scheme as fully paid for consideration of investment in associate (note 19.2)	**83,963**	83,963
92,359,050	92,359,050		**923,591**	923,591

19.1 The process for amalgamation of three companies namely Paintex Limited, ICI Pakistan Manufacturers Limited and Imperial Chemical Industries Limited resulted in a new company as ICI Pakistan Limited on April 01, 1987.

19.2 With effect from October 01, 2000, the Pure Terephthalic Acid (PTA) business of the Company was demerged under a scheme of arrangement dated December 12, 2000 approved by the shareholders and sanctioned by the High Court of Sindh.

19.3 As at June 30, 2021, the Parent Company Lucky Cement Limited together with Yunus Textile Mills Limited, Gadoon Textile Mills Limited, Lucky Textile Mills Limited and YB Pakistan Limited held 81.54% (June 30, 2020: 84.93%) while institutions held 9.27% (June 30, 2020: 8.14%) and individuals, others held the balance of 9.19% (June 30, 2020: 6.93%) Voting rights, board selection, & other shareholder's rights are in proportion to their shareholding.

	As at June 30, 2021	As at June 30, 2020
20 Capital reserves		
Share premium - note 20.1	**309,057**	309,057
Capital receipts - note 20.2	**586**	586
	309,643	309,643

20.1 Share premium includes the premium amounting to PKR 0.902 million received on shares issued for the Company's Polyester Plant installation in 1980 and share premium of PKR 308.982 million representing the difference between nominal value of PKR 10 per share of 8,396,277 ordinary shares issued by the Company and the market value of PKR 392.958 million of these shares corresponding to 25% holding acquired in Lotte Pakistan PTA Limited, an ex-associate, at the date of acquisition i.e. November 2, 2001 and the number of shares that have been issued were determined in accordance with the previous scheme in the ratio between market value of the shares of two companies based on the mean of the middle market quotation of the Karachi Stock Exchange now Pakistan Stock Exchange Limited over the ten trading days between October 22, 2001 to November 2, 2001.

20.2 Represents the amount received from various ICI plc group companies overseas for the purchase of property, plant and equipment. The remitting companies have no claim to their repayments.

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2021

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
21	**Provision for non-management staff gratuity**	**118,587**	112,493

21.1 As stated in note 3.12 to these unconsolidated financial statements, The Company is continuing with a funded defined benefit pension scheme and a funded defined benefit gratuity scheme for its management staff who joined prior to August 1, 2004 for Pension Scheme and prior to March 21, 2016 for Gratuity Scheme. The pension and gratuity schemes are salary schemes providing pension / commutation of pension and lump sum payments, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Company also operates defined benefit gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. Further, as a part of its defined contribution plan, the Company operates two registered contributory provident funds for its entire staff and a registered defined contribution superannuation fund for its management staff. Actuarial valuation of defined benefit plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2021.

21.2 Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plans. Responsibility for governance of the Plans, including investment and funding decisions and contribution schedules lies with the Board of Trustees. The Company appoints the trustees.

21.3 Staff retirement benefits

	2021				2020			
		Funded		**Unfunded**		Funded		Unfunded
	Pension	**Gratuity**	**Total**	**Non management gratuity**	Pension	Gratuity	Total	Non management gratuity
21.3.1 The amounts recognised in the unconsolidated statement of profit or loss against defined benefit schemes are as follows:								
Current service cost	**9,585**	**34,621**	**44,206**	**4,679**	11,018	38,114	49,132	3,761
Interest cost	**61,900**	**46,775**	**108,675**	**8,668**	94,037	70,950	164,987	11,896
Expected return on plan assets	**(68,042)**	**(46,010)**	**(114,052)**	**-**	(110,642)	(64,632)	(175,274)	-
Net charge / (reversal) for the year	**3,443**	**35,386**	**38,829**	**13,347**	(5,587)	44,432	38,845	15,657
Other comprehensive income:								
Loss / (gain) on obligation	**57,361**	**32,865**	**90,226**	**12,050**	100,049	(5,429)	94,620	14,847
Gain on plan assets	**(60,943)**	**(35,763)**	**(96,706)**	**-**	(43,594)	(13,358)	(56,952)	-
Net (gain) / loss for the year	**(3,582)**	**(2,898)**	**(6,480)**	**12,050**	56,455	(18,787)	37,668	14,847
21.3.2 Movement in the net assets / (liability) recognised in the unconsolidated statement of financial position are as follows:								
Opening balance	**74,450**	**(41,626)**	**32,824**	**(112,493)**	125,318	(79,339)	45,979	(93,982)
Net (reversal) / charge for the year - note 21.3.1	**(3,443)**	**(35,386)**	**(38,829)**	**(13,347)**	5,587	(44,432)	(38,845)	(15,657)
Net (gain) / loss for the year - note 21.3.1	**3,582**	**2,898**	**6,480**	**(12,050)**	(56,455)	18,787	(37,668)	(14,847)
Contributions / payments during the year	**-**	**64,565**	**64,565**	**19,303**	-	63,358	63,358	11,993
Closing balance	**74,589**	**(9,549)**	**65,040**	**(118,587)**	74,450	(41,626)	32,824	(112,493)
21.3.3 The amounts recognised in the statement of financial position are as follows:								
Fair value of plan assets - note 21.3.5	**861,259**	**639,394**	**1,500,653**	**-**	917,233	555,128	1,472,361	-
Present value of defined benefit obligation - note 21.3.4	**(786,670)**	**(648,943)**	**(1,435,613)**	**(118,587)**	(842,783)	(596,754)	(1,439,537)	(112,493)
Net asset / (liability)	**74,589**	**(9,549)**	**65,040**	**(118,587)**	74,450	(41,626)	32,824	(112,493)

The recognized asset / liability of funded gratuity is netted off against recognized asset / liability of funded pension and recorded accordingly.

21.3.4 Movement in the present value of defined benefit obligation:								
Opening balance	**842,783**	**596,754**	**1,439,537**	**112,493**	781,750	575,188	1,356,938	93,982
Current service cost	**9,585**	**34,621**	**44,206**	**4,679**	11,018	38,114	49,132	3,761
Interest cost	**61,900**	**46,775**	**108,675**	**8,668**	94,037	70,950	164,987	11,896
Benefits paid	**(184,959)**	**(62,072)**	**(247,031)**	**(19,303)**	(144,071)	(82,069)	(226,140)	(11,993)
Actuarial loss / (gain)	**57,361**	**32,865**	**90,226**	**12,050**	100,049	(5,429)	94,620	14,847
Closing balance	**786,670**	**648,943**	**1,435,613**	**118,587**	842,783	596,754	1,439,537	112,493
21.3.5 Movement in the fair value of plan assets:								
Opening balance	**917,233**	**555,128**	**1,472,361**	**-**	907,068	495,849	1,402,917	-
Expected return	**68,042**	**46,010**	**114,052**	**-**	110,642	64,632	175,274	-
Contributions	**-**	**64,565**	**64,565**	**-**	-	63,358	63,358	-
Benefits paid	**(184,959)**	**(62,072)**	**(247,031)**	**-**	(144,071)	(82,069)	(226,140)	-
Actuarial gain	**60,943**	**35,763**	**96,706**	**-**	43,594	13,358	56,952	-
Closing balance - note 21.3.3	**861,259**	**639,394**	**1,500,653**	**-**	917,233	555,128	1,472,361	-

Amounts in PKR '000

21.3.6 Historical information

	June 30				
	2021	2020	2019	2018	2017
Present value of defined benefit obligation	**1,554,200**	1,552,030	1,450,920	1,890,918	1,904,589
Fair value of plan assets	**(1,500,653)**	(1,472,361)	(1,402,917)	(1,806,761)	(2,096,728)
Net (asset) / liability	**53,547**	79,669	48,003	84,157	(192,139)

21.3.7 Major categories / composition of plan assets are as follows:

	2021	2020
Debt instruments	**71.79%**	84.03%
Equity at market value	**29.53%**	17.01%
Cash / Others	**-1.33%**	-1.04%

Fair value of plan asset	**Pension**	**Gratuity**	Pension	Gratuity
	As at June 30, 2021		As at June 30, 2020	
Investment				
National Savings deposits	**348,447**	**-**	307,107	-
Government bonds	**266,157**	**415,399**	479,573	399,236
Mutual funds - equity	**-**	**-**	-	29,918
Mutual funds - fixed income	**-**	**-**	-	256
Corporate bonds	**-**	**47,380**	-	50,989
Shares	**264,839**	**178,340**	145,635	74,935
Cash and term deposits	**3,482**	**5,996**	16,336	7,884
(Benefit due) / Income receivable	**(21,666)**	**(7,721)**	(31,418)	(8,090)
Total	**861,259**	**639,394**	917,233	555,128

Mortality of active employees and pensioners is represented by the 70% of EFU (61-66). The table has been rated down three years for mortality of female pensioners and widows.

	2021	2020
Actual return on plan assets during the year	**210,758**	232,226

21.3.8 The principal actuarial assumptions at the reporting date were as follows:

	2021	2020
Discount rate	**9.50%**	8.25%
Future salary increases - Management	**4.25%**	3.00%
Future salary increases - Non-management	**5.25%**	4.00%
Future pension increases	**4.25%**	3.00%

Discount rate

The discount rate for the valuations has been determined as 9.5% with reference to this duration and Pakistan Investment Bond yields on the valuation date. In response to the economic slowdown that followed the onset of the COVID-19 pandemic, the Government forced interest rates down by 5% to provide cheaper borrowing for industry.

Future salary increases - Non-management

The Company's Management's estimates of increases in plan members' salaries over this period will average 6% per annum for Management Staff and 7% for Non Management Staff members. These rates have been adjusted downward with reference to the underlying long-term interest rate of 11.25% and the valuation discount rate of 9.5%. The salary increase assumption has been set at 4.25% for Management Staff and 5.25% for Non-Management Staff.

Future pension increases

Pension Fund Rules guarantee an annual increase of 6%. After adjusting for the difference between the valuation discount rate and the underlying long-term interest rate, the pension increase assumption for June 30, 2021 is 4.25%.

21.3.9 Impact of changes in assumptions on defined benefit scheme is as follows:

Assumption	**1% Increase**	**1% Decrease**
Discount rate	**(74,293)**	**83,308**
Salary increase	**52,825**	**(47,676)**
Pension increase	**33,967**	**(30,839)**

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the unconsolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

21.3.10 During the year, the Company contributed in the fund as follows:

	2021	2020
Provident fund - note 21.4	**157,040**	145,452
Defined contribution superannuation fund - note 21.4	**134,125**	120,504

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2021

Amounts in PKR '000

21.3.11 The Company contributes to the pension and gratuity funds on the advice of the funds' actuary. The contributions are equal to the current service cost with adjustment for any deficit. If there is a surplus, the Company takes a contribution holiday, accordingly, there is no impact of asset ceiling in these unconsolidated financial statement. The expected contributions for the financial year ending June 30, 2022 for management staff gratuity PKR 37.290 million.

21.3.12 The weighted average duration of the defined benefit obligation is 5.7 years (2020: 5.7 years).

21.3.13 The defined benefit schemes pose the following risks:

Mortality risks
The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefits.

Investment risk
The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plans.

Final salary risks
The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefits are calculated on the final salary, the benefit amounts increase similarly.

Risk of sufficiency of assets
This was managed by making regular contributions to the gratuity and pension funds as advised by the actuary.

Withdrawal risk
The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the defined benefit obligations. The movement of the liability can go either way.

21.4 Investments out of provident fund and defined contribution superannuation fund have been made in accordance with the provisions of section 218 of the Companies Act 2017 and the rules formulated for this purpose.

		As at June 30, 2021	As at June 30, 2020
22	**Long-term loans**	**3,495,927**	6,129,340
	Loans from banking companies / financial institutions:		
	Interest based arrangement		
	Long-Term Finance Facility (LTFF) - note 22.1	**1,621,081**	1,954,307
	Other long-term loan	**-**	202,120
	Payroll Finance Scheme - note 22.2	**1,112,012**	439,820
	Temporary Economic Refinance Facility (TERF) - note 22.3	**546,674**	-
	Shariah compliant		
	Islamic term finance - note 22.4	**1,692,850**	4,760,880
		4,972,617	7,357,127
	Current portion shown under current liabilities	**(1,476,690)**	(1,227,787)
		3,495,927	6,129,340

22.1 These loans are secured by a charge against the fixed assets of Polyester and Soda Ash Business amounting to PKR 2,500 million and PKR 17,608 million respectively. Mark-up is payable on quarterly and half yearly basis. The markup on LTFF ranges from SBP Rate + 0.30% to 0.50% and the limit stands at PKR 2,665.82 million (June 30, 2020: PKR 2,665.82 million). The maturity of these loans ranges from 1 to 6 years.

The markup on all long-term loans is payable on quarterly and semi-annual basis.

22.2 The Company has availed further long-term loan facilities in the form of the Refinance Scheme for Payment of Wages and Salaries. These loans are secured against the current assets of the Company. The markup rate on Refinance Scheme for Payment of Wages and Salaries are at a rate ranging from 0.5% to 1%. Grace period for principal repayment has been availed which entails that the first principal repayment falls in April 2021 and the last repayment will be on December 2022. The principal repayments and mark up will be made on a quarterly basis. Government grant has been recorded in respect of this facility. There are no unfulfilled conditions or contingencies attached to this grant.

22.3 The Company has availed TERF for the purpose of plant expansion having a limit of PKR 4.0 billion. These loans are secured by a charge against the fixed assets of Soda Ash business. The markup rate on TERF as per SBP Regulations. Grace period for principal repayment has been availed which entails that the first principal repayment falls in December 2023 and the last repayment will be on June 2031. The principal repayments will be made on a semi annual basis and mark up payment will be made on quarterly basis. Government grant has been recorded in respect of this facility. There are no unfulfilled conditions or contingencies attached to this grant. The Company also has unavailed facility of PKR 500 million as of the year end from National Bank of Pakistan (related party).

22.4 Represents Shariah compliant loans. The limits for these Islamic loans stand at PKR 1,881.2 million (June 30, 2020: PKR 5,400 million) while the profit rate on Islamic term finance is 6 months KIBOR + 0.05%. The maturity of Islamic loans is 7 years. These loans are secured by a charge against the fixed assets of the Company. Grace period for principal repayment has been availed which entails that the first principal repayment falls in August 2021 and the last repayment will be on August 2024. The principal repayments and mark up will be made on a semi annual basis.

23	**Deferred income - Government grant**		
	Government grant	**191,980**	-
	Current portion of government grant	**(52,746)**	-
		139,234	-
	Following is the movement in government grant during the year:		
	Obtained during the year	**242,604**	-
	Amortisation of deferred income - government grant	**(50,624)**	-
	Closing balance	**191,980**	-

Amounts in PKR '000

		As at June 30, 2021			As at June 30, 2020 (Restated)			
		Opening	**(Reversal) / Charge**	**Closing**	Opening	Transfer upon Amalgamation	(Reversal) / Charge	Closing
24	**Deferred tax liability - net**							
	Deductible temporary differences							
	Provisions for retirement benefits, doubtful debts and others	**(309,061)**	**41,731**	**(267,330)**	(307,243)	(19,416)	17,598	(309,061)
	Retirement fund provisions - note 21.3.1	**(115,669)**	**(2,504)**	**(118,173)**	(103,478)	(1,101)	(11,090)	(115,669)
	Taxable temporary differences							
	Property, plant and equipment	**1,953,365**	**(204,383)**	**1,748,982**	2,092,696	(584)	(138,747)	1,953,365
		1,528,635	**(165,156)**	**1,363,479**	1,681,975	(21,101)	(132,239)	1,528,635

24.1 Includes amount PKR 2,504 million (2020 : PKR 11.090 million) routed through unconsolidated statement of other comprehensive income.

		As at June 30, 2021	As at June 30, 2020 (Restated)
25	**Trade and other payables**		
	Trade creditors - note 25.1	**2,754,343**	1,833,037
	Bills payable	**2,396,160**	2,055,669
	Accrued expenses - note 25.4	**4,284,463**	3,038,782
	Technical service fee / royalty - note 25.2	**38,208**	51,437
	Workers' Profit Participation Fund - note 25.3	**66,541**	51,659
	Workers' Welfare Fund	**162,909**	203,624
	Distributors' security deposits - payable on termination of distributorship - note 25.5	**127,320**	128,550
	Contractors' earnest / retention money	**22,567**	24,246
	Contract liabilities (Running account with customers) - note 25.6	**692,059**	612,782
	Payable for capital expenditure	**196,307**	62,272
	Others	**250,583**	169,380
		10,991,460	8,231,438
25.1	This amount includes payable to ICI Pakistan PowerGen Limited, a related party on account of purchase of electricity:	**632,779**	276,608
25.2	This amount includes royalty payable to associate company namely "Lucky Holdings Limited" registered on the specified address 6-A, Mohammad Ali Society A. Aziz Hashim Tabba Street Karachi - 75350, Pakistan	**12,121**	26,420
25.3	**Workers' Profit Participation Fund**		
	Opening balance	**51,659**	174,085
	Transfer upon Amalgamation	**-**	12,501
	Allocation for the year - note 33	**433,208**	223,012
		484,867	409,598
	Interest on funds utilised in the Company's businesses at 116.25% (June 30, 2020: 97.5%)	**2,157**	1,516
	Payment to the fund	**(420,483)**	(359,455)
	Closing balance	**66,541**	51,659

25.4 The Supreme Court of Pakistan (SCP) through its judgment dated August 13, 2020 (“GIDC Judgment”) declared the Gas Infrastructure Development Cess Act, 2015 (“GIDC Act 2015”) as valid. It further allowed recovery of GIDC by the gas companies from their consumers in twenty-four equal monthly installments.

The Company has filed suit before High Court of Sindh (HSC) on September 16, 2020 on the grounds that factual determination of the GIDC passed-on is to be carried out, which is pending adjudication. The HSC granted the Company an interim stay. The Company has followed the relevant accounting standards and guidelines issued by the Institute of Chartered Accountants of Pakistan in this regard.

25.5 Interest on security deposits from certain distributors that are placed with various separate bank account is payable at ranging from 6% to 10% (June 30, 2020: 8% to 11%) per annum as specified in the respective agreements. These security deposits are non utilizable. Further, the Company has not utilized any such deposit for the purpose of its business during the year.

25.6 During the year, contract liabilities as at June 30, 2020 have been recognised as revenue. Contract liabilities as at the year end will be recognised as revenue during next financial year.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
26	**Short-term financing**		
	Export refinance facility - note 26.1	**450,000**	-
	FE 25 Facility	**-**	958,564
	Short-term running finance - secured - note 26.2	**1,349,122**	2,440,597
		1,799,122	3,399,161

26.1 The Company has availed export refinance facility (ERF) amounting to Rs. 450 million (2020: Rs. Nil) as at June 30, 2021 out of which Rs. 300 million was availed from National Bank of Pakistan (related party), Rs. 100 million from Habib Metropolitan Bank - Islamic Banking and Rs. 50 million from Allied Bank Limited- Islamic Banking (2020: Rs. Nil). The above export refinance facility is secured by first pari passu hypothecation charge. The export refinance facility carries mark-up at State Bank of Pakistan (SBP) rate ranging from 0.15% to + 0.50% per annum (June 30, 2020: SBP rate + Nil % per annum).

26.2 Represents short-term facilities wherein, Islamic Facilities have a limit of PKR 7,946 Million (June 30, 2020: PKR 6,915 Million). These facilities carry mark-up ranging from KIBOR + 0.02 % to KIBOR +0.50 % per annum with an average mark-up rate of relevant KIBOR + 0.16 % (June 30, 2020: relevant KIBOR + 0.05 % to KIBOR + 1.00 % per annum with an average mark-up rate of relevant KIBOR + 0.34 %). The conventional short term facilities, have a limit amounting to PKR 5,950 million (June 30, 2020: PKR 7,331 million). These facilities carry mark-up ranging from KIBOR + 0.05 % to KIBOR + 0.30 % per annum with an average mark-up rate of relevant KIBOR + 0.17 % (June 30, 2020: relevant KIBOR + 0.05 % to KIBOR + 0.30 % per annum with an average mark-up rate of relevant KIBOR + 0.15 %).

26.3 Includes facility from National Bank of Pakistan (related party) amounting to PKR 321.20 million, against a total limit of PKR 1,000 million, carrying mark-up at the rate of 3 month KIBOR + 0.15 %. The facility is secured against current assets. The Company has executed other transactions mainly for payments to Government and related authorities in the ordinary course of business.

		As at June 30, 2021	As at June 30, 2020
27	**Contingencies and Commitments**		
	Claims against the Company not acknowledged as debts are as follows:		
	Local bodies	**76,500**	81,500
	Others	**7,238**	22,979
		83,738	104,479

27.1 **Details of material cases**

Collectorate of customs - classification issue in PCT heading

ICI Pakistan imported a series of consignments of Wannate 8019 under PCT Heading 3909.5000. Collectorate of customs raised demand of PKR 3 million on 12.05.2015 & 21.05.2015, against the Company on the ground that Company is classifying its imported product Wannate 8019 in wrong PCT Heading. Company filed 12 appeals at the Customs Appellate Tribunal. The Collector of Customs (Appeals) at Karachi issued an order on 25.11.2015, through which it waived the Penalty of Rs 0.6m and Fine of Rs 2.9m originally imposed but two issues Classification of Goods and Benefit of FTA Rs 0.7m were not allowed/ accepted. The Company appealed before the Customs Appellate Tribunal. Through order dated 9-7-2019, the Custom Appellate Tribunal (a) Agreed to the Classification determined under impugned order dated 21-5-2015 (above), passed by Collector Customs (b) Held that the goods being not part of SRO 1125(I)/2011 dated 31/12/2011 do not qualify for cover of zero rating of sales tax. (c) Penalty imposed upon ICI is scaled down to 200,000 in every case involving penalty and penalty imposed upon custom house agent is reduced to 25000 (in each case involving penalty) (d) Declared recovery of additional sales tax as invalid (e) Benefit of FTA (Pak-China Free trade Agreement) has been extended to ICI This decision has been challenged before the Sindh High Court vide 10 custom references.

Special Customs Reference Applications were filed before the Sindh High Court against Order dated 9-7-2019. The Company's stay application was dismissed so the Company filed a writ petition in the SHC. The Special Customs Reference Application 831 to 840 of 2019 were decided in favour of ICI by the Sindh High Court through order dated 22.12.2020. The High court has remanded all ten cases to the Customs Appellate Tribunal for the appeals to be decided afresh. The Court has also restrained the Custom authorities from enforcing any demand till the Custom Appellate Tribunal decides the appeals.

For one other product Wannate PM 2010/ 8221, consignments were again withheld by Customs Intelligence on Classification issue. Company paid PKR 94.0 million as Security Deposit for Provisional Clearance of these consignments till final decision. Classification committee through a Public notice dated 12th June, 2017 gave its view on classification of the product against the Company. Customs after the issuance of this Public Notice raised further demand relating to period prior to issuance of Public Notice, amounting to PKR 65.0 million. Company being dissatisfied with the verdict filed a Suit in Sindh High Court on certain grounds including that applicability of public notice cannot be done retrospectively. The court has granted a stay in favor of the Company till the next date of hearing. The Company is confident that it has a strong grounds to defend the case and is hopeful of positive outcome.

Land conversion fee issue

The Company has received a notice dated March 11, 2016 issued by the Tehsil Municipal Administration Pin Dadan Khan, Tehsil Officer, whereby a sum of PKR 67.0 million was demanded as conversion fee with respect to land acquired/purchased in the years 2010 and 2015. The Company filed a response to the said notice as well as appeal before the Secretary Local Government Community (SLG). The SLG disposed of the appeal by stating that the land purchased was Banjar Qadeem and that MC was competent to charge conversion fee. Thereafter another notice was by issued by the MC on November 15, 2018 for payment of PKR 67.0 million.

The Company filed a Writ Petition No.225 of 2019 on January 17, 2019 before the Lahore High Court, Rawalpindi Bench against the Notices as well as order of SLG. On October 31, 2019 the Learned Judge was pleased to stay the operation of the impugned orders/notices, subject to the deposit of PKR 24.0 million with the Deputy Registrar Judicial, which was deposited through Pay Order No.05138957 on February 14, 2019.

The Company is confident that the above cases would be decided in Company's favor. Accordingly, no provision in this respect has been made in these unconsolidated financial statements.

27.2 Certain tax related matters are disclosed below.

Assessment Year / Tax Year / Tax Period	Brief description	Nature of demand	Estimated Financial impact	Authority / Court and status
AY 1998-99	The assessment finalized was revised on certain issues and after being remanded by the Appellate Tribunal, the Order dated June 29, 2010 was issued. In this Order majorly the date of commissioning of PTA's plant was in dispute i.e. it was considered to fall in the subsequent tax period. Consequently, tax depreciation thereon was disallowed. Additionally, the cost of capitalization of PTA plant was restricted and additions to income were made. In first appeal, the Commissioner (Appeals) [CIR(A)] decided all the issues in Company's favor except the matter of restriction of cost of capitalization.	Income tax	PKR 79 million	Currently appeals of the company and FBR are pending before the Tribunal.
AY 2002-03 and spillover effect in TYs 2003 to 2010	After the disposal of Company's petition by the Honourable Supreme Court of Pakistan, the assessment proceedings were finalized vide Order dated May 15, 2017. Despite the finality on the De-merger of the PTA Plant and related matters in the AY 2001-2002, the date of that event was considered as falling in this year. Consequently, in this Order, the Officer proceeded to tax the event of transfer of PTA plant & exchange of shares and restrict the claim of depreciation relating to PTA assets. Other matters included the disallowance of financial charges and other issues. Simultaneously, the orders for the Tax Years 2003 to 2010 were issued, to reflect the reduction in carry forward of depreciation. The significant issues as well as that in the subsequent years were maintained in first appeal. Some relief on other matters in the AY 2002-2003 was given. During the year, the Tribunal vide order dated June 7, 2021 has decided all the issues involved in AY 2002-03 in the Company's favor. The appeals for Tax Years 2003 to 2010 are still pending before Tribunal. Since these involve a consequential matter, the Company is confident that these will also be favorably resolved.	Income tax	(i) AY 2002-03: PKR 2,143 million, deleted by Tribunal. (ii) TYs 2003 to 2010: PKR 1,915 million in aggregate.	(i) Appeal effect order for AY 2002-03 is pending. (ii) Hearing of appeals for TYs 2003 to 2010 is pending.
TYs 2003 to 2010 [Regular assessments & audits]	The FBR, vide various Orders, made certain disallowances against provisions charged under various heads, financial charges, gain on disposal of fixed assets, exchange loss, proration of expenses against capital gains and interest free loans offered to employees. The CIR(A) had allowed all the issues in Company's favor except for one issue in TY 2010 which has been challenged before Tribunal. FBR also challenged the CIR(A) order in the Tribunal which has been decided against the Company on certain matters including addition on account of disposal of fixed assets and apportionment of expenses against capital gain etc. References in this regard have been filed in the High Court.	Income tax	TY 2010: PKR 79 million.	Hearings of appeals are pending.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

Assessment Year / Tax Year / Tax Period	Brief description	Nature of demand	Estimated Financial impact	Authority / Court and status
2016	Following proceedings were finalized by FBR: (i) Income tax audit finalized vide assessment order dated December 30, 2019, raising demand on various issues such as disallowance of provisions, exchange loss, BMR credit etc. Although the demand has been paid under protest, an appeal against the order has been filed before the CIR(A). (ii) Monitoring proceedings have been finalized vide order dated September 2, 2016 wherein demand was raised on account of alleged non-deduction of income tax on dividends paid to parities having specific exemptions. Appeal filed against the order before CIR(A) was decided against the Company which has been challenged before the Tribunal.	Income tax	(i) PKR 36 million, paid under protest. (ii) PKR 138 million.	(i) Hearing of appeal is pending before CIR(A). (ii) Hearing of the appeal is pending before Tribunal.
July 2012 to June 2013	Sales tax audit was finalized by FBR vide order dated September 12, 2014 in which major demand was raised by declaring exempt / zero-rated sales as taxable along with certain other issues. Appeal filed with CIR(A) was decided against the Company which has been challenged before the Tribunal.	Sales tax	PKR 952 million	Hearing before Tribunal is pending.
July 2014 to June 2015 & July 2016 to June 2017	Sales tax audit for July 2014 to June 2015 was finalized by the FBR vide order September 25, 2018 creating demand on various issues including inadmissible sales tax claimed on blacklisted / inactive suppliers and goods used for non-business activity. After all these issues were remanded back by the CIR(A), FBR has filed an appeal before Tribunal. Similar issues for July 2016 to June 2017 have been decided against the Company vide order dated June 29, 2021. The Company is in the process of filing an Appeal before CIR (A).	Sales tax	(i) July 2014 to June 2015: PKR 26 million, paid under protest (ii) July 2016 to June 2017: PKR 29 million	(i) Hearing of appeal before Tribunal is pending. (ii) The Company is in process of filing an appeal before the CIR(A).

In addition to above, there are certain other tax and legal cases which are pending before various authorities. The management is confident that all these cases (including listed above) will be decided in favour of the Company.

		As at June 30, 2021	As at June 30, 2020
27.3	**Commitments**		
27.3.1	Commitments in respect of capital expenditure including various projects :	**1,065,385**	395,192
27.3.2	Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:		
	Year		
	2021-22	**2,013**	1,820
	2022-23	**6,436**	1,939
	2023-24	**6,608**	2,065
	2024-25	**7,038**	2,199
	2025-26	**5,621**	-
		27,716	8,023
	Payable not later than one year	**2,013**	1,820
	Payable later than one year but not later than five years	**25,703**	6,203
		27,716	8,023
27.3.3	Outstanding letter of credit - unutilized PKR 10,564.982 million (June 30, 2020: 11,259.882 million)	**5,624,358**	3,834,449
27.3.4	Commitments in respect of post dated cheques	**420,760**	1,152,646

Amounts in PKR '000

28 Operating segment results

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals & Agri Sciences		Company	
	For the year ended June 30, 2021	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020 (Restated)
Sales												
Bangladesh	**249**	-	**617,357**	299,133	**-**	-	**-**	-	**-**	-	**617,606**	299,133
Sri Lanka	**-**	-	**283,633**	-	**-**	-	**-**	-	**-**	-	**283,633**	-
United States	**203,113**	474,463	**-**	-	-	-	-	-	**-**	-	**203,113**	474,463
UAE	**-**	-	**56,731**	255,015	-	-	-	-	**-**	-	**56,731**	255,015
Others	**54,406**	50,580	**161,746**	209,916	**109,836**	15,880	**-**	-	**4,170**	-	**330,158**	276,376
	257,768	525,043	**1,119,467**	764,064	**109,836**	15,880	**-**	-	**4,170**	-	**1,491,241**	1,304,987
Inter-segment	**-**	-	**-**	-	-	-	-	-	**14,799**	12,041	**14,799**	12,041
Local	**28,580,555**	22,930,044	**19,327,709**	18,401,487	**10,838,050**	7,330,892	**6,625,863**	4,851,709	**10,491,161**	9,825,534	**75,863,338**	63,339,666
	28,838,323	23,455,087	**20,447,176**	19,165,551	**10,947,886**	7,346,772	**6,625,863**	4,851,709	**10,510,130**	9,837,575	**77,369,378**	64,656,694
Commission / toll income	**-**	-	**-**	-	**-**	881	**226**	4,675	**126,225**	131,337	**126,451**	136,893
Turnover	**28,838,323**	23,455,087	**20,447,176**	19,165,551	**10,947,886**	7,347,653	**6,626,089**	4,856,384	**10,636,355**	9,968,912	**77,495,829**	64,793,587
Sales tax	**(4,107,589)**	(3,298,092)	**(2,706,463)**	(2,613,205)	**(43,506)**	(38,861)	**(9,137)**	(9,873)	**(1,054,444)**	(786,993)	**(7,921,139)**	(6,747,024)
Commission	**(433,665)**	-	**(203,277)**	(170,607)	**-**	(277,558)	**-**	-	**-**	(300)	**(636,942)**	(448,465)
Discounts / price	**-**	(269,707)	**(828,906)**	(734,874)	**(3,090,145)**	(886,509)	**(1,503,227)**	(937,744)	**(882,705)**	(1,158,686)	**(6,304,983)**	(3,987,520)
	(4,541,254)	(3,567,799)	**(3,738,646)**	(3,518,686)	**(3,133,651)**	(1,202,928)	**(1,512,364)**	(947,617)	**(1,937,149)**	(1,945,979)	**(14,863,064)**	(11,183,009)
Net turnover	**24,297,069**	19,887,288	**16,708,530**	15,646,865	**7,814,235**	6,144,725	**5,113,725**	3,908,767	**8,699,206**	8,022,933	**62,632,765**	53,610,578
Cost of sales - note - 30	**(20,998,308)**	(18,703,044)	**(11,563,464)**	(11,132,306)	**(5,266,224)**	(4,159,069)	**(3,898,349)**	(3,006,535)	**(6,558,177)**	(6,053,245)	**(48,284,522)**	(43,054,199)
Gross profit	**3,298,761**	1,184,244	**5,145,066**	4,514,559	**2,548,011**	1,985,656	**1,215,376**	902,232	**2,141,029**	1,969,688	**14,348,243**	10,556,379
Selling and distribution expenses - note 31	**(458,435)**	(376,343)	**(678,853)**	(481,804)	**(1,309,793)**	(1,056,186)	**(743,939)**	(555,899)	**(963,984)**	(919,240)	**(4,155,004)**	(3,389,472)
Administration and general expenses - note - 32	**(124,340)**	(98,047)	**(940,692)**	(754,041)	**(402,430)**	(291,133)	**(91,737)**	(105,902)	**(235,202)**	(248,545)	**(1,794,401)**	(1,497,668)
Operating result	**2,715,986**	709,854	**3,525,521**	3,278,714	**835,788**	638,337	**379,700**	240,431	**941,843**	801,903	**8,398,838**	5,669,239
28.1 Segment assets - note 28.5 and 29.3	**9,823,522**	8,667,585	**25,406,934**	24,610,387	**5,810,736**	6,037,209	**4,279,340**	4,167,580	**9,344,984**	8,938,995	**40,432,858**	36,832,698
28.2 Unallocated assets											**3,370,707**	4,676,413
											43,803,565	41,509,111
28.3 Segment liabilities - note 28.5 and 29.4	**14,723,344**	14,560,440	**3,341,690**	3,091,150	**5,563,382**	5,841,748	**2,209,108**	1,961,237	**2,424,499**	1,898,406	**12,739,161**	10,205,413
28.4 Unallocated liabilities											**7,185,196**	11,071,891
											19,924,357	21,277,304

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

	Polyester 2021	Polyester 2020	Soda Ash 2021	Soda Ash 2020	Pharma 2021	Pharma 2020	Animal Health 2021	Animal Health 2020	Chemicals & Agri Sciences 2021	Chemicals & Agri Sciences 2020	Company 2021	Company 2020
28.6 Depreciation and amortisation - note 6.5, 7.1 and 8.1	**618,213**	706,841	**1,614,857**	1,649,845	**143,799**	142,946	**64,716**	61,889	**109,226**	117,805	**2,550,811**	2,679,326
28.6.1 Depreciation and amortisation allocated for which corresponding asset is not allocated											**43,932**	45,975
28.7 Capital expenditure	**308,653**	213,022	**2,372,994**	1,138,805	**115,929**	48,052	**26,702**	71,712	**4,075**	76,077	**2,828,353**	1,547,668

28.8 There were no major customer of the Company which formed part of 10% or more of the Company's revenue. All non-current operating assets of the Company are located in Pakistan.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

	For the year ended June 30, 2021	For the year ended June 30, 2020
29. Reconciliations of reportable segment net turnover, cost of sales, assets and liabilities		
29.1 Net turnover		
Total net turnover for reportable segments - note 28	**62,632,765**	53,610,578
Elimination of inter-segment net turnover - note 28	**(14,799)**	(12,041)
Total net turnover	**62,617,966**	53,598,537

	For the year ended June 30, 2021	For the year ended June 30, 2020
		(Restated)
29.2 Cost of sales		
Total cost of sales for reportable segments - note 30	**48,284,522**	43,054,199
Elimination of inter-segment purchases - note 30	**(14,799)**	(12,041)
Total cost of sales	**48,269,723**	43,042,158

	As at June 30, 2021	As at June 30, 2020
		(Restated)
29.3 Assets		
Total assets for reportable segments	**40,432,858**	36,832,698
Taxation recoverable	**174,407**	1,990,113
Long-term investments	**3,196,300**	2,686,300
Total assets	**43,803,565**	41,509,111
29.4 Liabilities		
Total liabilities for reportable segments	**12,739,161**	10,205,413
Short-term financing - note 26	**1,799,122**	3,399,161
Loans from banking companies / financial institutions - note 22	**4,972,617**	7,357,127
Accrued mark-up	**122,191**	227,281
Unclaimed dividends	**99,286**	88,322
Deferred income - Government grant	**191,980**	-
Total liabilities	**19,924,357**	21,277,304

Amounts in PKR '000

30. Cost of Sales

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals & Agri Sciences		Company	
	For the year ended June 30, 2021	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020
Raw and packing materials consumed												(Restated)
Opening stock	**1,435,020**	1,864,192	**1,707,313**	1,308,718	**1,259,340**	1,120,343	**218,974**	208,574	**749,507**	980,564	**5,370,154**	5,482,391
Transfer upon Amalgamation	**-**	-	**-**	-	**-**	224,000	**-**	-	**-**	-	**-**	224,000
Purchases												
Inter-segment	**12,250**	5,796	**-**	-	**2,549**	6,245	**-**	-	**-**	-	**14,799**	12,041
Others	**18,250,227**	14,527,560	**3,685,495**	4,241,023	**3,955,892**	2,523,746	**1,356,957**	668,793	**4,499,023**	3,162,994	**31,747,594**	25,124,116
	18,262,477	14,533,356	**3,685,495**	4,241,023	**3,958,441**	2,529,991	**1,356,957**	668,793	**4,499,023**	3,162,994	**31,762,393**	25,136,157
	19,697,497	16,397,548	**5,392,808**	5,549,741	**5,217,781**	3,874,334	**1,575,931**	877,367	**5,248,530**	4,143,558	**37,132,547**	30,842,548
Closing stock - note 13	**(2,337,329)**	(1,435,020)	**(1,449,330)**	(1,707,313)	**(1,276,744)**	(1,259,340)	**(436,891)**	(218,974)	**(1,067,759)**	(749,507)	**(6,568,053)**	(5,370,154)
Raw material consumed	**17,360,168**	14,962,528	**3,943,478**	3,842,428	**3,941,037**	2,614,994	**1,139,040**	658,393	**4,180,771**	3,394,051	**30,564,494**	25,472,394
Salaries, wages and benefits - note 30.1	**675,215**	614,527	**1,217,333**	1,058,373	**497,613**	325,780	**59,953**	49,888	**183,279**	139,391	**2,633,393**	2,187,959
Stores and spares consumed	**245,130**	263,191	**275,268**	253,732	**149,949**	50,304	**19,787**	14,202	**38,230**	12,708	**728,364**	594,137
Conversion fee paid to contract manufacturers	**-**	-	**-**	-	**354,185**	335,962	**3,045**	2,171	**36,541**	32,218	**393,771**	370,351
Oil, gas and electricity	**2,233,904**	1,637,959	**4,247,998**	4,165,344	**151,024**	99,283	**7,341**	7,257	**38,950**	32,943	**6,679,217**	5,942,786
Rent, rates and taxes	**1,714**	1,501	**1,887**	2,569	**1,164**	1,787	**-**	200	**7**	168	**4,772**	6,225
Insurance	**22,300**	25,000	**31,961**	43,918	**5,046**	4,146	**1,544**	571	**418**	664	**61,269**	74,299
Repairs and maintenance	**22,936**	16,323	**12,311**	8,446	**3,947**	14,195	**4,560**	2,776	**12,156**	14,314	**55,910**	56,054
Depreciation and amortisation charge - note 6.5, 7.1 & 8.1	**613,066**	668,845	**1,574,305**	1,557,367	**114,760**	111,641	**42,688**	38,126	**84,893**	70,263	**2,429,712**	2,446,242
Travelling	**60,705**	65,698	**9,891**	15,564	**3,985**	8,162	**287**	517	**1,019**	1,680	**75,887**	91,621
Contracted Services	**226,414**	161,784	**240,175**	231,382	**6,900**	-	**956**	669	**11,017**	12,061	**485,462**	405,896
General expenses	**52,863**	46,524	**98,050**	81,349	**28,284**	26,002	**8,251**	6,185	**18,489**	15,511	**205,937**	175,571
Opening stock of work-in-process	**223,575**	148,741	**-**	-	**21,681**	34,099	**(7,468)**	6,444	**12,483**	27,425	**250,271**	216,709
Transfer upon Amalgamation	**-**	-	**-**	-	**-**	80,506	**-**	-	**-**	-	**-**	80,506
Closing stock of work-in-process - note 13	**(130,765)**	(223,575)	**-**	-	**(39,187)**	(21,681)	**(17,796)**	7,468	**(13,996)**	(12,483)	**(201,744)**	(250,271)
Cost of goods manufactured	**21,607,225**	18,389,046	**11,652,657**	11,260,472	**5,240,388**	3,685,180	**1,262,188**	794,867	**4,604,257**	3,740,914	**44,366,715**	37,870,479
Opening stock of finished goods	**706,589**	891,258	**471,197**	343,031	**447,444**	284,478	**559,430**	750,481	**1,522,760**	1,872,817	**3,707,420**	4,142,065
Transfer upon Amalgamation	**-**	-	**-**	-	**-**	66,144	**-**	-	**-**	-	**-**	66,144
Finished goods purchased	**(2,461)**	129,329	**-**	-	**110,097**	636,124	**2,518,138**	2,053,875	**2,195,196**	1,986,064	**4,820,970**	4,805,392
	22,311,353	19,409,633	**12,123,854**	11,603,503	**5,797,929**	4,671,926	**4,339,756**	3,599,223	**8,322,213**	7,599,795	**52,895,105**	46,884,080
Closing stock of finished goods - note 13	**(1,313,045)**	(706,589)	**(560,390)**	(471,197)	**(478,103)**	(447,444)	**(413,908)**	(559,430)	**(1,751,130)**	(1,522,760)	**(4,516,576)**	(3,707,420)
Provision for slow moving and obsolete stocks - note 13.1	**-**	-	**-**	-	**(53,602)**	(65,413)	**(27,499)**	(33,258)	**(12,906)**	(23,790)	**(94,007)**	(122,461)
	20,998,308	18,703,044	**11,563,464**	11,132,306	**5,266,224**	4,159,069	**3,898,349**	3,006,535	**6,558,177**	6,053,245	**48,284,522**	43,054,199

30.1 Staff retirement benefits

	2021	2020
Salaries, wages and benefits includes amount in respect of staff retirement benefits:	**176,035**	137,041

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

31 Selling and distribution expenses

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals & Agri Sciences		Company	
	For the year ended June 30, 2021	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020
Salaries and benefits - note 31.1	**67,484**	65,611	**59,178**	48,369	**637,834**	482,431	**417,652**	264,094	**429,623**	364,344	**1,611,771**	1,224,849
Repairs and maintenance	**213**	197	**868**	634	**4,402**	3,224	**1,664**	1,406	**9,491**	13,877	**16,638**	19,338
Advertising and publicity expenses	**58,937**	31,768	**10,592**	-	**188,116**	166,840	**38,204**	14,170	**67,824**	50,990	**363,673**	263,768
Rent, rates and taxes	**46**	283	**343**	622	**6,562**	9,264	**6,593**	6,548	**7,692**	7,964	**21,236**	24,681
Insurance	**-**	-	**481**	240	**11,341**	7,243	**7,532**	7,454	**10,915**	11,311	**30,269**	26,248
Lighting, heating and cooling	**61**	82	**1,855**	2,000	**4,176**	3,698	**1,432**	3,890	**13,946**	9,271	**21,470**	18,941
Depreciation and amortisation charge - note 6.5, 7.1 & 8.1	**-**	-	**-**	2,041	**15,688**	15,555	**20,940**	22,856	**18,269**	37,101	**54,897**	77,553
Outward freight and handling	**67,577**	55,336	**424,689**	218,651	**109,313**	85,736	**131,907**	130,475	**133,323**	146,336	**866,809**	636,534
Travelling expenses	**5,687**	8,925	**1,002**	3,486	**180,636**	141,757	**76,085**	72,443	**80,344**	87,362	**343,754**	313,973
Postage, telegram, telephone and telex	**1,422**	1,347	**2,365**	4,951	**18,287**	14,019	**7,564**	5,371	**11,644**	10,613	**41,282**	36,301
Royalty Note -31.2	**222,199**	197,109	**152,801**	155,374	**-**	-	**-**	-	**-**	-	**375,000**	352,483
Godown expenses	**-**	-	**27,619**	45,005	**76,301**	67,037	**20,568**	15,671	**106,489**	109,279	**230,977**	236,992
General expenses	**34,809**	15,685	**(2,940)**	431	**57,137**	59,382	**13,798**	11,521	**74,424**	70,792	**177,228**	157,811
	458,435	376,343	**678,853**	481,804	**1,309,793**	1,056,186	**743,939**	555,899	**963,984**	919,240	**4,155,004**	3,389,472

31.1 Staff retirement benefits

Salaries and benefits includes amount in respect of staff retirement benefits:	**110,670**	91,214

31.2 Royalty amounting to PKR 375,000 million (June 30, 2020: PKR 352,483 million) is charged by the Associate Company namely "Lucky Holding Limited" registered on the specified address 6-A, Mohammad Ali Society A. Aziz Hashim Tabba Street Karachi - 75350, Pakistan

32. Administration and general expenses

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals		Company	
	For the year ended June 30, 2021	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020
Salaries and benefits - note 32.1	**80,776**	63,144	**674,929**	548,140	**226,703**	124,235	**44,844**	40,529	**213,084**	201,978	**1,240,336**	978,026
Repairs and maintenance	**430**	250	**10,935**	9,581	**4,692**	2,760	**704**	1,048	**985**	1,282	**17,746**	14,921
Advertising and publicity expenses	**610**	107	**30,090**	6,808	**1,620**	596	**659**	124	**2,736**	625	**35,715**	8,260
Rent, rates and taxes	**33**	229	**596**	1,130	**1,501**	590	**10**	243	**53**	101	**2,193**	2,293
Insurance	**31**	28	**5,855**	5,248	**1,254**	2,436	**618**	1,034	**643**	642	**8,401**	9,388
Lighting, heating and cooling	**2,429**	2,498	**7,820**	7,049	**10,373**	7,219	**2,369**	2,644	**5,776**	3,934	**28,767**	23,344
Depreciation and amortisation charge - note 6.5, 7.1 & 8.1	**5,147**	4,461	**40,552**	40,003	**13,351**	11,079	**1,088**	907	**6,064**	6,984	**66,202**	63,434
Allowance / reversal of allowance for ECL on trade debts/ Loans and advances / Other receivable	**-**	-	**23,231**	3,516	**(5,327)**	8,641	**(6,542)**	7,472	**(42,310)**	(22,381)	**(30,948)**	(2,752)
Provision / reversal for slow moving and obsolete stock-in-trade note 13.1	**-**	-	**-**	-	**53,602**	65,413	**27,499**	33,258	**12,906**	23,790	**94,007**	122,461
Provision for slow moving and obsolete stores and spares - note 12.2	**784**	-	**8,429**	6,065	**-**	-	**-**	-	**-**	-	**9,213**	6,065
Travelling expenses	**830**	2,925	**4,830**	11,058	**3,411**	6,774	**962**	1,503	**1,511**	2,171	**11,544**	24,431
Postage, telegram, telephone and telex	**1,165**	927	**5,447**	5,729	**3,286**	2,288	**591**	666	**2,353**	2,153	**12,842**	11,763
General expenses	**32,105**	23,478	**127,978**	109,714	**87,964**	59,102	**18,935**	16,474	**31,401**	27,266	**298,383**	236,034
	124,340	98,047	**940,692**	754,041	**402,430**	291,133	**91,737**	105,902	**235,202**	248,545	**1,794,401**	1,497,668

32.1 Staff retirement benefits

Salaries and benefits includes amounts in respect of staff retirement benefits:	**70,028**	103,349

Amounts in PKR '000

		For the year ended June 30, 2021	For the year ended June 30, 2020
33	**Other charges**		
	Auditors' remuneration - note 33.1	**7,407**	7,394
	Donations - note 32.2	**30,056**	30,993
	Workers' profit participation fund - note 25.3	**433,208**	223,012
	Workers' welfare fund	**162,650**	69,531
	Others	**2,000**	2,000
		635,321	332,930
33.1	**Auditors' remuneration**		
	Statutory audit fee	**3,465**	3,465
	Half yearly review	**1,617**	1,617
	Out of pocket expenses	**508**	508
	Other certifications	**1,817**	1,804
		7,407	7,394

33.2 Represents provision in respect of donation to ICI Pakistan Foundation (Head office, Karachi). Mr. Asif Jooma, Chief executive of the Company, Mr. Muhammad Abid Ganatra, Mr. Arshaduddin Ahmed, Mr. Aamer Mahmud Malik, Ms. Nausheen Ahmad and Ms. Fariha Salahuddin, Executives of the Company are amongst the Trustees of the Foundation.

34	**Finance costs**		
	Mark-up on financing	**470,359**	1,380,127
	Interest on Workers' Profit Participation Fund - note 25.3	**2,157**	1,516
	Discounting charges on receivables	**77,218**	161,603
	Accretion of interest on lease liabilities - note 8	**33,701**	38,641
	Guarantee fee and others	**10,226**	12,889
		593,661	1,594,776
35	**Other income**		
	Income from financial assets		
	Interest on loan from subsidiary	**-**	3,148
	Service fee from related party - note 35.1	**1,980**	1,980
	Profit on interest bearing short-term and call deposits	**62,908**	10,093
		64,888	15,221
	Income from non-financial assets		
	Scrap sales	**89,050**	59,491
	Gain on disposal of property, plant & equipment	**24,519**	1,429
	Provisions and accruals no longer required written back	**-**	19,315
	Dividend from associate	**680,000**	800,000
	Dividend from subsidiary	**100,000**	30,000
	Sundries	**44,509**	29,872
		1,002,966	955,328

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

	For the year ended June 30, 2021	For the year ended June 30, 2020 Restated

35.1 This represents amount charged by the Company for certain management and other services rendered to its wholly owned subsidiary, ICI Pakistan PowerGen Limited in accordance with the service agreement.

36. Taxation

Current	**2,432,008**	1,355,173
Deferred	**(162,652)**	(121,148)
Net tax charged - note 36.1	**2,269,356**	1,234,025

36.1 Tax reconciliation

Profit before taxation	**8,228,802**	4,329,883
Tax @ 29% (2020: 29%)	**2,386,353**	1,255,666
Effect of lower rate of dividend income	**(124,200)**	(120,700)
Others	**7,203**	99,059
Net tax charged	**2,269,356**	1,234,025
Average effective tax rate	**27.58%**	28.50%

37 Basic and diluted earnings per share (EPS)

Profit after taxation	**5,959,446**	3,095,858
	Number of shares	
Weighted average number of ordinary shares outstanding during the year	**92,359,050**	92,359,050
	PKR	
Basic and diluted earnings per share (EPS)	**64.52**	33.52

Amounts in PKR '000

		For the year ended June 30, 2021	For the year ended June 30, 2020 Restated
38	**Cash flows from operating activities**		
	Profit before taxation	**8,228,802**	4,329,883
	Adjustments for:		
	Depreciation and amortisation - note 6.5, 7.1 and 8.1	**2,550,811**	2,587,229
	Gain on disposal of operating fixed assets - note 35	**(24,519)**	(1,429)
	Provision for staff retirement benefit plan - note 21.3.1	**38,829**	38,845
	Provision for non-management staff gratuity and eligible retired employees' medical scheme	**35,147**	37,256
	Interest on short-term bank deposits	**(62,908)**	(10,093)
	Dividend from subsidiary - note 35	**(100,000)**	(30,000)
	Dividend from associate - note 35	**(680,000)**	(800,000)
	Interest expense	**593,661**	1,594,776
	Allowance for ECL - note 32	**(30,948)**	(2,752)
	Provision for slow moving and obsolete stock-in-trade - note 13.1	**94,007**	122,461
	Provision for slow moving and obsolete stores and spares - note 12.2	**9,213**	6,065
		10,652,095	7,872,241
	Movement in:		
	Working capital - note 38.1	**(171,032)**	2,172,595
	Long-term loans	**(100,756)**	(69,395)
	Long-term deposits and prepayments	**(1,818)**	9,122
		10,378,489	9,984,563
38.1	**Movement in working capital**		
	(Increase) / Decrease in current assets		
	Stores, spares and consumables	**(114,817)**	(6,714)
	Stock-in-trade	**(2,052,535)**	761,509
	Trade debts	**(333,860)**	147,871
	Loans and advances	**(129,116)**	(13,304)
	Trade deposits and short-term prepayments	**(53,221)**	(117,790)
	Other receivables	**(109,636)**	635,241
		(2,793,185)	1,406,813
	Increase in current liabilities		
	Trade and other payables	**2,622,153**	765,782
		(171,032)	2,172,595

39 Remuneration of Chief Executive, Director and other executives

The amounts charged in the unconsolidated financial statements for the remuneration, including all benefits, to the Chief Executive, Director and other executives of the Company were as follows:

	Chief Executive		**Director**		**Other Executives**		**Total**	
	For the year ended June 30, 2021	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020
Managerial remuneration	**67,158**	62,183	**45,562**	40,817	**958,045**	847,427	**1,070,765**	950,427
Gratuity	**3,165**	2,929	**2,252**	2,085	**44,678**	41,503	**50,095**	46,517
Provident Fund	**3,814**	3,529	**2,713**	2,512	**76,374**	68,566	**82,901**	74,607
Pension	**4,042**	3,741	**2,876**	2,662	**74,973**	64,853	**81,891**	71,256
Rent and house maintenance	**3,526**	2,273	**-**	-	**315,344**	281,667	**318,870**	283,940
Utilities	**1,333**	1,064	**-**	-	**77,908**	69,305	**79,241**	70,369
Medical and others	**264**	102	**-**	49	**43,023**	29,669	**43,287**	29,820
Bonus paid	**17,106**	11,135	**9,242**	7,474	**177,643**	109,368	**203,991**	127,977
	100,408	86,956	**62,645**	55,599	**1,767,988**	1,512,358	**1,931,041**	1,654,913
Number of persons as at the reporting date	**1**	1	**1**	1	**303**	278	**305**	280

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2021

Amounts in PKR '000

		For the year ended June 30, 2021	For the year ended June 30, 2020
39.1	Remuneration paid to Chairman during the year:	**-**	-
39.2	During the year, fee paid to six non-executive directors for attending board and other meetings, which is not part of remuneration amounts to:	**5,025**	5,138

		As at and for the year ended June 30, 2021	As at and for the year ended June 30, 2020
39.3	Total number of employees as at the reporting date	**2,030**	1,995
	Average number of employees during the year	**2,013**	1,862
39.4	Total number of factory employees as at the reporting date	**749**	846
	Average number of factory employees during the year	**798**	820

39.5 The chief executive, director and certain other executives have been provided with Company maintained cars and house facilities.

39.6 As per revised requirement of the Act, executive means an employee, other than chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

40. Transactions with related parties

The related parties comprise the Holding Company (Lucky Cement Limited) and related group companies, associated companies, subsidiary companies, directors of the Company, companies where directors also hold directorship, key employees (note 39) and staff retirement funds (note 21). All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company. Details of transactions with related parties other than those which have been specifically disclosed elsewhere in these unconsolidated financial statements are as follows:

Relationship with the Company	Nature of transaction	For the year ended June 30, 2021	For the year ended June 30, 2020
Holding company:			
Lucky Cement Limited	Purchase of goods, materials and services	**11,407**	1,671
	Sale of goods and materials	**13,316**	14,788
	Dividend	**1,269,950**	786,236
Subsidiary companies:			
ICI Pakistan PowerGen Limited	Sale of goods and material	**-**	184
	Purchase of electricity	**1,402,275**	373,014
	Provision of services	**1,980**	1,980
	Dividend income	**100,000**	30,000
Cirin Pharmaceutical (Private) Limited	Sale of goods and material	**-**	2,948
	Loan issued / received	**-**	35,000
	Interest on loan	**-**	3,148
	Purchase of goods and material	**-**	17,051
NutriCo Morinaga (Private) Limited	Sale of goods and material	**204**	46,332
	Reimbursement of expenses	**5,292**	8,043
	Investment in subsidiary	**510,000**	255,000
	Purchase of goods and material	**-**	238
Associated companies	Purchase of goods, materials and services	**907,776**	3,468,943
	Sale of goods and materials	**2,009,049**	1,985,849
	Dividend received from associate	**680,000**	800,000
	Reimbursement of expenses	**-**	64,200
	Royalty	**423,750**	398,306
	Dividend paid to associates	**578,905**	1,216,022
	Donations paid	**47,820**	15,338
Others	Staff retirement benefits	**355,699**	329,491
Key management personnel	Remuneration paid	**391,231**	325,180
	Post employment benefits	**40,641**	39,613
	Dividends paid	**53,803**	7,564
	Director meeting fee	**5,025**	5,138

Amounts in PKR '000

41. Plant capacity and annual production

- in metric tonnes:

	For the year ended June 30, 2021		For the year ended June 30, 2020	
	Annual Name Plate Capacity	**Production**	Annual Name Plate Capacity	Production
Polyester	**122,250**	**137,720**	122,250	108,339
Soda Ash - note 41.1	**425,000**	**395,609**	425,000	372,518
Sodium Bicarbonate	**54,000**	**45,522**	40,000	38,122

41.1 Out of total production of 395,609 metric tonnes soda ash, 40,969 metric tonnes was transferred for production of 45,522 tonnes of Sodium Bicarbonate.

41.2 The capacity of Chemicals, Pharma, Animal Health and Nutraceuticals segment is indeterminable because these are multi-product with multiple dosage and multiple pack size plants. The reason for shortfall in the annual production of Soda Ash and Sodium bicarbonate against name plate capacity are the prevailing market conditions during the year.

42. Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these financial statements approximate to their fair value.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, the Company does not have any financial assets carried at fair value that required categorisation in Level 1, Level 2 and Level 3.

43. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

43.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

44. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk.

44.1 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments were:

	Carrying Amount	
	As at June 30, 2021	As at June 30, 2020
Fixed rate instruments		
Financial assets - note 18	**124,000**	124,000
Financial liabilities - note 22 and 25	**(2,860,413)**	(2,522,677)
	(2,736,413)	(2,398,677)
Variable rate instruments		
Financial liabilities - note 22 and 26	**(3,491,972)**	(8,362,161)
	(3,491,972)	(8,362,161)

Sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the year would have been: PKR 34.920 million (June 30, 2020: PKR 83.622 million).

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

44.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company is exposed to foreign currency risk on sales and purchases which are entered in a currency other than Pak Rupees. When the management expects future depreciation of Pak Rupee, the Company enters into forward foreign exchange contracts in accordance with State Bank of Pakistan instructions and the Company's treasury policy. The policy allows the Company to take currency exposure within predefined limits while open exposures are rigorously monitored.

Following is the gross exposure classified into separate foreign currencies:

	CNY	EURO	USD	GBP
			As at June 30, 2021	
Other receivables	**-**	**4,849**	**-**	**-**
Cash and bank balances	**-**	**-**	**101,241**	**-**
	-	**4,849**	**101,241**	**-**
Trade and other payables	**(713,629)**	**(44,150)**	**(1,045,204)**	**(3,360)**
Gross statement of financial position exposure	**(713,629)**	**(39,301)**	**(943,963)**	**(3,360)**
			As at June 30, 2020	
Other receivables	-	-	22,832	-
Cash and bank balances	-	-	104,388	-
	-	-	127,220	-
Trade and other payables	(355,588)	(5,043)	(1,210,179)	(1,943)
Gross statement of financial position exposure	(355,588)	(5,043)	(1,082,959)	(1,943)

Significant exchange rates applied during the year were as follows:

	Average rate		Spot rate	
	For the year ended June 30, 2021	For the year ended June 30, 2020	**As at June 30, 2021**	As at June 30, 2020
PKR per	**PKR**		**PKR**	
EURO	**191.13**	175.06	**187.27**	188.61
USD	**160.30**	158.26	**157.54**	168.05
GBP	**215.61**	199.63	**217.98**	206.50
CNY	**24.21**	22.51	**24.39**	23.76

Sensitivity analysis

Every 1% increase or decrease in exchange rate with all other variables held constant will decrease or increase profit before tax for the year by PKR 17.003 million (June 30, 2020: PKR 14.455 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2021, if Pak Rupee (PKR) had weakened / strengthened by 1% against other currencies, with all other variables held constant, the effect on the Company profit before tax at June 30, 2021 and June 30, 2020 would be as follows:

	Increase / decrease in exchange rates	Effect on Profit before tax (CNY)	Effect on Profit before tax (EURO)	Effect on Profit before tax (USD)	Effect on Profit before tax (GBP)
2021					
Pak Rupee	**+1%**	**7,136**	**393**	**9,440**	**34**
Pak Rupee	**-1%**	**(7,136)**	**(393)**	**(9,440)**	**(34)**
2020					
Pak Rupee	+1%	3,556	50	10,830	19
Pak Rupee	-1%	(3,556)	(50)	(10,830)	(19)

Amounts in PKR '000

45. Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

The Company's gross maximum exposure to credit risk at the reporting date is as follows:

		As at June 30, 2021	As at June 30, 2020
45.1	**Financial assets**		
	Long-term investments - note 9	**962,500**	962,500
	Long-term loans - note 10	**611,439**	510,683
	Long-term deposits - note 11	**39,653**	37,502
	Trade debts - note 14	**2,653,804**	2,288,996
	Loans and advances - note 15	**724,296**	595,180
	Trade deposits - note 16	**257,429**	262,668
	Other receivables - note 17	**759,363**	380,091
	Bank balances - note 18	**225,241**	239,837
		6,233,725	5,277,457

45.2 The Company has placed its funds with banks which are rated A1, A1+, A3 and AA3 as per the short term rating by PACRA / Moody's / JCR-VIS.

45.3	**Financial assets**		
	- Secured	**1,533,106**	1,418,378
	- Unsecured	**4,700,619**	3,859,079
		6,233,725	5,277,457

45.4 The ageing of trade debts and loans and advances at the reporting date is as follows:

	2021	2020
Not past due	**3,188,464**	2,442,613
Past due but not impaired:		
Not more than three months	**219,879**	436,422
Past due and impaired:		
More than three months and not more than six months	**8,521**	57,383
More than six months and not more than nine months	**2,520**	5,275
More than nine months and not more than one year	**27,535**	6,989
More than one year	**132,759**	188,758
	391,214	694,827
Allowance for ECL:		
- on trade debts - note 14	**(184,106)**	(235,522)
- on loans and advances - note 15	**(17,472)**	(17,742)
	(201,578)	(253,264)
	3,378,100	2,884,176

45.5 There were no past due or impaired receivables from related parties.

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2021

Amounts in PKR '000

	As at June 30, 2021	As at June 30, 2020
45.6 The maximum exposure to credit risk for past due at the reporting date by type of counterparty was:		
Wholesale customers	**182,524**	324,177
Retail customers	**208,690**	370,650
	391,214	694,827
Allowance for ECL:		
- on trade debts - note 14	**(184,106)**	(235,522)
- on loans and advances - note 15	**(17,472)**	(17,742)
	(201,578)	(253,264)
	189,636	441,563

45.7 Movement of allowance for ECL on trade debts, loans and advances

	Trade debts	Loans and advances	Total 2021	Total 2020
Opening	**235,522**	**17,742**	**253,264**	252,353
Transfer upon amalgamation	**-**	**-**	**-**	10,600
Reversal during the year - note 14.3 and 15	**(30,678)**	**(270)**	**(30,948)**	(8,961)
Written off during the year	**(20,738)**	**-**	**(20,738)**	(728)
Closing	**184,106**	**17,472**	**201,578**	253,264

45.8 Concentration risk

The sector wise analysis of receivables, comprising trade debts, loans and advances and bank balances are given below:

Textile and Chemicals	**752,887**	582,168
Glass	**525,847**	354,119
Paper and Board	**129,317**	97,216
Life Sciences	**720,480**	414,012
Paints	**115,405**	142,292
Banks	**233,978**	246,383
Others	**1,335,742**	1,547,633
	3,813,656	3,383,823
Allowance for ECL:		
- trade debts - note 14	**(184,106)**	(235,522)
- loans and advances - note 15	**(17,472)**	(17,742)
	(201,578)	(253,264)
	3,612,078	3,130,559

45.9 Other price risk is the risk that the value of future cash flows of the financial instrument will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the reporting date, the Company is not materially exposed to other price risk except investment in subsidiary which is carried at cost against which provision for impairment has been provided in these unconsolidated financial statements.

46. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

Amounts in PKR '000

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the maturity date.

	Carrying amount	Contractual cash flows	Less than one year
		As at June 30, 2021	
Financial liabilities			
Trade creditors - note 25	**2,754,343**	**(2,754,343)**	**(2,754,343)**
Bills payable - note 25	**2,396,160**	**(2,396,160)**	**(2,396,160)**
Accrued mark-up	**122,191**	**(122,191)**	**(122,191)**
Lease liabilities - note 8	**265,635**	**(265,635)**	**(94,102)**
Accrued expenses - note 25	**3,489,803**	**(3,489,803)**	**(3,489,803)**
Technical service fee / royalty - note 25	**38,208**	**(38,208)**	**(38,208)**
Distributors' security deposits - payable on termination of distributorship - note 25	**127,320**	**(140,052)**	**(140,052)**
Contractors' earnest / retention money - note 25	**22,567**	**(22,567)**	**(22,567)**
Unclaimed dividends	**99,286**	**(99,286)**	**(99,286)**
Payable for capital expenditure - note 25	**196,307**	**(196,307)**	**(196,307)**
Others - note 25	**250,583**	**(250,583)**	**(250,583)**
Long-term loans - note 22	**4,972,617**	**(4,972,617)**	**(1,476,690)**
Short-term financing - note 26	**1,799,122**	**(1,799,122)**	**(1,799,122)**
	16,534,142	**(16,546,874)**	**(12,879,414)**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amount.

	Carrying amount	Contractual cash flows	Less than one year
		As at June 30, 2020	
Financial liabilities			
Trade creditors - note 25	1,833,037	(1,833,037)	(1,833,037)
Bills payable - note 25	2,055,669	(2,055,669)	(2,055,669)
Accrued mark-up	227,281	(227,281)	(227,281)
Lease liabilities - note 8	332,847	(332,847)	(79,256)
Accrued expenses - note 25	2,299,602	(2,299,602)	(2,299,602)
Technical service fee / royalty - note 25	51,437	(51,437)	(51,437)
Distributors' security deposits - payable on termination of distributorship - note 25	128,550	(141,405)	(141,405)
Contractors' earnest / retention money - note 25	24,246	(24,246)	(24,246)
Unclaimed dividends	88,322	(88,322)	(88,322)
Payable for capital expenditure - note 25	62,272	(62,272)	(62,272)
Others - note 25	169,380	(169,380)	(169,380)
Long-term loans - note 22	7,357,127	(7,357,127)	(1,227,787)
Short-term financing - note 26	3,399,161	(3,399,161)	(3,399,161)
	18,028,931	(18,041,786)	(11,658,855)

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

47 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The gearing ratio as at June 30, 2021 and June 30, 2020 is as follows:

	As at June 30, 2021	As at June 30, 2020
Long-term loans - note 22	**4,972,617**	7,357,127
Short-term financing - note 26	**1,799,122**	3,399,161
Total debt	**6,771,739**	10,756,288
Cash and bank balances - note 18	**(233,978)**	(246,383)
Net debt	**6,537,761**	10,509,905
Share capital	**923,591**	923,591
Capital reserves	**309,643**	309,643
Revenue reserve - unappropriated profit	**22,645,974**	18,998,573
Equity	**23,879,208**	20,231,807
Capital	**30,416,969**	30,741,712
Gearing ratio (Net debt / (Net debt + Equity)	**21.49%**	34.19%

48 Accounting estimates and judgements

48.1 Income and sales tax

In making the estimates for income taxes, the Company takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The management consider tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

48.2 Pension and Gratuity

Certain actuarial assumptions have been adopted as disclosed in note 21 to the unconsolidated financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

48.3 Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

48.4 Provision for expected credit losses of certain financial assets

The Company uses a provision matrix to calculate ECLs for trade debts and other receivables. The provision rates are based on days past due for Companyings of various customer segments that have similar loss patterns.

Considering the nature of the financial assets, the Company has applied the simplified approach as per IFRS 9 for trade debts and has calculated ECL based on life-time ECL. The Company has applied general approach for all other assets.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's financial assets exposed to credit risk is disclosed in note 44.

48.5 Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint.

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of equipment with volume rebates, the Company determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract.

The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

48.6 Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2021

48.7 Leases - Estimating the incremental borrowing rate

Where the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Cpompany 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates).

48.8 Stock-in-trade and stores and spares

The Company reviews the net realisable value of stock-in-trade and stores and spares to assess any diminution in the respective carrying values and also review the inventories for obsolescence.

48.9 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future event that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Other disclosures relating to the Company's exposure to risks and uncertainties includes capital risk management, Financial instruments risk management and policies and sensitivity analyses disclosures, as disclosed in notes 33, 32.3 and 32.3.1 to these financial statements.

48.10 Impairment of goodwill and intangible assets having indefinite useful lives

The Company assesses annually at year end and when circumstances indicate that the carrying value may be impaired. Impairment for goodwill and intangible having indefinite useful lives is determined by assessing the recoverable amount using Level 1 of fair value hierarchy of cash generating unit (i.e. at the Company level) to which these assets relates. When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised.

48.11 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Impairment losses of continuing operations are recognised in the unconsolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the unconsolidated statement of profit or loss.

Goodwill is tested for impairment annually as at June 30 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at June 30 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

49 New standards, amendments, improvements to approved accounting standards and the framework for financial reporting

49.1 Amendments to approved accounting standards and the framework for financial reporting that became effective during the current year

The Company has adopted the following amendments to International Financial Reporting Standards (IFRSs) which became effective for the current year:

Standard, Amendment or Interpretation
IFRS 3 - Business Combinations - Definition of a Business (Amendments)
IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)
IAS 1 / IAS 8 - Definition of Material (Amendments)
IFRS 16 - COVID 19 Related Rent Concessions (Amendments)

49.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)	01 January 2021
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	01 April 2021
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	01 January 2023
IAS 8	Definition of Accounting Estimates (Amendments)	01 January 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	01 January 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised

Standard or Interpretation		Effective date (annual periods beginning on or after)
Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)		
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022
IFRS 16	Leases: Lease incentives	01 January 2022

The above standards and amendments are not expected to have any material impact on the Company's unconsolidated financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2021

Standard or Interpretation		IASB effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

50 Subsequent event

50.1 The Directors in their meeting held on August 5, 2021 have recommended a final dividend of PKR 20.00 per share (June 30, 2020: PKR 5.00 per share) in respect of year ended June 30, 2021. This dividend is in addition to interim dividend paid of PKR 20.00 per share during the current year. The unconsolidated financial statements for the year ended June 30, 2021 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

50.2 The shareholders in the extraordinary general meeting held on June 30, 2021 have authorised the Company to purchase further 55,013 (representing 11%) ordinary shares of its associate, NutriCo Pakistan (Private) Limited, having face value of PKR 1,000/- each from the sellers at an aggregate price of PKR 770.182 million on such terms and conditions as negotiated and finalised by the authorised representatives of the Company. Subsequent to the year end, a Share Purchase Agreement (SPA) has been signed between the Company and the sellers on July 01, 2021, thereby, increasing the shareholding of the Company to 51% making it a subsidiary of the Company.

51 General

51.1 Date of authorisation

These financial statements were authorised for issue in the Board of Directors meeting held on August 05, 2021.

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

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

Muhammad Sohail Tabba	**Asif Jooma**	**Atif Aboobukar**
Chairman / Director	Chief Executive	Chief Financial Officer

Comparison of Results for Ten Years

As at December 31 / June 30

	12 months January - December 2012 Restated	2012-13 Restated	2013-14	
Statement of Financial Position				
Equity	9,024,890	9,788,989	11,237,427	
Revaluation Reserves	740,656	698,536	639,372	
Total Equity and Revaluation Reserve	9,765,546	10,487,525	11,876,799	
Non Current Liability	1,593,267	3,067,815	3,486,365	
Current Liability	9,355,282	7,389,365	7,574,254	
Total Equity and Liabilities	**20,714,095**	**20,944,705**	**22,937,418**	
Non Current Assets	10,898,077	11,330,538	12,500,614	
Current Assets	9,816,018	9,614,167	10,436,804	
Total Assets	**20,714,095**	**20,944,705**	**22,937,418**	
Statement of Profit or Loss				
Turnover	37,809,433	39,627,119	42,698,659	
Net Turnover	34,681,563	36,267,761	38,233,477	
Cost of Sales	30,688,097	32,193,170	33,581,636	
Gross profit	3,993,466	4,074,592	4,651,841	
Operating Result	1,624,634	1,986,737	2,225,934	
Profit before taxation	1,496,223	1,749,207	1,980,964	
Profit after taxation	973,661	1,158,701	1,702,216	
Summary of Cash Flows				
Cash generated from / (used in) operations	(1,963,689)	(164,272)	4,818,897	
Net cash generated from / (used in) operating activities	(3,176,714)	(971,364)	3,806,585	
Net cash used in investing activities	(2,125,793)	(940,727)	(2,400,932)	
Net cash generated from / (used in) financing activities	(796,407)	1,453,483	933,274	
Cash and cash equivalents at December 31 / June 30	(1,465,592)	(1,924,200)	414,727	

Amounts in PKR '000

12 months						
July - June						
2014-15	**2015-16**	**2016-17**	**2017-18**	**2018-19** Restated	**2019-20** Restated	**2020-21**
12,717,080	14,416,528	16,183,900	17,411,939	18,608,940	20,231,807	23,879,208
576,458	829,645	743,948	669,495	-	-	-
13,293,538	15,246,173	16,927,848	18,081,434	18,608,940	20,231,807	23,879,208
2,762,532	5,174,242	6,243,246	10,248,010	8,539,214	8,024,059	5,288,760
10,613,713	10,167,615	12,984,767	14,818,685	16,366,077	13,253,245	14,635,597
26,669,783	**30,588,030**	**36,155,861**	**43,148,129**	**43,514,231**	**41,509,111**	**43,803,565**
15,843,044	18,909,694	22,996,164	25,881,937	24,938,990	24,650,897	25,640,334
10,826,739	11,678,336	13,159,697	17,266,192	18,575,241	16,858,214	18,163,231
26,669,783	**30,588,030**	**36,155,861**	**43,148,129**	**43,514,231**	**41,509,111**	**43,803,565**
42,593,948	42,689,368	47,548,639	55,591,275	65,383,089	64,781,546	77,481,030
37,515,328	36,954,437	41,363,695	49,107,580	58,328,849	53,598,537	62,617,966
31,725,574	30,475,911	33,598,220	40,553,323	48,877,125	43,042,158	48,269,723
5,789,754	6,478,526	7,765,475	8,554,257	9,451,724	10,556,379	14,348,243
3,044,107	3,478,707	4,043,576	4,397,841	4,935,414	5,669,239	8,398,838
2,703,494	3,498,266	4,394,370	3,650,402	3,180,506	4,329,883	8,228,802
2,125,708	2,843,186	3,296,091	3,059,704	2,304,912	3,095,858	5,959,446
5,015,304	4,788,015	5,569,176	358,766	7,034,995	9,984,563	10,378,489
3,748,417	3,680,106	4,824,855	(1,401,590)	4,528,566	7,547,855	9,067,160
(4,372,472)	(4,138,316)	(4,930,518)	(5,752,562)	(2,267,022)	(1,007,464)	(2,866,835)
(1,554,652)	404,044	(52,889)	1,993,226	(1,942,919)	(2,616,564)	(4,612,691)
(1,763,980)	(1,818,146)	(1,976,698)	(7,137,624)	(6,818,999)	(3,152,778)	(1,565,144)

Pattern of Shareholding

as at June 30, 2021

No. of Shareholders	Categories		No. of Shares
	From	To	
5,967	1	100	195,500
2,303	101	500	546,598
540	501	1,000	397,812
560	1,001	5,000	1,235,554
87	5,001	10,000	632,312
29	10,001	15,000	360,233
18	15,001	20,000	317,068
14	20,001	25,000	306,139
9	25,001	30,000	241,917
4	30,001	35,000	134,178
3	35,001	40,000	111,062
5	40,001	45,000	210,750
3	45,001	50,000	141,982
1	55,001	60,000	60,000
1	75,001	80,000	76,500
2	80,001	85,000	166,566
3	95,001	100,000	296,150
1	100,001	105,000	103,823
1	115,001	120,000	119,687
1	140,001	145,000	140,317
1	150,001	155,000	150,179
2	155,001	160,000	316,770
1	215,001	220,000	219,695
1	305,001	310,000	307,281
1	370,001	375,000	373,950
1	400,001	405,000	400,850
1	915,001	920,000	919,535
1	935,001	940,000	940,000
1	1,015,001	1,020,000	1,018,030
1	2,225,001	2,230,000	2,229,188
1	2,555,001	2,560,000	2,556,920
1	2,840,001	2,845,000	2,840,250
1	5,750,001	5,755,000	5,751,130
1	6,650,001	6,655,000	6,654,867
1	11,085,001	11,090,000	11,088,257
1	50,795,001	50,800,000	50,798,000
9,569			**92,359,050**

Pattern of Shareholding

as at June 30, 2021

S.No.	Categories of Shareholders	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	3	2,571,470	2.78
2	Associated Companies, Undertakings and related Parties	5	75,310,284	81.54
3	NIT and ICP	-	-	-
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	22	1,994,653	2.16
5	Insurance Companies	20	5,590,291	6.05
6	Modarabas and Mutual Funds	49	2,243,597	2.43
7	Shareholders holding 10%	2	61,886,257	67.01
8	General Public :			
	a. Local	9,253	3,557,525	3.85
	b .Foreign	-	-	-
9	Others	217	1,091,230	1.18
	Total (excluding : shareholders holding 10%)	**9,569**	**92,359,050**	**100.00**

Notice of 70th Annual General Meeting

Notice is hereby given that the 70th Annual General Meeting ("AGM") of ICI Pakistan Limited (the "Company") will be held virtually on Wednesday, September 29, 2021, at 10:00 a.m. through video-link.

Instructions with regard to participation appear in the notes below. While convening the AGM, the Company will observe the quorum provisions and will comply with all the regulatory requirements.

The AGM is being held to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, and adopt the annual audited financial statements of the Company for the year ended June 30, 2021, along with the report of the Auditors thereon and the report of the Directors.

2. To declare and approve final cash dividend at 200% i.e. PKR 20/- per ordinary share of PKR 10/- each for the year ended June 30, 2021, as recommended by the Directors, payable to the Members whose names appear in the Register of the Members on September 22, 2021.

3. To appoint auditors of the Company for the year 2021-22 and to fix their remuneration. The Board of Directors, on the recommendation of the Audit Committee of the Company, has proposed re-appointment of EY Ford Rhodes, Chartered Accountants as auditors, for the year ending June 30, 2022.

SPECIAL BUSINESS:

4. To approve by way of Special Resolution with or without modification the following resolutions with respect to the related party transactions in which some or a majority of Directors of the Company are interested in terms of Section 207 and 208 (to the extent applicable) of the Companies Act, 2017:

   "RESOLVED THAT the related parties transactions in which some or a majority of the Directors are interested carried out by the Company with Lucky Cement Limited, Gadoon Textile Mills Limited, YB Pakistan Limited, Lucky Textile Mills Limited, Lucky Holdings Limited, Yunus Textile Mills Limited, Global Commodities Limited, NutriCo Pakistan (Private) Limited, NutriCo Morinaga (Private) Limited, Lucky Foods (Private) Limited, ICI Pakistan PowerGen Limited, Lucky Motors Corporation Limited, National Bank of Pakistan, Tabba Heart Institute, Tabba Kidney Institute, ICI Pakistan Foundation and other such related parties to the extent of PKR 8,317,423,977/- (Rupees Eight Billion Three Hundred Seventeen Million Four Hundred Twenty Three Thousand Nine Hundred Seventy-Seven Only) during the year ended June 30, 2021 as reported in the financial statements for the said period, be and are hereby ratified and confirmed.

   FURTHER RESOLVED THAT the Company may carry out transactions from time to time including, but not limited to, the purchase and sale of goods, materials, sales of various chemicals, soda ash, electricity, purchase of cement, availing or rendering of services, payment of royalty, donations, fees, dividends or subscription of shares with related parties in which some or a majority of the Directors are / may be interested including but not limited to Lucky Cement Limited, Gadoon Textile Mills Limited, YB Pakistan Limited, Lucky Textile Mills Limited, Lucky Holdings Limited, Yunus Textile Mills Limited, Global Commodities Limited, Lucky Knits (Private) Limited, NutriCo Pakistan (Private) Limited, NutriCo Morinaga (Private) Limited, Lucky Foods (Private) Limited, ICI Pakistan PowerGen Limited, Lucky Motors Corporation Limited, National Bank of Pakistan, Aziz Tabba Foundation, Tabba Heart Institute, Tabba Kidney Institute, ICI Pakistan Foundation and other such related parties to the extent of approximately PKR 6,100,000,000/- (Rupees Six Billion One Hundred Million only) during the financial year ending June 30, 2022. The Shareholders have noted that for the aforesaid transactions some or a majority of the Directors may be interested. Notwithstanding, the Shareholders hereby grant an advance authorisation to the Board Audit Committee and the Board of Directors of the Company to review and approve all related party transactions for the aforesaid companies as noted above based on the recommendation of the Board Audit Committee.

   FURTHER RESOLVED THAT the related party transactions as aforesaid for the period ended June 30, 2022 would subsequently be presented to the Shareholders at the next Annual General Meeting for ratification and confirmation."

Attached to this notice is the Statement of Material Facts covering the above mentioned Special Business, as required under Section 134(3) of the Companies Act, 2017

By Order of the Board

Laila Bawany
Company Secretary

September 08, 2021
Karachi

Notice of 70th Annual General Meeting

Notes:

1. **Closure of Share Transfer Books:**
Share Transfer Books of the Company will remain closed from September 23, 2021 to September 29, 2021 (both days inclusive). Transfers received in order at the office of our Shares Registrar, FAMCO Associates (Private) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, by the close of business on **September 22, 2021**, will be considered in time, to entitle the transferees to the final cash dividend and to attend and vote at the Annual General Meeting.

2. **Participation in the Meeting:**
Members whose names appearing in the Register of Members as of September 22, 2021, are entitled to attend and vote at the Meeting. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote for him/her. A proxy must be a Member of the Company.

An instrument of proxy applicable for the Meeting is being provided with the Notice sent to Members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: http://www.ici.com.pk. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a certified true copy of such power or authority duly notarized must, to be valid, be deposited through email on generalmeetings@ici.com.pk not less than 48 hours before the time of AGM.

Members are requested to submit a copy of their Computerized National Identity Card (CNIC), if not already provided and notify immediately the changes, if any, at the registered address to our Shares Registrar, FAMCO Associates (Private) Limited.

3. **Reason for holding AGM virtually through video-link – Coronavirus Contingency Planning**
In view of the continued threats posed by the COVID-19 (Coronavirus) and directives of the Securities and Exchange Commission of Pakistan (SECP) vide its circulars requiring listed companies to modify their usual planning for holding the general meetings, the Company, prioritising the wellbeing of its shareholders, directors and employees request the members to participate in the AGM virtually through video-link only.

a. To attend the AGM through video-link, the members are requested to register themselves by providing the following information through email at generalmeetings@ici.com.pk at least 48 hours before the AGM.

Names of Shareholder	CNIC / NTN No.	Folio No. / CDC IAS A/C No.	Cell No.	Email Address

b. Members will be registered, after necessary verification as per the above requirement and will be provided a video-link by the Company via email.

c. The login facility will remain open from 9:45 a.m. till the end of AGM.

d. Members can also share their comments / suggestions on the agenda of AGM by email at generalmeetings@ici.com.pk

4. **Guidelines for Central Depository Company of Pakistan Limited ('CDC') Investor Account Holders:**
CDC Investor Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

a. for attending the AGM:

(i) In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his / her identity by sharing a copy of his / her CNIC or valid passport through email (as mentioned in the notes) at least 48 hours before the AGM.

(ii) In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be shared through email (as mentioned in the notes) (unless it has been provided earlier) at least 48 hours before the AGM.

b. for appointing Proxies:

(i) In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

(ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

(iii) Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form through email (as mentioned in the notes).

(iv) The proxy shall produce his original CNIC or original valid passport at the time of the Meeting.

(v) In case of a corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company through email (as mentioned in the notes).

5. Consent for Circulation of Audited Financial Statements through E-Mail:
Pursuant to SRO 787(1)/2014 dated September 08, 2014 and SRO 470(1)/2016 dated May 31, 2016, Securities and Exchange Commission of Pakistan (SECP) has allowed companies to circulate its audited financial statements to its shareholders through Email / CD / DVD / USB or any other electronic media at their registered addresses.

Shareholders who wish to receive the hardcopy of the financial statements are requested to send a request using the "Standard Request Form" (also available on the Company's website http://www.ici.com.pk) at the Company address.

6. Submission of CNIC / NTN (Mandatory):
Pursuant to the directives of the SECP, the dividends of Shareholders whose CNIC or NTN (in case of corporate entities) are not available with the Share Registrar could be withheld. Shareholders are therefore, requested to submit a copy of their valid CNIC (if not already provided) to the Company's Share Registrar, FAMCO Associates (Private.) Limited. 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi. In the absence of a member's valid CNIC, the Company will be constrained to withhold the dividend of the members.

7. Dividend Mandate (Mandatory):
In accordance with the provisions of Section 242 of the Companies Act 2017, and Regulation 4 of the Companies (Distribution of Dividends) Regulations 2017, a listed company is required to pay cash dividend to the shareholders **ONLY** through electronic mode directly into the bank account designated by the entitled shareholders. In compliance with the above law, in order to receive dividends directly in your bank account, you are requested to provide the information mentioned in the Form placed at the Company's website http://www.ici.com.pk otherwise the Company would be constrained to withhold payment of dividend (if any) in terms of Regulation 6 of the Companies (Distribution of Dividends) Regulations 2017. Shareholders shall submit the information directly to their brokers / Central Depository Company of Pakistan Limited, if the shares are held in the electronic form or to the Company's Shares Registrar if the shares are held in physical form.

8. Treatment of Withholding Tax:
Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001. Withholding of tax on dividend based on 'Active' and 'Non-Active' status of shareholders shall be @ 15% and 30% respectively. 'Active' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (http://www.fbr.gov.pk/) and 'Non-Active' means a person whose name does not appear on the Active Taxpayers List.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on Active / Non-Active status of principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

All shareholders who hold shares with joint shareholders are requested to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to our share registrar FAMCO Associates (Private) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, by the close of business on September 22, 2021, as per the following format:

Name of Principal Shareholder/Joint Holders	Shareholding proportions (%)	CNIC No. (copy to be attached)	Folio / CDC Account No.	Total Shares	Signature

9. Exemption from Deduction of Income Tax / Zakat:
Members seeking exemption from deduction of income tax or those who are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring no deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

10. Placement of Financial Statements on Website:
The Financial Statements of the Company for the year ended June 30, 2021 along with reports have been placed on the website of the Company: https://www.ici.com.pk/investor-relations/financial-reports/

11. Unclaimed Dividend / Shares under Section 244 of the Companies Act, 2017:
An updated list for unclaimed dividend / shares of the Company is available on the Company's website www.ici.com.pk/. These are unclaimed dividend / shares which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable.

Claims can be lodged by shareholders on claim forms as are available on the Company's website. Claims forms must be submitted to the Company's Share Registrar FAMCO Associates (Private) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, for receipt of dividend / shares.

12. Conversion of Physical Shares into the Book Entry Form:
As per Section 72(2) of the Companies Act, 2017, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four (4) years from the commencement of the Act, i.e., May 30, 2017. Those Shareholders having physical shareholding are encouraged to open a CDC Sub - Account with any Broker or Investor Account directly with CDC to place their physical shares into scrip less form. This will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

Notice of 70th Annual General Meeting

Statement under Section 134 (3) of the Companies Act, 2017
Pertaining to Special Business

This Statement sets out the material facts pertaining to the Special Resolution described in the Notice of Annual General Meeting ("AGM"), intended to be transacted at the 70th AGM of ICI Pakistan Limited ("the Company") that is scheduled to be held on Wednesday, September 29, 2021.

The Company carries out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulations. Certain related party transactions require Shareholders' approval under Section 207 and 208 (to the extent applicable) of the Companies Act, 2017 as majority of Directors on the ICI Pakistan Limited Board are / may be interested in the transaction (by virtue of being shareholder or Directors in related entities).

The details of transactions where some or a majority of Directors are interested are as under:

S. No.	Name of the Company	Nature of Transaction
1	Lucky Cement Limited	Purchase and sale of goods, materials and services; and Dividend
2	Gadoon Textile Mills Limited	Sale of goods, materials and services and Dividend
3	YB Pakistan Limited	Dividend
4	Lucky Textile Mills Limited	Sale of goods, materials and services and Dividend
5	Lucky Holdings Limited	Royalty
6	Yunus Textile Mills Limited	Sale of goods, materials and services and Dividend
7	NutriCo Pakistan (Private) Limited	Dividend
8	NutriCo Morinaga (Private) Limited	Purchase and sale of goods, materials and services and others
9	Lucky Motors Corporation Limited	Purchase of goods, materials and services
10	Global Commodities Limited	Purchase of goods, materials and services
11	Lucky Foods (Private) Limited	Sale of goods, materials and services
12	ICI Pakistan PowerGen Limited	Purchase and sale of goods, materials and services and Dividend
13	National Bank of Pakistan	Markup on running finance
14	Tabba Heart Institute	Sale of goods and others
15	Tabba Kidney Institute	Sale of goods
16	ICI Pakistan Foundation	Donations

All related party transactions are in accordance with the Company policies and comply with all legal requirements. These are primarily transactions conducted in the ordinary course of business on an arm's length basis. Under the Company Policy for Related Party Transactions, all related party transactions are reviewed periodically by the Board Audit Committee which is Chaired by an Independent Director. Following review by the Board Audit Committee, the said transactions are placed before the Board of Directors for approval.

The Shareholders are requested to ratify the transactions with related parties in which some or a majority of the Directors are interested as disclosed in the financial statements of the Company for the year ended June 30, 2021 and further to authorize the Company to conduct certain related party transactions in which some or a majority of Directors are interested for the financial year ending June 30, 2022.

Shareholders' approval is also sought to authorize and grant power to the Board to periodically review and approve such transactions based on the recommendation of the Board Audit Committee.

The Shareholders are informed that in the Special Resolution described in the Notice of AGM, the Company has provided its best estimate of the quantum of related party transactions to be undertaken in the period ending June 30, 2022. The Company will present the actual figures for subsequent ratification and confirmation by the Shareholders, at the next AGM.

Based on the aforesaid the Shareholders are requested to pass the Special Resolution (with or without modification) as stated in the Notice.

The Directors who are/may be interested in this subject matter are as follows:

1. Mr. Muhammad Sohail Tabba
2. Mr. Muhammad Ali Tabba
3. Mr. Jawed Yunus Tabba
4. Mr. Asif Jooma
5. Mrs. Amina A. Aziz Bawany
6. Mr. Muhammad Abid Ganatra

Form of Proxy
Annual General Meeting

I / We ____

of ____

being member(s) of ICI Pakistan Limited holding ____________________________

ordinary shares hereby appoint ____________________________________

of ________________ or failing him / her ________________________

of ____________________ who is / are also member(s) of ICI Pakistan Limited as my/our proxy in my / our absence to attend and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on September 29, 2021 at 10:00 a.m. and at any adjournment thereof.

As witness my / our hand / seal this ______________ day of ______________ 2021.

Signed by the said ____________________________________

in the presence of 1. ____________________________________

____

2. ____________________________________

____

Folio / CDC Account No.

Signature

This signature should agree with the specimen registered with the Company.

Important:

1. The scanned copy of Proxy Form, duly completed and signed, must be received at the email address generalmeetings@ici.com.pk not less than 48 hours before the time of holding the meeting. Additionally, the information specified in the notice of Annual General Meeting to attend the AGM through video-link will have to be provided.

2. No person shall act as proxy unless he / she him / herself is a member of the Company, except that a corporation may appoint a person who is not a member.

3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders / Corporate Entities:

In addition to the above the following requirements have to be met:

i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC (Computerized National Identity Card) numbers shall be mentioned on the form.

ii) Scanned copies of CNIC or the passport of the beneficial owners and the proxy shall be submitted with the proxy form through email (as mentioned in the notes).

iii) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company through email (as mentioned in the notes).

Affix
Correct
Postage

The Company Secretary
ICI Pakistan Limited
ICI House
5 West Wharf
Karachi-74000

ICI Pakistan Limited and its Subsidiary Companies

Consolidated Financial Statements

Report of the Directors

for the year Ended June 30, 2021 (Consolidated)

The Directors are pleased to present their report together with the audited group results of ICI Pakistan Limited for the year ended June 30, 2021. The ICI Pakistan Group comprises of ICI Pakistan Limited, ICI Pakistan PowerGen Limited (PowerGen), and NutriCo Morinaga (Private) Limited as its subsidiaries.

The Directors' Report, which provides a commentary on the performance of ICI Pakistan Limited for the year ended June 30, 2021, has been presented separately.

Net turnover of PowerGen for the year under review stood at PKR 1,232 million, being 229% higher as compared to the same period last year (SPLY). Sale of electricity units to group companies increased by 282% versus SPLY as due to better fuel economics, the in-house energy source available within ICI Pakistan Limited remained non-operational during the year under review. Overall, operating profit at PKR 229 million was higher by 358% compared to the SPLY.

During the year ended June 30, 2021, NutriCo Morinaga continued the production of two products namely BF-Grow 3 and BF Chil School and plans to launch additional products to leverage the plant capacity. Net turnover for the year ended June 30, 2021 under review was PKR 2,148 million (SPLY: PKR 978 million) whereas the operating loss for the year was PKR 585 million (SPLY: PKR 198 million). During the year under review, the Company successfully made its third and fourth right issue comprising of 10,000,000 ordinary shares of PKR 100/- each, with the total subscription amount of PKR 1,000 million. The pattern of shareholding remains unchanged.

On a consolidated basis (including the results of the Company's subsidiaries: PowerGen and NutriCo Morinaga), net turnover for the year under review was PKR 64,766 million which was a 17% increase over the SPLY. Whereas operating result at PKR 8,045 million was higher by 43% in comparison to the last year.

Profit After Tax (PAT) for the year was PKR 5,229 million of which loss of PKR 341 million is attributable to non-controlling interests. This translates into PAT attributable to the owners of Holding Company at PKR 5,569 million and an EPS of PKR 60.30, higher by 114% as compared to the SPLY. These improved results were driven by operational excellence across all businesses, lower finance cost due to lower interest rate and debt levels, and exchange gain as compared to exchange loss during the SPLY. The Company recognised PKR 527 million as a share of profit from its Associate - NutriCo Pakistan (Private) Limited.

Muhammad Sohail Tabba
Chairman

Asif Jooma
Chief Executive

Dated: August 05, 2021

Karachi

EY
Building a better working world

EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

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Tel: + 9221 3565 0007-11
Fax: + 9221 3568 1965
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Independent Auditors' Report
To the members of ICI Pakistan Limited
Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **ICI Pakistan Limited and its subsidiaries (the Group),** which comprise the consolidated statement of financial position as at **30 June 2021**, the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at **30 June 2021**, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 50.2 to the consolidated financial statements, wherein it is stated that subsequent to the year-end, the Holding Company has acquired controlling interest in its associate. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key audit matter	How our audit addressed the key audit matter
1. Voluntary change in accounting policy for remeasurement of certain classes of property, plant and equipment	
As disclosed in note 4 to the consolidated financial statements, the Group has voluntarily changed its accounting policy in respect of subsequent measurement of certain classes of its property, plant and equipment (i.e. freehold land, buildings on freehold & leasehold land and plant & machinery). These are now being carried at cost less accumulated depreciation and impairment, if any. Previously, these were carried at revalued amounts less accumulated depreciation and impairment, if any. The above change in accounting policy has been applied retrospectively in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors'. Due to the significance of the judgement involved in determining the appropriateness of the change in accounting policy under the requirements of the applicable financial reporting standards, we have considered the same as a key audit matter.	Our audit procedures, amongst others, included the following: - evaluated the rationale provided by the management for the change in accounting policy and its appropriateness based on the requirements of IAS 8 and the given facts and circumstances of the Group. In this regard, we considered the allowability of using the new accounting policy under IFRS requirements as applicable to the Group as well as practices followed by other businesses comparable with the Group across its business segments locally and internationally. Such analysis was aimed to assess the appropriateness of the change in accounting policy with the objective of providing most relevant and reliable information to the users of the financial statements; - reviewed minutes of the meetings of the Board of Directors and Audit Committee for the considerations and discussions triggering the change in accounting policy and its approval by the Audit Committee and the Board;

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Independent Auditors' Report

Key audit matter	How our audit addressed the key audit matter
	- checked the accuracy of application of the new accounting policy through retrospective restatement of the carrying amounts in the consolidated financial statements and the adequacy of the disclosures made in this regard as required under the applicable financial reporting standards.
2. Impairment testing of a business segment / Cash Generating Unit (CGU) – NutriCo Morinaga	
As disclosed in note 28 to the consolidated financial statements, the total assets of NutriCo Morinaga (Private) Limited which is a business segment of the Group amounts to Rs. 8.14 billion. The assets of the segment were subjected to impairment test due to losses in initial years of its operations. As the impairment test was undertaken based on value in use approach under IAS 36, involving significant judgments, assumptions and estimates in determination of recoverable amount by estimating future cashflows in relation to the business segment, we have considered the same as a key audit matter.	Our audit procedures, amongst others, included the following: - obtained an understanding of the management's process for determination of recoverable amount / value in use (VIU) of the CGU; - assessed the reasonableness of commercial and other assumptions used in the determination of VIU such as the expected cash flows, inflation rates, sales price increase, sales volume growth, discount rate etc.; - consulted with our internal specialists to assess the appropriateness of technical assumptions used in the VIU computation; - checked the accuracy of VIU computations based on the financial model prepared by the management; and - assessed the adequacy and appropriateness of the disclosures in the consolidated financial statements as required under the applicable financial reporting framework.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is **Riaz A. Rehman Chamdia.**

EY Ford Rhodes

Date: 03 September, 2021
Karachi

EY Ford Rhodes
Chartered Accountants

Consolidated Statement of Financial Position

As at June 30, 2021

Amounts in PKR '000

	Note	June 30, 2021	June 30, 2020 Restated	July 01, 2019 Restated
ASSETS				
Non-current assets				
Property, plant and equipment	6	**24,846,104**	24,698,386	25,160,907
Intangible assets	7	**1,706,646**	1,704,435	1,695,889
Right-of-use assets	8	**234,202**	318,279	-
		26,786,952	26,721,100	26,856,796
Long-term investments	9	**955,841**	1,109,287	1,478,273
Long-term loans	10	**638,764**	530,122	452,038
Long-term deposits and prepayments	11	**39,863**	38,045	43,518
		1,634,468	1,677,454	1,973,829
		28,421,420	28,398,554	28,830,625
Current assets				
Stores, spares and consumables	12	**1,157,256**	1,053,481	1,052,054
Stock-in-trade	13	**12,527,312**	10,224,760	10,105,003
Trade debts	14	**2,833,963**	2,386,116	2,449,659
Loans and advances	15	**747,801**	637,072	583,691
Trade deposits and short-term prepayments	16	**497,034**	413,875	322,889
Other receivables	17	**2,828,549**	1,977,327	2,277,781
Taxation - net		**453,889**	2,129,847	2,682,961
Cash and bank balances	18	**274,730**	549,559	423,888
		21,320,534	19,372,037	19,897,926
Total assets		**49,741,954**	47,770,591	48,728,551

Amounts in PKR '000

	Note	**June 30, 2021**	June 30, 2020 Restated	July 01, 2019 Restated
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorised capital				
1,500,000,000 (June 30, 2020: 1,500,000,000) ordinary shares of PKR 10 each		**15,000,000**	15,000,000	15,000,000
Issued, subscribed and paid-up capital	19	**923,591**	923,591	923,591
Capital reserves	20	**309,643**	309,643	309,643
Revenue reserve - unappropriated profit		**22,500,442**	19,243,079	18,119,179
Attributable to the equity holders of the Holding Company		**23,733,676**	20,476,313	19,352,413
Non-controlling interests		**1,665,538**	1,516,175	1,437,617
Total equity		**25,399,214**	21,992,488	20,790,030
Non-current liabilities				
Provision for non-management staff gratuity	21	**120,797**	114,703	113,012
Long-term loans	22	**5,621,809**	8,715,446	9,454,188
Lease liabilities	8	**171,533**	253,591	-
Deferred Income - Government grant	23	**139,484**	-	-
Deferred tax liability - net	24	**961,832**	1,397,447	1,638,033
		7,015,455	10,481,187	11,205,233
Current liabilities				
Trade and other payables	25	**11,228,570**	8,638,938	7,155,476
Accrued mark-up		**177,821**	297,754	433,649
Short-term financing	26	**3,737,149**	4,898,672	7,356,142
Current portion of long-term loans	22	**1,936,611**	1,293,974	1,694,503
Current portion of lease liabilities	8	**94,102**	79,256	-
Current portion of deferred income - Government grant	23	**53,746**	-	-
Unclaimed dividend		**99,286**	88,322	93,518
		17,327,285	15,296,916	16,733,288
Total equity and liabilities		**49,741,954**	47,770,591	48,728,551
Contingencies and commitments	27			

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Atif Aboobukar**
Chairman / Director	Chief Executive	Chief Financial Officer

Consolidated Statement of Profit or Loss

For the year ended June 30, 2021

Amounts in PKR '000

	Note	For the year ended June 30, 2021	For the year ended June 30, 2020 Restated
Net turnover	29.1	**64,766,213**	55,256,473
Cost of sales	29.2	**(50,184,434)**	(44,241,256)
Gross profit		**14,581,779**	11,015,217
Selling and distribution expenses	31	**(4,588,476)**	(3,762,672)
Administration and general expenses	32	**(1,948,595)**	(1,634,544)
Operating result		**8,044,708**	5,618,001
Other charges	33	**(650,916)**	(350,705)
Finance costs	34	**(928,767)**	(1,891,014)
Exchange gain / (loss)		**37,175**	(378,943)
		(1,542,508)	(2,620,662)
Other income	35	**231,921**	162,617
Share of profit from an associate	9	**526,554**	431,014
Profit before taxation		**7,260,675**	3,590,970
Taxation	36	**(2,031,904)**	(1,158,206)
Profit after taxation		**5,228,771**	2,432,764
Attributable to:			
Equity holders of the Holding Company		**5,569,408**	2,599,206
Non-controlling interests		**(340,637)**	(166,442)
		5,228,771	2,432,764
Basic and diluted earnings per share (PKR)	37	**60.30**	28.14

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Atif Aboobukar
Chief Financial Officer

Consolidated Statement of Other Comprehensive Income
For the year ended June 30, 2021

Amounts in PKR '000

	For the year ended June 30, 2021	For the year ended June 30, 2020 Restated
Profit after taxation	**5,228,771**	2,432,764
Other comprehensive loss		
Items that will not to be reclassified to profit or loss in subsequent periods:		
Remeasurement of defined benefit plans	**(5,571)**	(52,516)
Income tax effect	**2,504**	11,091
	(3,067)	(41,425)
Total comprehensive income for the year	**5,225,704**	2,391,339
Attributable to:		
Equity holders of the Holding Company	**5,566,341**	2,557,781
Non-controlling interests	**(340,637)**	(166,442)
	5,225,704	2,391,339

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Atif Aboobukar
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended June 30, 2021

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Surplus on revaluation of property, plant and equipment	Revenue reserve - unappropriated profit	Total reserves	Non-controlling interests	Total equity
As at July 1, 2019	**923,591**	**309,643**	**744,266**	**18,119,179**	**19,173,088**	**1,437,617**	**21,534,296**
Effect of retrospective application of change in accounting policy (net of tax) - note 4	-	-	(744,266)		(744,266)	-	(744,266)
As at July 1, 2019 - Restated	**923,591**	**309,643**	**-**	**18,119,179**	**18,428,822**	**1,437,617**	**20,790,030**
Final dividend for the year ended June 30, 2019 @ PKR 4.50 per share	-	-	-	(415,616)	(415,616)	-	(415,616)
Interim dividend for the year ended June 30, 2020 @ PKR 11.00 per share	-	-	-	(1,015,950)	(1,015,950)	-	(1,015,950)
	-	-		(1,431,566)	(1,431,566)	-	(1,431,566)
Shares issued to non-controlling interests	-	-	-	-	-	245,000	245,000
Profit attributable to non-controlling interest for the year	-	-	-	-	-	(166,442)	(166,442)
	-	-	-	-	-	78,558	78,558
Profit for the year - restated	-	-	-	2,596,891	2,596,891	-	2,596,891
Other comprehensive loss for the year - net of tax	-	-	-	(41,425)	(41,425)	-	(41,425)
Total comprehensive income - restated	-	-	-	2,555,466	2,555,466	-	2,555,466
As at June 30, 2020 - restated	**923,591**	**309,643**	**-**	**19,243,079**	**19,552,722**	**1,516,175**	**21,992,488**
Final dividend for the year ended June 30, 2020 @ PKR 5.00 per share	-	-	-	(461,796)	(461,796)	-	(461,796)
Interim dividend for the year ended June 30, 2021 @ PKR 20.00 per share	-	-	-	(1,847,182)	(1,847,182)	-	(1,847,182)
	-	**-**	**-**	**(2,308,978)**	**(2,308,978)**	**-**	**(2,308,978)**
Shares issued to non-controlling interests	-	-	-	-	-	490,000	490,000
Profit attributable to non-controlling interest for the year	-	-	-	-	-	(340,637)	(340,637)
	-	**-**	**-**	**-**	**-**	**149,363**	**149,363**
Profit for the year	-	-	-	5,569,408	5,569,408	-	5,569,408
Other comprehensive loss for the year - net of tax	-	-	-	(3,067)	(3,067)	-	(3,067)
Total comprehensive income	**-**	**-**	**-**	**5,566,341**	**5,566,341**	**-**	**5,566,341**
As at June 30, 2021	**923,591**	**309,643**	**-**	**22,500,442**	**22,810,085**	**1,665,538**	**25,399,214**

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Atif Aboobukar
Chief Financial Officer

Consolidated Statement of Cash Flows

For the year ended June 30, 2021

Amounts in PKR '000

	For the year ended June 30, 2021	For the year ended June 30, 2020
Cash flows from operating activities		
Cash generated from operations - note 38	**9,415,815**	9,414,379
Payments for :		
Staff retirement benefit plans - note 21.3.2	**(64,792)**	(63,409)
Non-management staff gratuity and eligible retired employees' medical scheme	**(39,622)**	(47,724)
Taxation	**(789,057)**	(834,587)
Interest	**(940,789)**	(1,985,332)
Net cash generated from operating activities	**7,581,555**	6,483,327
Cash flows from investing activities		
Capital expenditure	**(2,881,089)**	(2,334,122)
Proceeds from disposal of operating fixed assets	**59,234**	11,830
Interest received on bank deposits	**17,277**	37,155
Dividend received from associate	**300,000**	800,000
Net cash used in investing activities	**(2,504,578)**	(1,485,137)
Cash flows from financing activities*		
Issuance of shares to non-controlling interests	**490,000**	245,000
Long-term loans obtained	**1,550,149**	461,769
Long-term loans repaid	**(3,831,505)**	(1,601,040)
Payment of lease liability	**(100,913)**	(84,017)
Dividends paid	**(2,298,014)**	(1,436,762)
Net cash used in financing activities	**(4,190,283)**	(2,415,050)
Net increase in cash and cash equivalents	**886,694**	2,583,140
Cash and cash equivalents at the beginning of the year	**(4,349,113)**	(6,932,253)
Cash and cash equivalents at the end of the year	**(3,462,419)**	(4,349,113)
Cash and cash equivalents at the end of the year comprise of:		
Cash and bank balances - note 18	**274,730**	549,559
Short-term financing - note 26	**(3,737,149)**	(4,898,672)
	(3,462,419)	(4,349,113)

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

The annexed notes 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Atif Aboobukar
Chief Financial Officer

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

1 The Group and its operation

The Group consists of:

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

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

PowerGen is incorporated in Pakistan as an unlisted public company and is a wholly owned subsidiary of the Holding Company. PowerGen is engaged in generating, selling and supplying electricity to the Group.

On 6th March 2017, the Holding Company entered into a joint venture with Morinaga Milk Industry Company Limited ("Morinaga") of Japan and Unibrands (Private) Limited ("Unibrands") to set up a plant for manufacturing infant/growing up formula. To initiate this project, a new Company NutriCo Morinaga (Private) Limited was incorporated which is a subsidiary of the Holding Company. Morinaga is incorporated in Pakistan as a private limited company. Holding Company has 51% ownership in Morinaga. Morinaga is engaged in manufacturing of infant and grown up formula.

Geographical location and addresses of major business units including mills/plants of the Group are as under:

Karachi	**Purpose**
ICI House, 5 West Wharf	Head office and production plant
S-33, Hawksbay road, S.I.T.E	Production plant
Lahore	
ICI House, 63 Mozang road	Regional office
30-Km, Sheikhupura road, Lahore	production plant
45-Km, off Multan road, Lahore	Production plant
Khewra	
ICI Soda Ash, Tehsil Pind Dadan Khan, District Jhelum	Regional office and production plant
Haripur	
Plot No.32/2A Phase III, Industrial Estate Hattar, District Haripur	Production plant
Islamabad	
Islamabad Corporate Centro, 2nd Floor, H-13, Islamabad	Regional office

1.1 Impact of COVID-19 pandemic on these consolidated financial statements

The COVID-19 pandemic caused significant and unprecedented curtailment in economic and social activities during the period from March 2020 in line with the directives of the Government. This situation posed a range of business and financial challenges across various sectors of the economy in Pakistan. The lockdown, however, excluded companies involved in the business of necessary consumer supplies to operate with strict compliance with necessary Standard Operating Procedures (SOPs). Consequently, the Group's plants and offices have continued to operate. Due to this, the management has assessed the accounting implications of these developments on these financial statements, including but not limited to expected credit losses under IFRS 9, 'Financial Instruments', the impairment of tangible and intangible assets under IAS 36, 'Impairment of non-financial assets', deferred tax assets in accordance with IAS 12, 'Income taxes', provisions and contingent liabilities under IAS 37, including onerous contracts, and going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these consolidated financial statements.

2 Basis of preparation

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRSs), issued by International Accounting Standard Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

2.2 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention, except as disclosed in relevant accounting policies below.

The preparation of consolidated financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events that are believed to be reasonable under circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments and estimates made by the management that may have a significant risk of material adjustments to the consolidated financial statements in subsequent years are stated in note 48.

2.3 Basis of consolidation

Subsidiaries are those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

Notes to the Consolidated Financial Statements
For the year ended June 30, 2021

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition is recorded as goodwill. If the cost of acquisition is less than fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. For the purposes of impairment testing, goodwill acquired in a business combination is, on the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination. Goodwill is tested annually or whenever there is an indication of impairment exists. Impairment loss in respect of goodwill is recognised in consolidated statement of profit or loss and is not reversed in future periods.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiaries' shareholders' equity in the consolidated financial statements.

All intra-group transactions, balances, income, expenses and unrealised gains and losses on transactions between Group companies are eliminated in full.

Subsidiaries have same reporting period as that of the Holding Company. The accounting policies of subsidiaries have been changed to confirm with accounting policies of the Group, wherever needed.

2.4 Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method of accounting. Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised or separately tested for impairment.

The Group's share of its associate's post-acquisition profits or losses is recognised in the consolidated statement of profit or loss, and its share of profit of post-acquisition movements in reserve is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the investment. When the Group's share of losses in the associate equals or exceeds its interest in associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3 Summary of significant accounting policies

3.1 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Capital work-in-progress is stated at cost less impairment, if any. Cost of certain property, plant and equipment comprises historical cost. Such cost includes the cost of replacing parts of the property, plant and equipment and the cost of borrowings for long-term construction projects, if the recognition criteria is met.

Depreciation charge is based on the straight-line method whereby the cost of an asset is written off to consolidated statement of profit or loss over its estimated useful life after taking into account residual value, if material. The cost of leasehold land is depreciated in equal installments over the lease period. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month of disposal.

Spare parts and servicing equipment are classified as property, plant and equipment under plant and machinery rather than store, spares and loose tools where they meet the definition of property, plant and equipment. Available for use capital spares, and servicing equipment are depreciated over their useful lives, or the remaining life of principle asset, whichever is lower.

The residual value, depreciation method and the useful lives of each part of property, plant and equipment that is significant in relation to the total cost of the asset are reviewed at each reporting date and adjusted, if appropriate.

Maintenance and normal repairs are charged to consolidated statement of profit or loss as and when incurred. Improvements are capitalised when it is probable that respective future economic benefits will flow to the group and the cost of the item can be measured reliably. Assets replaced, if any, are derecognized.

Gains and losses on disposal of assets are taken to the consolidated statement of profit or loss.

3.2 Intangible assets and amortisation

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in business combinations is their fair value at the date of acquisition.

Intangible assets with finite useful lives are amortized over useful lives and assessed for impairment whenever there is indication that the asset may be impaired. Intangible assets with indefinite lives are not amortized, but are tested for impairment annually, either individually or at the cash generated unit (CGU) level, as appropriate. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, a change in useful life from indefinite to finite is made on a prospective basis.

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

3.3 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2021

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and building	2 to 9 years
Motor vehicles	4 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the note 3.11 to these consolidated financial statements for policy on impairment of non-financial assets.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date, where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of regional sales offices, warehouses, summer houses and beach huts (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term. For such contracts, the management has competitive options available in the market and the replacement costs are estimated to be minimal.

Ijarah contracts
Payments made under ijarah contract are charged to the consolidated statement of profit or loss on a straight line basis over the period of the lease as per IFAS 2.

3.4 Investment in associate

Associates are all entities over which the Group has significant influence but not control, generally represented by a shareholding of 20% or more but less than 50% of the voting rights. Significant influence is the power to participate in the financial and operating policies and decision of investees. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its associates' post acquisition profits or losses is recognised in profit or loss and its share in associates' post acquisition comprehensive income is recognised in other comprehensive income. Cumulative post acquisition movements are adjusted against the carrying value of the investments. Dividends received from associates reduce the carrying amount of the investment. When the Group's share of losses in associate equals or exceeds its interest in the associate including any other long term unsecured receivable, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and loss, if any, is recognised in profit or loss.

3.5 Advances, deposits, prepayments and other receivables excluding financial assets

These are stated at cost less accumulated impairment losses, if any.

3.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade debts, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade debts are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in note 3.20 to these consolidated financial statements.

In order for a financial asset to be classified and measured at amortised cost, or fair value through OCI it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into following categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments which the Group had not irrevocably elected to classify at fair value through OCI.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

• The rights to receive cash flows from the asset have expired; or

• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions note 48
- Trade debts note 14

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For all other financial assets, the Group applies the general approach.

The Group considers a financial asset in default when contractual payments are 60 - 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to note 22.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2021

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.7 Stores, spares and consumables

Stores, spares and consumables are stated at the lower of weighted average cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less net estimated costs to sell, which is generally equivalent to replacement cost.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

3.8 Stock-in-trade

Stock-in-trade is valued at the lower of weighted average cost and estimated net realisable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value signifies the estimated selling price in the ordinary course of business less net estimated costs of completion and sell.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon up to the reporting date.

3.9 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in consolidated statement of other comprehensive income, respectively.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is recognised using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan.

The Group recognises a deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax relating to items recognised outside consolidated statement of profit or loss is recognised outside consolidated statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in consolidated statement of other comprehensive income or directly in equity.

Sales Tax

Expenses and assets are recognised net of the amount of sales tax, except:

• When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

• When receivables and payables are stated with the amount of sales tax included the net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

3.10 Cash and cash equivalents

These are carried at cost. Cash and cash equivalents comprise of cash in hand and current and deposit accounts held with banks, which are subject to insignificant risk of change. Short-term finance facilities availed by the Group, which are payable on demand and form an integral part of the Group's cash management are included as part of cash and cash equivalents for the purpose of consolidated statement of cash flows.

3.11 Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for asset is required then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. In determining the fair value less cost of disposal, recent market transaction are taken into account, if no such transaction can be identified appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or available fair value budgets. The Group bases its impairment calculation on detailed budget and forecast calculation, which are prepared separately for each of the Group CGU to which individual assets are allocated. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets ("the cash-generating unit, or CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss .

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

3.12 Staff retirement benefits

The Group's retirement benefit plans comprise of provident funds, pensions, gratuity schemes and a medical scheme for eligible retired employees.

Defined benefit plans

The Group operates a funded pension scheme and a funded gratuity scheme for management staff. The pension and gratuity schemes are salary schemes providing pension and lump sums, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Group also operates gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. The pension and gratuity plans are final salary plans. The Group recognises expense in accordance with IAS 19 "Employee Benefits".

Notes to the Consolidated Financial Statements
For the year ended June 30, 2021

An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the consolidated statement of other comprehensive income.

All past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Group has recognised related restructuring or termination benefits.

Defined contribution plans
The Group operates two registered contributory provident funds for its entire staff and a registered defined contribution superannuation fund for its management staff, who has either opted for this fund by July 31, 2004 or have joined the Group after April 30, 2004.

Medical scheme

The pensioner's medical plan reimburses actual medical expenses to pensioners as per entitlement.

3.13 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. It is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

3.14 Borrowing cost

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

3.15 Provisions and contingent liabilities

A provision is recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as a provision reflects the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. They are reviewed at each reporting date and adjusted prospectively.

A contingent liability is disclosed when there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.16 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pak Rupees, at the foreign exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are re-translated into Pak Rupees at the foreign exchange rates at the reporting date. Exchange differences are taken to the consolidated statement of profit or loss .

3.17 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates. The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

3.18 Dividend

Dividend distribution to the Group's shareholders is recognised as a liability in the period in which the dividends are approved. However, if these are approved after the reporting period but before the financial statement are authorised for issue, disclosure is made in the consolidated financial statements.

3.19 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. An operating segment’s operating results are reviewed regularly by the Chief Executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Chief Executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditures. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

For management purposes, the Group is organised into business units based on its products and services and has five reportable segments, namely Polyester, Soda Ash, Animal Health, Pharma and Chemicals and Agri Sciences. No operating segments have been aggregated to form the above reportable operating segments.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

3.20 Revenue from contracts with customers

The Group is in the business of sale of goods. Revenue from contracts with customers is recognised at a point in time when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 48.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., right of returns, volume rebates). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration. Contracts with the Group's customers provide them with a right of return, price adjustments and volume rebates and are considered as variable consideration.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2021

Volume rebates

The Group provides retrospective volume rebates (discounts) to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Contract balances

Trade debts
A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note 3.6 to these consolidated financial statements.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer.

The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Cost to obtain a contract

The Group pays sales commission to its sales agents for certain contracts. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions because the amortisation period of the asset that the Group otherwise would have used is one year or less.

Trade debts

A receivable represents the Group’s right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Performance obligations

Information about the Group’s performance obligations are summarised below:

Soda Ash

The performance obligation is satisfied upon transfer of physical possession of the goods to the customer (i.e. ex-works) for local sales whereas for export sales, performance obligation is satisfied when the customer has accepted the goods.

Payment is generally due within 30 to 90 days from delivery.

Polyester

The performance obligation is satisfied when the physical possession of the goods has passed to the customers for local sales whereas for export sales, performance obligation is satisfied when the risk and rewards in respect of the goods are transferred to the customer. Payment is generally due within 30 to 90 days from delivery.

Pharma, Animal Health and Chemicals, Agri Sciences and others

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from delivery. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

Commission income is recognised on the date of shipment from suppliers.

Profit on short-term deposits is accounted for using the effective interest rate method.

Dividend income is recognised when the right to receive dividend is established.

Toll manufacturing income is recognised when services are rendered.

Other income is recognised on accrual basis.

4 Change in accounting policy

Previously, certain items of property, plant and equipment including freehold land, buildings on freehold and leasehold land and plant and machinery were stated at revalued amounts less accumulated depreciation and impairment losses, if any. Independent valuations were performed periodically, the carrying amounts were reviewed against these valuations and adjustments were made where there were material changes. Revaluation surplus and deficit were recognized on statement of financial position as surplus on revaluation of property, plant and equipment, except where a deficit on revaluation in any year was in excess of surplus recognized in the statement of profit or loss upto the immediately preceding accounting period, in which case the adjustment to the carrying values of the financial assets was limited to the surplus recognized in the statement of profit or loss.

'With effect from July 01, 2020, the Group has revised its accounting policy retrospectively in respect of aforementioned assets to cost model, under which these assets are now carried at cost less accumulated depreciation and impairment losses, if any. The said practice enhances the comparability of the Group's financial statements with other businesses comparable with the Group across its business segments locally and internationally. The management believes that the new policy provides reliable and more relevant information to the users of these consolidated financial statements.

This change in accounting policy has been accounted for retrospectively as referred under International Accounting Standard - 8 ' Accounting policies, Changes in Accounting Estimates and Errors', and the comparative financial statements have been re-stated.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

Effects of the retrospective application of change in accounting policy are as follows:

	As at June 30, 2020			As at July 01, 2019		
	As previously reported	**As restated**	**Restatement**	**As previously reported**	**As restated**	**Restatement**
Effect on statement of financial position						
Property, plant and equipment	24,044,009	23,429,596	(614,413)	19,906,253	19,193,383	(712,870)
Surplus on revaluation of property, plant and equipment	673,116	-	673,116	744,266	-	744,266
Deferred tax	1,480,473	1,397,447	83,026	1,748,366	1,638,033	110,333

	For the year ended June 30, 2020		
	As previously reported	**As restated**	**Restatement**
Effect on statement of profit or loss			
Cost of good sold / depreciation expenses	2,754,717	2,656,260	98,457
Deferred tax	(256,802)	(229,495)	(27,307)
Increase in profit after taxation	2,361,616	2,432,764	71,148
Effects on earning per share			
Earnings per share - basic and diluted	27.37	28.14	0.77

The change did not have any impact on other comprehensive income for the year and the Group's operating, investing and financing cash flows

5 Details of related parties of the Group

Details of related parties with whom the Group has entered into transactions with or has arrangements / agreements in place during the year are as follows;

Name of related party	**Basis of relationship**
Arabian Sea Country Club Limited	Equity investment
NutriCo Pakistan (Private) Limited	Common directorship & associate
Lucky Holdings Limited	Group company & common directorship
Lucky Cement Limited	Parent company & common directorship
Yunus Textile Mills Limited	Group company & common directorship
Lucky Textile Mills Limited	Group company & common directorship
Gadoon Textile Mills Limited	Group company & common directorship
Lucky Motors Corporation Limited	Group company & common directorship
Lucky Foods (Private) limited	Group company & common directorship
ICI Pakistan Management Staff Provident Fund	Common directorship
ICI Pakistan Management Staff Gratuity Fund	Common directorship
ICI Pakistan Management Staff Defined Contribution Superannuation Fund	Common directorship
ICI Pakistan Non-Management Staff Provident Fund	Common directorship
ICI Pakistan Management Staff Pension Fund	Common directorship
ICI Pakistan Foundation	Common directorship
Lahore University of Management Sciences	Common directorship
Pakistan Business Council	Common directorship
Global Commodities Limited	Common directorship
Tabba Kidney Institute	Common directorship
Tabba Heart Institute	Common directorship
National Bank of Pakistan	Common directorship
YB Pakistan Limited	Common directorship
Yunus Textile Holdings Private Limited	Common directorship
Morinaga Milk Industy Co., Limited	Common directorship
Asif Jooma	Key management personnel
M Abid Ganatra	Key management personnel
Atif Aboobukar	Key management personnel
Nauman Afzal	Key management personnel
Arshaduddin Ahmed	Key management personnel
Aamer Mahmud Malik	Key management personnel
Fariha Salahuddin	Key management personnel
Nausheen Ahmed	Key management personnel
Eqan Ali Khan	Key management personnel

5.1 Morinaga Milk Industry Co., Limited is incorporated in Japan. It is situated at 33-1 Shiba 5 - chome, Minato - KU, Tokyo 108-8384, Japan.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
			Restated
6	**Property, plant and equipment**		
6.1	The following is break-up of property plant and equipment:		
	Operating fixed assets - note 6.2	**21,806,452**	23,429,596
	Capital work-in-progress - note 6.6	**3,039,652**	1,268,790
		24,846,104	24,698,386

6.2 The following is a statement of operating fixed assets:

	Land - Freehold	Land - Lease hold	Lime beds on freehold land	Buildings - On freehold land	Buildings - On leasehold land	Plant and machinery	Rolling stock and vehicles	Furniture and equipment	Total
	Note 6.3 and 6.4			Note 6.3 and 6.4		Note 6.3 and 6.4			
				As at June 30, 2021					
Net carrying value basis									
Opening net book value - as restated	**790,157**	**-**	**370,547**	**2,683,161**	**2,921,139**	**16,224,920**	**52,466**	**387,206**	**23,429,596**
Additions / transfers - note 6.2.1	**641**	**-**	**9,854**	**3,709**	**82,299**	**995,412**	**-**	**134,213**	**1,226,128**
Disposals at net book value	**-**	**-**	**-**	**(96)**	**(8,588)**	**(14,967)**	**(7,677)**	**(3,387)**	**(34,715)**
Depreciation charge - note 6.5	**-**	**-**	**(28,060)**	**(157,891)**	**(209,203)**	**(2,295,424)**	**(14,452)**	**(109,527)**	**(2,814,557)**
Closing net book value	**790,798**	**-**	**352,341**	**2,528,883**	**2,785,647**	**14,909,941**	**30,337**	**408,505**	**21,806,452**
Gross carrying value basis									
Cost	**790,799**	**562,166**	**601,676**	**5,307,437**	**4,824,128**	**42,091,679**	**147,895**	**1,136,111**	**55,461,891**
Accumulated depreciation	**-**	**(562,166)**	**(249,334)**	**(2,771,658)**	**(2,038,482)**	**(27,188,040)**	**(118,353)**	**(727,406)**	**(33,655,439)**
Closing net book value	**790,799**	**-**	**352,342**	**2,535,779**	**2,785,646**	**14,903,639**	**29,542**	**408,705**	**21,806,452**
Depreciation rate % per annum	**-**	**2 to 4**	**5 to 25**	**5 to 50**	**3 to 33.33**	**3.33 to 50**	**10 to 33.33**	**10 to 50**	
				As at June 30, 2020					
Net carrying value basis									
Opening net book value - as previously reported	1,118,134	-	317,888	823,301	3,004,741	14,175,087	66,305	400,797	19,906,253
Effect of retrospective application of change in accounting policy - note 4	(327,977)	-	-	(83,439)	-	(301,454)	-	-	(712,870)
Opening net book value - as restated	790,157	-	317,888	739,862	3,004,741	13,873,633	66,305	400,797	19,193,383
Additions / transfers - note 6.2.1	-	-	76,146	2,046,600	132,440	4,587,391	4,174	106,003	6,952,754
Disposals at net book value	-	-	-	-	-	(9,864)	-	(479)	(10,343)
Depreciation charge - as previously reported	-	-	(23,487)	(118,933)	(216,042)	(2,309,065)	(18,013)	(119,115)	(2,804,655)
Effect of retrospective application of change in accounting policy - note 4	-	-	-	15,632	-	82,825	-	-	98,457
Depreciation charge - as restated - note 6.5			(23,487)	(103,301)	(216,042)	(2,226,240)	(18,013)	(119,115)	(2,706,198)
Closing net book value - as restated	790,157	-	370,547	2,683,161	2,921,139	16,224,920	52,466	387,206	23,429,596
Gross carrying value basis									
Cost / revaluation - as previously reported	1,118,134	562,166	591,822	5,366,403	4,815,104	41,928,838	175,694	1,167,940	55,726,101
Effect of retrospective application of change in accounting policy - note 4	(327,977)	-	-	(83,439)	-	(301,454)	-	-	(712,870)
Cost	790,157	562,166	591,822	5,282,964	4,815,104	41,627,384	175,694	1,167,940	55,013,231
Accumulated depreciation	-	(562,166)	(221,275)	(2,599,803)	(1,893,965)	(25,402,464)	(123,228)	(780,734)	(31,583,635)
Closing net book value	790,157	-	370,547	2,683,161	2,921,139	16,224,920	52,466	387,206	23,429,596
Depreciation rate % per annum	-	2 to 4	5 to 25	5 to 50	3 to 33.33	3.33 to 50	10 to 33.33	10 to 50	

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
6.2.1	Additions to plant and machinery include transfer from capital work-in-progress which includes borrowing cost for projects determined using an average capitalization rate of 7.43% (June 30, 2020: 13.43%) amounting to:	**13,288**	219,586
6.2.2	Operating fixed assets include the following major spare parts and stand by equipment having:		
	Cost	**595,446**	606,011
	Net book value	**364,943**	155,559

6.3 Particulars of immovable assets of the Group

Location	Addresses	Usage of immovable property	Covered Area(sq.ft)
Karachi	ICI house 5 West Wharf, Karachi	Head office and production plant	117,619
	S-33, Hawksbay Road, S.I.T.E	Production plant	11,500
Lahore	ICI House 63 Mozang Road, Lahore	Regional office	28,454
	30-Km, Sheikhupura road, Lahore	Production plant	1,928,910
	45-Km, Off Multan Road, Lahore	Production plant	14,601
Khewra	ICI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	Regional office and production plant	2,744,404
Haripur	Plot No.32/2A Phase III, Industrial Estate Hattar, District Haripur	Production plant	39,916
Islamabad	2nd floor, Islamabad corporate center, golra road, Islamabad	Regional office	7,180

		As at June 30, 2021	As at June 30, 2020
6.4	Plant and machinery including equipment held with Searle Pakistan Limited for toll manufacturing is as follows:		
	Cost	**5,886**	8,508
	Net book value	**1,020**	1,702

		For the year ended June 30, 2021	For the year ended June 30, 2020
			Restated
6.5	The depreciation charge for the year has been allocated as follows:		
	Cost of sales - note 30	**2,745,472**	2,625,823
	Selling and distribution expenses - note 31	**47,766**	51,526
	Administration and general expenses - note 32	**21,319**	28,849
		2,814,557	2,706,198

6.6 The following is the movement in capital work-in-progress during the year:

	Civil works and buildings	Plant and machinery	Miscellaneous equipment	Advances to suppliers / contractors	Designing, consultancy and engineering fee	Total
			As at June 30, 2021			
Opening balance	**135,072**	**620,820**	**215,838**	**22,223**	**274,837**	**1,268,790**
Additions during the year	**193,803**	**1,640,313**	**72,501**	**980,813**	**13,961**	**2,901,391**
Transferred to operating fixed assets during the year	**(103,023)**	**(849,853)**	**(155,794)**	**(21,859)**	**-**	**(1,130,529)**
Closing balance	**225,852**	**1,411,280**	**132,545**	**981,177**	**288,798**	**3,039,652**
			As at June 30, 2020			
Opening balance	1,623,857	3,528,088	558,058	140,707	116,814	5,967,524
Additions during the year	238,299	1,009,874	788,744	(45,049)	236,300	2,228,168
Transferred to operating fixed assets during the year	(1,727,084)	(3,917,142)	(1,130,964)	(73,435)	(78,277)	(6,926,902)
Closing balance	135,072	620,820	215,838	22,223	274,837	1,268,790

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

	As at June 30, 2021	As at June 30, 2020
6.6.1 This includes interest charged in respect of long-term loans obtained for projects, determined using an average capitalisation rate of 7.43% (June 30, 2020: 13.43%) amounting to:	**38,291**	373,746

6.7 Details of operating fixed assets' disposal having net book value in excess of PKR 500,000 are as follows:

	Mode of disposal	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / Loss	Relationship of purchaser with the Group	Particulars of buyers
For the year ended June 30, 2021								
Certain Civil work at boiler area	**Scrap**	**4,000**	**3,263**	**737**	**-**	**(737)**	**N/A**	**Shahid Hanif Ghori Mandibahudin**
Certain portions of offices at CFB area	**Scrap**	**791**	**236**	**555**	**154**	**(401)**	**N/A**	
Bulker 1 for bulk transportation of Soda Ash	**Scrap**	**4,176**	**800**	**3,376**	**3,800**	**424**	**N/A**	**Muhammad Rizwan**
Chilling unit for carbonating tower cooling water	**Scrap**	**18,029**	**15,429**	**2,600**	**3,491**	**891**	**N/A**	**Sher Ali Rawalpindi**
Chilling unit (Phase 2)	**Scrap**	**21,091**	**17,550**	**3,541**	**4,756**	**1,215**	**N/A**	
Lahore office (certain portions)	**Scrap**	**2,396**	**893**	**1,503**	**440**	**(1,063)**	**N/A**	**Tariq Mehmood**
For the year ended June 30, 2020								
DCS - Software	Scrap	2,031	1,320	711	-	(711)	N/A	N/A
DCS - Control panel and Control stations	Scrap	28,347	23,517	4,830	3,020	(1,810)	N/A	Ghulam Raza Trader, Lahore
Calciner 4 - Gas pipes and gearboxes	Scrap	2,500	1,872	628	30	(598)	N/A	Shahid Hanif Ghouri Mandi Bahauddin

Amounts in PKR '000

7 Intangible assets

	As at June 30, 2021				
Net carrying value basis	**Goodwill**	**Brands**	**Software**	**Licenses**	**Total**
Opening net book value	**206,374**	**1,437,679**	**27,294**	**33,088**	**1,704,435**
Additions / transfers	**-**	**-**	**18,970**	**-**	**18,970**
Amortisation charge - note 7.1	**-**	**-**	**(10,466)**	**(6,293)**	**(16,759)**
Closing net book value	**206,374**	**1,437,679**	**35,798**	**26,795**	**1,706,646**
Gross carrying amount					
Cost	**206,374**	**1,437,679**	**245,257**	**241,779**	**2,131,089**
Accumulated amortisation	**-**	**-**	**(209,459)**	**(214,984)**	**(424,443)**
Closing net book value	**206,374**	**1,437,679**	**35,798**	**26,795**	**1,706,646**
Amortisation rate % per annum	-	-	**20**	**20 to 50**	

	As at June 30, 2020				
Net carrying value basis					
Opening net book value	206,374	1,437,679	14,565	37,271	1,695,889
Additions / transfers	-	-	21,490	2,911	24,401
Amortisation charge - note 7.1	-	-	(8,761)	(7,094)	(15,855)
Closing net book value	206,374	1,437,679	27,294	33,088	1,704,435
Gross carrying amount					
Cost	206,374	1,437,679	226,287	241,779	2,112,119
Accumulated amortisation	-	-	(198,993)	(208,691)	(407,684)
Closing net book value	206,374	1,437,679	27,294	33,088	1,704,435
Amortisation rate % per annum	-	-	20	20 to 50	

	For the year ended June 30, 2021	For the year ended June 30, 2020
7.1 The amortisation charge for the year has been allocated as follows:		
Cost of sales - note 30	**2,951**	2,792
Selling and distribution expenses - note 31	**1,079**	1,021
Administration and general expenses - note 32	**12,729**	12,042
	16,759	15,855

7.2 Impairment testing of goodwill, intangibles with indefinite lives

The Group has performed its annual impairment test on the following cash generating units as at June 30, 2021.

Goodwill acquired through business combinations and intangibles with indefinite useful lives have been allocated and monitored at the Pharma division of the Group. Intangible assets with indefinite useful lives include Brands. The Group has performed its annual impairment test as at June 30, 2021.

The recoverable amount is determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the senior management covering a five year period and applying the expected value approach. The discount rate applied to cash flow projections is 14 percent for impairment testing of goodwill and intangibles with indefinite useful lives. The growth rate used to extrapolate the cash flows beyond the five-year period is 2 percent. As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of Rs. 206.374 million and intangibles with indefinite useful lives (Brands) of Rs. 1,437.679 million are allocated.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

Key assumptions used in value-in-use calculations

The calculation of value-in-use is most sensitive to the following assumptions:
- Discount rates
- Key business assumptions

Discount rates

The discount rate reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The discount rate reflects the target Weighted Average Cost of Capital of the Group.

Key business assumptions

These assumptions are based on industry data for growth rates, management assess how the unit's position, relative to its competitors, might change over the projected period. Management expects revenues and margins to improve on the basis of multiple strategies planned including increase in sales volume and price.

Sensitivity to changes in assumptions

Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

8 Right-of-use assets and lease liabilities

The Group has lease contracts for various items of land and buildings and vehicles used in its operations. Leases of land and buildings generally have lease terms between 2 to 9 years, while motor vehicles generally have lease terms of between 4 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of sales offices, warehouses, summer houses and beach huts with lease terms of 12 months or less. The Group applies the 'short-term lease' exemptions for these leases. For such contracts, the management has competitive options available in the market and the replacement costs are estimated to be minimal.

Set out below is the carrying amount of right-of-use asset recognised and the movement during the year:

	Motor Vehicles	Land and Buildings	As at June 30, 2021	As at June 30, 2020
Net carrying value basis				
Opening balance	**8,527**	**309,752**	**318,279**	402,827
Depreciation charged note 8.1	**(4,447)**	**(79,630)**	**(84,077)**	(84,548)
Closing balance	**4,080**	**230,122**	**234,202**	318,279

Set out below is the carrying amount of lease liability and the movement during the year:

	2021	2020
Opening balance	**332,847**	375,287
Accretion of interest- note 34	**33,701**	41,577
Payments	**(100,913)**	(84,017)
Closing balance	**265,635**	332,847
Current portion of lease liabilities	**94,102**	79,256
Non-current lease liability	**171,533**	253,591
	265,635	332,847

	For the year ended June 30, 2021	For the year ended June 30, 2020
The following are the amounts recognised in the consolidated statement of profit or loss:		
Depreciation expense of right-of-use asset - note 8.1	**84,077**	84,548
Accretion of interest on lease liabilities	**33,701**	41,577
Expenses related to short-term leases - note 8.2	**64,406**	64,928
	182,184	191,053

Amounts in PKR '000

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

		For the year ended June 30, 2021	For the year ended June 30, 2020
8.1	**Allocation of depreciation expense**		
	Cost of sales - note 30	**45,871**	27,645
	Selling and distribution expenses - note 31	**6,052**	26,748
	Administration and general expenses - note 32	**32,154**	30,155
		84,077	84,548
8.2	**Allocation of short-term leases expense**		
	Selling and distribution expenses - note 31	**64,406**	64,928
		64,406	64,928

		As at June 30, 2021	As at June 30, 2020
9	**Long-term investments**		
	Unquoted		
	Associate		
	- NutriCo Pakistan (Private) Limited 40% holding 200,000 ordinary shares (June 30, 2020: 200,000 ordinary shares) of PKR 1,000 each and premium of PKR 3,800 per share	**960,000**	960,000
	Opening post acquisition profits	**146,787**	515,773
	Share of profit for the year	**526,554**	431,014
	Dividend received	**(680,000)**	(800,000)
	Carrying value of Associate	**953,341**	1,106,787
	Others		
	Equity		
	-Arabian Sea Country Club Limited 250,000 ordinary shares (June 30, 2020: 250,000 ordinary shares) of PKR 10 each	**2,500**	2,500
		955,841	1,109,287

Investment in an associate has been made in accordance with the requirements of Act. As of June 30, 2021, post acquisition profits of NutriCo Pakistan (Private) Limited includes share of accumulated losses of its subsidiary NutriCo International (Private) Limited amounting to 88.799 million.

		As at and for the year ended June 30, 2021	As at and for the year ended June 30, 2020
9.1	The summary of financial information of an associate as at the reporting date is as follows:		
	Total assets	**5,041,447**	5,807,174
	Total liabilities	**2,689,335**	3,030,643
	Total equity and reserves	**2,352,112**	2,776,531
	Turnover	**10,420,213**	9,523,528
	Profit for the year	**1,316,383**	1,077,534

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

	As at June 30, 2021	As at June 30, 2020
10 Long-term loans		
Considered good - secured		
Due from executives and employees - note 10.1	**638,764**	530,122

10.1 Due from executives and employees

	Motor Vehicle	House Building	Total	Total
Due from executives - note 10.2	**122,836**	**49,069**	**171,905**	140,951
Receivable within one year	**(23,721)**	**(43,869)**	**(67,590)**	(46,036)
	99,115	**5,200**	**104,315**	94,915
Due from employees - note 10.2			**663,350**	556,187
Receivable within one year			**(128,901)**	(120,980)
			534,449	435,207
			638,764	530,122
Outstanding for period:				
- less than three years but over one year			**210,852**	174,990
- more than three years			**427,912**	355,132
			638,764	530,122

10.2 Loans for purchase of motor cars and house building are repayable between two to ten years. These loans are interest free and granted to the employees, including executives of the Group, in accordance with their terms of employment.

11 Long-term deposits and prepayments

	As at June 30, 2021	As at June 30, 2020
Deposits	**39,813**	37,662
Prepayments	**50**	383
	39,863	38,045

12 Stores, spares and consumables

	As at June 30, 2021	As at June 30, 2020
Stores - note 12.1	**125,361**	44,515
Spares - note 12.1	**1,022,232**	1,005,542
Consumables	**154,765**	157,767
	1,302,358	1,207,824
Provision for slow moving and obsolete stores and spares - note 12.2	**(145,102)**	(154,343)
	1,157,256	1,053,481

	As at June 30, 2021	As at June 30, 2020
12.1 Include stores and spares in transit amounting to:	**76,623**	15,859

12.2 Movement of provision for slow moving and obsolete stores and spares is as follows:

	As at June 30, 2021	As at June 30, 2020
Opening balance	**154,343**	148,278
Charge for the year - note 32	**9,213**	6,065
Write-off during the year	**(18,454)**	-
Closing balance	**145,102**	154,343

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
13	**Stock-in-trade**		
	Raw and packing material include in-transit PKR 1,815.853 million (June 30, 2020: PKR 1,656.873 million) - note 13.3	**7,271,714**	6,102,533
	Work-in-process	**201,744**	250,271
	Finished goods include in-transit PKR 2.970 million (June 30, 2020: PKR 7.184 million)	**5,218,485**	4,123,174
		12,691,943	10,475,978
	Provision for slow moving and obsolete stock-in-trade - note 13.1		
	- Raw materials	**(75,360)**	(110,116)
	- Finished goods	**(89,271)**	(141,102)
		(164,631)	(251,218)
		12,527,312	10,224,760
13.1	Movement of provision for slow moving and obsolete stock-in-trade is as follows		
	Opening balance	**251,218**	196,364
	Charge for the year - note 32	**94,007**	135,413
	Reversal during the year	**-**	(19,315)
	Write-off during the year	**(180,594)**	(61,244)
	Closing balance	**164,631**	251,218

13.2 Stock amounting to PKR 4,203.313 million (June 30, 2020: PKR 777.761 million) is measured at net realisable value and expense amounting to PKR 43.565 million (June 30, 2020: PKR 75.381 million reversal) has been recognised in cost of sales.

13.3 Includes raw and packing materials held with various toll manufacturers:

	Searle Pakistan Limited	**387,062**	426,703
	Nova Med Pharmaceuticals	**39,470**	32,462
	Breeze Pharma Islamabad	**8,505**	11,999
	Others	**18,401**	10,396
		453,438	481,560
14	**Trade debts**		
	Considered good		
	- Secured	**907,506**	746,111
	- Unsecured		
	Due from associated companies - note 14.1 and 14.2	**16,091**	14,024
	Others	**2,182,306**	1,946,965
		3,105,903	2,707,100
	Considered doubtful	**184,106**	235,521
		3,290,009	2,942,621
	Allowance for ECL - note 14.3	**(184,106)**	(235,521)
	Provision for price adjustments and discounts	**(271,940)**	(320,984)
		(456,046)	(556,505)
		2,833,963	2,386,116

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
14.1	The above balances include amounts due from the following related parties which are neither past due nor impaired as of the reporting date:		
	Unsecured		
	Lucky Cement Limited	**60**	60
	Lucky Textile Mills Limited	**1,285**	2,258
	Yunus Textile Mills Limited	**7,373**	10,130
	Lucky Foods (Private) Limited	**6,367**	1,576
	Tabba Kidney Institute	**613**	-
	Tabba Heart Institute	**393**	-
		16,091	14,024
14.2	The maximum amount outstanding at any time during the year with reference to month end balances are as		
	Unsecured		
	Lucky Cement Limited	**5,712**	60
	Lucky Textiles Limited	**6,275**	3,020
	Yunus Textile Mills Limited	**10,307**	10,130
	Lucky Foods (Private) Limited	**6,367**	3,279
	Tabba Kidney Institute	**613**	-
	Tabba Heart Institute	**1,694**	-
		30,968	16,489
14.3	Allowance for ECL		
	Opening balance	**235,521**	258,309
	Reversal during the year - net - note 45.6	**(30,678)**	(22,159)
	Write - off - note 45.6	**(20,737)**	(629)
	Closing balance	**184,106**	235,521

15	**Loans and advances**		
	Considered good		
	Loans due from:		
	Executives - note 15.1	**67,590**	46,036
	Employees	**128,901**	120,980
		196,491	167,016
	Advances to:		
	Executives	**17,523**	14,851
	Employees	**3,430**	2,634
	Contractors and suppliers	**515,556**	415,306
	Others	**14,801**	37,265
		551,310	470,056
		747,801	637,072
	Considered doubtful	**17,472**	17,742
		765,273	654,814
	Allowance for ECL on loans and advances - note 45.4 and 45.6	**(17,472)**	(17,742)
		747,801	637,072
15.1	The maximum amount outstanding loans to executives at any time during the year calculated with reference to month end balances are as follows.	**79,700**	54,747

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
16	**Trade deposits and short-term prepayments**		
	Trade deposits	**258,349**	264,048
	Short-term prepayments	**238,685**	149,827
		497,034	413,875
17	**Other receivables**		
	Considered good		
	Duties, sales tax and octroi refunds due	**2,022,051**	1,561,744
	Commission and discounts receivable	**142,549**	101,554
	Due from associated Company - note 17.1	**380,000**	-
	Receivable from principal	**-**	63,947
	Others	**283,949**	250,082
		2,828,549	1,977,327
	Considered doubtful	**9,007**	9,007
		2,837,556	1,986,334
	Allowance for ECL on receivables - note 17.3	**(9,007)**	(9,007)
		2,828,549	1,977,327

17.1 Due from related parties which are neither past due nor impaired includes the following:

Un-secured		
NutriCo Pakistan (Private) Limited - Associate	**380,000**	-

17.2 The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows.

Un-secured		
NutriCo Pakistan (Private) Limited	**380,000**	-

17.3 Movement of allowance for ECL on other receivables

Opening balance	**9,007**	2,798
Charge for the year	**-**	6,209
Closing balance	**9,007**	9,007

18	**Cash and bank balances**		
	Cash at bank:		
	- Short-term deposits - note 18.1	**124,000**	124,000
	- Current accounts	**101,241**	414,844
	- Saving accounts - note 18.2	**40,589**	3,875
	Cash in hand	**8,900**	6,840
		274,730	549,559

18.1 Represent security deposits from certain distributors that are placed with various separate bank accounts at pre-agreed rate maturing at various dates. These are interest based arrangements. The mark-up percentage on these deposits during the year was ranging from 6% to 10% (June 30, 2020: 8% to 11%) and these term deposits are readily encashable without any penalty.

18.2 These carry interest at the rates ranging from 5% to 7% (June 30, 2020: 5.25% to 10%) per annum.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

19 Issued, subscribed and paid-up capital

As at June 30, 2021	As at June 30, 2020		As at June 30, 2021	As at June 30, 2020
(Number of shares)				
83,734,062	83,734,062	Ordinary shares of PKR 10 each fully paid in cash	**837,341**	837,341
211,925	211,925	Ordinary shares of PKR 10 each issued as fully paid for consideration other than cash under scheme of arrangement for amalgamation - (note 19.1)	**2,119**	2,119
16,786	16,786	Ordinary shares of PKR 10 each issued as fully paid bonus shares	**168**	168
8,396,277	8,396,277	Ordinary shares issued pursuant to the previous scheme as fully paid for consideration of investment in associate (note 19.2)	**83,963**	83,963
92,359,050	92,359,050		**923,591**	923,591

19.1 The process for amalgamation of three companies namely Paintex Limited, ICI Pakistan Manufacturers Limited and Imperial Chemical Industries Limited resulted in a new company as ICI Pakistan Limited on April 01, 1987.

19.2 With effect from October 01, 2000, the Pure Terephthalic Acid (PTA) business of the Company was demerged under a scheme of arrangement dated December 12, 2000 approved by the shareholders and sanctioned by the High Court of Sindh.

19.3 As at June 30, 2021, the Parent Company Lucky Cement Limited together with Yunus Textile Mills Limited, Gadoon Textile Mills Limited, Lucky Textile Mills Limited and YB Pakistan Limited held 81.54% (June 30, 2020: 84.93%) while institutions held 9.27% (June 30, 2020: 8.74%) and individuals, others held the balance of 9.19% (June 30, 2020: 6.33%) Voting rights, board selection, & other shareholder's rights are in proportion to their shareholding.

	As at June 30, 2021	As at June 30, 2020
20 Capital reserves		
Share premium - note 20.1	**309,057**	309,057
Capital receipts - note 20.2	**586**	586
	309,643	309,643

20.1 Share premium includes the premium amounting to PKR 0.902 million received on shares issued for the Holding Company's Polyester Plant installation in 1980 and share premium of PKR 308.982 million representing the difference between nominal value of PKR 10 per share of 8,396,277 ordinary shares issued by the Holding Company and the market value of PKR 392.958 million of these shares corresponding to 25% holding acquired in Lotte Pakistan PTA Limited, an ex-associate, at the date of acquisition i.e. November 2, 2001 and the number of shares that have been issued were determined in accordance with the previous scheme in the ratio between market value of the shares of two companies based on the mean of the middle market quotation of the Karachi Stock Exchange now Pakistan Stock Exchange (Limited) over the ten trading days between October 22, 2001 to November 2, 2001.

20.2 Represent the amount received from various ICI plc group companies overseas for the purchase of property, plant and equipment. The remitting companies have no claim to their repayments.

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
21	**Provisions for non-management staff gratuity**	**120,797**	114,703

21.1 As stated in note 3.12 to these consolidated financial statements, The Group is continuing with a funded defined benefit pension scheme and a funded defined benefit gratuity scheme for its management staff who joined prior to August 1, 2004 for Pension Scheme and prior to March 21, 2016 for Gratuity scheme. The pension and gratuity schemes are salary schemes providing pension / commutation of pension and lump sum payments, respectively. Pension and gratuity schemes for management staff are invested through two approved trust funds. The Group also operates defined benefit gratuity scheme for non-management staff and the pensioners' medical scheme which are unfunded. Further, as a part of its defined contribution plan, the Group operates two registered contributory provident funds for its entire staff and a registered defined contribution superannuation fund for its management staff. Actuarial valuation of defined benefit plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2021.

21.2 Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plans. Responsibility for governance of the Plans, including investment and funding decisions and contribution schedules lies with the Board of Trustees. The Group appoints the trustees.

21.3 Staff retirement benefits

	2021				2020			
	Funded			**Unfunded**	Funded			Unfunded
	Pension	**Gratuity**	**Total**	**Non - management gratuity**	Pension	Gratuity	Total	Non - management gratuity
21.3.1 The amounts recognised in the consolidated statement of profit or loss account against defined benefit schemes are as follows:								
Current service cost	**9,585**	**34,849**	**44,434**	**4,680**	11,018	38,167	49,185	4,182
Interest cost	**61,900**	**46,775**	**108,675**	**8,667**	94,037	70,950	164,987	11,895
Expected return on plan assets	**(68,042)**	**(46,010)**	**(114,052)**	**-**	(110,642)	(64,632)	(175,274)	-
Net charge / (reversal) for the year	**3,443**	**35,614**	**39,057**	**13,347**	(5,587)	44,485	38,898	16,077
Other comprehensive income:								
Loss / (gain) on obligation	**57,361**	**32,865**	**90,226**	**12,050**	100,049	(5,429)	94,620	14,847
Gain on plan assets	**(60,943)**	**(35,763)**	**(96,706)**	**-**	(43,594)	(13,358)	(56,952)	-
Net (gain) / loss for the year	**(3,582)**	**(2,898)**	**(6,480)**	**12,050**	56,455	(18,787)	37,668	14,847
21.3.2 Movement in the net assets / (liability) recognised in the consolidated statement of financial position are as follows:								
Opening balance	**74,450**	**(41,670)**	**32,780**	**(114,703)**	125,318	(79,381)	45,937	(113,012)
Net charge / (reversal) for the year - note 21.3.1	**(3,443)**	**(35,614)**	**(39,057)**	**(13,347)**	5,587	(44,485)	(38,898)	(16,077)
Net (gain) / loss for the year - note 21.3.1	**3,582**	**2,898**	**6,480**	**(12,050)**	(56,455)	18,787	(37,668)	(14,847)
Contributions / payments during the year	**-**	**64,792**	**64,792**	**19,303**	-	63,409	63,409	29,233
Closing balance	**74,589**	**(9,594)**	**64,995**	**(120,797)**	74,450	(41,670)	32,780	(114,703)
21.3.3 The amounts recognised in the consolidated statement of financial position are as follows:								
Fair value of plan assets - note 21.3.5	**861,259**	**640,718**	**1,501,977**	**-**	917,233	556,453	1,473,686	-
Present value of defined benefit obligation - note 21.3.4	**(786,670)**	**(650,312)**	**(1,436,982)**	**(120,797)**	(842,783)	(598,123)	(1,440,906)	(114,703)
Net asset / (liability)	**74,589**	**(9,594)**	**64,995**	**(120,797)**	74,450	(41,670)	32,780	(114,703)

The recognized asset / liability of funded gratuity is netted off against recognized asset / liability of funded pension and recorded accordingly.

21.3.4 Movement in the present value of defined benefit obligation:

Opening balance	**842,783**	**598,123**	**1,440,906**	**114,703**	781,750	576,504	1,358,254	113,012
Current service cost	**9,585**	**34,849**	**44,434**	**4,680**	11,018	38,167	49,185	4,182
Interest cost	**61,900**	**46,775**	**108,675**	**8,667**	94,037	70,950	164,987	11,895
Benefits paid	**(184,959)**	**(62,300)**	**(247,259)**	**(19,303)**	(144,071)	(82,069)	(226,140)	(29,233)
Actuarial loss / (gain)	**57,361**	**32,865**	**90,226**	**12,050**	100,049	(5,429)	94,620	14,847
Closing balance	**786,670**	**650,312**	**1,436,982**	**120,797**	842,783	598,123	1,440,906	114,703

21.3.5 Movement in the fair value of plan assets:

Opening balance	**917,233**	**556,453**	**1,473,686**	**-**	907,068	497,123	1,404,191	-
Expected return	**68,042**	**46,010**	**114,052**	**-**	110,642	64,632	175,274	-
Contributions	**-**	**64,792**	**64,792**	**-**	-	63,409	63,409	-
Benefits paid	**(184,959)**	**(62,300)**	**(247,259)**	**-**	(144,071)	(82,069)	(226,140)	-
Actuarial gain / (loss)	**60,943**	**35,763**	**96,706**	**-**	43,594	13,358	56,952	-
Closing balance - note 21.3.7	**861,259**	**640,718**	**1,501,977**	**-**	917,233	556,453	1,473,686	-

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

21.3.6	**Historical information**			**June 30**		
		2021	2020	2019	2018	2017
	Present value of defined benefit obligation	**1,557,779**	1,555,609	1,471,266	1,918,610	1,918,234
	Fair value of plan assets	**(1,501,977)**	(1,473,686)	(1,404,191)	(1,807,832)	(2,097,590)
	Net (asset) / liability	**55,802**	81,923	67,075	110,778	(179,356)

21.3.7	**Major categories / composition of plan assets are as follows:**	**2021**	2020
	Debt instruments	**71.73%**	59.74%
	Equity at market value	**29.51%**	17.00%
	Cash / Others	**-1.24%**	-1.04%

Fair value of plan asset	**Pension**	**Gratuity**	Pension	Gratuity
	As at June 30, 2021		As at June 30, 2020	
Investment				
National savings deposits	**348,447**	**-**	307,107	-
Government bonds	**266,157**	**415,399**	479,573	400,560
Mutual funds - equity	**-**	**-**	-	29,918
Mutual funds - fixed income	**-**	**-**	-	256
Corporate bonds	**-**	**47,380**	-	50,989
Shares	**264,839**	**178,340**	145,635	74,935
Cash and term deposits	**3,482**	**7,320**	16,336	7,884
(Benefit due) / Income receivable	**(21,666)**	**(7,721)**	(31,418)	(8,089)
Total	**861,259**	**640,718**	917,233	556,453

Mortality of active employees and pensioners is represented by the 70% of EFU (61-66). The table has been rated down three years for mortality of female pensioners and widows.

Actual return on plan assets during the year:	**210,758**	232,226

21.3.8 The principal actuarial assumptions at the reporting date were as follows:

Discount rate	**9.50%**	8.25%

The discount rate for the valuations has been determined as 9.5% with reference to this duration and Pakistan Investment Bond yields on the valuation date. In response to the economic slowdown that followed the onset of the COVID-19 pandemic, the Government forced interest rates down by 5% to provide cheaper borrowing for industry.

Future salary increases - Management	**4.25%**	3.00%
Future salary increases - Non - Management	**5.25%**	4.00%

The Group's Management's estimates of increases in plan members' salaries over this period will average 6% per annum for Management Staff and 7% for Non Management Staff members. These rates have been adjusted downward with reference to the underlying long-term interest rate of 11.25% and the valuation discount rate of 9.5%. The salary increase assumption has been set at 4.25% for Management Staff and 5.25% for Non-Management Staff.

Future pension increases	**4.25%**	3.00%

Pension Fund Rules guarantee an annual increase of 6%. After adjusting for the difference between the valuation discount rate and the underlying long-term interest rate, the pension increase assumption for June 30, 2021 is 4.25%.

21.3.9 Impact of changes in assumptions on defined benefit obligation Is as follows:

Assumption	**1% Increase**	**1% Decrease**
Discount rate	**(74,293)**	**83,308**
Salary increase	**52,825**	**(47,676)**
Pension increase	**33,967**	**(30,839)**

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the gratuity liability recognised within the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

		As at June 30, 2021	As at June 30, 2020
21.3.10	**During the year, the Group contributed in the fund as follows:**		
	Provident fund - note 21.4	**157,040**	145,452
	Defined contribution superannuation fund - note 21.4	**134,125**	120,504

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020

21.3.11 The Group contributes to the pension and gratuity funds on the advice of the funds' actuary. The contributions are equal to the current service cost with adjustment for any deficit. If there is a surplus, the Group takes a contribution holiday, accordingly, there is no impact of asset ceiling in these consolidated financial statement. The expected contributions for the financial year ending June 30, 2022 for management staff gratuity PKR 37.290 million.

The weighted average duration of the defined benefit obligation is 5.7 years (2020: 5.7 years).

The gratuity scheme poses the following risks:

Mortality risks

The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit

Investment risk

The risk of the investment underperforming and not being sufficient to meet the liabilities. This is managed by formulating proper investment plans.

Final salary risks

The risk that the final salary at the time of cessation of service is higher than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Risk of sufficiency of assets

This was managed by making regular contributions to the gratuity fund as advised by the actuary.

Withdrawal risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the defined benefit obligation. The movement of the liability can go either way.

21.4 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

		As at June 30, 2021	As at June 30, 2020
22	**Long-term loans**	**5,621,809**	8,715,446
	Loans from banking companies / financial institutions		
	Interest based arrangement		
	Long-Term Finance Facility (LTFF) - note 22.1	**1,621,081**	1,954,308
	Other long-term loan	**-**	202,120
	Payroll Finance Scheme - note 22.2	**1,133,248**	439,820
	Temporary Economic Refinance Facility (TERF) - note 22.3	**546,674**	-
	Shariah compliant		
	Islamic term finance - note 22.4	**4,257,417**	7,413,172
		7,558,420	10,009,420
	Current portion shown under current liabilities	**(1,936,611)**	(1,293,974)
		5,621,809	8,715,446

22.1 These loans are secured by a charge against the fixed assets of Polyester and Soda Ash Business amounting to PKR 2,500 million and PKR 17,608 million respectively. Mark-up is payable on quarterly and half yearly basis. . The markup on LTTF ranges from SBP Rate + 0.30% to 0.50% and the limit stands at PKR 2,665.82 million (June 30, 2020: PKR 2,665.82 million). The maturity of these loans ranges from 1 to 6 years.

The markup on all long-term loans is payable on quarterly and semi-annual basis.

22.2 The Group has availed further long term loan facilities in the form of the Refinance Scheme for Payment of Wages and Salaries. These loans are secured against the current assets of the Group. The markup rate on Refinance Scheme for Payment of Wages and Salaries are at a rate ranging from 0.5% to 1%. Grace period for principal repayment has been availed which entails that the first principal repayment falls in April 2021 and the last repayment will be on December 2022. The principal repayments and mark up will be made on a quarterly basis. Government grant has been recorded in respect of this facility. There are no unfulfilled conditions or contingencies attached to this grant

22.3 The Group has availed TERF for the purpose of plant expansion having a limit of PKR 4.0 billion. These loans are secured by a charge against the fixed assets of Soda Ash business. The markup rate on TERF as per SBP Regulations. Grace period for principal repayment has been availed which entails that the first principal repayment falls in December 2023 and the last repayment will be on June 2031. The principal repayments will be made on a semi annual basis and mark up payment will be made on quarterly basis. Government grant has been recorded in respect of this facility. There are no unfulfilled conditions or contingencies attached to this grant. The Group also has unavailed facility of PKR 500 million as of the year end from National Bank of Pakistan (related party).

22.4 Represents Shariah compliant loans including facility from National Bank of Pakistan (a related party) amounting to PKR 1,200 million. The limits for these Islamic loans stand at PKR 4,601 million (June 30, 2020: PKR 8,120 million) while the profit rate on Islamic term finance ranges from 3 month KIBOR to 6 month KIBOR + 0.05% to 1.15 %. The maturity of Islamic loans is 6 to 8 years. These loans are secured by a charge against the fixed assets of the Group. Grace period for principal repayment has been availed which entails that the first principal repayment falls in August 2021 and the last repayment will be on August 2024. The principal repayments and mark up will be made on a semi annual basis.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
23	**Deferred income - Government grant**		
	Government grant	**193,230**	-
	Current portion of government grant	**(53,746)**	-
		139,484	-
	Following is the movement in government grant during the year:		
	Opening balance	-	-
	Obtained during the year	**243,854**	-
	Amortisation of deferred income - government grant	**(50,624)**	-
	Closing balance	**193,230**	-

		As at June 30, 2021			As at June 30, 2020		
		Opening	**Charge / (Reversal)**	**Closing**	Opening	Charge / (Reversal)	Closing
24	**Deferred tax liability - net**						
	Deductible temporary differences						
	Provisions for retirement benefits, doubtful debts and others	**(304,646)**	**41,731**	**(262,915)**	(322,714)	18,068	(304,646)
	Retirement fund provisions - note 21.3.1	**(115,712)**	**(2,504)**	**(118,216)**	(104,622)	(11,090)	(115,712)
	Business Loss	**(511,641)**	**(321,910)**	**(833,551)**	(26,847)	(484,794)	(511,641)
	Taxable temporary differences						-
	Property, plant and equipment	**2,329,446**	**(152,932)**	**2,176,514**	2,092,216	237,230	2,329,446
		1,397,447	**(435,615)**	**961,832**	1,638,033	(240,586)	1,397,447

24.1 Includes amount PKR 2,504 million (2020 : PKR 11.090 million) routed through consolidated statement of other comprehensive income.

		As at June 30, 2021	As at June 30, 2020
25	**Trade and other payables**		
	Trade creditors	**2,262,564**	1,619,629
	Bills payable	**2,396,197**	2,062,021
	Accrued expenses - note 25.1	**4,510,513**	3,312,043
	Technical service fee / royalty - note 25.2	**38,208**	51,437
	Workers' Profit Participation Fund - note 25.3	**66,115**	52,726
	Workers' Welfare Fund	**176,273**	216,932
	Distributors' security deposits - payable on termination of distributorship - note 25.4	**127,320**	128,550
	Contractors' earnest / retention money	**81,233**	194,795
	Contract liability (running account with customers) - note 25.5	**703,553**	621,183
	Book overdraft	**95,815**	-
	Payable for capital expenditure	**198,408**	63,537
	Due to associates - note 25.6	**306,095**	214,404
	Others	**266,276**	101,681
		11,228,570	8,638,938

25.1 The Supreme Court of Pakistan (SCP) through its judgment dated August 13, 2020 ("GIDC Judgment") declared the Gas Infrastructure Development Cess Act, 2015 ("GIDC Act 2015") as valid. It further allowed recovery of GIDC by the gas companies from their consumers in twenty-four equal monthly installments.

The Holding Company has filed suit before High Court of Sindh (HSC) on September 16, 2020 on the grounds that factual determination of the GIDC passed-on is to be carried out, which is pending adjudication. The HSC granted the Group an interim stay. The Group has followed the relevant accounting standards and guidelines issued by the Institute of Chartered Accountants of Pakistan in this regard.

25.2	This amount includes royalty payable to associate company namely "Lucky Holdings Limited" registered on the specified address 6-A, Mohammad Ali Society A. Aziz Hashim Tabba Street Karachi - 75350, Pakistan	**12,121**	26,420
25.3	**Workers' Profit Participation Fund**		
	Opening balance	**52,726**	188,258
	Allocation for the year - note 33	**444,713**	228,486
		497,439	416,744
	Interest on funds utilised in the Holding Company's businesses at 116.25%. % (June 30, 2020: 97.5%) per annum	**2,157**	2,302
	Payment to the fund	**(433,481)**	(366,320)
	Closing balance	**66,115**	52,726

25.4 Interest on security deposits from certain distributors that are placed with various separate bank account is payable at ranging from 6% to 10% (June 30, 2020: 8% to 11%) per annum as specified in the respective agreements. These security deposits are non utilizable. Further, the Company has not utilized any such deposit for the purpose of its business during the year.

25.5 During the year, contract liabilities as at June 30, 2021 have been recognised as revenue. Contract liabilities as at the year end will be recognised as revenue during next financial year.

Amounts in PKR '000

		As at June 30, 2021	As at June 30, 2020
25.6	Includes amount due to NutriCo Pakistan (Private) Limited and Morinaga Milk Industry Co Ltd amounting to Rs. 112.7 million (June 30, 2020: Rs127.30 million) and Rs. 193.30 million (June 30, 2020: Rs 87.10 million) respectively.		
26	**Short-term financing**		
	Export refinance facility - note 26.1	**450,000**	-
	Money Market	**-**	100,000
	FE 25 Facility	**-**	958,564
	Short-term running finance - secured - note 26.2 and 26.3	**3,287,149**	3,840,108
		3,737,149	4,898,672

26.1 The Company has availed export refinance facility (ERF) amounting to Rs. 450 million (2020: Rs. Nil) as at June 30, Rs. 300 million was availed from National Bank of Pakistan (related party), Rs. 100 million from Habib Metropolitan Bank - Islamic Banking and Rs. 50 million from Allied Bank Limited- Islamic Banking (2020: Rs. Nil). The above export refinance facility is secured by first pari passu hypothecation charge. The export refinance facility carries mark-up at State Bank of Pakistan (SBP) rate ranging from 0.15% to + 0.50% per annum (June 30, 2020: SBP rate + Nil % per annum).

26.2 Represents Short-term facilities wherein, Islamic Facilities have a limit of PKR 10,346 Million. These facilities carry mark-up ranging from KIBOR + 0.02 % to KIBOR + 1.25 % per annum with an average mark-up rate of relevant KIBOR + 0.16 % (June 30, 2020: relevant KIBOR + 0.05 % to KIBOR + 1.25 % per annum with an average mark-up rate of relevant KIBOR + 0.40 %). The conventional short term facilities, have a limit amounting to PKR 5,950 million (June 30, 2020: PKR 7,331 million). These facilities carry mark-up ranging from KIBOR + 0.05 % to KIBOR + 0.30 % per annum with an average mark-up rate of relevant KIBOR + 0.17 % (June 30, 2020: relevant KIBOR + 0.05 % to KIBOR + 0.30 % per annum with an average mark-up rate of relevant KIBOR + 0.15 %). These facilities are secured against current assets of the Group.

26.3 Includes facility from National Bank of Pakistan (a related party) amounting to PKR 321.20 million, against a total limit of PKR 1,000 million, carrying mark-up at the rate of 3 month KIBOR + 0.15 %. The Group has executed other transactions mainly for payments to Government and related authorities in the ordinary course of business.

27 Contingencies and Commitments

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

	Local bodies	**76,500**	81,500
	Others	**7,238**	22,979
		83,738	104,479

27.1 Details of material cases

Collectorate of customs - classification issue in PCT heading

Holding Company imported a series of consignments of Wannate 8019 under PCT Heading 3909.5000. Collectorate of customs raised demand of PKR 3 million on 12.05.2015 & 21.05.2015, against the Holding Company on the ground that Holding Company is classifying its imported product Wannate 8019 in wrong PCT Heading. Holding Company filed 12 appeals at the Customs Appellate Tribunal. The Collector of Customs (Appeals) at Karachi issued an order on 25.11.2015, through which it waived the Penalty of Rs 0.6m and Fine of Rs 2.9m originally imposed but two issues Classification of Goods and Benefit of FTA Rs 0.7m were not allowed/ accepted. The Holding Company appealed before the Customs Appellate Tribunal. Through order dated 9-7-2019, the Custom Appellate Tribunal (a) Agreed to the Classification determined under impugned order dated 21-5-2015 (above), passed by Collector Customs (b) Held that the goods being not part of SRO 1125(I)/2011 dated 31/12/2011 do not qualify for cover of zero rating of sales tax. (c) Penalty imposed upon ICI is scaled down to 200,000 in every case involving penalty and penalty imposed upon custom house agent is reduced to 25000 (in each case involving penalty) (d) Declared recovery of additional sales tax as invalid (e) Benefit of FTA (Pak-China Free trade Agreement) has been extended to ICI This decision has been challenged before the Sindh High Court vide 10 custom references.

Special Customs Reference Applications were filed before the Sindh High Court against Order dated 9-7-2019. The Holding Company's stay application was dismissed so the Holding Company filed a writ petition in the SHC. The Special Customs Reference Application 831 to 840 of 2019 were decided in favour of ICI by the Sindh High Court through order dated 22.12.2020. The High court has remanded all ten cases to the Customs Appellate Tribunal for the appeals to be decided afresh. The Court has also restrained the Custom authorities from enforcing any demand till the Custom Appellate Tribunal decides the appeals.

For one other product Wannate PM 2010/ 8221, consignments were again withheld by Customs Intelligence on Classification issue. Holding Company paid PKR 94.0 million as Security Deposit for Provisional Clearance of these consignments till final decision. Classification committee through a Public notice dated 12th June, 2017 gave its view on classification of the product against the Holding Company. Customs after the issuance of this Public Notice raised further demand relating to period prior to issuance of Public Notice, amounting to PKR 65.0 million. Holding Company being dissatisfied with the verdict filed a Suit in Sindh High Court on certain grounds including that applicability of public notice cannot be done retrospectively. The court has granted a stay in favor of the Holding Company till the next date of hearing. The Holding Company is confident that it has a strong grounds to defend the case and is hopeful of positive outcome.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Land conversion fee issue

The Holding Company has received a notice dated March 11, 2016 issued by the Tehsil Municipal Administration Pin Dadan Khan, Tehsil Officer, whereby a sum of PKR 67.0 million was demanded as conversion fee with respect to land acquired/purchased in the years 2010 and 2015. The Holding Company filed a response to the said notice as well as appeal before the Secretary Local Government Community (SLG). The SLG disposed of the appeal by stating that the land purchased was Banjar Qadeem and that MC was competent to charge conversion fee. Thereafter another notice was by issued by the MC on November 15, 2018 for payment of PKR 67.0 million.

The Holding Company filed a Writ Petition No.225 of 2019 on January 17, 2019 before the Lahore High Court, Rawalpindi Bench against the Notices as well as order of SLG. On October 31, 2019 the Learned Judge was pleased to stay the operation of the impugned orders/notices, subject to the deposit of PKR 24.0 million with the Deputy Registrar Judicial, which was deposited through Pay Order No.05138957 on February 14, 2019.

The Holding Company is confident that the above cases would be decided in Holding Company's favor. Accordingly, no provision in this respect has been made in these consolidated financial statements.

27.2 Certain tax related matters are disclosed in note 48.1 to these consolidated financial statements.

Assessment Year / Tax Year / Tax Period	Brief description	Nature of demand	Estimated Financial impact	Authority / Court and status
AY 1998-99	The assessment finalized was revised on certain issues and after being remanded by the Appellate Tribunal, the Order dated June 29, 2010 was issued. In this Order majorly the date of commissioning of PTA's plant was in dispute i.e. it was considered to fall in the subsequent tax period. Consequently, tax depreciation thereon was disallowed. Additionally, the cost of capitalization of PTA plant was restricted and additions to income were made. In first appeal, the Commissioner (Appeals) [CIR(A)] decided all the issues in Holding Company's favor except the matter of restriction of cost of capitalization.	Income tax	PKR 79 million	Currently appeals of the company and FBR are pending before the Tribunal.
AY 2002-03 and spillover effect in Tys 2003 to 2010	After the disposal of Holding Comany's petition by the Honourable Supreme Court of Pakistan, the assessment proceedings were finalized vide Order dated May 15, 2017. Despite the finality on the De-merger of the PTA Plant and related matters in the AY 2001-2002, the date of that event was considered as falling in this year. Consequently, in this Order, the Officer proceeded to tax the event of transfer of PTA plant & exchange of shares and restrict the claim of depreciation relating to PTA assets. Other matters included the disallowance of financial charges and other issues. Simultaneously, the orders for the Tax Years 2003 to 2010 were issued, to reflect the reduction in carry forward of depreciation. The significant issues as well as that in the subsequent years were maintained in first appeal. Some relief on other matters in the AY 2002-2003 was given. During the year, the Tribunal vide order dated June 7, 2021 has decided all the issues involved in AY 2002-03 in the Holding Company's favor. The appeals for Tax Years 2003 to 2010 are still pending before Tribunal. Since these involve a consequential matter, the Group is confident that these will also be favorably resolved. With respect to the demand involved, the Holding Company has sought stay from the Honourable Sindh High Court which is valid till the decision of Tribunal.	Income tax	(i) AY 2002-03: PKR 2,143 million, deleted by Tribunal. (ii) TYs 2003 to 2010: PKR 1,915 million in aggregate.	(i) Appeal effect order for AY 2002-03 is pending. (ii) Hearing of appeals for TYs 2003 to 2010 is pending.
TYs 2003 to 2010 [Regular assessments & audits]	The FBR, vide various Orders, made certain disallowances against provisions charged under various heads, financial charges, gain on disposal of fixed assets, exchange loss, proration of expenses against capital gains and interest free loans offered to employees. The CIR(A) had allowed all the issues in Group's favor except for one issue in TY 2010 which has been challenged before Tribunal. FBR also challenged the CIR(A) order in the Tribunal which has been decided against the Group on certain matters including addition on account of disposal of fixed assets and apportionment of expenses against capital gain etc. References in this regard have been filed in the High Court.	Income tax	TY 2010: PKR 79 million.	Hearings of appeals are pending.

Amounts in PKR '000

Assessment Year / Tax Year / Tax Period	Brief description	Nature of demand	Estimated Financial impact	Authority / Court and status
2016	Following proceedings were finalized by FBR: (i) Income tax audit finalized vide assessment order dated December 30, 2019, raising demand on various issues such as disallowance of provisions, exchange loss, BMR credit etc. Although the demand has been paid under protest, an appeal against the order has been filed before the CIR(A). (ii) Monitoring proceedings have been finalized vide order dated September 2, 2016 wherein demand was raised on account of alleged non-deduction of income tax on dividends paid to parities having specific exemptions. Appeal filed against the order before CIR(A) was decided against the Holding Company which has been challenged before the Tribunal.	Income tax	(i) PKR 36 million, paid under protest. (ii) PKR 138 million.	(i) Hearing of appeal is pending before CIR(A). (ii) Hearing of the appeal is pending before Tribunal.
July 2012 to June 2013	Sales tax audit was finalized by FBR vide order dated September 12, 2014 in which major demand was raised by declaring exempt / zero-rated sales as taxable along with certain other issues. Appeal filed with CIR(A) was decided against the Holding Company which has been challenged before the Tribunal.	Sales tax	PKR 952 million	Hearing before Tribunal is pending.
July 2014 to June 2015 & July 2016 to June 2017	Sales tax audit for July 2014 to June 2015 was finalized by the FBR vide order September 25, 2018 creating demand on various issues including inadmissible sales tax claimed on blacklisted / inactive suppliers and goods used for non-business activity. After all these issues were remanded back by the CIR(A), FBR has filed an appeal before Tribunal. Similar issues for July 2016 to June 2017 have been decided against the Holding Company vide order dated June 29, 2021. The Holding Company is in the process of filing an Appeal before CIR (A).	Sales tax	(i) July 2014 to June 2015: PKR 26 million, paid under protest (ii) July 2016 to June 2017: PKR 29 million	(i) Hearing of appeal before Tribunal is pending. (ii) The Company is in process of filing an appeal before the CIR(A).

In addition to above, there are certain other tax and legal cases which are pending before various authorities. The management is confident that all these cases (including listed above) will be decided in favour of the Company.

		As at June 30, 2021	As at June 30, 2020
27.3	**Commitments**		
27.3.1	Commitments in respect of capital expenditure including various projects	**1,098,252**	537,860
27.3.2	Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:		
	Year		
	2021-22	**2,013**	2,313
	2022-23	**6,436**	2,464
	2023-24	**6,608**	2,625
	2024-25	**7,038**	2,795
	2025-26	**5,621**	-
		27,716	10,197
	Payable not later than one year	**2,013**	2,313
	Payable later than one year but not later than five years	**25,703**	7,884
		27,716	10,197
27.3.3	Outstanding letter of credit: Unutilized PKR 10,945.968 million (June 30, 2020: 11,364.538 million)	**5,743,335**	4,223,441
27.3.4	The above amount includes facility limit of 1,000 million (June 30, 2020: 1900) from National Bank of Pakistan (related party) outstanding balance of PKR 678.800 million (June 30, 2020: 988.500)		
27.3.5	Commitments in respect of post dated cheques;	**420,760**	1,152,646

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

28 Operating segment results

		Polyester		Soda Ash		Pharma		Animal Health		Chemicals & Agri Sciences		NutriCo Morinaga		Others		Group	
		For the year ended June 30, 2021	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020
																	Restated
	Sales																
	Bangladesh	**249**	-	**617,357**	299,133	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**617,606**	299,133
	Sri Lanka	**-**	-	**283,633**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**283,633**	-
	United States	**203,113**	474,463	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**203,113**	474,463
	UAE	**-**	-	**56,731**	255,015	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**56,731**	255,015
	Others	**54,406**	50,580	**161,746**	209,916	**109,836**	32,517	**-**	-	**4,170**	-	**-**	-	**-**	-	**330,158**	293,013
		257,768	525,043	**1,119,467**	764,064	**109,836**	32,517	**-**	-	**4,170**	-	**-**	-	**-**	-	**1,491,241**	1,321,624
	Inter-segment	**-**	-	**-**	-	**-**	-	**-**	-	**14,799**	14,990	**-**	-	**1,231,717**	412,710	**1,246,516**	427,700
	Local	**28,580,555**	22,930,044	**19,327,709**	18,401,487	**10,838,050**	8,861,777	**6,625,863**	4,851,709	**10,491,161**	9,822,586	**2,148,248**	977,770	**209,391**	25,714	**78,220,977**	65,871,087
		28,838,323	23,455,087	**20,447,176**	19,165,551	**10,947,886**	8,894,294	**6,625,863**	4,851,709	**10,510,130**	9,837,576	**2,148,248**	977,770	**1,441,108**	438,424	**80,958,734**	67,620,411
	Commission / Toll income	**-**	-	**-**	-	**-**	35,368	**226**	4,675	**126,225**	131,337	**-**	-	**-**	-	**126,451**	171,380
	Turnover	**28,838,323**	23,455,087	**20,447,176**	19,165,551	**10,947,886**	8,929,662	**6,626,089**	4,856,384	**10,636,355**	9,968,913	**2,148,248**	977,770	**1,441,108**	438,424	**81,085,185**	67,791,791
	Sales tax	**(4,107,589)**	(3,298,092)	**(2,706,463)**	(2,613,205)	**(43,506)**	(38,861)	**(9,137)**	(9,873)	**(1,054,444)**	(786,993)	**-**	-	**(209,392)**	(63,703)	**(8,130,531)**	(6,810,727)
	Commission	**(433,665)**	-	**(203,277)**	(170,607)	**-**	(901,794)	**-**	-	**-**	(300)	**-**	-	**-**	-	**(636,942)**	(1,072,701)
	Discounts / price adjustment	**-**	(269,707)	**(828,906)**	(734,874)	**(3,090,145)**	(1,106,128)	**(1,503,227)**	(937,744)	**(882,705)**	(1,158,686)	**-**	-	**-**	-	**(6,304,983)**	(4,207,139)
		(4,541,254)	(3,567,799)	**(3,738,646)**	(3,518,686)	**(3,133,651)**	(2,046,783)	**(1,512,364)**	(947,617)	**(1,937,149)**	(1,945,979)	**-**	-	**(209,392)**	(63,703)	**(15,072,456)**	(12,090,567)
	Net turnover	**24,297,069**	19,887,288	**16,708,530**	15,646,865	**7,814,235**	6,882,879	**5,113,725**	3,908,767	**8,699,206**	8,022,934	**2,148,248**	977,770	**1,231,716**	374,721	**66,012,729**	55,701,224
	Cost of sales - note 30	**(20,998,308)**	(18,703,044)	**(11,563,464)**	(11,132,306)	**(5,266,224)**	(4,665,632)	**(3,898,349)**	(3,006,535)	**(6,558,177)**	(6,053,245)	**(2,147,177)**	(801,274)	**(1,000,991)**	(323,971)	**(51,432,690)**	(44,686,007)
	Gross profit	**3,298,761**	1,184,244	**5,145,066**	4,514,559	**2,548,011**	2,217,247	**1,215,376**	902,232	**2,141,029**	1,969,689	**1,071**	176,496	**230,725**	50,750	**14,580,039**	11,015,217
	Selling and distribution expenses - note 31	**(458,435)**	(376,343)	**(678,853)**	(481,804)	**(1,309,793)**	(1,151,429)	**(743,939)**	(555,899)	**(963,984)**	(919,240)	**(433,472)**	(277,957)	**-**	-	**(4,588,476)**	(3,762,672)
	Administration and general expenses - note 32	**(124,340)**	(98,047)	**(940,692)**	(754,041)	**(402,430)**	(330,581)	**(91,737)**	(105,902)	**(235,202)**	(248,545)	**(152,967)**	(96,796)	**(1,227)**	(632)	**(1,948,595)**	(1,634,544)
	Operating result	**2,715,986**	709,854	**3,525,521**	3,278,714	**835,788**	735,237	**379,700**	240,431	**941,843**	801,904	**(585,368)**	(198,257)	**229,498**	50,118	**8,042,968**	5,618,001
28.1	**Segment assets - note 28.5 and 29.3**	**9,823,522**	8,776,575	**25,406,934**	24,890,823	**5,810,736**	6,037,209	**4,279,340**	4,167,580	**9,344,984**	8,938,995	**8,137,016**	7,813,044	**898,804**	25,451	**48,332,224**	44,671,191
28.2	**Unallocated assets**															**1,409,730**	3,099,400
																49,741,954	47,770,591
28.3	**Segment liabilities - note 28.5 and 29.4**	**14,723,344**	15,551,133	**3,341,690**	3,091,150	**5,563,382**	5,841,748	**2,209,108**	1,961,237	**2,424,499**	1,898,406	**410,257**	4,718,771	**59,426**	(218,006)	**12,576,834**	14,706,212
28.4	**Unallocated liabilities**															**11,765,906**	11,071,891
																24,342,740	25,778,103

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

		Polyester		Soda Ash		Pharma		Animal Health		Chemicals & Agri Sciences		NutriCo Morinaga		Others		Group	
28.6	**Depreciation and amortisation charge note 6.5, 7.1 and 8.1**	**618,213**	673,306	**1,614,857**	1,599,411	**143,799**	168,595	**64,716**	61,889	**109,226**	114,348	**349,131**	170,298	**15,451**	18,754	**2,915,393**	2,806,601
28.6.1	Depreciation and amortisation allocated for which corresponding asset is not allocated																
28.7	**Capital expenditure**	**308,653**	213,022	**2,372,994**	1,138,805	**115,929**	60,076	**26,702**	71,712	**4,074**	76,076	**32,022**	716,771	**20,718**	1,959	**2,881,092**	2,278,421

28.8 There was no major customer of the Group which formed part of 10% or more of the Group's revenue. All non-current operating assets of the Group are located in Pakistan.

28.9 Supplies of CGU NutriCo Morinaga are taxable at the rate of zero percent as they fall under the 5th Schedule of the Sales Tax Act, 1990.

Amounts in PKR '000

28.10 NutriCo Morinaga (Private) Limited is considered as a separate business segment / Cash Generating Unit (CGU) of the Group which has been reflected as 'NutriCo Morinaga' in these consolidated financial statements. The assets of the segment are subject to impairment test due to losses in initial years of its operations. The Group has performed impairment test on the CGU as of June 30, 2021.

The recoverable amount is determined based on a value-in-use calculation considering commercial and other assumptions used such as the expected cash flow, inflation rate, sales price increase, sales volume growth, discount rate etc. Cash flow projections from financial budgets are approved by the senior management covering a five year period and applying the expected value approach. The discount rate used in cash flow projections is 15 percent which reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The growth rate used to extrapolate the cash flows beyond the five-year period is 4 percent. Management expects revenues and margins to improve as and when the utilisation level of its new plant increases in years to come based on growth of existing products and launch of new products. As a result of this analysis, the management did not identify any impairment in the CGU.

Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

		For the year ended June 30, 2021	For the year ended June 30, 2020
29	**Reconciliations of reportable segment net turnover, cost of sales, assets and liabilities**		
29.1	**Net turnover**		
	Total net turnover for reportable segments - note 28	**66,012,729**	55,701,224
	Elimination of inter-segment net turnover - note 28	**(14,799)**	(12,041)
	Elimination of inter-group net turnover from the subsidiary	**(1,231,717)**	(432,710)
	Total net turnover	**64,766,213**	55,256,473

		For the year ended June 30, 2021	For the year ended June 30, 2020 Restated
29.2	**Cost of sales**		
	Total cost of sales for reportable segments - note 28	**51,432,690**	44,686,007
	Elimination of inter-segment purchases - note 28	**(14,799)**	(12,041)
	Elimination of inter-group purchases from the subsidiary	**(1,233,457)**	(432,710)
	Total cost of sales	**50,184,434**	44,241,256

		As at June 30, 2021	As at June 30, 2020 Restated
29.3	**Assets**		
	Total assets for reportable segments	**48,332,224**	44,671,191
	Taxation recoverable	**453,889**	1,990,113
	Long-term investments - note 9	**955,841**	1,109,287
	Total assets	**49,741,954**	47,770,591
29.4	**Liabilities**		
	Total liabilities for reportable segments	**12,576,834**	14,706,212
	Short-term financing - note 26	**3,737,149**	3,399,161
	Loans from banking companies / financial institutions - note 22	**7,558,420**	7,357,127
	Accrued mark-up	**177,821**	227,281
	Unclaimed dividend	**99,286**	88,322
	Deferred Income - Government grant	**193,230**	-
	Total liabilities	**24,342,740**	25,778,103

Notes to the Consolidated Financial Statements
For the year ended June 30, 2021

Amounts in PKR '000

30 Cost of sales

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals & Agri Sciences		NutriCo Morinaga		Others		Group	Group
	For the year ended June 30, 2021	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020
Raw and packing materials consumed																(Restated)
Opening stock	**1,435,020**	1,864,192	**1,707,313**	1,308,718	**1,259,340**	1,307,353	**218,974**	208,574	**749,507**	980,564	**599,575**	-	**22,688**	16,224	**5,992,417**	5,685,625
Purchases																
Inter-segment	**1,153,703**	309,270	**-**	-	**2,549**	9,193	**-**	-	**-**	-	**90,264**	109,236	**-**	-	**1,246,516**	427,699
Others	**17,108,774**	14,224,086	**3,685,495**	4,241,023	**3,955,892**	2,884,985	**1,356,957**	668,793	**4,499,023**	3,162,994	**1,777,656**	1,376,243	**939,903**	274,001	**33,323,700**	26,832,125
	18,262,477	14,533,356	**3,685,495**	4,241,023	**3,958,441**	2,894,178	**1,356,957**	668,793	**4,499,023**	3,162,994	**1,867,920**	1,485,479	**939,903**	274,001	**34,570,216**	27,259,824
	19,697,497	16,397,548	**5,392,808**	5,549,741	**5,217,781**	4,201,531	**1,575,931**	877,367	**5,248,530**	4,143,558	**2,467,495**	1,485,479	**962,591**	290,225	**40,562,633**	32,945,449
Closing stock - note 13	**(2,337,329)**	(1,435,020)	**(1,449,330)**	(1,707,313)	**(1,276,744)**	(1,259,340)	**(436,891)**	(218,974)	**(1,067,759)**	(749,507)	**(588,904)**	(599,575)	**(39,397)**	(22,688)	**(7,196,354)**	(5,992,417)
Raw and packaging material	**17,360,168**	14,962,528	**3,943,478**	3,842,428	**3,941,037**	2,942,191	**1,139,040**	658,393	**4,180,771**	3,394,051	**1,878,591**	885,904	**923,194**	267,537	**33,366,279**	26,953,032
Salaries, wages and benefits - note 30.1	**675,215**	614,527	**1,217,333**	1,058,373	**497,613**	400,688	**59,953**	49,888	**183,279**	139,391	**50,192**	25,211	**16,144**	13,852	**2,699,729**	2,301,930
Stores and spares consumed	**245,130**	263,191	**275,268**	253,732	**149,949**	64,373	**19,787**	14,202	**38,230**	12,708	**-**	(149,230)	**29,718**	16,570	**758,082**	475,546
Conversion fee paid to contract manufacturers	**-**	-	**-**	-	**354,185**	335,962	**3,045**	2,171	**36,541**	32,218	**-**	-	**-**	-	**393,771**	370,351
Oil, gas and electricity	**2,233,904**	1,637,959	**4,247,998**	4,165,344	**151,024**	121,849	**7,341**	7,257	**38,950**	32,943	**90,264**	42,140	**738**	700	**6,770,219**	6,008,192
Rent, rates and taxes	**1,714**	1,501	**1,887**	2,569	**1,164**	3,430	**-**	200	**7**	168	**90**	-	**420**	420	**5,282**	8,288
Insurance	**22,300**	25,000	**31,961**	43,918	**5,046**	5,787	**1,544**	571	**418**	664	**7,562**	220	**726**	1,214	**69,557**	77,374
Repairs and maintenance	**22,936**	16,323	**12,311**	8,446	**3,947**	20,153	**4,560**	2,776	**12,156**	14,314	**3,509**	5,452	**120**	120	**59,539**	67,584
Depreciation and amortisation charge - note 6.5, 7.1 and 8.1	**613,066**	668,845	**1,574,305**	1,557,367	**114,760**	132,607	**42,688**	38,126	**84,893**	70,263	**349,131**	170,298	**15,451**	18,754	**2,794,294**	2,656,260
Excise duty											**-**	-	**12,195**	3,710	**12,195**	3,710
Technical fee											**39,543**	37,037	**-**	-	**39,543**	37,037
Travelling	**60,705**	65,698	**9,891**	15,564	**3,985**	8,162	**287**	517	**1,019**	1,680	**-**	3	**-**	-	**75,887**	91,624
Contracted services	**226,414**	161,784	**240,175**	231,382	**6,900**	-	**956**	669	**11,017**	12,061	**27,172**	8,923	**540**	540	**513,174**	415,359
General expenses	**52,863**	46,524	**98,050**	81,349	**28,284**	49,794	**8,251**	6,185	**18,489**	15,511	**39,109**	3,532	**1,745**	554	**246,791**	203,449
Opening stock of work-in-process	**223,575**	148,741	**-**	-	**21,681**	60,311	**(7,468)**	6,444	**12,483**	27,425	**-**	-	**-**	-	**250,271**	242,921
Closing stock of work-in-process - note 13	**(130,765)**	(223,575)	**-**	-	**(39,187)**	(21,681)	**(17,796)**	7,468	**(13,996)**	(12,483)	**-**	-	**-**	-	**(201,744)**	(250,271)
Cost of goods manufactured	**21,607,225**	18,389,046	**11,652,657**	11,260,472	**5,240,388**	4,123,626	**1,262,188**	794,867	**4,604,257**	3,740,914	**2,485,163**	1,029,490	**1,000,991**	323,971	**47,852,869**	39,662,386
Opening stock of finished goods	**706,589**	891,258	**471,197**	343,031	**447,444**	358,803	**559,430**	750,481	**1,522,760**	1,872,817	**274,652**	-	**-**	-	**3,982,072**	4,216,390
Finished goods purchased	**(2,461)**	129,329	**-**	-	**110,097**	709,012	**2,518,138**	2,053,875	**2,195,196**	1,986,064	**-**	46,436	**-**	-	**4,820,970**	4,924,716
	22,311,353	19,409,633	**12,123,854**	11,603,503	**5,797,929**	5,191,441	**4,339,756**	3,599,223	**8,322,213**	7,599,795	**2,759,815**	1,075,926	**1,000,991**	323,971	**56,655,911**	48,803,492
Closing stock of finished goods - note 13	**(1,313,045)**	(706,589)	**(560,390)**	(471,197)	**(478,103)**	(447,444)	**(413,908)**	(559,430)	**(1,751,130)**	(1,522,760)	**(612,638)**	(274,652)	**-**	-	**(5,129,214)**	(3,982,072)
Provision / Reversal for slow moving and obsolete stock-in-trade - note 13.1	**-**	-	**-**	-	**(53,602)**	(78,365)	**(27,499)**	(33,258)	**(12,906)**	(23,790)	**-**	-	**-**	-	**(94,007)**	(135,413)
	20,998,308	18,703,044	**11,563,464**	11,132,306	**5,266,224**	4,665,632	**3,898,349**	3,006,535	**6,558,177**	6,053,245	**2,147,177**	801,274	**1,000,991**	323,971	**51,432,690**	44,686,007

30.1 Staff retirement benefits

Salaries, wages and benefits include amounts in respect of staff retirement benefits:	**177,292**	139,063

Amounts in PKR '000

31 Selling and distribution expenses

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals & Agri Sciences		NutriCo Morinaga		Others		Group	Group
	For the year ended June 30, 2021	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020
Salaries and benefits - note 31.1	**67,484**	65,611	**59,178**	48,369	**637,834**	526,999	**417,652**	264,094	**429,623**	364,344	**3,067**	2,204	**-**	-	**1,614,838**	1,271,621
Repairs and maintenance	**213**	197	**868**	634	**4,402**	3,373	**1,664**	1,406	**9,491**	13,877	**-**	-	**-**	-	**16,638**	19,487
Advertising and publicity expenses	**58,937**	31,768	**10,592**	-	**188,116**	180,073	**38,204**	14,170	**67,824**	50,990	**320,168**	198,128	**-**	-	**683,841**	475,129
Rent, rates and taxes	**46**	283	**343**	622	**6,562**	12,526	**6,593**	6,548	**7,692**	7,964	**-**	-	**-**	-	**21,236**	27,943
Insurance	**-**	-	**481**	240	**11,341**	7,328	**7,532**	7,454	**10,915**	11,311	**44**	228	**-**	-	**30,313**	26,561
Lighting, heating and cooling	**61**	82	**1,855**	2,000	**4,176**	3,698	**1,432**	3,890	**13,946**	9,271	**-**	-	**-**	-	**21,470**	18,941
Depreciation and amortisation charge - note 6.5, 7.1 and 8.1	**-**	-	**-**	2,041	**15,688**	17,297	**20,940**	22,856	**18,269**	37,101	**-**	-	**-**	-	**54,897**	79,295
Outward freight and handling	**67,577**	55,336	**424,689**	218,651	**109,313**	94,650	**131,907**	130,475	**133,323**	146,336	**28,777**	14,614	**-**	-	**895,586**	660,062
Travelling expenses	**5,687**	8,925	**1,002**	3,486	**180,636**	160,313	**76,085**	72,443	**80,344**	87,362	**-**	825	**-**	-	**343,754**	333,354
Postage, telegram, telephone and	**1,422**	1,347	**2,365**	4,951	**18,287**	14,944	**7,564**	5,371	**11,644**	10,613	**5**	16	**-**	-	**41,287**	37,242
Royalty - note 31.2	**222,199**	197,109	**152,801**	155,374	**-**	-	**-**	-	**-**	-	**79,480**	36,129	**-**	-	**454,480**	388,612
Godown expenses	**-**	-	**27,619**	45,005	**76,301**	67,037	**20,568**	15,671	**106,489**	109,279	**-**	-	**-**	-	**230,977**	236,992
General expenses	**34,809**	15,685	**(2,940)**	431	**57,137**	63,191	**13,798**	11,521	**74,424**	70,792	**1,931**	25,813	**-**	-	**179,159**	187,433
	458,435	376,343	**678,853**	481,804	**1,309,793**	1,151,429	**743,939**	555,899	**963,984**	919,240	**433,472**	277,957	**-**	-	**4,588,476**	3,762,672

31.1 Staff retirement benefits

Salaries and benefits includes amount in respect of staff retirement benefits:	**110,736**	91,360

31.2 Royalty amounting to PKR 375.000 million (June 30, 2020: 352.483 million) is charged by the associate company namely "Lucky Holding Limited" registered on the specified address 6-A, Mohammad Ali Society A. Aziz Hashim Tabba Street Karachi - 75350, Pakistan. Further royalty amounting to PKR 79.480 million (June 30, 2020: 36.129 million) is charged by "Morinaga Milk Industry Company Limited".

32 Administration and general expenses

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals & Agri Sciences		NutriCo Morinaga		Others		Group	
	For the year ended June 30, 2021	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020
Salaries and benefits - note 32.1	**80,776**	63,144	**674,929**	548,140	**226,703**	142,892	**44,844**	40,529	**213,084**	201,978	**40,903**	22,018	**-**	-	**1,281,239**	1,018,701
Repairs and maintenance	**430**	250	**10,935**	9,581	**4,692**	3,449	**704**	1,048	**985**	1,282	**2,302**	8,917	**-**	-	**20,048**	24,527
Advertising and publicity expenses	**610**	107	**30,090**	6,808	**1,620**	675	**659**	124	**2,736**	625	**-**	93	**-**	-	**35,715**	8,432
Rent, rates and taxes	**33**	229	**596**	1,130	**1,501**	931	**10**	243	**53**	101	**1,256**	5,598	**-**	-	**3,449**	8,232
Insurance	**31**	28	**5,855**	5,248	**1,254**	2,945	**618**	1,034	**643**	642	**2,052**	4,730	**-**	-	**10,453**	14,627
Lighting, heating and cooling	**2,429**	2,498	**7,820**	7,049	**10,373**	8,587	**2,369**	2,644	**5,776**	3,934	**-**	-	**-**	-	**28,767**	24,712
Depreciation and amortisation charge - note 6.5, 7.1 and 8.1	**5,147**	4,461	**40,552**	40,003	**13,351**	18,691	**1,088**	907	**6,064**	6,984	**-**	-	**-**	-	**66,202**	71,046
Allowance / reversal of allowance for ECL on trade debts/ Loans and advances / Other receivable	**-**	-	**23,231**	3,516	**(5,327)**	(2,836)	**(6,542)**	7,472	**(42,310)**	(22,381)	**-**	-	**-**	-	**(30,948)**	(14,229)
Provision / reversal for slow moving and obsolete stock-in-trade - note 13.1	**-**	-	**-**	-	**53,602**	78,365	**27,499**	33,258	**12,906**	23,790	**-**	-	**-**	-	**94,007**	135,413
Provision / reversal for slow moving and obsolete stores and spares - note 12.2	**784**	-	**8,429**	6,065	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**9,213**	6,065
Travelling expenses	**830**	2,925	**4,830**	11,058	**3,411**	8,186	**962**	1,503	**1,511**	2,171	**3,366**	18,176	**-**	-	**14,910**	44,019
Postage, telegram, telephone and	**1,165**	927	**5,447**	5,729	**3,286**	3,090	**591**	666	**2,353**	2,153	**396**	939	**-**	-	**13,238**	13,504
General expenses	**32,105**	23,478	**127,978**	109,714	**87,964**	65,604	**18,935**	16,474	**31,401**	27,266	**102,692**	36,325	**1,227**	632	**402,302**	279,493
	124,340	98,047	**940,692**	754,041	**402,430**	330,581	**91,737**	105,902	**235,202**	248,545	**152,967**	96,796	**1,227**	632	**1,948,595**	1,634,544

32.1 Staff retirement benefits

Salaries and benefits includes amount in respect of staff retirement benefits:	**70,538**	104,477

Notes to the Consolidated Financial Statements
For the year ended June 30, 2021

Amounts in PKR '000

		For the year ended June 30, 2021	For the year ended June 30, 2020
33	**Other charges**		
	Auditors' remuneration - note 33.1	**9,012**	8,365
	Donations - note 33.2	**30,056**	30,993
	Workers' profit participation fund - note 25.3	**444,713**	228,486
	Workers' welfare fund	**162,705**	71,496
	Others	**4,430**	11,365
		650,916	350,705
33.1	**Auditors' remuneration**		
	Statutory audit fee	**4,807**	5,499
	Half yearly review	**1,617**	1,617
	Out of pocket expenses	**642**	712
	Other certifications	**1,946**	537
		9,012	8,365

33.2 Represents provision in respect of donation to ICI Pakistan Foundation (Head office, Karachi). Mr. Asif Jooma, Chief executive of the Company, Mr. Muhammad Abid Ganatra, Mr. Arshaduddin Ahmed, Mr. Aamer Mahmud Malik, Ms. Nausheen Ahmad and Ms. Fariha Salahuddin, Executives of the Company are amongst the Trustees of the Foundation.

34	**Finance costs**		
	Mark-up on financing	**802,454**	1,665,338
	Interest on workers' profit participation fund - note 25.3	**2,157**	2,302
	Discounting charges on receivables	**78,563**	165,066
	Accretion of interest on lease liabilities- note 8	**33,701**	41,577
	Guarantee fee and others	**11,892**	16,731
		928,767	1,891,014
35	**Other income**		
	Income from financial assets		
	Profit on interest bearing short-term and call deposits	**67,901**	37,155
	Income from non-financial assets		
	Scrap sales	**94,992**	92,095
	Sales from scrap raw materials	**-**	17,296
	Gain on disposal of property, plant & equipment	**24,519**	1,487
	Sundries	**44,509**	14,584
		231,921	162,617

Amounts in PKR '000

		For the year ended June 30, 2021	For the year ended June 30, 2020 Restated
36	**Taxation**		
	Current	**2,465,015**	1,387,701
	Deferred	**(433,111)**	(229,495)
	Net tax charged - note 36.1	**2,031,904**	1,158,206
36.1	**Tax reconciliation**		
	Profit before tax	**7,260,675**	3,590,970
	Tax @ 29% (June 30, 2020: 29%)	**2,105,596**	1,040,136
	Effect of exempt income	**(63,675)**	(8,700)
	Effect of share of profit from associate	**(51,013)**	16,470
	Effect of Amalgamation	**-**	35,056
	Others	**40,996**	75,244
	Net tax charged	**2,031,904**	1,158,206
	Average effective tax rate	**27.99%**	32.25%
37	**Basic and diluted earnings per share (EPS)**		
	Profit after taxation	**5,569,408**	2,599,206
		Number of shares	
	Weighted average number of ordinary shares outstanding during the year	**92,359,050**	92,359,050
		PKR	
	Basic and diluted earnings per share (EPS)	**60.30**	28.14

Notes to the Consolidated Financial Statements
For the year ended June 30, 2021

Amounts in PKR '000

		For the year ended June 30, 2021	For the year ended June 30, 2020
38	**Cash flows from operating activities**		Restated
	Profit before taxation	**7,260,675**	3,590,970
	Adjustments for:		
	Depreciation and amortization - note 6.5, 7.1 and 8.1	**2,915,393**	2,806,601
	Gain on disposal of operating fixed assets - note 35	**(24,519)**	(1,487)
	Provision for staff retirement benefit plan - note 21.3.1	**39,057**	38,898
	Provisions for non-management staff gratuity and eligible retired employees' medical scheme	**35,147**	37,257
	Interest on short-term bank deposits	**(67,901)**	(37,155)
	Share of profit from associate	**(526,554)**	(431,014)
	Interest expense	**928,767**	1,891,014
	Allowance for ECL	**(30,948)**	(14,229)
	Provision for slow moving and obsolete stock-in-trade - note 13.1	**94,007**	135,413
	Provision for slow moving and obsolete stores and spares - note 12.2	**9,213**	6,065
	Provisions and accruals no longer required written back	**-**	29
		10,632,337	8,022,362
	Movement in:		
	Working capital - note 38.1	**(1,106,064)**	1,464,629
	Long-term loans	**(108,640)**	(78,084)
	Long-term deposits and prepayments	**(1,818)**	5,472
		9,415,815	9,414,379
38.1	**Movement in working capital**		
	(Increase) / Decrease in current assets		
	Stores, spares and consumables	**(112,988)**	(7,492)
	Stock-in-trade	**(2,396,559)**	(255,170)
	Trade debts	**(416,899)**	77,743
	Loans and advances	**(110,729)**	(53,381)
	Trade deposits and short-term prepayments	**(50,944)**	(131,865)
	Other receivables	**(471,222)**	300,454
		(3,559,341)	(69,711)
	Increase in current liabilities		
	Trade and other payables	**2,453,277**	1,534,340
		(1,106,064)	1,464,629

39 Remuneration of Chief Executive, Director and other executives

The amounts charged in the consolidated financial statements for the remuneration, including all benefits, to the Chief Executive, Directors and other executives of the Group are as follows:

	Chief Executive		Director		Other executives		Total	
	For the year ended June 30, 2021	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020	**For the year ended June 30, 2021**	For the year ended June 30, 2020
Managerial remuneration	**67,158**	62,183	**45,562**	40,817	**966,481**	847,427	**1,079,201**	950,427
Gratuity	**3,165**	2,929	**2,252**	2,085	**44,678**	41,503	**50,095**	46,517
Provident Fund	**3,814**	3,529	**2,713**	2,512	**76,374**	68,566	**82,901**	74,607
Pension	**4,042**	3,741	**2,876**	2,662	**74,973**	64,853	**81,891**	71,256
Rent and house maintenance	**3,526**	2,273	**-**	-	**315,344**	281,667	**318,870**	283,940
Utilities	**1,333**	1,064	**-**	-	**810,562**	70,037	**811,895**	71,101
Medical and others	**264**	102	**-**	49	**683,204**	30,759	**683,468**	30,910
Bonus paid	**17,106**	11,135	**9,242**	7,474	**177,643**	112,131	**203,991**	130,740
	100,408	86,956	**62,645**	55,599	**3,149,259**	1,516,943	**3,312,312**	1,659,498
Number of persons as at the reporting date	**1**	1	**1**	1	**311**	282	**313**	284

39.1	Remuneration paid to Chairman during the year:	**-**	-
39.2	During the year fee paid to six non-executive directors for attending board and other meetings, which is not part of remuneration amounts to:	**5,025**	5,138

Amounts in PKR '000

		As at and for the year ended June 30, 2021	As at and for the year ended June 30, 2020
39.3	Total number of employees as at the reporting date	**2,050**	2,047
	Average number of employees during the year	**2,049**	2,095
39.4	Total number of factory as at the reporting date	**762**	885
	Average number of factory during the year	**824**	954

39.5 The chief executive, director and certain other executives have been provided with Company maintained cars and house facilities

39.6 As per revised requirement of the Act, executive means an employee, other than chief executive and directors, whose basic salary exceeds twelve hundred thousand rupees in a financial year.

40 Transactions with related parties

The related parties comprise the Parent Company (Lucky Cement Limited) and related group companies, associated companies, directors of the Group, companies where directors also hold directorship, key employees (note 39) and staff retirement funds (note 21). All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Group. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated financial statements are as follows:

Relationship with the Group	**Nature of transaction**	**For the year ended June 30, 2021**	For the year ended June 30, 2020
Parent Company	Purchase of goods, materials and services	**11,407**	1,671
Lucky Cement Limited	Sale of goods and materials	**13,316**	14,788
	Dividend	**1,269,950**	-
Associated companies	Purchase of goods, materials and services	**2,254,632**	4,371,361
	Sale of goods and materials	**2,009,049**	1,985,849
	Dividend received from associate	**680,000**	800,000
	Reimbursement of expenses	**145,226**	364,217
	Dividend paid to associates	**578,905**	1,216,022
	Royalty	**423,750**	398,306
	Donations paid	**47,820**	15,338
Others	Staff retirement benefits	**356,660**	329,800
Key management personnel	Remuneration paid	**391,231**	325,180
	Post employment benefits	**40,641**	39,613
	Dividends paid	**53,803**	7,564
	Director meeting fee	**5,025**	5,138

41 Plant capacity and annual production

- in metric tonnes except PowerGen which is in thousands of Megawatt hours:

	For the year ended June 30, 2021		For the year ended June 30, 2020	
	Annual Name Plate Capacity	**Production**	Annual Name Plate Capacity	Production
Polyester	**122,250**	**137,720**	122,250	108,339
Soda Ash - note 41.1 & 41.2	**425,000**	**395,609**	425,000	372,518
Morinaga - note 41.2	**12,000**	**1,560**	12,000	853
Sodium Bicarbonate - note 41.1 & 41.2	**54,000**	**45,522**	40,000	38,122
PowerGen - note 41.3	**122,640**	**51,434**	122,640	17,514

41.1 Out of total production of 395,609 metric tonnes soda ash, 40,969 metric tonnes was transferred for production of 45,522 tonnes of Sodium Bicarbonate.

41.2 The capacity of Chemicals, Nutraceuticals, Animal health and Pharma is indeterminable because these are multi-product with multiple dosage and multiple pack size plants. The reason for shortfall in the annual production of Soda Ash, Sodium bicarbonate and Morinaga against name plate capacity are the prevailing market conditions during the year.

41.3 Electricity by PowerGen is produced as per demand of the Group.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

42 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these financial statements approximate to their fair value.

The following table shows assets recognised at fair value, analysed between those whose fair value is based on:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of the reporting date, the Group does not have any financial assets carried at fair value that required categorisation in Level 1, Level 2 and Level 3.

43 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

43.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Group's risk management framework. The executive management team is responsible for developing and monitoring the Group's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

44 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk currency risk, interest rate risk and other price risk.

44.1 Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances. At the reporting date the interest rate profile of Group's interest-bearing financial instruments were:

	Carrying Amount	
	As at June 30, 2021	As at June 30, 2020
Fixed rate instruments		
Financial assets - note 18	**164,589**	127,875
Financial liabilities - note 8, 22 and 25	**(2,616,014)**	(2,082,858)
	(2,451,425)	(1,954,983)
Variable rate instruments		
Financial liabilities - note 22 and 26	**(7,994,566)**	(12,513,964)

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect the consolidated statement of profit or loss.

Sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the year would have been: PKR 80.158 million (June 30, 2020: PKR 125.140 million).

44.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Group is exposed to foreign currency risk on sales and purchases which are entered in a currency other than Pak Rupees. When the management expects future depreciation of Pak Rupees, the Group enters into forward foreign exchange contracts in accordance with State Bank of Pakistan instructions and the Group's treasury policy.

Amounts in PKR '000

The policy allows the Group to take currency exposure within predefined limits while open exposures are rigorously monitored.

Following is the gross exposure classified into separate foreign currencies:

	CNY	EURO	USD	GBP	JPY
			As at June 30, 2021		
Other receivables	**-**	**4,849**	**-**	**-**	**-**
Cash and bank balances	**-**	**-**	**101,241**	**-**	**-**
	-	**4,849**	**101,241**	**-**	**-**
Trade and other payables	**(713,629)**	**(44,310)**	**(1,045,204)**	**(3,360)**	**(84,766)**
Gross statement of financial position exposure	**(713,629)**	**(39,461)**	**(943,963)**	**(3,360)**	**(84,766)**
			As at June 30, 2020		
Other receivables	-	-	22,832	-	-
Cash and bank balances	-	-	104,388	-	-
	-	-	127,220	-	-
Trade and other payables	(355,588)	(6,119)	(1,365,679)	(1,943)	(67,651)
Gross statement of financial position exposure	(355,588)	(6,119)	(1,238,459)	(1,943)	(67,651)

Significant exchange rates applied during the year were as follows:

	Average rate		Spot rate	
	For the year ended June 30, 2021	For the year ended June 30, 2020	**As at June30, 2021**	As at June30, 2020
PKR per	**PKR**		**PKR**	
EURO	**191.13**	175.06	**187.27**	188.61
USD	**160.30**	158.26	**157.54**	168.05
GBP	**215.61**	199.63	**217.98**	206.50
CNY	**24.21**	22.51	**24.39**	23.76
JPY	**1.51**	1.50	**1.43**	1.57

Sensitivity analysis

Every 1% increase or decrease in exchange rate with all other variables held constant will decrease or increase profit before tax for the year by PKR 17.852 million (June 30, 2020: PKR 17.080 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2021, if Pak Rupee (PKR) had weakened / strengthened by 1% against other currencies, with all other variables held constant, the effect on the Group profit before tax at June 30, 2021 and June 30, 2020 would be as follows:

	Increase / decrease in exchange rates	Effect on Profit before tax (CNY)	Effect on Profit before tax (EURO)	Effect on Profit before tax (USD)	Effect on Profit before tax (GBP)	Effect on Profit before tax (JPY)
2021						
Pak Rupee	**+1%**	**7,136**	**395**	**9,440**	**34**	**848**
Pak Rupee	**-1%**	**(7,136)**	**(395)**	**(9,440)**	**(34)**	**(848)**
2020						
Pak Rupee	+1%	3,556	61	12,385	19	676,508
Pak Rupee	-1%	(3,556)	(61)	(12,385)	(19)	(676,508)

45 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Group does not have significant exposure to any individual counter-party. To reduce exposure to credit risk the Group has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes allowance for ECLs against those balances considered doubtful of recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

The Group's gross maximum exposure to credit risk at the reporting date is as follows:

		As at June 30, 2021	As at June 30, 2020
45.1	**Financial assets**		
	Long-term investment - note 9	**955,841**	1,109,287
	Long-term loans - note 10	**638,764**	530,122
	Long-term deposits - note 11	**39,813**	37,662
	Trade debts - note 14	**2,833,963**	2,386,116
	Loans and advances - note 15	**747,801**	637,072
	Trade deposits - note 16	**258,349**	264,048
	Other receivables - note 17	**806,498**	415,583
	Bank balances - note 18	**265,830**	542,719
		6,546,859	5,922,609

45.2 The Group has placed its funds with banks which are rated A1, A1+, A3 and AA3 as per the short term rating by PACRA / Moody's / JCI

45.3	**Financial assets**		
	- Secured	**1,763,714**	1,460,734
	- Unsecured	**4,783,145**	4,461,875
		6,546,859	5,922,609

45.4 The ageing of trade debts and loans and advances at the reporting date is as follows:

Not past due	**3,392,128**	2,484,450
Past due but not impaired:		
Not more than three months	**219,879**	533,596
Past due and Impaired:		
More than three months and not more than six months	**8,521**	57,383
More than six months and not more than nine months	**2,520**	5,275
More than nine months and not more than one year	**27,535**	6,989
More than one year	**132,759**	188,758
	391,214	792,001
Allowance for ECL:		
- on trade debts - note 14	**(184,106)**	(235,521)
- on loans and advances - note 15	**(17,472)**	(17,742)
	(201,578)	(253,263)
	3,581,764	3,023,188

45.4.1 There were no past due or impaired receivables from related parties.

45.5 The maximum exposure to credit risk for past due at the reporting date by type of counterparty was:

Wholesale customers	**182,524**	595,060
Retail customers	**208,690**	81,947
End-user customers	**-**	114,994
	391,214	792,001
Allowance for ECL:		
- on trade debts - note 14	**(184,106)**	(235,521)
- on loans and advances - note 15	**(17,472)**	(17,742)
	(201,578)	(253,263)
	189,636	538,738

45.6 **Movement of allowance for ECL on trade debts, loans and advances**

	Trade debts	Loans and advances	Total	Total
Opening	**235,521**	**17,742**	**253,263**	274,429
Reversal during the year - note 14.3 and 15	**(30,678)**	**(270)**	**(30,948)**	(20,438)
Written off during the year	**(20,737)**	**-**	**(20,737)**	(728)
Closing	**184,106**	**17,472**	**201,578**	253,263

Amounts in PKR '000

45.7 Concentration risk

The sector wise analysis of receivables, comprising trade debts, loans and advances and bank balances are given below:

	As at June 30, 2021	As at June 30, 2020
Textile and chemicals	**752,887**	582,168
Glass	**525,847**	354,119
Paper and board	**129,317**	97,216
Life Sciences	**720,480**	414,012
Paints	**115,405**	142,292
Banks	**274,730**	549,559
Others	**1,811,346**	2,007,628
	4,330,012	4,146,994
Allowance for ECL:		
- trade debts - note 14	**(184,106)**	(235,521)
- loans and advances - note 15	**(17,472)**	(17,742)
	(201,578)	(253,263)
	4,128,434	3,893,731

45.8 Other price risk is the risk that the value of future cash flows of the financial instrument will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the reporting date, the Group is not materially exposed to other price risk.

46 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Group treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position to the maturity date.

	Carrying amount	Contractual cash flows	Less than one year
		As at June 30, 2021	
Financial liabilities			
Trade creditors - note 25	**2,262,564**	**(2,262,564)**	**(2,262,564)**
Bills payable - note 25	**2,396,197**	**(2,396,197)**	**(2,396,197)**
Accrued mark-up	**177,821**	**(177,821)**	**(177,821)**
Accrued expenses - note 25	**3,715,853**	**(3,715,853)**	**(3,715,853)**
Technical service fee / Royalty - note 25	**38,208**	**(38,208)**	**(38,208)**
Distributors' security deposits - payable on termination of distributorship - note 25	**127,320**	**(140,052)**	**(140,052)**
Contractors' earnest / retention money - note 25	**81,233**	**(81,233)**	**(81,233)**
Unclaimed dividends	**99,286**	**(99,286)**	**(99,286)**
Payable for capital expenditure - note 25	**198,408**	**(198,408)**	**(198,408)**
Others - note 25	**266,276**	**(266,276)**	**(266,276)**
Long-term loans - note 22	**7,558,420**	**(7,558,420)**	**(5,621,809)**
Lease liabilities - note 8	**265,635**	**(265,635)**	**94,102**
Short-term financing - note 26	**3,737,149**	**(3,737,149)**	**(3,737,149)**
	20,924,370	**(20,937,102)**	**(18,640,754)**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amount.

		As at June 30, 2020	
Financial liabilities			
Trade creditors - note 25	1,619,629	(1,619,629)	(1,619,629)
Bills payable - note 25	2,062,021	(2,062,021)	(2,062,021)
Accrued mark-up	297,754	(297,754)	(297,754)
Accrued expenses - note 25	2,526,885	(2,526,885)	(2,526,885)
Technical service fee / royalty - note 25	51,437	(51,437)	(51,437)
Distributors' security deposits - payable on termination of distributorship - note 25	128,550	(141,405)	(141,405)
Contractors' earnest / retention money - note 25	194,795	(194,795)	(194,795)
Unclaimed dividends	88,322	(88,322)	(88,322)
Payable for capital expenditure - note 25	63,537	(63,537)	(63,537)
Others - note 25	101,681	(101,681)	(101,681)
Long-term loan - note 22	10,009,420	(10,009,420)	(8,715,446)
Lease liabilities - note 8	332,847	(332,847)	79,256
Short-term financing - note 26	4,898,672	(4,898,672)	(4,898,672)
	22,375,550	(22,388,406)	(20,682,328)

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

Amounts in PKR '000

47 Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. The Group also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, trade and other payables, less cash and bank balances. Capital signifies equity as shown in the consolidated statement of financial position plus net debt. The gearing ratio as at June 30, 2021 and June 30, 2020 is as follows:

	As at June 30, 2021	As at June 30, 2020
Long-term loans - note 22	**7,558,420**	10,009,420
Short-term financing - note 26	**3,737,149**	4,898,672
Total debt	**11,295,569**	14,908,092
Cash and bank balances - note 18	**(274,730)**	(549,559)
Net debt	**11,020,839**	14,358,533
Share capital	**923,591**	923,591
Capital reserves	**309,643**	309,643
Revenue reserve - unappropriated profit	**22,500,442**	19,243,079
Equity	**23,733,676**	20,476,313
Capital	**34,754,515**	34,834,846
Gearing ratio (Net debt / (Net debt + Equity)	**31.71%**	41.22%

48 Accounting estimates and judgements

48.1 Income and sales tax

In making the estimates for income taxes, the Group takes into account the current income tax law and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Group's view differs with the view taken by the income tax department at the assessment stage and where the Group considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

Significant management judgement is required to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. The management consider tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

48.2 Pension and Gratuity

Certain actuarial assumptions have been adopted as disclosed in note 21 to the consolidated financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

48.3 Property, plant and equipment

The Group reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, Group uses the technical resources available with the Group. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation charge and impairment.

48.4 Provision for expected credit losses of certain financial assets

The Group uses a provision matrix to calculate ECLs for trade receivables and other receivables. The provision rates are based on days past due for Groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's financial assets exposed to credit risk is disclosed in Note 44.

48.5 Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of equipment with volume rebates, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract.
The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

48.6 Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Notes to the Consolidated Financial Statements

For the year ended June 30, 2021

48.7 Leases - Estimating the incremental borrowing rate

Where the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates).

48.8 Stock-in-trade and stores and spares

The Group reviews the net realisable value of stock-in-trade and stores and spares to assess any diminution in the respective carrying values and also review the inventories for obsolescence.

48.9 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Group, based on the availability of the latest information, estimates the value of contingent assets and liabilities, which may differ on the occurrence / non-occurrence of the uncertain future event(s).

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future event that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Other disclosures relating to the Group's exposure to risks and uncertainties includes capital risk management, Financial instruments risk management and policies and sensitivity analyses disclosures, as disclosed in notes 33, 32.3 and 32.3.1 to these financial statements

48.10 Impairment of goodwill and intangible assets having indefinite useful lives

The Group assesses annually at year end and when circumstances indicate that the carrying value may be impaired. Impairment for goodwill and intangible having indefinite useful lives is determined by assessing the recoverable amount using Level 1 of fair value hierarchy of cash generating unit (i.e. at the Group level) to which these assets relates. When the recoverable amount of CGU is less than its carrying amount, an impairment loss is recognised.

48.11 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset’s or CGU’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss.

Goodwill is tested for impairment annually as at June 30 and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at June 30 at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

49 New standards, amendments, improvements to approved accounting standards and the framework for financial reporting

49.1 Amendments to approved accounting standards and the framework for financial reporting that became effective during the current year

The Group has adopted the following amendments to International Financial Reporting Standards (IFRSs) which became effective for the current year:

Standard, Amendment or Interpretation

IFRS 3 - Business Combinations - Definition of a Business (Amendments)

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)

IAS 1 / IAS 8 - Definition of Material (Amendments)

IFRS 16 - COVID 19 Related Rent Concessions (Amendments)

The adoption of the above amendments to the accounting standards did not have any material effect on the Group's consolidated financial statements.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

49.2 Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Notes to the Consolidated Financial Statements
For the year ended June 30, 2021

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform - Phase 2 (Amendment)	01 January 2021
IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)	01 April 2021
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01 January 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	01 January 2023
IAS 8	Definition of Accounting Estimates (Amendments)	01 January 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	01 January 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised

*The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

Standard or Interpretation		Effective date (annual periods beginning on or after)
Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)		
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IFRS 16	Leases: Lease incentives	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022

The above standards and amendments are not expected to have any material impact on the Group's consolidated financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation		IASB effective date (annual periods beginning on or after)
IFRS 1	First-time Adoption of International Financial Reporting Standards	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

50 Subsequent event

50.1 The Directors in their meeting held on August 5, 2021 have recommended a final dividend of PKR 20.00 per share (June 30, 2020: PKR 5.00 per share). This dividend is in addition to interim dividend paid of PKR 20.00 per share during the current year. The consolidated financial statements for the year ended June 30, 2021 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.

50.2 “The shareholders in the extraordinary general meeting held on June 30, 2021 have authorised the Holding Company to purchase further 55,013 (representing 11%) ordinary shares of its associate, NutriCo Pakistan (Private) Limited, having face value of PKR 1,000/- each from the sellers at an aggregate price of PKR 770.182 million on such terms and conditions as negotiated and finalised by the authorised representatives of the Holding Company. Subsequent to the year end, a Share Purchase Agreement (SPA) has been signed between the Holding Company and the sellers on July 01, 2021, thereby, increasing the shareholding to 51% making it a subsidiary of the Holding Company. The impact of such acquisition on the consolidated financial statements for the year ending June 30, 2022 and fair value of acquired assets (including intangibles and goodwill / bargain purchase) could not be quantified at this stage since the purchase price allocation is not complete until these consolidated financial statements are authorised for issue.”

51 General

51.1 Date of authorisation

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on August 05, 2021.

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

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

Muhammad Sohail Tabba	**Asif Jooma**	**Atif Aboobukar**
Chairman / Director	Chief Executive	Chief Financial Officer

ICI PAKISTAN LTD.

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DIVIDEND MANDATE (MANDATORY)

In accordance with the provisions of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations 2017, it is mandatory for a listed company to pay cash dividend to its shareholders **only through electronic mode by remitting directly into the designated bank account ("the Bank Account") as provided by the entitled shareholders.**

In order to receive your dividends directly into your Bank Account, please complete the particulars as mentioned below and return this letter duly signed along with a copy of your valid CNIC to the Shares Registrar of ICI Pakistan Limited ("the Company") M/s FAMCO Associates (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi.

IF YOU DO NOT PROVIDE BANK ACCOUNT DETAILS, THE COMPANY WILL WITHHOLD DIVIDEND PAYMENT AS REQUIRED BY LAW.

Bank Account Details of Shareholder for Payment of Cash Dividend through electronic mode

I hereby communicate to receive my future dividends directly in my Bank Account as detailed below:

Name of Shareholder	: ______________________________
CNIC No./SNIC/ Passport Number (in case of Foreign Shareholder) attach copy	: ______________________________
NTN (in case of corporate shareholder)	: ______________________________
Folio Number/ CDC Account number	: ______________________________
Contact number of Shareholder	: ______________________________
Email address of shareholder	: ______________________________
International Bank Account No. (IBAN)	:______________________________**24 Digit***
Title of Bank Account	: ______________________________
Name of Bank	: ______________________________
Bank Branch	: ______________________________
Full mailing address of Branch & contact number of branch	: ______________________________

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the Company informed in case of any changes in the said particulars in future.

Shareholder's signature	Date	CNIC / SNIC No. (copy attached)

[As per specimen signature registered with the ICI Pakistan Limited/Shares Registrar]

*Please provide complete IBAN Number (24 digits), after checking with your concerned bank branch to enable electronic credit directly into your bank account. The payment of cash dividend will be processed based on the 24 digit IBAN alone.

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The Company Secretary
ICI Pakistan Limited
ICI House
5 West Wharf
Karachi-74000

ICI PAKISTAN LTD.

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Standard Request Form
Circulation of Annual Audited Accounts

The Company Secretary
ICI Pakistan Limited
ICI House, 5 West Wharf,
Karachi 74000

Subject: **Circulation of Annual Audited Accounts via Email/CD/USB/DVD or Any Other Media**

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 that have allowed the companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditor's Report, Directors' Report) and Chairman's Review Report along with Notice of General Meeting(s) to its members through Email/CD/DVD/USB/ or any other Electronic Media at their registered Addresses. **In this connection, we request you to provide your email address.**

Email Address.

Name of the Member/ Shareholder : ____________________

CNIC /SNIC # : ____________________

Folio / Shareholder Number/CDC Account No. : ____________________

Valid Email Address : ____________________
(to receive Annual Audited Accounts along with Notice of General Meeting(s) instead of hard copy, CD/DVD/USB).

Further, shareholders who wish to receive a hardcopy of Annual Audited Accounts should fill the form below and send the same to the Company's address.

In case Hard copy is requested.

Name of the Member/ Shareholder : ____________________

CNIC / SNIC # : ____________________

Folio / Shareholder Number/CDC Account No. : ____________________

Mailing Address : ____________________
(on which I wish to receive Annual Audited Accounts along with Notice of General Meeting(s).
____

____

I/We hereby confirm that the above – mentioned information is correct and in case of any change therein, I/we will immediately intimate to the Company's Shares Registrar. I/we further confirm that the transmission of Company's Annual Audited Accounts and Notice of General Meeting(s) through my/our above address would be taken as compliance with Section 223(6) of the Companies Act, 2017.

____
Shareholder's signature

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The Company Secretary
ICI Pakistan Limited
ICI House
5 West Wharf
Karachi-74000

فارم برائے پراکسی / نیابت نامہ

میں / ہم -- جس / جن کا تعلق -- سے ہے

آئی سی آئی پاکستان لمیٹڈ کے ممبر کی حیثیت سے ------------------------------------ شیئرز کی تحویل رکھتا / رکھتی ہوں۔ میں / ہم

--- کو یا ان کی عدم حاضری کی صورت میں ---

کو جس / جن کا تعلق --------------------- سے ہے، کو 29 ستمبر 2021 صبح 10 بجے منعقد ہونے والے سالانہ اجلاس عام یا ملتوی ہونے کی صورت میں

دیگر تاریخ پر اپنی / ہماری غیر موجودگی میں شرکت اور ووٹ دینے کے لیے اپنا / ہمارا پراکسی مقرر کرتا / کرتے / کرتی ہوں۔

مہر بطور گواہی ----- (دن) ------ (ماہ) 2021،

مذکورہ کی جانب سے دستخط کئے گئے ------------------------

ان گواہان کی موجودگی میں:

۱ --------------------------------- ۲ ---------------------------------

فولیو / سی ڈی سی اکاؤنٹ نمبر

دستخط کمپنی میں رجسٹرڈ دستخط کے نمونے کے مطابق ہونے چاہئیں۔

اہم نکات:

ا۔ پراکسی فارم کی اسکین شدہ کاپی، مکمل کرنے اور دستخط کرنے کے بعد اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے ای میل ایڈریس generalmeetings@ici.com.pk پر موصول ہونا لازمی ہے۔ اس کے علاوہ سالانہ اجلاس عام میں ویڈیو لنک کے ذریعے شرکت کے لیے اجلاس کی اطلاع میں بتائی گئی معلومات فراہم کرنا ہوں گی۔

۲۔ کمپنی کے ممبر کے علاوہ کوئی بھی فرد پراکسی کے طور پر کام نہیں کر سکتا، تاہم کارپوریشن کسی دیگر فرد کو منتخب کر سکتی ہے۔

۳۔ اگر کوئی ممبر ایک سے زائد پراکسی منتخب کرتا ہے یا پراکسی کے دستاویز ایک سے زائد جمع کراتا ہے تو ایسے دستاویزات غیر فعال ہوں گے۔

سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ اداروں کے لیے:

مذکورہ بالا کے علاوہ درج ذیل ہدایات بھی پوری کرنی ہوں گی:

i) پراکسی فارم پر 2 افراد کی گواہی موجود ہو، جن کے نام، ایڈریس اور سی این آئی سی / ایس این آئی سی نمبر فارم پر درج ہوں۔

ii) بینیفشنل مالکان کے سی این آئی سی / ایس این آئی سی یا پاسپورٹ کی اسکین شدہ کاپیاں اور پراکسی ای میل کے ذریعے پراکسی فارم کے ساتھ جمع کرانے ہوں گے۔ (جیسا کہ نوٹس میں درج ہے)۔

iii) کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی دستخط کے نمونے کے ساتھ (اگر پہلے فراہم نہیں کیا) پراکسی فارم کے ساتھ ای میل ایڈریس کے ذریعے جمع کرانی ہوں گی (جیسا کہ نوٹس میں درج ہے)۔

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70ویں سالانہ اجلاسِ عام کی اطلاع

نمبر	کمپنی کا نام	ٹرانزیکشن کی نوعیت
6	یونس ٹیکسٹائل ملز لمیٹڈ	گڈز، مٹیریل کی فروخت اور سروسز اور ڈیویڈنڈ
7	نیوٹری کو پاکستان (پرائیویٹ) لمیٹڈ	گڈز کی خرید و فروخت اور سروسز اور دیگر
8	نیوٹری کو موریناگا (پرائیویٹ) لمیٹڈ	ڈیویڈنڈ
9	لکی موٹرز کارپوریشن لمیٹڈ	گڈز کی خریداری اور سروسز
10	گلوبل کموڈٹیز لمیٹڈ	گڈز، مٹیریل کی خریداری اور سروسز
11	لکی فوڈز (پرائیویٹ) لمیٹڈ	گڈز کی فروخت اور سروسز
12	آئی سی آئی پاکستان پاور جن لمیٹڈ	گڈز کی خرید و فروخت اور سروسز اور ڈیویڈنڈ
13	نیشنل بینک آف پاکستان	جاری قرضہ جات پر سود
14	ٹبہ ہارٹ انسٹیٹیوٹ	گڈز اور دیگر کی فروخت
15	ٹبہ کڈنی انسٹیٹیوٹ	گڈز کی فروخت
16	آئی سی آئی پاکستان فاونڈیشن	ڈونیشن

تمام متعلقہ پارٹی ٹرانزیکشنز کمپنی پالیسیوں کے مطابق اور تمام قانونی تقاضوں کی تعمیل میں انجام دی جاتی ہیں۔ یہ ٹرانزیکشنز دراصل آپس میں عمومی کاروباری امور کے لیے arm's length پر انجام دی جاتی ہیں۔ متعلقہ پارٹی ٹرانزیکشنز سے متعلق کمپنی کی پالیسی کے تحت، بورڈ آڈٹ کمیٹی کی جانب سے تمام متعلقہ پارٹیوں کی ٹرانزیکشنز کا جائزہ لیا جاتا رہتا ہے جس کی صدارت ایک آزاد ڈائریکٹر کرتے ہیں۔ بورڈ آڈٹ کمیٹی کے جائزے کے بعد ان ٹرانزیکشنز کو بورڈ آف ڈائریکٹرز کے سامنے منظوری کے لیے پیش کیا جاتا ہے۔

شیئر ہولڈرز سے گزارش کی جاتی ہے کہ متعلقہ پارٹیوں سے ٹرانزیکشنز کی توثیق کریں جس میں کچھ یا ڈائریکٹرز کی اکثریت دلچسپی رکھتی ہے جس سے متعلق 30 جون 2021 کو ختم شدہ سال کے لیے کمپنی کے مالیاتی گوشواروں میں وضاحت کر دی گئی ہے، اس کے علاوہ کمپنی کو مخصوص متعلقہ پارٹی ٹرانزیکشنز انجام دینے کا اختیار دیں جس میں 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے کچھ ڈائریکٹرز یا ان کی اکثریت دلچسپی رکھتی ہے۔

شیئر ہولڈرز کی منظوری سے بورڈ کو ملنے والے اختیار اور طاقت کا بھی وقتاً فوقتاً جائزہ لیا جاتا ہے اور ایسی ٹرانزیکشنز کو بھی بورڈ آڈٹ کمیٹی کی تجاویز کے بعد منظور کیا جاتا ہے۔

شیئر ہولڈرز کی مطلع کیا جاتا ہے کہ سالانہ اجلاس عام کی اطلاع میں واضح کردہ خصوصی قرارداد میں، کمپنی نے 30 جون 2022 کو ختم ہونے والی مدت میں انجام دی جانے والی متعلقہ پارٹی ٹرانزیکشنز کے حجم کا اپنا بہترین تخمینہ فراہم کیا ہے۔ کمپنی آئندہ سالانہ اجلاس میں شیئر ہولڈرز کی جانب سے اس کی توثیق اور تصدیق کے لیے اصل اعداد و شمار پیش کرے گی۔

مذکورہ بالا کی بنیاد پر شیئر ہولڈرز سے درخواست کی جاتی ہے کہ نوٹس میں درج خصوصی قرارداد (ترمیم کے ساتھ یا بغیر ترمیم کے) کو منظور کریں۔

اس معاملے میں دلچسپی رکھنے والے ڈائریکٹرز یہ ہیں:

1۔ جناب محمد سہیل ٹبہ
2۔ جناب محمد علی ٹبہ
3۔ جناب جاوید یونس ٹبہ
4۔ جناب آصف جمعہ
5۔ محترمہ امینہ عبدالعزیز باوانی
6۔ جناب محمد عابد گناترا

دستخط	ٹوٹل شیئرز	فولیو/CDC اکاؤنٹ نمبر	CNICنمبر (کاپی منسلک کریں)	شیئر ہولڈنگ تناسب ٪	پرنسپل شیئر ہولڈر/جوائنٹ شیئر ہولڈرز کا نام

9۔ انکم ٹیکس/زکوۃ کی کٹوتی سے استثنیٰ

ممبران جو انکم ٹیکس کی کٹوتی سے استثنیٰ کے خواہشمند ہیں یا وہ جو رعایتی قیمت پر کٹوتی کے اہل ہیں ان سے گزارش کی جاتی ہے کہ وہ ٹیکس سے استثنیٰ کا موثر سرٹیفکیٹ یا ضروری دستاویزی ثبوت جمع کرائیں۔ ممبران جو زکوۃ کی کٹوتی نہیں چاہتے ان سے گزارش کی جاتی ہے کہ زکوۃ کی کٹوتی سے استثنیٰ کا موثر حلف نامہ جمع کرائیں۔

10۔ مالیاتی گوشواروں کی ویب سائٹ پر فراہمی

کمپنی کے مالیاتی گوشوارے برائے سال ختم شدہ 30جون 2021بشمول رپورٹس کمپنی کی ویب سائٹ https://www.ici.com.pk/investor-relation/financial-reports/ پر فراہم کئے گئے ہیں۔

11۔ کمپنیز ایکٹ 2017کے سیکشن 244کے تحت غیر دعویٰ شدہ ڈیویڈنڈ/شیئرز

غیر دعویٰ شدہ ڈیویڈنڈز/شیئرز کی تازہ ترین لسٹ کمپنی کی ویب سائٹ https://www.ici.com.pkپر موجود ہے۔ یہ غیر دعویٰ شدہ ڈیویڈنڈ/شیئرز ہیں جن کی ادائیگی کی تاریخ کو تین سال سے زائد کا عرصہ گزرا ہے یا انہیں غیر دعویٰ شدہ ہی چھوڑا گیا ہے۔

کمپنی کی ویب سائٹ پر موجود کلیم فارمز پر شیئر ہولڈرز کی جانب سے دعویٰ داخل کیا جاسکتا ہے۔ کلیم فارم لازمی طور پر کمپنی کے شیئر رجسٹرار، میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، F-8، نزد ہوٹل فاران، نرسری، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کے پاس ڈیویڈنڈ/شیئرز کی وصولی کے لیے جمع کرائے جاسکتے ہیں۔

12۔ فزیکل شیئرز کی بک انٹری فارم میں تبدیلی

کمپنیز ایکٹ 2017کے سیکشن 72(2) کے مطابق تمام کمپنیز کے لیے لازم ہے کہ ایس ای سی پی کی جانب سے دی گئی تاریخ، ایکٹ کے نفاذ کی تاریخ یعنی 30مئی 2017سے 4سال کے اندر فزیکل صورت میں موجود شیئرز کو بک انٹری صورت میں تبدیل کریں۔ فزیکل صورت میں شیئرز رکھنے والے تمام شیئر ہولڈرز کی ہمت افزائی کی جاتی ہے کہ وہ اپنے فزیکل شیئرز کو اسکرپ لیس فارم میں سی ڈی سی میں رکھنے کے لیے کسی بروکر یا براہ راست انویسٹر اکاؤنٹ سے ایک سی ڈی سی سب اکاؤنٹ کھولیں۔ اس سے انہیں کئی طریقوں سے سہولت ہوگی کہ وہ شیئرز کو محفوظ رکھنے کے ساتھ ان کی فروخت کسی بھی وقت کرسکتے ہیں کیونکہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے موجودہ قوانین کے مطابق فزیکل شیئرز کی ٹریڈنگ ممنوع ہے۔

خصوصی کاروبار سے متعلق کمپنیز ایکٹ 2017کے سیکشن (3)134کے تحت اسٹیٹمنٹ

یہ اسٹیٹمنٹ سالانہ اجلاس عام کے اطلاع میں درج خصوصی قرارداد سے متعلق حقائق پر مبنی ہے، جن پر بدھ، 29ستمبر 2021کو منعقد ہونے والے آئی سی آئی پاکستان لمیٹڈ (کمپنی) کے 70ویں سالانہ اجلاس عام میں غور وخوص کیا جائے گا۔

کمپنی اپنی ایسوسی ایٹڈ کمپنیز اور متعلقہ پارٹیوں کے ساتھ اپنی پالیسیوں اور نافذ قوانین اور ریگولیشنز کے مطابق لین دین (ٹرانزیکشنز) کرتی ہے۔ کمپنیز ایکٹ 2017کے سیکشن 207اور 208کے مطابق (جس حد تک نافذ ہو) کچھ متعلقہ پارٹی ٹرانزیکشنز کے لیے شیئر ہولڈرز کی جانب سے منظوری درکار ہوتی ہے، کیونکہ آئی سی آئی پاکستان لمیٹڈ کے بورڈ کے اکثر ڈائریکٹرز اس میں دلچسپی رکھتے ہوں گے/رکھتے ہیں۔ (متعلقہ اداروں میں شیئر ہولڈر یا ڈائریکٹر ہونے کی حیثیت سے)۔

ذیل میں ان ٹرانزیکشن کی تفصیل دی جارہی ہے جہاں کچھ یا اکثر ڈائریکٹرز دلچسپی رکھتے ہوں گے/رکھتے ہیں:

ٹرانزیکشن کی نوعیت	کمپنی کا نام	نمبر
گڈز کی خرید وفروخت اور سروسز اور ڈیویڈنڈ	لکی سیمنٹ لمیٹڈ	1
میٹیریل اور سروسز اور ڈیویڈنڈ	گدون ٹیکسٹائل ملز لمیٹڈ	2
ڈیویڈنڈ	YBپاکستان لمیٹڈ	3
گڈز کی فروخت اور سروسز اور ڈیویڈنڈ	لکی ٹیکسٹائل ملز لمیٹڈ	4
رائلٹی	لکی ہولڈنگز لمیٹڈ	5

70ویں سالانہ اجلاسِ عام کی اطلاع

ب) پراکسی کے تقرر کے لیے:

(I) افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ فرد جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضابطے کے مطابق اپ لوڈ ہو چکی ہیں، مندرجہ بالا ہدایات کے مطابق پراکسی فارم جمع کرائیں۔

(II) پراکسی فارم کے لیے 2 گواہ ضروری ہیں، جن کے نام ایڈریس اور سی این آئی سی نمبر فارم پر درج ہوں۔

(III) بینفیشل مالکان اور پراکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ ای میل کی جائیں (جیسا کہ نوٹس میں درج ہے)۔

(IV) پراکسی اپنا اصل سی این آئی سی یا اصل پاسپورٹ اجلاس کے وقت ہمراہ لائیں۔

(V) کارپوریٹ ادارے کی صورت میں پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی منتخب فرد کے دستخط کے نمونہ کے ساتھ ای میل کے ذریعے جمع کرائیں (اگر پہلے فراہم نہ کیا گیا ہو) (جیسا کہ نوٹس میں درج ہے)۔

5۔ ای میل کے ذریعے آڈٹ شدہ مالیاتی گوشواروں کی ترسیل کے لیے رضامندی

SRO787(1)2014 بتاریخ 8 ستمبر 2014 اور SRO470(1)2016 بتاریخ 31 مئی 2016 کی تعمیل میں سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے کمپنیز کو اپنے آڈٹ شدہ مالیاتی گوشوارے اپنے شیئر ہولڈرز کو ای میل / سی ڈی / ڈی وی ڈی / یو ایس بی یا کسی بھی الیکٹرانک طریقہ کار سے ان کے رجسٹرڈ ایڈریس پر بھیجنے کی اجازت دی ہے۔

مالیاتی گوشواروں کی ہارڈ کاپی لینے کے خواہشمند شیئر ہولڈرز سے گزارش کی جاتی ہے کہ کمپنی کے ایڈریس پر "اسٹینڈرڈ ریکوئسٹ فارم" کا استعمال کرتے ہوئے اپنی درخواست بھیجیں، (یہ فارم کمپنی کی ویب سائٹ http://www.ici.com.pk پر بھی موجود ہے)۔

6۔ CNIC/NTN جمع کرانا (لازمی)

ایس ای سی پی کی ہدایات کی روشنی میں، ان شیئر ہولڈرز کے ڈیویڈنڈ جنہوں نے شیئر رجسٹرار کے پاس اپنی سی این آئی سی یا این ٹی این (کارپوریٹ ادارے کی صورت میں) فراہم نہیں کئے ان کی ادائیگی روکی جاسکتی ہے۔ اس لئے وہ شیئر ہولڈرز جنہوں نے اپنے موثر سی این آئی سی کی تصدیق شدہ فوٹو کاپی کمپنی کے شیئر رجسٹرار، میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، F-8، نزد ہوٹل فاران، نرسری، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو ابھی تک جمع نہیں کرائی ان سے درخواست ہے کہ وہ جلد از جلد اپنے سی این آئی سی کی کاپیاں کمپنی کے شیئر رجسٹرار کے پاس جمع کرائیں۔ ممبر کے موثر سی این آئی سی کی غیر موجودگی میں، کمپنی ممبران کے ڈیویڈنڈ روکنے کے لیے مجبور ہو گی۔

7۔ ڈیویڈنڈ مینڈیٹ (لازمی)

کمپنیز ایکٹ 2017 کے سیکشن 242 اور کمپنیز (ڈیویڈنڈز کی تقسیم) ریگولیشنز 2017 کے ریگولیشن 4 کی تعمیل میں، کسی بھی لسٹڈ کمپنی کے لیے لازم ہے اپنے شیئر ہولڈرز کو نقد منافع منقسمہ کی ادائیگی صرف اس کے فراہم کردہ بینک اکاؤنٹ میں الیکٹرانک انداز سے ہی انجام دے۔ مذکورہ بالا قانون کی تعمیل میں، اپنے بینک اکاؤنٹ میں براہ راست منافع منقسمہ وصول کرنے کے لیے، آپ سے گزارش کی جاتی ہے کہ کمپنی کی ویب سائٹ http://ici.com.pk پر موجود فارم میں درج معلومات فراہم کریں بصورت دیگر کمپنیز (ڈیویڈنڈز کی تقسیم) ریگولیشنز 2017 کی شرائط کے مطابق کمپنی منافع منقسمہ کی ادائیگی روکنے پر مجبور ہو گی۔ شیئر ہولڈرز مذکورہ معلومات اپنے بروکر / سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے پاس براہ راست بھی جمع کرا سکتے ہیں۔ اگر شیئرز الیکٹرانک فارم میں ہوں یا کمپنی کے شیئرز رجسٹرار یا اگر شیئر فزیکل فارم میں موجود ہوں۔

8۔ ودہولڈنگ ٹیکس کا نفاذ

انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کی تعمیل میں شیئرز کے منافع منقسمہ کی آمدنی پر ودہولڈنگ ٹیکس نافذ ہو گی۔ ڈیویڈنڈ پر ودہولڈنگ ٹیکس کا نفاذ شیئر ہولڈرز کے 'ایکٹیو' اور 'نان ایکٹیو' اسٹیٹس کی بنیاد پر 15 فیصد اور 30 فیصد کے حساب سے ہو گا۔ ایکٹیو سے مراد وہ فرد ہے جن کا نام ایف بی آر کے اِی پورٹل (http://www.fbr.gov.pk/) پر ایکٹیو ٹیکس پیئر لسٹ میں موجود ہو اور نان ایکٹیو سے مراد وہ فرد ہے جن کا نام ایکٹیو ٹیکس پیئر لسٹ میں موجود نہ ہو۔

مزید براں، ایف بی آر کی جانب سے موصول ہونے والی وضاحت کے مطابق، جوائنٹ اکاؤنٹ کی صورت میں ودہولڈنگ ٹیکس کا نفاذ پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈر پر ان کے شیئر ہولڈنگ تناسب کی بنیاد پر ایکٹیو اور نان ایکٹیو اسٹیٹس پر علیحدہ سے ہو گا۔

جوائنٹ شیئر ہولڈرز کی صورت میں شیئر رکھنے والے تمام شیئر ہولڈرز سے گزارش کی جاتی ہے کہ وہ پرنسپل شیئر ہولڈر اور جوائنٹ شیئر ہولڈر کے اپنے شیئر ہولڈنگ تناسب کی معلومات ہمارے شیئر رجسٹرار فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، F-8، نزد ہوٹل فاران، نرسری، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کے پاس ذیل میں درج طریقہ کار کے تحت 22 ستمبر 2021 کو کاروبار کے اختتام سے قبل تک فراہم کر دیں۔

نوٹس:

1۔ شیئر ٹرانسفر بکس کی بندش:

کمپنی کے شیئر ٹرانسفر بکس 23 ستمبر 2021 تا 29 ستمبر 2021 (دونوں دن شامل ہیں) تک بند رہیں گی۔ ہمارے شیئر رجسٹرارز میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، F-8، نزد ہوٹل فاران، نرسری، بلاک 6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کے آفس میں 22 ستمبر 2021 کو کاروبار کے اختتام تک وصول ہونے والی منتقلیوں کو حتمی نقد منافع منقسمہ کی منتقلی کے حقدار اور سالانہ اجلاسِ عام میں شرکت اور ووٹ دینے کے لیے بروقت تصور کیا جائے گا۔

2۔ اجلاس میں شرکت:

22 ستمبر 2021 کو ممبران کے رجسٹر میں جن کے نام درج ہوں گے وہ اجلاس میں شرکت اور ووٹ دینے کے حقدار ہوں گے۔ اجلاس میں شرکت اور ووٹ دینے کے اہل ممبر کو اجلاس میں شرکت، بولنے اور ووٹ دینے کے لیے کسی کو بطور نمائندہ (پراکسی) مقرر کرنے کا حق حاصل ہو گا۔ پراکسی کے لیے کمپنی کا ممبر ہونا لازمی ہے۔

ممبران کو اجلاس کے لیے موثر پراکسی دستاویز اس اطلاع کے ساتھ بھجوائے جا رہے ہیں۔ پراکسی دستاویز کی مزید کاپیاں کمپنی کے رجسٹرار آفس سے کام کے عمومی اوقات میں حاصل کی جاسکتی ہیں۔ پراکسی فارم کمپنی کی ویب سائٹ http://www.ici.com.pk سے بھی ڈاؤن لوڈ کئے جاسکتے ہیں۔ پراکسی دستاویز اور پاور آف اٹارنی یا دیگر کوئی مختار نامہ (اگر کوئی ہو) جس پر دستخط ہیں یا وہ تصدیق شدہ ہے، یا ایسے کسی پاور یا مختارنامے کی تصدیق شدہ کاپی فعال صورت میں ہی، سالانہ اجلاس عام سے کم از کم 48 گھنٹے قبل generalmeetings@ici.com.pk پر ای میل کئے جاسکتے ہیں۔

ممبران سے گزارش کی جاتی ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی جمع کرائیں، اگر انہوں نے پہلے فراہم نہیں کی اور ان کے رجسٹرڈ ایڈریس میں کسی بھی تبدیلی کی صورت میں ہمارے شیئر رجسٹرار فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو فوری طور پر اطلاع دیں۔

3۔ ویڈیو لنک کے ذریعے غیر معمولی اجلاس عام منعقد کرنے کا سبب: کرونا وائرس میں ہنگامی منصوبہ بندی

COVID-19 کی موجودہ صورتحال میں خطرات کے پیش نظر اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے سرکیولرز میں جاری ہدایات کی روشنی میں لسٹڈ کمپنیز کے لیے ضروری ہے کہ وہ اپنے عمومی اجلاسوں کی روایتی کارروائی میں ردوبدل کریں، کمپنی اپنے شیئر ہولڈرز، ڈائریکٹرز اور ملازمین کی صحت کو ترجیح دیتے ہوئے ممبران سے گزارش کرتی ہے کہ وہ سالانہ اجلاس عام میں صرف ویڈیو لنک کے ذریعے شرکت کریں۔

الف) ویڈیو لنک کے ذریعے سالانہ اجلاسِ عام میں شرکت کے لیے، ممبران سے گزارش کی جاتی ہے کہ وہ generalmeetings@ici.com.pk پر اجلاس سے کم از کم 48 گھنٹے قبل درج ذیل معلومات فراہم کر کے اپنے آپ کو رجسٹر کریں:

شیئر ہولڈر کا نام	سی این آئی سی / این ٹی این نمبر	فولیو نمبر / سی ڈی سی IAS اکاؤنٹ نمبر	موبائل نمبر	ای میل ایڈریس

ب) ممبران کو مذکورہ بالا تفصیلات کی تصدیق کے بعد رجسٹر کیا جائے گا اور انہیں کمپنی کی جانب سے ای میل کے ذریعے ویڈیو لنک فراہم کیا جائے گا۔

ج) لاگ ان کی سہولت صبح 9:45 سے سالانہ اجلاسِ عام کے اختتام تک جاری رہے گی۔

د) ممبران سالانہ اجلاسِ عام کے ایجنڈا سے متعلق اپنی آراء اور تجاویز generalmeetings@ici.com.pk پر ای میل کر سکتے ہیں۔

4۔ سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDC) کے انویسٹر اکاؤنٹ ہولڈرز کے لیے ہدایات:

سی ڈی سی انویسٹر اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ سرکیولر نمبر 1 بتاریخ 26 جنوری 2000 کے مطابق درج ذیل ہدایات پر عمل کرنا ہو گا:

الف) اجلاس میں شرکت کے لیے:

(I) افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر یا وہ فرد جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ ہو چکی ہیں، سالانہ اجلاس سے کم از کم 48 گھنٹے قبل سی این آئی سی یا پاسپورٹ کی کاپی ای میل کر کے اپنی شناخت کی تصدیق کروائیں۔

(II) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی منتخب فرد کے دستخط کے نمونہ کے ساتھ اجلاس سے کم از کم 48 گھنٹے قبل ای میل کریں (اگر پہلے فراہم نہ کیا گیا ہو) (جیسا کہ نوٹس میں درج ہے)۔

70ویں سالانہ اجلاسِ عام کی اطلاع

بذریعہ نوٹس ہذا مطلع کیاجاتاہے کہ آئی سی آئی پاکستان لمیٹڈ("کمپنی")کا70واں سالانہ اجلاسِ عام بروز بدھ،29 ستمبر 2021 کو صبح 10 بجے،ویڈیو لنک کے ذریعے منعقد کیاجائے گا۔

ہدایات برائے شرکت درج ذیل نوٹس میں فراہم کی جارہی ہیں۔ جبکہ سالانہ اجلاسِ عام کے انعقاد سے متعلق کورم کی شرائط کا جائزہ لیاجائے گااور قانونی تقاضوں کی تعمیل کی جائے گی۔

عمومی کاروبار

1۔ 30جون 2021 کو ختم شدہ سال کے لیے کمپنی کے آڈٹ شدہ سالانہ مالیاتی گوشواروں بشمول ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی، غوروخوض اور عمل درآمد کو یقینی بنانا۔

2۔ ڈائریکٹرز کی تجویز کے مطابق،30جون 2021 کو ختم شدہ سال کے لیے10 روپے کے ہر عمومی شیئر کا حتمی نقد منافع منقسمہ 20روپے(جو کہ 200 فیصد) ہے کا اعلان اور منظوری دینا، یہ ادائیگی ان ممبرز کو ہوگی جن کے نام22 ستمبر 2021 کو ممبرز کے رجسٹر میں درج ہوں گے۔

3۔ سال22-2021 کے لیے خارجی آڈیٹرز کی تعیناتی اور ان کے مشاہرے کا تعین۔ بورڈ آف ڈائریکٹرز نے کمپنی کی آڈٹ کمیٹی کی تجویز کی روشنی میں ریٹائر ہونے والے آڈیٹرز EY فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس کی کمپنی کے خارجی آڈیٹرز کے طور پر دوبارہ تعیناتی کی تجویز دی ہے۔

خصوصی کاروبار

4۔ کمپنیز ایکٹ 2017 کے سیکشن 207اور208(جس حد تک لاگو ہو) کے تحت متعلقہ پارٹی ٹرانزیکشنز کے لیے(جس میں کمپنی کے کچھ یاڈائریکٹرز کی اکثریت دلچسپی رکھتی ہے) خصوصی قرارداد کے ذریعے منظوری دینے سے متعلق(ترمیم کے ذریعے یابغیر ترمیم)درج ذیل قراردادوں کی منظوری دینا:

قرار پایا کہ متعلقہ پارٹی ٹرانزیکشنز جس میں کچھ یاڈائریکٹرز کی اکثریت دلچسپی رکھتی ہے وہ کمپنی کی جانب سے لکی سیمنٹ لمیٹڈ، گدون ٹیکسٹائل ملز لمیٹڈ، YB پاکستان لمیٹڈ، لکی ٹیکسٹائل ملز لمیٹڈ، لکی ہولڈنگز لمیٹڈ، یونس ٹیکسٹائل ملز لمیٹڈ، گلوبل کموڈٹیز لمیٹڈ، نیوٹری کو پاکستان (پرائیویٹ) لمیٹڈ، نیوٹری کو مورینا گا(پرائیویٹ) لمیٹڈ، لکی فوڈز (پرائیویٹ) لمیٹڈ، آئی سی آئی پاکستان پاور جن لمیٹڈ، لکی موٹرز کارپوریشن لمیٹڈ، نیشنل بینک آف پاکستان،طبہ ہارٹ انسٹیٹیوٹ،طبہ کڈنی انسٹیٹیوٹ، آئی سی آئی پاکستان فاونڈیشن اور دیگر اس طرح کی متعلقہ پارٹیز کے ساتھ 8,317,423,977/-روپے (آٹھ بلین، تین سوسترہ ملین، چار لاکھ تئیس ہزار، نو سوستتر روپے) تک 30 جون 2021 کو ختم شدہ سال کے دوران لین دین کی گئی، جس طرح مذکورہ مدت کے لیے مالیاتی گوشواروں میں درج کیاگیاہے،اس کی توثیق اور تصدیق کی جاتی ہے۔

مزید قرار پایا کہ کمپنی وقتاً فوقتاً گڈز، مٹیریلز، مختلف کیمیکلز کی فروخت، سوڈاایش، بجلی، سیمنٹ کی خریداری، خدمات انجام دینے یا وصول کرنے،رائلٹی کی ادائیگی، عطیات، فیس، ڈیویڈنڈز یا شیئرز کی سبسکرپشن کے لیے متعلقہ پارٹیوں کے ساتھ لین دین انجام دے سکتی ہے جس میں کچھ یاڈائریکٹرز کی اکثریت بھی دلچسپی رکھتی ہے یا رکھ سکتی ہے،اس میں لکی سیمنٹ لمیٹڈ، گدون ٹیکسٹائل ملز لمیٹڈ،YB پاکستان لمیٹڈ، لکی ٹیکسٹائل ملز لمیٹڈ، لکی ہولڈنگز لمیٹڈ، یونس ٹیکسٹائل ملز لمیٹڈ، گلوبل کموڈٹیز لمیٹڈ، لکی نٹس (پرائیویٹ) لمیٹڈ، نیوٹری کو پاکستان (پرائیویٹ) لمیٹڈ، نیوٹری کو مورینا گا (پرائیویٹ) لمیٹڈ، لکی فوڈز (پرائیویٹ) لمیٹڈ، آئی سی آئی پاکستان پاور جن لمیٹڈ، لکی موٹرز کارپوریشن لمیٹڈ، نیشنل بینک آف پاکستان، عزیزطبہ فاؤنڈیشن،طبہ ہارٹ انسٹیٹیوٹ،طبہ کڈنی انسٹیٹیوٹ، آئی سی آئی پاکستان فاونڈیشن اور دیگر اس طرح کی متعلقہ پارٹیز کے ساتھ 30 جون 2022 کو ختم ہونے والے سال کے دوران تقریباً6,100,000,000/-(چھ بلین، ایک سوملین روپے صرف) تک لین دین کر سکتی ہے۔ شیئر ہولڈرز کے علم میں ہے کہ مذکورہ بالا ٹرانزیکشن کے لیے ڈائریکٹرز کی اکثریت دلچسپی کی حامل ہوسکتی ہے۔ اس کے باوجود، شیئر ہولڈرز یہاں کمپنی کے بورڈ آف ڈائریکٹرز اور بورڈ آڈٹ کمیٹی کو پیشگی اختیار دیتے ہیں جس کے مطابق بورڈ آڈٹ کمیٹی کی تجویز کی بنیاد پر مذکورہ بالا کمپنیوں کے ساتھ متعلقہ پارٹی ٹرانزیکشنز کا جائزہ لے کر منظوری دی جائے۔

مزید قرار پایا کہ 30 جون 2022 کو ختم ہونے والی مدت کے لیے مذکورہ بالا متعلقہ پارٹی ٹرانزیکشنز بعد ازاں آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز کو توثیق اور تصدیق کے لیے پیش کی جائیں گی۔

کمپنیز ایکٹ 2017 کے سیکشن 134(3) کے تحت ممبران کو خصوصی قرارداد پر مشتمل اسٹیٹمنٹ اس نوٹس کے ساتھ منسلک ہے۔

حسب الحکم بورڈ

لیلیٰ باوانی
کمپنی سیکریٹری

8 ستمبر 2021
کراچی

ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2021

ڈائریکٹرز آئی سی آئی پاکستان لمیٹڈ کے آڈٹ شدہ گروپ رزلٹس برائے سال ختم شدہ 30 جون 2021 پیش کرتے ہوئے خوشی محسوس کررہے ہیں۔ آئی سی آئی پاکستان گروپ، آئی سی آئی پاکستان لمیٹڈ، آئی سی آئی پاکستان پاورجن لمیٹڈ (پاورجن) اور نیوٹری کو مورینا گا (پرائیویٹ) لمیٹڈ کے نام سے ذیلی اداروں پر مشتمل ہے۔

سال ختم شدہ 30 جون 2021 کیلئے آئی سی آئی پاکستان لمیٹڈ کی کارکردگی کی وضاحت پر مشتمل ڈائریکٹرز رپورٹ علیحدہ سے پیش کی جاچکی ہے۔

پاورجن کا مجموعی کاروبار سال ختم شدہ 30 جون 2021 کے لئے 1,232 ملین روپے بنتا ہے جو گزشتہ سال کے مقابلے میں 229 فیصد زائد ہے۔ فیول اکنامکس کی بہتر حکمت عملی کے سبب گروپ کی دیگر کمپنیوں کو بجلی کی فروخت میں گزشتہ سال کے مقابلے میں 282 فیصد اضافہ ہوا اور نتیجے میں زیر جائزہ سال کے دوران آئی سی آئی پاکستان لمیٹڈ کا اپنا بجلی کا ذریعہ استعمال نہیں ہوا۔ مجموعی طور پر گزشتہ سال کے مقابلے میں کاروباری منافع 358 فیصد اضافے کے ساتھ 229 ملین روپے رہا۔

30 جون 2021 کو ختم ہونے والے سال کے دوران، نیوٹری کو مورینا گا نے BF-Grow3 اور BFchilSchool کے نام سے دو پروڈکٹس کی پروڈکشن جاری رکھی اور پلانٹ کی صلاحیت کو بروئے کار لانے کے لیے مزید پروڈکٹس شروع کرنے کی منصوبہ بندی کی جارہی ہے۔ 30 جون 2021 کو ختم ہونے والے زیر جائزہ سال کی مجموعی آمدنی 2,148 ملین روپے (گزشتہ سال کی اسی مدت میں 978 ملین روپے)

جبکہ سال کا کاروباری نقصان 585 ملین روپے (گزشتہ سال کی اسی مدت میں 198 ملین روپے) رہا۔ زیر جائزہ سال کے دوران، کمپنی نے 100/- روپے کے ہر شیئر کے 10,000,000 عبوری شیئرز پر مشتمل تیسرا اور چوتھا رائٹ اشو کامیابی کے ساتھ جاری کیا۔ اس کی سبسکرپشن کی رقم 1,000 ملین روپے بنتی ہے۔ کمپنی کا پیٹرن آف شیئر ہولڈنگ تبدیل نہیں ہوا۔

مجموعی بنیادوں پر (کمپنی کے ذیلی اداروں پاورجن اور نیوٹری کو مورینا گا کے نتائج کے ساتھ)، زیر جائزہ سال کے لیے مجموعی کاروبار 64,766 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 17 فیصد زائد ہے۔ جبکہ 8,045 ملین روپے کا کاروباری منافع حاصل ہوا جو گزشتہ سال کی اسی مدت کے مقابلے میں 43 فیصد زائد رہا۔

سال کے لیے بعد از ٹیکس منافع 5,229 ملین روپے بنتا ہے جس میں سے 341 ملین روپے غیر اختیاری سود پر مشتمل ہیں۔ اس کے نتیجے میں ہولڈنگ کمپنی کے مالکان کے لیے بعد از ٹیکس منافع 5,569 ملین روپے اور فی شیئر منافع 60.30 روپے بنتا ہے جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 114 فیصد زائد ہے۔ کاروباری نتائج میں اضافے کی وجہ تمام بزنسز کی کاروباری مہارت، شرح سود میں کمی اور قرضہ جات کی سطح میں کمی کے ساتھ گزشتہ سال کی اسی مدت کے ایکسچینج نقصان کے مقابلے میں ایکسچینج فائدہ حاصل ہونا ہے۔ دوران سال کمپنی نے نیوٹری کو پاکستان (پرائیویٹ) لمیٹڈ کی جانب سے منافع کے حصے کے طور پر 527 ملین روپے حاصل کئے۔

محمد سہیل ٹبہ
چیئرمین

آصف جمعہ
چیف ایگزیکٹو

بتاریخ 5 اگست 2021
کراچی۔

ڈائریکٹرز کا مشاہرہ

بورڈ کی منظوری سے ڈائریکٹرز کے مشاہرہ سے متعلق ایک پالیسی مرتب کر دی گئی ہے۔ اس پالیسی میں کمپنیز ایکٹ 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کی تعمیل میں ڈائریکٹرز کا مشاہرہ شفاف انداز میں متعین کرنے کی رہنمائی کی گئی ہے۔ مذکورہ پالیسی کے مطابق ڈائریکٹرز کو بورڈ یا اس کی سب کمیٹی میں شرکت کرنے پر ہر اجلاس کے لیے 75,000 روپے مشاہرہ ادا کیا جاتا ہے۔

ڈائریکٹرز اور چیف ایگزیکٹیو کو دوران سال ادا کئے جانے والے مشاہرہ کی تفصیل مالیاتی گوشواروں کے نوٹ نمبر 39 میں فراہم کی گئی ہے۔

بورڈ کا جائزہ

لسٹڈ کمپنیوں کے (کوڈ آف کارپوریٹ گورننس) 2019 کی تعمیل میں، بورڈ سالانہ بنیادوں پر اپنی کارکردگی کے خود کار جائزے کا اہتمام کرتا ہے۔ اس جائزے میں ایگزیکٹیو ڈائریکٹرز، آزاد ڈائریکٹرز، ان کی سب کمیٹیوں کی کارکردگی کا جائزہ بھی شامل ہے۔ بورڈ آف ڈائریکٹرز اس بات پر یقین رکھتا ہے کہ جائزہ لیتے رہنا اس بات کو سمجھنے کے لیے ناگزیر ہے کہ ڈائریکٹرز نے اپنے لیے متعین کردہ مقاصد اور اہداف کے مقابلے میں کس قدر موثر کارکردگی دکھائی ہے۔ نتائج کی بنیاد پر، بہتری کے مواقع کی نشاندہی اور درست ایکشن پلان تیار کئے جاتے ہیں۔

ڈائریکٹرز کی ٹریننگ

زیادہ تر ڈائریکٹرز، کوڈ آف کارپوریٹ گورننس (CCG) کے شق نمبر 19 کے مطابق ڈائریکٹرز کے ٹریننگ پروگرام کے استثنٰی کے لئے مطلوب تجربہ اور تعلیم کی حامل ہیں۔ تمام ڈائریکٹرز کارپوریٹ باڈیز کے ڈائریکٹرز کی حیثیت سے اپنی ذمہ داریوں سے بخوبی واقف ہیں۔

خطرے سے آگہی کا نظام

کمپنی کے خطرات سے نمٹنے کے فریم ورک اور داخلی ضابطے کے نظام کی تفصیل صفحہ نمبر 66 سے 71 تک دی گئی ہے۔

کمپنی میں شیئر رکھنے کا طریقہ کار

کمپنیز ایکٹ 2017 کے سیکشن 227(2) کی تعمیل میں کمپنی میں شیئر رکھنے کا طریقہ کار برائے سال ختم شدہ 30 جون 2021 اس رپورٹ کے ساتھ منسلک ہے۔

محمد سہیل طبہ
چیئرمین

آصف جمعہ
چیف ایگزیکٹو

بتاریخ 5 اگست 2021
کراچی۔

بورڈ کی تشکیل

CCG کے لوازمات کے مطابق، کمپنی اپنے بورڈ میں آزاد، نان ایگزیکٹو ڈائریکٹرز کے ساتھ صنفی مساوات کو برقرار رکھتے ہوئے خواتین کی نمائندگی کے لیے بھی پر عزم ہے۔

موجودہ بورڈ کی تشکیل اس طرح ہے:

ڈائریکٹر کی کل تعداد:

الف) مرد: 7

ب) خواتین: 1

تشکیل:

آزاد ڈائریکٹرز: 2

نان ایگزیکٹو ڈائریکٹرز: 4

ایگزیکٹو ڈائریکٹرز: 2

بورڈ کی کمیٹیاں

آڈٹ کمیٹی

سید محمد شبر زیدی چیئرمین

خواجہ اقبال حسن ممبر

محمد علی ٹبہ ممبر

جاوید یونس ٹبہ ممبر

ایچ آر اینڈ ریمیونریشن کمیٹی

خواجہ اقبال حسن چیئرمین

محمد سہیل ٹبہ ممبر

محمد علی ٹبہ ممبر

جاوید یونس ٹبہ ممبر

آصف جمعہ ممبر

بینکنگ کمیٹی

آصف جمعہ چیئرمین

محمد عابد گناترا ممبر

خواجہ اقبال حسن ممبر

شیئر ٹرانسفر کمیٹی

جاوید یونس ٹبہ چیئرمین

آصف جمعہ ممبر

محمد عابد گناترا ممبر

ڈائریکٹرز کی حاضری

زیر جائزہ سال کے دوران، نو(09) بورڈ میٹنگز، چار(04) آڈٹ کمیٹی میٹنگز اور ایک (01) ہیومن ریسورس اینڈ ریمیونریشن کمیٹی (HR&RC) کی میٹنگ کا اہتمام کیا گیا۔ ہر ڈائریکٹر / ممبر / کمپنی سیکریٹری، متعلقہ بورڈ / سب کمیٹی کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام اور سیکریٹری	بورڈ آف ڈائریکٹرز میٹنگز	آڈٹ کمیٹی میٹنگز	ہیومن ریسورس اینڈ ریمیونریشن کمیٹی میٹنگز
جناب محمد سہیل ٹبہ	9	-	1
جناب محمد علی ٹبہ	9	4	1
جناب جاوید یونس ٹبہ	9	4	1
محترمہ امینہ اے عزیز باوانی	4	-	-
جناب آصف جمعہ	9	-	1
خواجہ اقبال حسن	9	4	1
جناب محمد عابد گناترا	9	-	-
سید محمد شبر زیدی	9	4	-
محترمہ نوشین احمد کمپنی سیکریٹری	9	-	-
محترمہ فریحہ صلاح الدین سیکریٹری ٹو HR&RC	-	-	1
جناب محمد علی مرزا* سیکریٹری ٹو دی BAC**	-	3	-

*جناب محمد علی مرزا نے یکم مارچ 2021 کو کمپنی سے استعفیٰ دے دیا۔

** بورڈ نے جناب خالد منیف خان کو 3 جون 2021 سے جناب محمد علی مرزا کی جگہ کمپنی کے انٹرنل آڈٹ کے ہیڈ اور بورڈ آڈٹ کمیٹی کے سیکریٹری کے طور پر منتخب کیا۔

اس کے باوجود، کمپنی پر اعتماد اور بھرپور انداز میں ان منفی اثرات کو کم کرنے اور شاندار نتائج کی فراہمی، اپنی پروڈکٹس میں توسیع اور آرگینک اور ان آرگینک ترقی کے لئے نئے مواقع تلاش کرنے کے لیے پر عزم ہے۔ کیونکہ ہمارے برانڈ کا وعدہ ہی ”ترقی کے لیے کوشاں“ ہے۔

اظہار تشکر

کمپنی کے یہ نتائج بھرپور صلاحیت رکھنے والے زبردست ملازمین کی انتھک محنت اور لگن، صارفین، سپلائرز، سروس فراہم کرنے والوں اور شیئر ہولڈرز کے کمپنی پر اعتماد کا نتیجہ ہیں۔ کمپنی تمام اسٹیک ہولڈرز کے اعتماد کو تسلیم کرتی ہے اور ان کا شکریہ ادا کرتی ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ارنسٹ اینڈ ینگ فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس نے 30 جون 2021 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کا آڈٹ کیا ہے۔ اہلیت کی بنیاد پر 30 جون 2022 کو ختم ہونے والے آئندہ مالیاتی سال کے لئے انہوں نے خود کو دوبارہ انتخاب کے لئے پیش کیا ہے۔

آڈٹ کمیٹی کی تجویز پر بورڈ نے میسرز ارنسٹ اینڈ ینگ فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے باضابطہ آڈیٹرز کے طور پر منظوری دی ہے، یہ انتخاب کمپنی کے 30 جون 2022 کو ختم ہونے والے آئندہ سال تک کے لیے ہو گا، تقرر کمپنی کے آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

متعلقہ پارٹی ٹرانزیکشنز

دوران سال، کمپنی نے اپنے متعلقہ پارٹیوں کے ساتھ لین دین انجام دی۔ ان ٹرانزیکشنز کی تفصیل اس رپورٹ کے ساتھ منسلک اَن کنسالیڈیٹڈ فنانشل اسٹیٹمنٹ کے نوٹ نمبر 40 میں دی جا رہی ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل

کمپنی نے بہترین کارپوریٹ گورننس کو یقینی بنانے کے لیے تمام لازمی اقدامات اٹھائے ہیں۔ لسٹڈ کمپنیوں کے کوڈ آف کارپوریٹ گورننس ریگولیشنز 2019 ("CCG") کی تعمیل کے طور پر، ڈائریکٹرز درج ذیل کی تفصیل پیش کرتے ہیں:

- کمپنی انتظامیہ کی جانب سے تیار کیئے گئے مالیاتی گوشواروں میں معاملات کی واضح صورت، اس کے انتظامی نتائج، کیش فلوز اور ایکویٹی کی تبدیلیوں کو واضح انداز میں پیش کیا گیا ہے۔
- کمپنی کے اکاؤنٹ بکس درست انداز میں برقرار رکھے گئے ہیں۔
- مالیاتی گوشواروں اور اکاؤنٹنگ تخمینوں کی تیاری مناسب اور محتاط انداز میں متعلقہ اکاؤنٹنگ پالیسیز کے تحت کی گئی ہے۔
- مالیاتی گوشواروں کی تیاری پاکستان میں لاگو انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS) کے معیاروں کے مطابق کی گئی ہے اور اس سے کسی طرح کے انحراف کو باقاعدہ واضح کیا گیا ہے۔
- انٹرنل کنٹرول کا سسٹم اپنے ڈیزائن میں بہترین ہے اور اس پر بہترین انداز میں عمل درآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے استحکام اور آگے بڑھنے کی صلاحیت پر کسی بھی شک وشبہے کی کوئی گنجائش نہیں۔
- کارپوریٹ گورننس پر بہترین انداز میں عمل درآمد سے کسی طرح کا بھی انحراف دیکھنے میں نہیں آیا۔
- انتظام اور مالیات سے متعلق گزشتہ 10 سال کی اہم معلومات صفحہ نمبر 30 اور 31 پر درج کی گئی ہے۔
- بقایہ ٹیکسز اور محاصل کی معلومات فنانشل اسٹیٹمنٹس کے نوٹس میں دی گئی ہے۔
- کمپنی کی انتظامیہ بہتر کارپوریٹ گورننس کے لیے پر عزم ہے اور بہترین تجربات پر عمل درآمد کے لئے مناسب اقدامات اٹھا رہی ہے۔
- متعلقہ پارٹی ٹرانزیکشنز آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز کی جانب سے منظور یا توثیق شدہ ہیں۔

ریٹائرمنٹ فوائد میں سرمایہ کاری

	30 جون 2021	30 جون 2020
	(PKR '000)	(PKR '000)
1۔ آئی سی آئی پاکستان مینجمنٹ اسٹاف پینشن فنڈ	**1,248**	**1,086**
2۔ آئی سی آئی پاکستان مینجمنٹ اسٹاف گریجویٹی فنڈ	**1,292**	**1,194**
3۔ آئی سی آئی پاکستان مینجمنٹ اسٹاف ڈیفائنڈ کنٹری بیوشن سپر اینویشن فنڈ	**883**	**949**
4۔ آئی سی آئی پاکستان مینجمنٹ اسٹاف پراویڈنٹ فنڈ	**651**	**592**
5۔ آئی سی آئی پاکستان نان مینجمنٹ اسٹاف پراویڈنٹ فنڈ	**544**	**580**
	4,618	**4,401**

علاوہ ازیں، بزنس اپنے نئے اور موجودہ صارفین کی قدر کو مستحکم کرنے کے لیے پرعزم ہے، اس کے لیے کاروباری مہارت اور جدت کا حصول جاری رکھنے کے ساتھ شاندار کاروباری نتائج حاصل کرنے پر بھرپور توجہ دی جارہی ہے۔ لاک ڈاؤن کے بعد صارفین کی طلب میں استحکام اور مارکیٹ میں غیر یقینی کا ختم ہونا آئندہ سال میں کاروبار کی مجموعی کارکردگی کو بہتر بنائے گا۔ تاہم COVID-19 کے نئے ویرینٹس آنے سے، ویسلز کی موجودگی میں دشواری اور اجناس کی قیمتوں میں اتار چڑھاؤ کی صورتحال مسائل کھڑے کر سکتی ہے۔

فنانس

کمپنی کی بیلنس شیٹ 30 جون 2021 پر کرنٹ ریشو 1.24 (2020:1.27) اور کوئیک ریشو 0.40 (2020:0.49) کے ساتھ مستحکم پوزیشن میں تھی۔

زیر جائزہ سال کا مجموعی کاروبار 62,618 ملین روپے رہا جو گزشتہ سال اسی عرصے کے مقابلے میں 17 فیصد زائد ہے، جس کی وجہ ہمارے تمام بزنسز کی آمدنی میں اضافہ واقع ہونا ہے۔

زیر جائزہ سال کا مجموعی منافع گزشتہ سال کے مقابلے میں 36 فیصد زائد ہے۔ اس کی وجہ مینوفیکچرنگ صلاحیتوں کا بہتر حصول، منافع کی موثر مینجمنٹ اور آمدنی میں اضافہ ہے۔

اس سال سیلز اور ڈسٹری بیوشن کے اخراجات گزشتہ سال کے اسی عرصے کے مقابلے میں 23 فیصد زیادہ ہیں جبکہ انتظامی اور عمومی اخراجات برائے سال گزشتہ سال کے مقابلے میں 20 فیصد زیادہ رہے۔ ان اخراجات میں اضافے کی بنیادی وجہ کمپنی کے ترقی اور توسیع سے متعلق عزائم کے پیش نظر اسٹاف کے اخراجات میں اضافہ، آؤٹ ورڈ فریٹ میں اضافہ اور دیگر اخراجات میں مہنگائی کے اثرات ہیں۔

دوران سال کاروباری منافع اور نقد رقوم کے حصول میں اضافہ کے نتیجے میں کمپنی کے قرضہ جات کی مجموعی سطح میں کمی واقع ہوئی۔ اس کے ساتھ اسٹیٹ بینک آف پاکستان کی جانب سے دوران سال پالیسی ریٹ میں کمی سے بھی گزشتہ سال کی اسی مدت کے مقابلے میں فنانس کے اخراجات میں 63 فیصد کمی واقع ہوئی۔ مزید براں، گزشتہ سال کی اسی مدت کے 367 ملین روپے کے ایکسچینج نقصان کے مقابلے میں 56 ملین روپے کے ایکسچینج منافع نے بھی کمپنی کے منافع میں اضافہ کیا۔

اس کے علاوہ سال کی دیگر آمدنی گزشتہ سال کے مقابلے میں 5 فیصد زیادہ ہے جس کی وجہ اس سال آئی سی آئی پاکستان پاور جن لمیٹڈ (ذیلی کمپنی) کی جانب سے منافع منقسمہ کی آمدنی میں اضافہ ہونا ہے۔ کمپنی کو اپنی ایسوسی ایٹڈ کمپنی نیوٹری کو پاکستان (پرائیویٹ) لمیٹڈ کی جانب سے بھی منافع منقسمہ کی مد میں 680 ملین روپے حاصل ہوئے جو گزشتہ سال کی اسی مدت کے دوران 800 ملین منافع منقسمہ تھے۔

سال کے لیے بعد از ٹیکس منافع (PAT) اور ہر ایک شیئر پر منافع (EPS) 5,959 ملین روپے اور 64.52 روپے بنتا ہے جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 92 فیصد زائد ہے۔

مستقبل پر نظر

COVID-19 کی وباء کے پھیلنے کے بعد اب عالمی معیشت میں صدی کی زبردست بحالی دیکھی جارہی ہے۔ ویکسین کی فراہمی کے بعد احساسات اور ترجیحات میں تیزی سے آنے والی تبدیلی نے صارف کے اعتماد میں اضافے کے ساتھ اکثر ترقی پذیر اور ترقی یافتہ معیشتوں میں ترقی کا ماحول پیدا کر دیا ہے۔ تاہم پوری بحالی پر COVID-19 کے نئے ویرینٹس، ویکسینیشن میں تفریق، حکومت کی جانب سے معاشی تعاون کے جزوی انتظامات اور اجناس کی قیمتوں میں اضافے نے سوالیہ نشان لگا رکھے ہیں۔

پاکستان میں COVID-19 کی مختلف لہروں کے باوجود، ہمارا ملک کم متاثر ہونے والے ممالک میں شامل رہا اور یہاں کیسز اور اموات کی شرح دیگر ممالک سے نسبتاً کم رہی، اس لئے ہم صحت اور معاشی مسائل سے نبرد آزما ہونے میں کامیاب رہے۔

دوران سال تعمیراتی شعبے، اور متعلقہ صنعتوں میں زبردست سرگرمی، لارج اسکیل مینوفیکچرنگ میں شاندار کارکردگی اور ٹیکسٹائل کے شعبے کا ٹاپ پرفارمر کے طور پر آگے آنا، ایکسپورٹس میں اضافے اور بیرون ملک سے ترسیلات زر میں ریکارڈ اضافے سے معاشی بحالی میں توقعات کے برخلاف تیزی دیکھی گئی۔ ان اقدامات نے معاشی ترقی اور سرمایہ کاری کے لیے مستحکم بنیاد ڈالنے میں مدد فراہم کی۔ آنے والے مہینوں میں صنعتی توسیع کے لیے ترجیحی قرضہ جات کے استعمال سے سرمایہ کار کے اعتماد میں مزید اضافہ ہو گا۔

اقتصادی طاقت اور بحالی کے باجود، COVID-19 کے ویرئنٹس کی آمد، ویکسین لگانے کی مہم میں سست روی، بڑھتے ہوئے قرض اور مہنگائی، کرنسی کی کمزوری، اجناس کی قیمتوں میں تیزی، بحری فریٹس میں ریکارڈ اضافے، اینٹی ڈمپنگ ڈیوٹیز کے نفاذ میں کمزور لائحہ عمل، اہم انتظامی بحالی کے امور پر عمل درآمد میں تاخیر اور سیاسی و جغرافیائی مسائل سے مستقبل کی پریشانی واضح ہوتی ہے۔

یہ سماجی اور معاشی مسائل ایک طرف معیشت کے لیے خطرہ بنے ہوئے ہیں تو دوسری جانب مواقع بھی پیدا کریں گے۔ چائنہ، پاکستان اکنامک کوریڈور پر سرگرمیوں میں اضافہ، بڑے ڈیمز کے تعمیراتی کام کا آغاز اور تعمیراتی شعبے کی طرف خصوصی توجہ سے معیشت میں بہتری آنے کا امکان ہے۔

COVID-19 کی وباء نے دنیا بھر میں سپلائی چین کو متاثر کیا ہے۔ فارماسیوٹیکلز انڈسٹری کے درآمدی خام مال کی خریداری میں تاخیر کے سبب سپلائی چین پر منفی اثرات مرتب ہو رہے ہیں۔ اجناس کی قیمتوں اور امپورٹ فریٹ ریٹس میں اضافے اور مہنگائی سے مقامی سامان کی قیمتوں میں اضافے سے پیداواری اخراجات میں اضافہ اور منافع پر دباؤ بڑھا ہے۔

مذکورہ بالا مسائل کے باوجود فارماسیوٹیکلز بزنس نے گزشتہ سال کے دوران 6 نئی پروڈکٹس کے آغاز سمیت 7,814 ملین روپے کا مجموعی کاروبار کیا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 27 فیصد زائد ہے۔ سال کے لیے کاروباری منافع 836 ملین روپے رہا، جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 31 فیصد زائد ہے۔ یہ کارکردگی پیداوار کی موثر اہلیت اور بہتر سیلز مکس کی بدولت حاصل کی گئی۔

بزنس نے اپنے مینوفیکچرنگ پلانٹس کے اخراجات کو کم کرنے، تیسرے فریق سے تیار کرائی جانے والی ادویات کو داخلی طور پر تیار کرنے، نئی پروڈکٹس کی تیاری اور آغاز، ایکسپورٹ مارکیٹ کو مزید توسیع دینے پر توجہ مرکوز کر رکھی ہے۔ ان اقدامات سے بزنس کو مستقبل میں اپنے منافع کی صورتحال بہتر بنانے میں مدد ملے گی۔

اینمل ہیلتھ

مجموعی کاروبار (ملین روپے)

آپریٹنگ رزلٹ (ملین روپے)

زیر جائزہ سال کے دوران، اینمل ہیلتھ بزنس نے گزشتہ سال کے مقابلے میں 31 فیصد اضافے کے ساتھ 5,114 ملین روپے کا مجموعی کاروبار کیا جس میں لائیو اسٹاک کے شعبے میں 28 فیصد ترقی جبکہ پولٹری کے شعبے میں 41 فیصد اضافہ شامل ہے۔ نتیجتاً بزنس نے گزشتہ سال کی اسی مدت کے مقابلے میں 58 فیصد ترقی کے ساتھ 380 ملین روپے کا کاروباری منافع حاصل ہوا۔

COVID-19 کی وباء کے سبب عالمی معیشت کو کئی مسائل کا سامنا ہے، جس میں عالمی سپلائی چین بری طرح متاثر ہوئی ہے نتیجے میں قیمتوں میں اضافہ اور اہم خام مال کی کمی دیکھی جا رہی ہے۔ تاہم بزنس نے پورٹ فولیو کی موثر مینجمنٹ اور برانڈ کی ترقی کے ذریعے ان مسائل پر قابو پانے میں کامیابی حاصل کی۔

بزنس کے عزائم کی روشنی میں، مقامی طور پر تیار کئے جانے والے پورٹ فولیو نے کل آمدنی کا 78 فیصد تعاون کیا جبکہ گزشتہ سال کی اسی مدت کے دوران یہ حصہ 74 فیصد تھا۔ بزنس نے پورٹ فولیو کی موثر مینجمنٹ اور نقد اور ادھار کے بہتر توازن کو برقرار رکھنے پر توجہ مرکوز رکھی جبکہ صارفین کو ڈیلر فنانسنگ کی طرف متوجہ کرنے اور نقد سیلز بڑھانے کے لیے بھی کوششیں جاری رکھی گئیں۔

بزنس اپنے مقامی طور پر تیار کردہ پورٹ فولیو پر مکمل انحصار کی کوششیں بروئے کار لاتا رہتا ہے تاکہ فارمرز کی زندگیوں میں بہتری کے ساتھ سیلز اور منافع میں اضافہ سے ترقی کا حصول ممکن ہو۔

کیمیکلز اینڈ ایگری سائنسز

مجموعی کاروبار (ملین روپے)

آپریٹنگ رزلٹ (ملین روپے)

کیمیکلز اور ایگری سائنسز بزنس نے زیر جائزہ سال کے دوران 8,699 ملین روپے کا مجموعی کاروبار کیا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 8 فیصد زائد ہے۔

سال کے لیے بزنس کا کاروباری منافع 942 ملین روپے ریکارڈ کیا گیا جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 17 فیصد زائد ہے۔ کاروباری نتائج میں اضافے کی وجہ COVID-19 وباء کے سبب عائد ہونے والی پابندیوں میں نرمی کے سبب طلب میں اضافہ، منافع کے تعین اور کاروباری مہارت پر توجہ دیتے ہوئے منافع کی اہلیت کو برقرار رکھنا ہے۔

کیمیکلز کے شعبے کے نتائج میں صارفین کی جانب سے طلب میں اضافہ، خصوصی طور پر پولی یوریتھن کی طلب کے بڑھنے میں کردار ادا کیا جبکہ متعلقہ شعبوں میں بھی COVID-19 لاک ڈاؤن کے بعد طلب میں تیزی دیکھی گئی۔ تاہم موسمی تبدیلیوں، کیڑوں کے حملے اور بھارت سے امپورٹ پر پابندی کے سبب ایگری سائنسز بزنس کو منفی اثرات کا سامنا رہا۔ ان اثرات کو متبادل پروڈکٹس کے آغاز اور منافع کے موثر اقدامات کے ذریعے جزوی طور پر کم کیا گیا۔

سوڈا ایش

مجموعی کاروبار (ملین روپے)

آپریٹنگ رزلٹ (ملین روپے)

گزشتہ سال کے دوران سوڈا ایش مارکیٹ میں زبردست ترقی دیکھی گئی۔ زیر جائزہ سال کے لیے ٹوٹل سیلز بشمول ایکسپورٹس کی مقدار گزشتہ سال کی اسی مدت کے مقابلے میں 7 فیصد زائد رہی۔ دوران سال بہترین معاشی بحالی کے نتیجے میں یہ اضافہ واقع ہوا۔

زیر جائزہ سال کے دوران، گلاس کے شعبے کے علاوہ تمام شعبہ جات کی سیلز گزشتہ سال کی اسی مدت کے مقابلے میں زائد رہی۔ بازار سیگمنٹ نے بھی گزشتہ سال کی اسی مدت کے مقابلے میں زبردست ترقی کی کیونکہ ٹیکسٹائل کے شعبے کی طلب میں اضافہ رہا۔ اسی طرح سلیکیٹ اور ڈٹرجنٹ کے شعبوں میں لانڈری کے شعبے سے طلب بڑھنے کے سبب سیلز میں اضافہ ہوا۔ پیکیجنگ انڈسٹری سے طلب بڑھنے کے نتیجے میں بھی سلیکیٹ کی طلب میں اضافہ دیکھا گیا۔

سال کی دوسری سہ ماہی کے دوران ریفائنڈ سوڈیم بائی کاربونیٹ (RSB) کی پیداوار میں توسیع سے حاصل ہونے والی اضافی پروڈکٹ بھی مقامی مارکیٹ میں فروخت ہوئی اور گزشتہ سال کی اسی مدت کے مقابلے میں زائد سیلز کے سبب طلب پوری ہونے میں کام آئی۔ ٹیکسٹائل، پولٹری اور کنفیکشنری کے شعبوں میں طلب بڑھنے سے بھی سیلز میں تیزی کا رجحان دیکھا گیا۔

سال کے لیے بزنس کا کاروباری منافع 3,526 ملین روپے رہا جو گزشتہ سال کی اسی مدت کے مقابلے میں 8 فیصد زائد ہے۔ حالانکہ COVID-19 کے سبب مسائل دوران سال بھی جاری رہے لیکن سیلز کی مقدار میں اضافے، پلانٹ کے موثر آپریشن اور توانائی کے اخراجات میں کمی سے حاصل ہونے والے بہتر منافع اور گزشتہ سال کی اسی مدت کے مقابلے میں خام مال کی قیمتوں میں کمی سے بہتر نتائج حاصل ہوئے۔

زیر جائزہ سال کے دوران، بزنس نے خود کو ایک بااعتماد علاقائی ایکسپورٹر کے طور پر منوالیا اور علاقے کے مشہور برانڈز کے لیے سوڈا ایش کا پرائمری سپلائر بننے میں کامیاب رہا۔ بزنس نے فریٹ کے ریٹس میں اچانک تیزی اور ویسلز کی موجودگی میں دشواری کے باوجود اپنے تمام ایکسپورٹ ٹارگٹ حاصل کرلیے۔ کاروباری کارکردگی اور صارفین کے لیے بزنس کے عزم کو ایکسپورٹ کسٹمرز کی جانب سے زبردست تائید اور حوصلہ افزائی حاصل ہوئی۔

بزنس نے ترکی سے سوڈا ایش کی درآمدات کے خلاف اینٹی ڈمپنگ درخواست دائر کی ہے۔ اگر اینٹی ڈمپنگ درخواست پر کارروائی میں تاخیر ہوگی تو زیر جائزہ سال کے دوران غیر اقتصادی قیمتوں پر بڑی مقدار میں درآمدات سے سوڈا ایش تیار کرنے والی مقامی صنعت کو دھچکا لگے گا۔

سوڈا ایش کی عالمی طلب بتدریج بحال ہورہی ہے، اور قیمتیں کرونا سے قبل کی سطح پر پہنچ گئی ہیں۔ مہنگائی اور فریٹ ریٹس میں اضافے کے سبب عالمی قیمتوں میں مزید تیزی کے امکانات ہیں۔ البتہ، نیچرل سوڈا ایش کی قیمتیں کم رہیں گی اور آئندہ کے لیے مسائل کا سبب بن سکتی ہیں۔

مقامی مارکیٹ کی طلب میں زبردست اضافے کی توقع کی جارہی ہے کیونکہ آئندہ مالی سال کے دوران نئے گلاس فرنیس کے آن لائن ہونے کے امکانات ہیں۔ اس کے علاوہ بڑھتی ہوئی ڈاؤن اسٹریم طلب کے نتیجے میں ڈٹرجنٹ اور سلیکیٹ کے شعبوں کی کارکردگی میں بہتری کی توقع کی جارہی ہے۔

بجلی کے اخراجات اور فریٹ ریٹس میں اضافے کی بدولت نقد اخراجات بڑھنے سے مسائل پیدا ہوسکتے ہیں۔ مزید براں ایکسپورٹ مارکیٹس میں فریٹ سے متعلق مسابقت بہت مشکل صورتحال پیدا کرے گی۔

فارماسیوٹیکلز

مجموعی کاروبار (ملین روپے)

آپریٹنگ رزلٹ (ملین روپے)

زیر جائزہ سال کے دوران فارماسیوٹیکلز انڈسٹری کی ترقی حوصلہ افزا رہی جو کہ گزشتہ سال کی اسی مدت میں COVID-19 کے سبب لاک ڈاؤنز سے گراوٹ کا شکار رہی تھی۔ تاہم یہ بحالی قلیل مدتی ہوسکتی ہے اگر کرونا کا پھیلاؤ روکا نہیں گیا یا اگر فارماسیوٹیکل ڈسٹری بیوٹرز اور ہول سیلرز کو فروخت پر ایڈوانس ٹیکس نافذ کیا گیا تو اس پر منفی اثرات مرتب ہوسکتے ہیں۔

آئی سی آئی پاکستان لمیٹڈ اختیارات کے حوالے سے ایک صاف وشفاف اور واضح انتظامی نظام کی حامل ہے۔ کمپنی کی سینئر مینجمنٹ عمل درآمد کے امور چلانے، خطرات پر نظر رکھنے اور مختلف ضابطوں کے اثر کو جانچنے کی ذمہ دار ہے۔

کمپنی ایک مربوط انٹرپرائز رسک مینجمنٹ (ERM) فریم ورک رکھتی ہے جو ادارے کو لاحق خطرات کی نشاندہی اور ان سے بروقت نبرد آزما ہونا یقینی بنائے گا۔ نشاندہی کردہ تمام خطرات کو ان کے اثرات کے پیش نظر ترجیحی بنیادوں پر حل کرنے کے اقدامات کئے جاتے ہیں۔

خطرات پر قابو پانا ایک ہمہ وقتی ضرورت ہے، اس لئے خطرات، ان کے حل اور / یا درست اقدامات پر مشتمل اس سالانہ عمل میں یہ عبوری اپ ڈیٹس شامل ہیں۔

آئی سی آئی پاکستان لمیٹڈ کا ERM فریم ورک درج ذیل عوامل پر مشتمل ہے:

- ایک شفاف عمل کے تحت کمپنی کو لاحق خطرات سے متعلق ضروری ثبوتوں کی فراہمی
- خطرے اور اس سے متعلق امور کے لئے ایک سادہ سی زبان کا استعمال، اس سے تبادلہ خیال میں آسانی اور ہر ایک کو سمجھنے اور فیصلہ کرنے میں آسانی ہوتی ہے۔
- خطرات پر قابو پانے کے نظام میں شفاف احتساب اور نظام کا نفاذ

کاروباری جائزہ

پولیئسٹر

مجموعی کاروبار (ملین روپے)

آپریٹنگ رزلٹ (ملین روپے)

زیر جائزہ سال کے دوران COVID-19 کی عالمی وباء پر قابو پانے کے لیے ویکسین پروگرام شروع کرنے کے بعد عالمی مارکیٹوں میں بحالی کا رجحان رہا۔ طلب میں اضافے اور OPEC+ کی جانب سے فراہمی میں کمی کے سبب کروڈ آئل کی مارکیٹس میں مثبت رجحان دیکھا گیا۔ زیر جائزہ سال کے دوران کروڈ آئل کی قیمتوں میں گزشتہ سال کی اسی مدت کے مقابلے میں اوسطاً 5 فیصد اضافہ واقع ہوا۔ تاہم پیرا زائلین (PX) اور پیور ٹیرافتھلک ایسڈ (PTA) مارکیٹس کو اضافی فیڈ اسٹاک سے کوئی فائدہ نہیں ہوا کیونکہ چین میں نئی صلاحیتوں کے اضافے سے مثبت رجحان پر منفی اثرات مرتب ہوئے۔ گزشتہ سال کی اسی مدت کے مقابلے میں PX کی اوسط قیمت 3 فیصد اور PTA کی اوسط قیمت میں 6 فیصد کمی واقع ہوئی۔ دوسری جانب ٹیکساس، امریکہ میں خلل کے سبب مونوایتھائلین گلائیکول (MEG) پلانٹس بند ہوگئے جس سے سپلائی پر منفی اثرات مرتب ہوئے۔ MEG کی اوسط قیمت گزشتہ سال کی اسی مدت کے مقابلے میں 6 فیصد بڑھ گئی۔

عالمی معیشتوں کے دوبارہ کھلنے سے، مانگ میں اضافے کے سبب ویسلز کی کمی اور پورٹس پر دباؤ بڑھ گیا۔ بحری فریٹ کی اضافی طلب سے مقامی پی ایس ایف انڈسٹری کے لیے خام مال کی درآمد کے اخراجات بڑھ گئے۔ نتیجتاً گزشتہ سال کی اسی مدت کے مقابلے میں پی ایس ایف کی اوسط مقامی قیمت میں 2 فیصد اضافہ واقع ہوا۔

کپاس کے حوالے سے، امریکہ اور چین میں خراب موسمی حالات نے کپاس کی عالمی پیداوار کو متاثر کیا۔ طلب میں اضافے اور فراہمی میں کمی کے سبب کپاس کی عالمی قیمتوں میں گزشتہ سال کی اسی مدت کے مقابلے میں 23 فیصد اضافہ ہوا۔ مقامی صنعت کو بھی کاٹن فائبر کی کمی کا سامنا رہا، گزشتہ سال کی اسی مدت کے مقابلے میں کپاس کی مقامی قیمت میں 18 فیصد اضافہ ہوا۔

سال کی آخری سہ ماہی کے دوران توقع کے برخلاف طلب میں بحالی دیکھی گئی، جس کی بدولت کروڈ آئل کی قیمت بڑھ کر امریکی ڈالر 70/bbl کو عبور کرگئی۔ نتیجے میں زیر جائزہ سال کی آخری سہ ماہی میں PX اور PTA کی اوسط قیمتوں میں 13 فیصد اضافہ ہوگیا۔ دوسری جانب چین میں KPTA 800 کے حامل نئے MEG پلانٹ کے شروع ہونے سے مارکیٹ میں گراوٹ دیکھی گئی۔

زیر جائزہ سال کی آخری سہ ماہی کے دوران MEG کی اوسط قیمت میں 3 فیصد کمی ہوئی۔ کپاس کے حوالے سے، پروڈکٹ کی کمی سے قیمتوں میں اضافہ ہوا۔ زیر جائزہ سال کی آخری سہ ماہی کے دوران مقامی کپاس کی اوسط قیمت میں 4 فیصد اضافہ جبکہ تیسری سہ ماہی کے مقابلے میں کپاس کی اوسط عالمی قیمت میں 1 فیصد اضافہ دیکھا گیا۔

مزید براں، COVID-19 کے نئے ویرئنٹس سامنے آنے کے باوجود، OPEC+ کو یقین ہے کہ بڑے پیمانے پر ویکسین لگنے سے کروڈ آئل کی طلب میں بحالی کا رجحان جاری رہے گا۔ اس کے علاوہ بحری فریٹ کی طلب اور ویسلز کی کمی والی صورتحال آئندہ تین سے چھ ماہ تک جاری رہنے کے امکانات ہیں جس سے درآمدی اشیاء کی قیمتوں میں اضافے اور طلب پر اثرات مرتب ہوں گے۔ دوسری جانب مرکب معیشتیں پولیئسٹر کو سہارا جاری رکھیں گی کیونکہ فراہمی میں کمی کے سبب کپاس کی قیمتوں میں تیزی کے رجحان کی توقع کی جارہی ہے۔

کمپنی کے وسیع کاروباری پورٹ فولیوز فنکشنل اور کراس فنکشنل شعبہ جات میں ملازمت کے کئی مواقع پیدا کرتے ہیں۔ کمپنی اپنے ٹیلنٹ کے معیار کو تقویت دینے کے لیے نئے گریجویٹس کو ایک منظم گریجویٹ ریکروٹ ڈرائیو کے ذریعے کمرشل، فنانس اور ٹیکنیکل شعبوں میں بھرتی کرتی رہتی ہے۔ تاہم COVID-19 کے ایس او پیز پر عمل درآمد کرتے ہوئے اس سال کمپنی نے گریجویٹ ریکروٹ ڈرائیو اور سمر انٹرنشپ پروگرام ورچوئل انداز میں انجام دیئے جس میں مقامی اور غیر ملکی یونیورسٹیوں سے بہترین ٹیلنٹ کو بھرتی کیا گیا۔

آئی سی آئی پاکستان لمیٹڈ میں جانشینی کی منصوبہ بندی کا ایک زبردست فورم موجود ہے جس کی کمرشل، ٹیکنیکل، فنانس، آئی ٹی اور ایچ آر، کارپوریٹ کمیونیکیشن اور لیگل کے شعبہ جات میں باصلاحیت گروپس کے ذریعے رہنمائی کی جاتی ہے۔ اس ضمن میں مستقل بنیادوں پر اجلاس اور نگرانی جاری رہتی ہے اور جانشینی کی اہلیت پر تبادلہ خیال کیا جاتا ہے۔ اندرونی ترقیوں کی حوصلہ افزائی سے صلاحیتوں کو آگے لانے پر توجہ دی جاتی ہے۔ گزشتہ سال جانشینی اور کیریئر پلاننگ سے متعلق تبادلہ خیال کی روشنی میں سینئر اور مڈ لیول کے 21 فیصد ٹیلنٹ کو ترقی دی گئی۔ جانشینی کے لیے منتخب کردہ ملازمین کو مشکل ذمہ داریوں، ٹاسک فورس میں شمولیت، اندرونی اور بیرونی نیٹ ورک اور لیڈرشپ ٹریننگ اور ملازمت کے دوران تربیتی مرحلوں کے ذریعے تیار کیا جاتا ہے۔

صلاحیت

آئی سی آئی پاکستان اپنے ملازمین کی تربیت اور ترقی کی اہمیت کو قدر کی نگاہ سے دیکھتی ہے، اس ضمن میں 2019 میں آئی سی آئی تربیتی اکیڈمی کو قائم کیا گیا۔ دوسری جانب کام کرنے کے جدید انداز کو اپنانے کے لیے کمپنی نے عالمی اور مقامی پلیٹ فارمز کے ساتھ شراکت داری کی، ان میں INSEAD، ہارورڈ اور پاکستان سوسائٹی فار ٹریننگ اینڈ ڈیولپمنٹ نمایاں ہیں۔ ان شراکت داریوں سے ملازمین کی صلاحیتوں کو نکھارنے کے لیے ایک تسلسل کے ساتھ عالمی سطح کے معیاری ورچوئل تربیتی پروگرام حاصل ہونے میں مدد ملی۔ ملازمین کو "لرننگ لاؤنج" پلیٹ فارم کے ذریعے مختلف ٹریننگ فراہم کئے گئے جس میں ٹیکنیکل ملازمین کی اہلیت کو بہتر بنانے کے لیے اہم پروگرام اور ہمارے فارماسیوٹیکلز میں کمرشل شعبے کے لیے کمرشل ٹریننگز شامل تھیں۔

انعامات، اعزازات اور تندرستی

کمپنی اپنے ملازمین کی کامیابیوں کو اجاگر کرنے، منانے اور اعزاز سے نوازنے پر پکا یقین رکھنے کے ساتھ ان کی کاوشوں کے بدلے میں انہیں انعامات سے نوازتی ہے۔ ملازمین کی حوصلہ افزائی سے کاروباری ترجیحات کے ساتھ آئی سی آئی پاکستان کی اقدار کے اہم جزیعنی انعامات دینے کے نظریہ کی تکمیل ہوتی ہے۔ ریوارڈ پیکیج اس طرح مرتب کئے جاتے ہیں کہ وسیع ورک فورس کی ضروریات کو پورا کرنے اور صنعتی معیاروں کے مطابق پورا اترا جائے۔

کام کی جگہ پر تندرستی کو برقرار رکھنے کے منظم پروگرام کی بدولت بزنس کے ہر مقام پر تندرستی کے سفیروں کو متعین کیا گیا ہے۔ یہ سفیر صحت سے متعلق ایجنڈا کے ساتھ جڑے رہنے اور اسے آگے بڑھانے میں اہم کردار ادا کر رہے ہیں۔ انہی کی بدولت 21-2020 کے دوران پورے ادارے کے لیے ایک ساتھ جمع ہونے اور ملازمین کی حوصلہ افزائی کے ہفتے منانے کی سرگرمیوں، جشن منانے کے امکانات (ایک مہم جس میں ثقافتی روایات کا جشن منایا گیا) اور آئی سی آئی پاکستان کے لوگ (آئی سی آئی پاکستان کے ملازمین کی کہانیوں پر مشتمل مہم) جیسی مہم میں شرکت ممکن ہوئی۔

ان مشکل حالات میں ملازمین کے مورال کو جانچنے اور ان کی مصروفیت کی سطح دیکھنے کے لیے، ماہانہ بنیادوں پر ایک پلس (Pulse) سروے منعقد کیا جاتا ہے جس سے لائن مینیجرز کو اپنی ٹیموں کے ساتھ تعمیری تبادلہ خیال اور ان کے مسائل حل کرنے میں مدد ملتی ہے۔ پیپل اور کلچر ٹیم نے ادارے کی سمت، پالیسیوں اور امور سے متعلق آگہی پیدا کرنے کے لیے "ایچ آر سے پوچھیں"، "صبح کی چائے" اور "لیڈرشپ کنیکٹ" جیسے مختلف پلیٹ فارم قائم کر رکھے ہیں جس سے ملازمین کے ساتھ تبادلہ خیال اور دوطرفہ بات چیت کو فروغ ملتا ہے۔

صنعتی تعلقات

آئی سی آئی پاکستان کے اجتماعی بارگیننگ کے معاہدوں پر بروقت دستخط کئے گئے۔ کمپنی ہر سطح پر ملازمین کے ساتھ یکجہتی اور مساوی تعلقات پر زور دیتی ہے۔

سالہا سال سے آئی سی آئی پاکستان کی کوششوں کی پذیرائی اور صرف ملازمین ہی نہیں بلکہ دیگر مقامی اور عالمی پلیٹ فارمز پر انہیں سراہا گیا۔ اس سال کمپنی نے "بیسٹ گریجویٹ ٹریننگ پروگرام" کے لیے گولڈ ایوارڈ جیتا اور ایمپلائی ایکسپیرینس ایوارڈز سنگاپور سے "بیسٹ ایچ آر کیپبلٹی ڈیولپمنٹ پروگرام" کے لیے سلور ایوارڈ اپنے نام کیا۔ ایمپلائر فیڈریشن آف پاکستان کی جانب سے بھی آئی سی آئی پاکستان کو "ایمپلائر آف ایئر" کے لیے سلور ایوارڈ سے نوازا گیا۔

رسک مینجمنٹ

خطرات پر قابو پانا کمپنی کی دیرپا ترقی اور تعمیر کے بنیادی اصولوں میں سے ایک ہے۔ کمپنی میں بورڈ آف ڈائریکٹرز کو خطرات پر قابو پانے کے نظام کی نگرانی اور اندرونی نظام کے طریقوں کی مجموعی ذمہ داری سونپی گئی ہے۔

کمپنی میں خطرات سے نمٹنے کے امور مرتب کردہ ہیں تاکہ ہمارے اثاثے محفوظ رہیں اور کاروباری تسلسل کو لاحق ممکنہ خطرات پر بھی نظر ہو۔ مرتب کردہ ان امور کو مستقل جائزے کی ضرورت ہوتی ہے اسی طرح کاروباری، انتظامی، مالیاتی اور یا عملدرآمد کے مقاصد میں ممکنہ طور پر خلل ڈالنے والے امور سے متعلق بورڈ اور اعلیٰ انتظامیہ کو اطلاع دی جاتی ہے تاکہ بروقت ایکشن لیا جاسکے اور کمپنی کے آپریشن بلاتعطل جاری رہیں۔

ماحول

سال 21-2020 کے دوران، کمپنی نے اپنی سسٹینیبلٹی مہم "اسٹیپ (STEP)" کا آغاز کیا جو سسٹینبلٹی، ٹرانسفارم، ایوالو اور پرزرو کا مخفف بنتا ہے۔ اس مہم کے آغاز سے آئی سی آئی پاکستان کے مسلسل ترقی کے عزم کی اپنے کاروباری آپریشنز میں اہمیت کو ثابت کرتا ہے۔ اس اقدام سے کام کی جگہ اور گھر پر دیرپا امور سے متعلق ملازمین کی آگہی میں اضافے کے ساتھ مستحکم ماحول کے فروغ کے لیے اس بینر تلے مصروف عمل رہنے میں مدد ملے گی۔ کمپنی نے ملک بھر میں اپنے ملازمین میں سبزیوں کے بیج تقسیم کرنے کے ساتھ RLCC میں بھاجی ٹیبل گارڈن کو سبزیوں کے بیج عطیہ کئے تاکہ سبزیوں کی کاشت کو استحکام اور فروغ حاصل ہو۔

مزید پائیدار مستقبل کے لیے، فاؤنڈیشن نے اپنے کراچی اور لاہور کے دفاتر سے پیدا ہونے والے تمام کچرے کو آبرو ویلفیئر آرگنائزیشن اور الوسیلہ ٹرسٹ کے نام عطیہ کیا۔ اس سے الوسیلہ ٹرسٹ کو کاغذ، پلاسٹک اور میٹل پر مشتمل 12,420 کلو گرام کچرا عطیہ میں دیا گیا جس کی ری سائیکلنگ سے حاصل ہونے والی رقم سے کراچی میں 3,577 او پی ڈی مریضوں کا علاج کرنے میں مدد ملی۔ آبرو اور الوسیلہ نے ہمارے اس عطیہ سے حاصل ہونے والی رقم کو اپنے تعلیمی اور طبی سہولت کے اقدامات میں صرف کیا۔

ہمارے سی ایس آر اور کمیونٹی میں سرمایہ کاری کے اقدامات سے متعلق مزید معلومات کے لیے سالانہ رپورٹ کا صفحہ نمبر 163 سے 167 ملاحظہ کریں۔

ہیومن ریسورسز

آئی سی آئی پاکستان لمیٹڈ کا ماننا ہے کہ کمپنی کے برانڈ کے وعدے "ترقی کے لیے کوشاں" کو آگے بڑھانے میں ملازمین کا کردار شامل ہے۔ کمپنی اپنے ملازمین پر سرمایہ کاری کے عزم کے ساتھ انہیں صرف پیشہ ورانہ ترقی کے مواقع ہی فراہم نہیں کرتی بلکہ ان کی حفاظت اور صحت کو یقینی بنانے کے لیے کوشاں رہتی ہے۔ COVID-19 کی وبائی صورتحال میں، کمپنی کے ملازمین کی صلاحیت اور کمپنی کا زبردست انداز میں مربوط انتظامی ماحول اور اس کی اقدار کام آئیں۔ ہمیشہ کی طرح ایسی صورتحال میں ملازمین کی صحت اور تحفظ پہلی ترجیح رہی۔ ملازمین کی صحت، تحفظ اور تندرستی پر گہری نظر رکھتے ہوئے، کمپنی نے COVID-19 سے متعلق ایس او پیز پر عمل درآمد اور متعلقہ آگہی کے لیے موثر کردار ادا کیا۔ دنیا بھر میں بدلتے ہوئے حالات و تجربات سے باخبر رہتے ہوئے آئی سی آئی پاکستان لمیٹڈ نے مصروفیت، تربیت اور ترقی کے لیے نئے طریقے اپنانے میں مستعدی کا مظاہرہ کیا۔

انتظامی ماحول

آئی سی آئی پاکستان لمیٹڈ اپنے 75 سالہ وقار کے ساتھ ماہر لیڈرز کی تیاری کے سلسلے میں اچھی ساکھ کی حامل ہے۔ زبردست برانڈ ایکوئٹی کے حامل آجر کے طور پر کمپنی اپنے معیاری ٹیلنٹ اور سہولت دینے والے آجر کے طور پر شہرت رکھتی ہے۔ ایمپلائی ویلیو پروپورشن (EVP) "ایک ٹیم، کئی مواقع" کمپنی کی جانب سے موجودہ اور آنے والے ٹیلنٹ کے لیے بے شمار مواقع فراہم کرنے، ان کی ترقی، تربیت، کامیابی اور خوشیوں کے امکانات پیدا کرنے کے عزائم کی واضح دلیل ہے۔

کمپنی کے انتظامی ماحول کی طاقت اس کی اپنی اقدار پر مضبوطی سے قائم رہنے میں ہے۔ اس ضمن میں امسال پورے ادارے کے اندر کارپوریٹ روایات سے متعلق ایک بھرپور مہم چلائی گئی۔

کمپنی متنوع ورک فورس کی صلاحیتوں کی قدر کرتی ہے اور یکساں مواقع فراہم کرنے والے ادارے کی قدر کو پہچانتی ہے۔ آئی سی آئی پاکستان لمیٹڈ کی تنوع اور شمولیت کا ایجنڈا ڈائیورسٹی اور انکلوژن (D&I) کمیٹی کی جانب سے آگے بڑھایا جاتا ہے۔ یہ کمیٹی نئے اقدامات کے لیے موثر کردار ادا کر رہی ہے جن میں صنفی حساسیت پر مبنی تربیت، آرام کے لیے چھٹی، زچگی اور والدین بننے کی چھٹی سے متعلق پالیسیوں کو فعال بنانا شامل ہے جن سے کمپنی کے اس ایجنڈے پر عمل درآمد میں مدد ملتی ہے۔ کمپنی ان خواتین کو بھی ملازمت کے مواقع فراہم کرتی ہے جو اپنی ملازمت میں وقفہ کرنے کے بعد کارپوریٹ ورلڈ میں واپس آنا چاہتی ہیں۔

تیزی سے بدلتے ہوئے اس دور میں، اپنے تمام امور میں ڈیجیٹائزیشن کا قیام لازمی ہے۔ ایک رہنما کے طور پر، آئی سی آئی پاکستان اس سلسلے میں فعال رہی ہے۔ گزشتہ کچھ سالوں سے کمپنی نے بھرتی، ملازمت، تربیت اور کارکردگی کی مینیجمنٹ کے لیے کامیابی کے اصولوں پر مبنی ماڈیولز پر کامیابی سے عمل درآمد کیا ہے۔ ان ماڈیولز کی بدولت ہمارے ملازمین کی صلاحیت اور امور میں ترقی اور توسیع واقع ہوئی ہے۔ اس کے علاوہ کامیابی کے عوامل (سکسیس فیکٹرز) کے خودکار پلیٹ فارم 'ایمپلائی سینٹرل' سے ملازمین کی صلاحیت میں مزید ترقی ہوگی۔ پاور BI پر پیپل ڈیش بورڈ بھی قائم کیا گیا ہے جس سے کمپنی کے مینیجرز کو بروقت ڈیٹا تک رسائی اور اس کے مطابق فیصلہ سازی میں مدد ملے گی۔

ہمارا ٹیلنٹ

آئی سی آئی پاکستان لمیٹڈ کو ٹیلنٹ اور مستقبل کے صنعتی لیڈرز تیار کرنے کی نرسری مانا جاتا ہے۔ کمپنی کا EVP اس کی اہم اقدار 'افراد کے لیے پرعزم' کی بنیاد پر قائم ہے۔ اس کے پیش نظر موجودہ اور مستقبل کے ملازمین کے لیے کافی مواقع فراہم کرنے کو یقینی بنانا اور کمپنی کو اعلیٰ معیار کا ٹیلنٹ برقرار رکھنے اور بھرتی کرنے کے لیے مزین رکھنا ہے۔

فاؤنڈیشن نے پاکستان ایگریکلچرل کولیشن (PAC) کے ساتھ ایگریکلچرل ٹیکنیکل انسٹیٹیوٹ کے قیام میں تعاون جاری رکھا ہوا ہے۔ اس سے ملکی کسانوں کو معیاری تعلیم اور زرعی تحقیق میں قابل قدر معلومات میسر ہوں گی۔

خواتین کو بااختیار بنانا

آئی سی آئی پاکستان کے صنفی مساوات، شمولیت اور خواتین کو بااختیار بنانے کے عزم کی تکمیل کے لیے، فاؤنڈیشن نے ملک کے مایہ ناز تعلیمی اداروں آئی بی اے، لمس، GIK اور UET کے ساتھ IMPACT اسکالرشپ پروگرام جاری رکھا ہوا ہے۔ یہ اسکالرشپ ان یونیورسٹیوں میں چار خواتین اسٹوڈنٹس کے انڈر گریجویٹ ڈگری پروگرام کو فنانس کرنے کے لیے ہے۔

ہیلتھ (صحت)

کھیوڑہ میں 2016 میں ہمقدم مدر اینڈ چائلڈ ہیلتھ کیئر کمیونٹی کلینک کے کامیاب آغاز کے بعد اکتوبر 2018 میں شیخوپورہ میں بھی اسی طرح کا کلینک قائم کیا گیا ہے۔ کلینک اچھا کام جاری رکھے ہوئے ہے اور مقامی طبی ڈھانچے کے لیے ایک بڑی سہولت ثابت ہو رہا ہے۔ اس وقت تک تقریباً 21 ہزار بچوں کو امیونائزیشن اور نیوٹریشن کی سہولت فراہم کرنے کے ساتھ حاملہ خواتین کے لیے 2290 آگہی سے متعلق سیشن بھی منعقد کئے گئے ہیں۔ اپنے قیام سے لیکر یہ کلینک کامیابی کے ساتھ 48,591 او پی ڈی کیس اور ایمبولینس سروس کے ذریعے 390 ایمرجنسی ٹرپ بھی انجام دے چکا ہے۔

فاؤنڈیشن کے طویل عرصہ سے چلنے والے آئی کیئر پروگرام نے اپنا کام دیرپا اور مستحکم انداز میں جاری رکھا ہوا ہے۔ لیٹن رحمت اللہ بینوولنٹ ٹرسٹ (LRBT) کے اشتراک سے یہ پروگرام گزشتہ 29 سال سے کھیوڑہ اور اس کے گرد ونواح میں آنکھوں کے ہزاروں مریضوں کو مفت طبی سہولیات فراہم کر چکا ہے۔ COVID-19 وباء کے سبب وقفہ کے بعد، جون 2021 میں کیمپس کو بحال کیا گیا اور 313 کیمپس کے انعقاد کا سنگ میل عبور کر لیا گیا۔

مزید براں، فاؤنڈیشن اور سوڈا ایش بزنس نے طبہ کڈنی انسٹیٹیوٹ کے ساتھ شراکت داری کے ذریعے مارچ 2021 میں کھیوڑہ میں 2 دنوں پر مشتمل کڈنی کیمپ کا انعقاد کیا۔ جس میں علاقے کے 119 افراد کو بلا معاوضہ تفتیش، معائنے اور لیب ٹیسٹ کی سہولت فراہم کی گئی۔ اس دوران تمام فریقین کی صحت اور حفاظت کو مد نظر رکھتے ہوئے COVID-19 سے متعلق تمام ایس او پیز پر سختی سے عمل درآمد کیا گیا۔

علاوہ ازیں، آئی سی آئی پاکستان فاؤنڈیشن نے چائلڈ لائف فاؤنڈیشن کے ساتھ تعاون کا سلسلہ جاری رکھا ہوا ہے۔ چائلڈ لائف فاؤنڈیشن سول اور جناح ہسپتال کراچی کے پیڈیاٹرک ایمرجنسی وارڈز کو چلاتی اور انتظامات دیکھتی ہے جہاں وہ ہر ایک منٹ میں ایک بچے کے علاج میں مصروف دکھائی دیتی ہے۔

کمیونٹی

آئی سی آئی پاکستان لمیٹڈ نے اپنے ملازمین کو کمیونٹی کے مختلف CSR اقدامات میں شریک کرنے کے لیے جون 2018 میں پہچان والنٹیئر پروگرام شروع کیا۔ یہ پروگرام کمپنی کی CSR پالیسی کے مطابق مرتب کیا گیا ہے۔ پہچان پروگرام کے تحت، کمپنی کے مشن، اقدار اور برانڈ کے وعدے ترقی کیلئے کوشاں کے پیش نظر، کمپنی اپنے اسٹاف کو اس بات پر قائل کرتی ہے کہ وہ اپنے کام کے اوقات میں سے سالانہ 2 دن (16 گھنٹے) رضاکارانہ کاموں میں صرف کریں۔

پہچان رضاکاروں نے 21-2020 کے دوران درج ذیل اقدامات میں بھرپور شرکت کی:

- کراچی شہر میں سیلاب متاثرین کی امداد کے لیے عطیات جمع کرنے کی نیلامی کا انتظام کیا؛
- فاطمید فاؤنڈیشن کے ساتھ شراکت داری سے خون کا عطیہ جمع کرنے کی مختلف مہمات میں شرکت کی تاکہ ضرورت کے وقت لوگوں کی مدد کی جائے۔
- سینڈ پٹ بیچ پر صفائی کی مہم سے ساحل کو صاف رکھنے کی طرف توجہ دلائی؛
- رعنا لیاقت علی کرافٹس مین کالونی کو ری سائیکل شدہ سامان عطیہ کیا؛
- دیہی خواتین اور بچوں کے لیے ایگرو کیمیکل پروڈکٹس کے پیکس کو محفوظ اور ذمہ دارانہ انداز میں تلف کرنے سے متعلق آگہی سیشن منعقد کئے؛
- ملک بھر میں مختلف کاروباری مقامات پر کئی شجر کاری مہمات میں حصہ لیا جن میں 7000 سے زائد پودے لگائے گئے۔
- افراد کو شدید گرمی میں کڑی دھوپ سے بچانے کے لیے ری سائیکل شدہ سامان کے استعمال سے نورین کے مقام پر بس اسٹینڈ اور رعنا لیاقت علی کرافٹس مین کالونی اور کاکا پیرڈسپنسری پر شیڈز تعمیر کرائے۔

سال 21-2020 کے دوران، ملازمین نے پہچان رضاکارانہ سرگرمیوں میں بھرپور شرکت کی۔ دوران سال 155 سے زائد ملازمین نے 18 مختلف سرگرمیوں میں 2,455 گھنٹے صرف کئے۔

الیکٹرانک پرفارمنس مینجمنٹ (EPM) کا زبردست فریم ورک ہیلتھ، سیفٹی، انوائرنمنٹ اور انرجی سے متعلق KPIs کی رپورٹنگ کے لیے استعمال کیا جاتا ہے۔ اس کی بدولت اب کارکردگی سے متعلق رپورٹس کا ماہانہ اور سہ ماہی بنیادوں پر جائزہ لیا جاتا ہے۔ ٹارگٹس سے انحراف کی فوری نشاندہی اور جائزے کے بعد ہر بزنس کے ساتھ اس پر بات چیت کی جاتی ہے۔ سال کے دوران کمپنی نے اپنے تمام بزنسز میں سسٹین ایبلٹی پلانز پر عمل درآمد سے توانائی کے استعمال، کچرے میں کمی، پانی کے استعمال اور نیشنل انوائرنمنٹ کوالٹی اسٹینڈرڈز (NEQS) کی تعمیل پر توجہ مرکوز رکھی۔

کمپنی میں نئے پروجیکٹس بشمول سوڈا ایش توسیعی پروجیکٹ پر عمل درآمد جاری رہا اور کمپنی نے NEQS پر تعمیل کو امور کا جاری رکھا۔

سماجی سرمایہ کاری (کارپوریٹ سوشل ریسپانسبلٹی)

آئی سی آئی پاکستان لمیٹڈ کے کارپوریٹ سوشل ریسپانسبلٹی سے متعلق ایجنڈا پر آئی سی آئی پاکستان فاؤنڈیشن کے زیر انتظام عمل درآمد کیا جاتا ہے۔ یہ ایک رجسٹرڈ ٹرسٹ ہے جو پاکستان سینٹر فار فلنتھراپی (PCP) کی جانب سے سرٹیفائیڈ ہے اور اس کا انتظام فاؤنڈیشن کا بورڈ آف ٹرسٹیز چلاتا ہے۔

افراد کی زندگیوں میں بہتری لانے کے کمپنی کے مشن کے طور پر، آئی سی آئی پاکستان لمیٹڈ اپنے قریبی علاقوں کے فلاحی منصوبوں میں سرمایہ کاری پر توجہ دیتی ہے۔ اپنی سی ایس آر پالیسی کے مطابق، فاؤنڈیشن اپنے اقدامات میں ان چار شعبوں کے لیے خدمات انجام دیتی ہے: تعلیم، صحت، کمیونٹی اور ماحول۔ فاؤنڈیشن کمیونٹی پروجیکٹس میں سرمایہ کاری کے ذریعے شہری ترقی میں تعاون کے ساتھ قدرتی آفات میں فلاح وبہبود اور بحالی کے اقدامات میں بڑھ چڑھ کر حصہ لیتی ہے۔

2020-21 میں، آئی سی آئی پاکستان فاؤنڈیشن نے جن اہم شعبہ جات میں تعاون کیا ان میں شامل ہیں:

تعلیم

ووکیشنل ٹریننگ

لیڈیز ویلفیئر سینٹر (LWC) آئی سی آئی پاکستان لمیٹڈ نے 1973 میں کھیوڑہ کی خواتین کو ووکیشنل ٹریننگ کے ذریعے بااختیار بنانے کے مقصد سے قائم کیا تھا جو کہ اس وقت بھرپور انداز میں خدمت میں مصروف عمل ہے۔ اس وقت یہ سینٹر انٹرن شپ اور ٹیچر ٹریننگ پروگرام بھی پیش کرتا ہے سینٹر میں اسوقت پانچ انسٹرکٹرز ہیں یہ سب اسی سینٹر کے سابقہ اسٹوڈنٹ ہیں۔ سینٹر کے قیام سے اب تک کھیوڑہ کے علاقے سے 1360 خواتین نے گریجویشن حاصل کی ہے جو اسٹچنگ، نٹنگ، امبرائڈری اور کوکنگ میں پیشہ ورانہ مہارت کی حامل ہیں۔

کراچی کے علاقے لیاری میں نوجوان نسل کو پیشہ ورانہ مہارت فراہم کرنے کے لیے روشن لیاری پروگرام شروع کیا گیا۔ اس پروگرام میں علاقے کی خواتین کو قلیل مدت کے فیشن ڈیزائننگ، اسٹچنگ، ٹیلرنگ، بیوٹی اور میک اپ پر مشتمل ووکیشنل ٹریننگ کورسز پیش کئے جاتے ہیں، اس پروگرام سے اب تک 250 لڑکیوں نے فائدہ اٹھایا ہے۔ اس سال فاؤنڈیشن نے روشن لیاری پروگرام کے لیے 10 سلائی مشینیں فراہم کی ہیں تاکہ تربیت کی صلاحیت میں مزید توسیع کی جاسکے۔

پرائمری تعلیم میں تعاون

گزشتہ 19 سال سے گورنمنٹ بوائز اینڈ گرلز پرائمری اسکول ٹبی ہریہ، شیخوپورہ پولیسٹر بزنس کی CSR ٹیم کی زیر نگرانی چل رہا ہے۔ 43 طلباء سے شروع ہونے والے اس اسکول میں اس وقت 145 اسٹوڈنٹس زیر تعلیم ہیں۔ فاؤنڈیشن کی جانب سے اس اسکول کے روزانہ کے امور کی نگرانی پر مامور نامور این جی او کیئر فاؤنڈیشن کے ساتھ تعاون کا سلسلہ جاری ہے۔

COVID-19 کی وباء تقریباً ہر صنعت کے لیے تبدیلی کا سبب بن کر سامنے آئی ہے۔ لاک ڈاؤن میں تعلیمی اداروں کی بندش کے سبب بچے اسکول میں حاضری سے قاصر رہے۔ ایسی صورتحال میں ٹیلی کمیونیکیشن اور انٹرنیٹ سروسز کی ترقی کے ساتھ باہمی اور ذاتی کمیونیکیشن ڈیوائسز کی فراہمی ایسے بچوں کے لیے ایک موقع ثابت ہوئی، جن کی بدولت وہ بچے معیاری تعلیمی ذرائع سے جڑے رہنے کے قابل رہے۔ اسی کے پیش نظر، فاؤنڈیشن نے اخوت فاؤنڈیشن کو ان کے ای لرننگ پروجیکٹ کے لیے 50 ٹیبلٹ عطیہ کئے تاکہ وہ اپنے لائیو کلاسز کے ذریعے معیاری اساتذہ کی تعلیم اور تربیت کا تسلسل جاری رکھ سکیں۔

مونٹیسوری ٹیچرز ٹریننگ

اسکول اساتذہ کے لیے عمومی ٹیچرز ٹریننگ کے ساتھ، اگست 2019 میں، آئی سی آئی پاکستان نے 6 ماہ پر مشتمل مونٹیسوری ٹیچرز ٹریننگ کا خصوصی انتظام کیا۔ اسکول فیکلٹی کیساتھ قریبی اسکول ٹیچرز کو بھی اس کورس میں شرکت کی دعوت دی گئی۔ اس کورس میں 95 فیصد حاضری کے ساتھ 34 شرکاء نے حصہ لیا۔ فروری 2021 میں اس کورس کا دوسرا مرحلہ کامیابی کے ساتھ شروع کیا گیا جس میں اس وقت 48 شرکاء داخل ہیں اور حاضری کی شرح 94 فیصد ہے۔

اعلیٰ تعلیم میں تعاون

آئی سی آئی پاکستان فاؤنڈیشن نے مرشد اسپتال کراچی کے نرسنگ اسکول اور مڈوائفری کے ساتھ فلاحی تعاون کا سلسلہ جاری رکھا ہوا ہے۔ فاؤنڈیشن نے ضرورت مند اسٹوڈنٹس کو میرٹ کی بنیاد پر دوسالہ کمیونٹی مڈوائفری ڈپلومہ پروگرام میں داخلہ کے لیے 24 اسکالرشپ بھی تفویض کی ہیں۔

آئی سی آئی پاکستان لمیٹڈ حفاظتی اعتبار سے اپنی اعلیٰ کارکردگی کی روایت برقرار رکھے ہوئے ہے۔ مجموعی طور پر، کمپنی نے 35.2 ملین محفوظ مین آورز کا سنگ میل عبور کرلیاہے جس میں سوڈا ایش 24.08، کیمیکلز وایگری سائنسز 4.04، فارماسیوٹیکلز نے 1.36، اینمل ہیلتھ بزنس نے 2.91 اور پولیئسٹر بزنس نے 0.53 ملین مین آورز بغیر کسی قابل ذکر حادثہ کے پورے کئے ہیں جبکہ کارپوریٹ آفیسز نے بھی 1.53 ملین محفوظ مین آورز مکمل کئے ہیں۔

بدقسمتی کے ساتھ، سال 21-2020 کے دوران ملازمین کو چار عدد قابل ذکر حادثات کا سامنا رہا، تاہم آزاد کنٹریکٹر کے ملازمین کو کسی بھی قسم کا قابل ذکر حادثہ پیش نہیں آیا۔ ان حادثات کی تفتیش کی گئی اور ایکشن پلان مرتب کرنے کے ساتھ ہر ایک پر عمل درآمد کو یقینی بنایا تاکہ دوبارہ ایسا نہ ہو۔ ملازمین کو قابل ذکر حادثات واقع ہونے کی شرح 0.44 رہی۔

آئی سی آئی پاکستان سسٹینیلبٹی کی ضروریات اور ان پر عمل درآمد کے حوالے سے ملازمین کو آئی سی آئی پاکستان HSE&S مینجمنٹ سسٹم، آکیوپیشنل ہیلتھ مینوئل، کارپوریٹ انجینئرنگ پروسیجرز اور مینیجرز کے لیے انفارمیشن نوٹس پر مشتمل 4 کتب کے ذریعے آگہی سے رہنمائی کی جارہی ہے۔ آئی سی آئی پاکستان لمیٹڈ میں سسٹینیلبٹی کو ایک واضح اور مستحکم منصوبہ بندی کے تحت سسٹینیلبٹی کونسل کی مدد سے برقرار رکھا جاتا ہے، یہ کونسل سسٹینیلبٹی کے ٹارگٹس اور کارکردگی سے متعلق معاملات پر گورننگ باڈی کے طور پر عمل درآمد کرتی ہے۔

سسٹینیلبٹی اور اس کی کارکردگی کے اعتبار سے رہنما حیثیت میں، ایگزیکٹیو مینجمنٹ ٹیم (EMT) مستقل بنیادوں پر سسٹینیلبٹی اور اس کی کارکردگی پر تبادلہ خیال کے لیے اجلاس بلاتی رہتی ہے جس میں HSE&S کے میدان میں عالمی پیش رفت کے مطابق اہم طریقہ کار کا جائزہ لیا جاتا ہے۔

مزید براں، HSE&S کی اہمیت کو اجاگر کرنے کے لیے کارپوریٹ HSE&S کی جانب سے تقریباً تمام بزنسز کا ایک تفصیلی HSE&S مینجمنٹ آڈٹ کیا گیا۔ آڈٹ کے اس عمل میں تربیت یافتہ عملے کو ذمہ داری دی گئی اور متعلقہ بزنسز کے ساتھ مفصل رپورٹس کا تبادلہ کیا گیا۔ ان رپورٹس میں بہتری کے امور اور مقامات کی نشاندہی کرتے ہوئے بزنسز کی ایگزیکٹیو ٹیموں کو آگاہ کیا گیا۔

پاکستان میں کوروناوائرس کے خطرات کے تسلسل میں، آئی سی آئی پاکستان لمیٹڈ نے پینڈمک واچ کمیٹی (PWC) قائم کی تاکہ صورتحال کا بغور جائزہ لیا جاتا رہے۔ پی ڈبلیو سی اور اِی ایم ٹی نے صورتحال کا بخوبی جائزہ لے کر COVID-19 کے اثرات کو کم سے کم کرنے، ملازمین اور ان کے خاندان اور کمپنی کے بزنسز پر پڑنے والے ممکنہ منفی اثرات سے تحفظ کے لیئے ضروری اقدامات اٹھائے۔

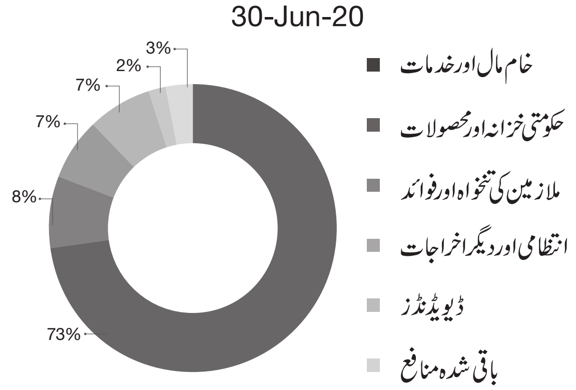
اِی ایم ٹی اور پی ڈبلیو سی اس وبائی صورتحال کا بغور جائزہ لے رہی ہیں اور ضرورت کی جگہوں پر متعین کنٹرولز پر عمل درآمد کو یقینی بنارہی ہیں۔ ملک بھر میں کمپنی کے مختلف مقامات پر 40 سے زائد کنٹرولز پر عمل درآمد کیا گیاہے تاکہ اس وباء کے اثرات پر قابو پایا جاسکے۔ کمپنی کی حدود میں فیس ماسک استعمال کرنے اور 6 فٹ کا سماجی فاصلہ برقرار رکھنے کی پابندی لازمی قرار دی گئی ہے۔ دیگر ضابطوں میں صحت اور بیماری کی جانچ، ٹمپریچر کی لازمی نگرانی، سانس لینے اور ہاتھوں کی صفائی سے متعلق PPEs کا استعمال، کمپنی حدود اور گاڑیوں کی باقاعدہ صفائی اور جراثیم سے پاک کرنا، آمنے سامنے ملاقاتوں کو محدود کرنے کے ساتھ گھر سے دفتری امور انجام دینے کی پالیسیاں شامل ہیں۔ اس کے ساتھ ملازمین کی صحت کے پروگرام کے بینز تلے ایک بھرپور کمیونیکیشن اسٹریٹیجی ترتیب دے کر اس پر عمل درآمد کو یقینی بنایا گیا۔

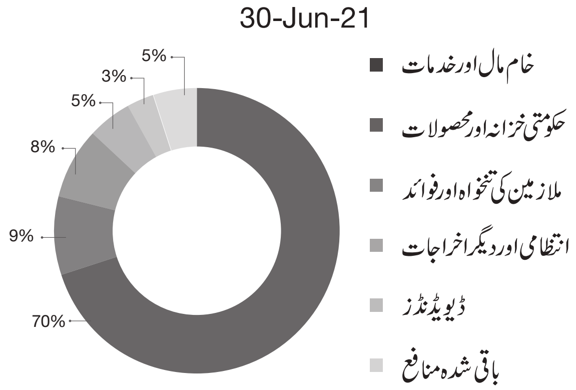
ان بروقت، بھرپور اور عملی اقدامات سے ملازمین کی صحت اور تحفظ کے قلیل مدتی خطرات کو کم کرنے کے ساتھ بزنسز پر پڑنے والے طویل مدتی اخراجات کا بوجھ کم کیا گیا۔ ان کوششوں سے ملازمین کا مورال بلند ہوا اور کاروباری سرگرمیوں میں کم سے کم تعطل کو یقینی بنانے میں کامیابی حاصل ہوئی۔

آئی سی آئی پاکستان لمیٹڈ کے تمام آپریشنز میں عالمی اور مقامی معیاروں پر عمل درآمد کی جاتی ہے۔ اس حوالے سے کمپنی کا شمار اقوام متحدہ کے سسٹینیبل ڈیولپمنٹ گولز (SDGs) کی تعمیل سے متعلق رپورٹ کرنے والی پہلی کمپنیوں میں ہوتا ہے۔ سسٹینیلبٹی سے متعلق پروجیکٹس برائے 21-2020 کو بھی SDGs لوازمات کے تحت وضع کیا گیا۔

ہیلتھ اسیسمنٹ پرفارمنس انڈیکس (HAPI) اور ہائی جین پرفارمنس انڈیکس (HYPI) کے نام سے 2 منفرد پروگرامز پر آئی سی آئی پاکستان لمیٹڈ کے تمام مقامات پر عمل درآمد ہوتا ہے۔ یہ پروگرام ملازمین کی صحت کے جائزے اور ماحول کے مضر اثرات کا شکار ہونے کی جانچ سے متعلق ہوتے ہیں۔ HAPI اور HYPI کا نظریہ کام کے ماحول میں آکیوپیشنل بیماریوں کے خطرات کو کم سے کم کرنے سے تعلق رکھتا ہے۔ اس سے حاصل ہونے والا ڈیٹا ملازمین کی ریٹائرمنٹ کے بعد سالانہ / ششماہی جائزے میں آڈیومیٹری اور اسپائرومیٹری ٹیسٹ کے لیے کام آتا ہے زیر جائزہ سال 21-2020 میں کوئی بھی آکیوپیشنل مرض رپورٹ نہیں ہوا۔

کمپنی میں HSE&S سے متعلق ہر سطح کی ٹریننگ تمام ملازمین کے لیے بنیادی اہمیت کی حامل سمجھی جاتی ہیں۔ اس سال زیادہ مضر صحت سرگرمیوں پر ٹریننگ کورس ماڈیولز کا آپریشنز کی ضروریات کے مطابق جائزہ لیا گیا۔ COVID-19 پروٹوکولز کے پیش نظر، منصوبہ بندی کے مطابق بالمشافہ ٹریننگ کا انعقاد نہیں ہوا۔





ویلیو ایڈیشن اور اس کی تقسیم

پاکستانی روپے ملین میں

	30 جون 2021	%	30 جون 2020	%
مجموعی کاروبار	**62,617,966**		53,598,537	
سیلز ٹیکس	**7,921,139**		6,747,024	
مجموعی کاروبار بشمول سیلز ٹیکس	**70,539,105**	**99%**	60,345,561	98%
دیگر کاروباری آمدنی	**1,002,966**	**1%**	955,328	2%
	71,542,071	**100%**	61,300,889	100%
خام مال اور خدمات	**50,022,939**	**70%**	44,892,765	73%
حکومتی خزانہ اور محصولات	**6,345,764**	**9%**	4,604,003	8%
ملازمین کی تنخواہ اور فوائد	**5,485,500**	**8%**	4,390,834	7%
انتظامی اور دیگر اخراجات	**3,728,422**	**5%**	4,317,429	7%
ڈیویڈنڈز	**2,308,978**	**3%**	1,431,566	2%
باقی شدہ منافع	**3,650,468**	**5%**	1,664,292	3%
	71,542,071	**100%**	61,300,889	100%

ڈیویڈنڈ (منافع منقسمہ)

کمپنی کی آمدنی کے پیش نظر، بورڈ آف ڈائریکٹرز نے سال ختم شدہ 30 جون 2021 کے لئے حتمی نقد منافع منقسمہ ہر 10 روپے کے شیئر پر 20 روپے فی شیئر یعنی 200 فیصد کے حساب سے دینے کی تجویز دی ہے اور اس کی ادائیگی آنے والے سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔ جبکہ عبوری منافع منقسمہ 20 روپے فی شیئر کے حساب سے پہلے ہی دیا جاچکا ہے، اس طرح 30 جون 2021 کو ختم شدہ سال کے لیے مجموعی منافع منقسمہ 40 روپے فی شیئر بنتا ہے۔

ہیلتھ، سیفٹی، انوائرنمنٹ اور سیکیورٹی (HSE&S)

مالی سال 21-2020 کے دوران، آئی سی آئی پاکستان لمیٹڈ میں ہیلتھ، سیفٹی، انوائرنمنٹ اور سیکیورٹی کی پائیدار تعمیل کا سلسلہ جاری رہا۔ کمپنی نے اپنے ملازمین، صارفین اور آزاد کنٹریکٹرز کی صحت اور حفاظت کے ساتھ قریبی آبادیوں کے ماحول کی حفاظت کو یقینی بنایا۔ موجودہ ریگولیٹری فریم ورک کے موثر ہونے کی نگرانی اور بزنسز کے داخلی خطرات اور ماحولیاتی اثرات پر قابو پانے کی صلاحیت موجود ہے۔ یہ اس بات کو یقینی بنانے کے لیے ہے کہ ورکرز اور عوام الناس کی حادثات اور بیماریوں سے حفاظت کا مناسب انتظام موجود ہے جو کہ آئی سی آئی پاکستان کی جانب سے HSE&S پر عمل درآمد کو ترجیح دینے کی واضح علامت ہے۔

مجموعی کاروبار (ملین روپے)

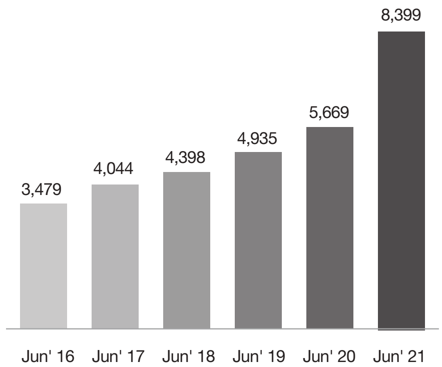
بعد از ٹیکس منافع (ملین روپے)

قبل از ٹیکس منافع (ملین روپے)

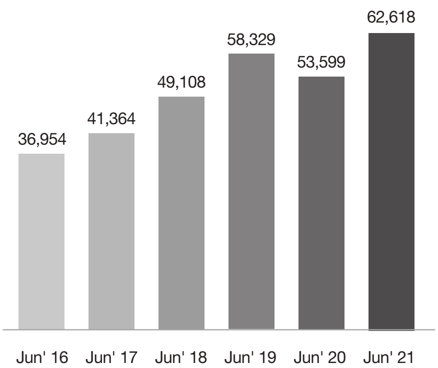
فی شیئر منافع (روپے)

مالیاتی کارکردگی پر ایک نظر

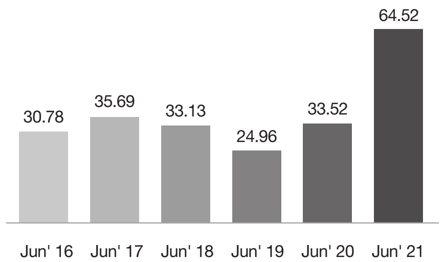
آپریٹنگ رزلٹ (روپے ملین میں)



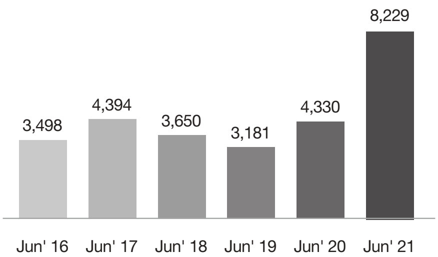
مجموعی کاروبار (روپے ملین میں)



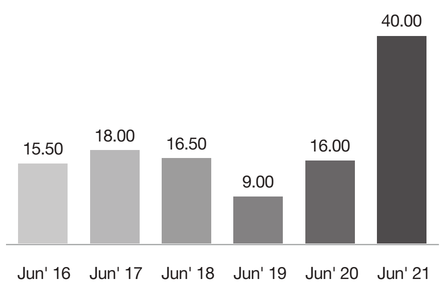
فی شیئر منافع (روپے)



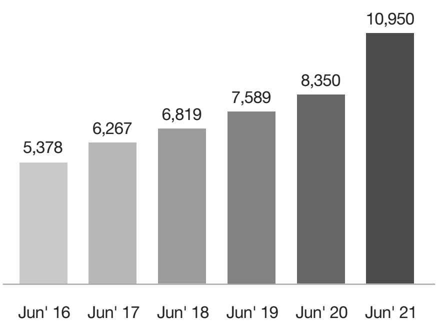
قبل از ٹیکس منافع (روپے ملین میں)



منافع منقسمہ (روپے فی شیئر)



ایبٹڈا (روپے ملین میں)



ڈائریکٹرز رپورٹ

برائے سال ختم شدہ 30 جون 2021

ڈائریکٹرز اپنی رپورٹ برائے سال ختم شدہ 30 جون 2021 بشمول کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

جائزہ

زیر جائزہ سال کا مجموعی کاروبار 62,618 ملین روپے رہا جو کہ گزشتہ سال ختم شدہ 30 جون 2020 کے مجموعی کاروبار 53,599 ملین روپے کے مقابلے میں 17 فیصد زائد ہے۔ مجموعی کاروبار میں اضافے کی وجہ تمام بزنسز کی آمدنی میں اضافہ واقع ہونا ہے۔ COVID-19 کی وباء پر قابو پانے کی کامیاب حکومتی پالیسی، تعمیرات کے شعبے کو خصوصی مراعات دینے اور مرکزی بینک کی جانب سے ترجیحی شرائط پر قرض کے اجراء سے زبردست مالی تعاون کے نتیجے میں اس وباء کے اثرات پر قابو پانے کے ساتھ دوران سال معاشی سرگرمیوں کی بحالی اور ترقی دیکھی گئی۔

پولیئسٹر بزنس کا مجموعی کاروبار ٹیکسٹائل کے شعبے میں زبردست طلب کے نتیجے میں 22 فیصد زائد رہا۔ مزید براں، امریکا اور چین کی جانب سے سپلائی میں تعطل کے سبب کپاس کی قیمتوں میں اضافے کی بدولت کاروبار پر مثبت اثرات مرتب ہوئے۔ سوڈا ایش بزنس کے مجموعی کاروبار میں مقامی مارکیٹ میں زبردست طلب کے سبب 7 فیصد اضافہ واقع ہوا۔

فارماسیوٹیکلز بزنسز کے مجموعی کاروبار میں 27 فیصد اضافہ ہوا جس میں نئی پروڈکٹس کے آغاز اور محصولات کی آمدنی میں اضافے نے اہم کردار ادا کیا۔ کیمیکلز اور ایگری سائنسز بزنس کے مجموعی کاروبار میں صارفین کی جانب سے طلب کی زبردست بحالی کے سبب 8 فیصد اضافہ ہوا جسے گزشتہ سیزن کے دوران نامناسب موسم اور کاروباری حالات کے سبب کپاس کی فصل پر مرتب ہونے والے منفی اثرات نے جزوی طور پر متاثر کیا۔ اینمل ہیلتھ بزنس کے مجموعی کاروبار میں لائیو اسٹاک اور پولٹری کے شعبے کی طلب میں شاندار اضافہ سے 31 فیصد ترقی واقع ہوئی۔

سال کا کاروباری منافع تمام بزنسز میں زبردست کارکردگی کے ساتھ گزشتہ سال کے مقابلے میں 48 فیصد اضافے کے ساتھ 8,399 ملین روپے رہا۔ پولیئسٹر بزنس نے گزشتہ سال کی اسی مدت کے مقابلے میں غیر معمولی کارکردگی کا مظاہرہ کرتے ہوئے اپنے کاروباری منافع میں 283 فیصد کی مایہ ناز ترقی حاصل کی جو سیلز میں شاندار اضافے اور منافع بخش علاقائی صورتحال کے سبب زبردست یونٹ مارجنز کی بدولت ہے۔ اس کے علاوہ ٹیکسٹائل کے شعبے میں کئی پروڈکٹس کی درآمد میں زبردست اضافے کی بدولت غیر معمولی بحالی نے بزنس کی ترقی میں کردار ادا کیا۔ اینمل ہیلتھ بزنس کے دونوں شعبوں یعنی پولٹری اور لائیو اسٹاک کی طلب میں زبردست بحالی سے فائدہ ہوا نتیجے میں گزشتہ سال کے مقابلے میں کاروبار کو 58 فیصد زائد کاروباری منافع حاصل ہوا۔

فارماسیوٹیکلز بزنس نے زبردست سیلز اور نئی پروڈکٹ کے آغاز، بہتر سیلز مکس، منافع بخش مینوفیکچرنگ صلاحیتوں اور محصولات سے زائد آمدنی کے نتیجے میں گزشتہ سال کے مقابلے میں 31 فیصد زائد کاروباری منافع حاصل کیا۔ کیمیکلز اور ایگری سائنسز بزنس نے گزشتہ سال کے مقابلے میں اپنے کاروباری منافع میں 17 فیصد اضافہ حاصل کیا۔ کیمیکلز کے شعبے میں صارفین کی جانب سے طلب میں تیزی سے بحالی کے ساتھ منافع حاصل کرنے کی حکمت عملی اور تجارتی مہارت نے اس کارکردگی میں اہم کردار ادا کیا۔ آخر میں، سوڈا ایش بزنس نے گزشتہ سال کے مقابلے میں 8 فیصد زائد کاروباری منافع حاصل کیا جو کہ خاص طور پر سیلز کی مقدار میں اضافے اور منافع بخش مینوفیکچرنگ صلاحیتوں کی بدولت ہے۔

30 جون 2021 کو ختم شدہ سال کے لیے بعد از ٹیکس منافع 5,959 ملین روپے ہے جو گزشتہ سال کی اسی مدت کے مقابلے میں 92 فیصد زائد ہے۔ یہ اضافہ بنیادی طور پر تمام بزنسز کی سیلز میں اضافہ کے ساتھ کاروباری مہارت کے سبب حاصل ہوا، نتیجتاً کاروباری منافع میں 48 فیصد اضافہ واقع ہوا۔ اس کے علاوہ کاروباری منافع میں اضافے اور دوران سال نقد وصولیوں میں بہتری کے سبب کمپنی کے مجموعی قرضہ جات میں کمی واقع ہوئی جس میں اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ میں کمی کے سبب گزشتہ سال کے مقابلے میں فنانس کے اخراجات میں 63 فیصد کمی واقع ہوئی۔ دوسری جانب، دوران سال 56 ملین روپے کا ایکسچینج منافع حاصل ہوا جبکہ گزشتہ سال 367 ملین روپے کے ایکسچینج نقصان کا سامنا تھا، نقصان سے نفع کی اس صورتحال نے کمپنی کے منافع میں اضافہ کیا۔

مجموعی بنیادوں پر، کمپنی نے اپنے ذیلی اداروں، آئی سی آئی پاکستان پاور جن لمیٹڈ اور نیوٹری کو موربیناگا (پرائیویٹ) لمیٹڈ سمیت سال کے لئے بعد از ٹیکس منافع 5,229 ملین روپے اپنے نام کیا، جس میں غیر اختیاری سود کے 341 ملین روپے شامل ہیں۔ نتیجتاً ہولڈنگ کمپنی کے مالکان کو حاصل ہونے والا بعد از ٹیکس منافع 5,569 ملین روپے بنتا ہے جس کے مطابق ہر ایک شیئر پر منافع 60.30 روپے بنتا ہے جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 114 فیصد زائد ہے۔ دوران سال کمپنی کو اپنے ذیلی ادارے نیوٹری کو پاکستان (پرائیویٹ) لمیٹڈ سے 527 ملین روپے منافع کے حصے کے طور پر حاصل ہوئے۔

مالیاتی کارکردگی

پاکستانی روپے ملین میں	جون 2021	جون 2020	اضافہ (کمی) کا تناسب
مجموعی کاروبار	62,618	53,599	17%
مجموعی منافع	14,348	10,556	36%
آپریٹنگ رزلٹ	8,399	5,669	48%
قبل از ٹیکس منافع	8,229	4,330	90%
بعد از ٹیکس منافع	5,959	3,096	92%
فی شیئر منافع (روپے)	64.52	33.52	92%

Glossary

AGM	Annual General Meeting
AGP	Antibiotic Growth Promoters
APCMA	All Pakistan Cement Manufacturing Association
ATF	Aziz Tabba Foundation
BOI	Board of Investment
CAA	Civil Aviation Authority of Pakistan
CAGR	Compound Annual Growth Rate
CCG	Code of Corporate Governance
CDC	Central Depository Company of Pakistan
CDP	Core Development Programme
CE	Chief Executive
CEP	Corporate Engineering Procedures
CERB	Centre of Excellence in Responsible Business
CGU	Cash Generated Unit
CLF	ChildLife Foundation
CNIC	Computerised National Identity Card
CO2	Carbon Dioxide
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
D&I	Diversity and Inclusion
DTP	Directors' Training Programme
ECL	Expected Credit Losses
EIR	Effective Interest
EMT	Executive Management Team
EPM	Environmental Performance Management
EPS	Earnings per Share
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
EVP	Employee Value Proposition
FBR	Federal Board of Revenue
FTA	Free Trade Agreement
FTO	Fast Tract OPD
GC	General Chemicals
GDIB	Global Diversity and Inclusion Benchmark
GRI	Global Reporting Initiative
GRS	Global Recycling Standard
HAPI	Health Assessment Performance
HCPs	Healthcare Professionals
HR&R	Human Resource & Remuneration
HSE	Health, Safety and Environment
HSE&S	Health, Safety, Environment and Security
HYPI	Hygiene Performance Index
IASB	International Accounting Standard Board
IBR	Incremental Borrowing Rate
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost and Management Accountant of Pakistan
IFAC	International Federation of Accountants
IFAS	Islamic Financial Accounting Standards
IFRS	International Financial Reporting Standards
IIRC	Integrated Reporting Framework
IMF	International Monetary Fund
ISA	International Standards on Auditing
IVSAA	Indus Valley School of Art and Architecture
KPI	Key Performance Indicators
KSBL	Karachi School of Business and Leadership
KTPA	Kilotonnes Per Annum
LA/ LSA	Light Soda Ash
LRBT	Layton Rahmatullah Benevolent Trust
LSM	Large Scale Manufacturing
LSS	Lean Six Sigma
LUMS	Lahore University of Management Sciences
LWC	Ladies Welfare Centre
MDI	Methylene Diphenyl Di Isocyanate
MEG	Mono-Ethylene Glycol
MoU	Memorandum of Understanding
NEQS	National Environmental Quality Standards
NOx	Nitrogen Oxides
OCI	Other Comprehensive Income
ODS	Ozone-Depleting Substance
OEE	Operational Eco-Efficiency
OICCI	Overseas Investors Chamber of Commerce and Industry
OPV	Open Pollinated Variety
P&DD	Performance and Development Discussion
PAC	Pakistan Agricultural Coalition
PAT	Profit after Tax
PBC	Pakistan Business Council
PCP	Pakistan Centre for Philanthropy
PCRWR	Pakistan Council of Research in Water Resources
PICG	Pakistan Institute of Corporate Governance
PKR	Pakistani Rupee
PSF	Polyester Staple Fibre
PSX	Pakistan Stock Exchange
PTA	Pure Terephthalic Acid
PTC	Pakistan Textile Council
PU	Polyurethanes
PWC	Pandemic Watch Committee
PX	Paraxylene
RLCC	Ra'ana Liaquat Craftmen's Colony
RSB	Refined Sodium Bicarbonate
SAFA	South Asian Federation of Accountants
SAP	Systems Applications and Products
SC	Specialty Chemicals
SDB&I	Strategy, Business Development & Innovation
SDG	Sustainability Development Goals
SIUT	Sindh Institute of Urology & Transplantation
SLG	Secretary Local Government Community
SMETA	SEDEX Member Ethical Trade Audit
SOP	Standard Operating Procedures
SOx	Sulfur Oxides
SPA	Share Purchase Agreement
SPLY	Same Period Last Year
SPPI	Solely Payments of Principal and Interest
STEP	Sustain, Evolve, Transform, Preserve
TERF	Temporary Economic Refinance Facility
THI	Tabba Heart Institute
TJ	Tera Joules
TKI	Tabba Kidney Institute
TPA	Tonnes per Annum
UNDP	United Nations Development Programme
UNGC	United Nations Global Compact
UNSDG	United Nations Sustainable Development Goals
VIU	Value in Use
VSD	Variable Speed Drives
WDP	Women's Development Programme
WEF	World Economic Forum
WWF	World Wildlife Fund
YBG	Yunus Brothers Group
YGL	Young Global Leader
YPO	Young President Organization
YTM	Yunus Textile Mills

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