



ICI PAKISTAN LTD.



# Improving Lives

Annual Report 2021-22





# Improving Lives

At ICI Pakistan Limited, we see business, society and the environment as one.

For decades, we have channelled our efforts to create shared value and foster an environment that Cultivates Growth for the countless lives we touch.

We see ourselves at the core of Pakistan's socio-economic progress, be it through our essential products that are used by almost every industry, or our endeavours towards sustainability, which positively impact the communities around us and beyond.

For us, Improving Lives is a mindset that fuels our growth aspirations and strengthens our commitment to building a prosperous, inclusive and sustainable future.



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## Overview and Strategy

# Driving Performance with Purpose

A clear sense of purpose guides us in pursuing strategic objectives. Our unwavering commitment to Improving Lives enables us to maximise the positive impact on our stakeholders.

This section provides an overview of our strategic objectives and highlights key performance areas. It also features messages from the Chairman and Chief Executive.





# Vision, Mission and Values

## 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

**The Company lives by its values. In the expanding world of ICI Pakistan Limited, its 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 behaviour is our license to operate. Uncompromising integrity in all our dealings is the backbone of our DNA. We have a zero tolerance policy to violations of our Code of Conduct 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.

# Code of Conduct

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



# A Brief Overview of the Code:

## **Compliance with Laws**

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.

## **Supporting Fair Competition**

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

## **Practising Business Ethics**

Bribery and any other forms of unethical business practice are prohibited. Under no circumstances may any ICI Pakistan Limited 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.

## **Act in the Company's Best Interest**

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.

## **Conducive Work Environment**

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.

## **Employee Health and Safety**

The Company provides a safe and healthy work environment in order to prevent harm to and promote the health and wellbeing of all employees and other stakeholders. It is the responsibility of each employee to comply with Health, Safety and Environment (HSE) regulations outlined by the Company.

## **Fostering Relationships**

Openness, integrity and reliability are essential in fostering bilateral communications between the employee and his/her manager in all aspects of the working environment.

# ICI Pakistan Limited at a Glance

With a rich legacy spanning over seven decades, ICI Pakistan Limited is a dynamic and diversified manufacturing and trading concern. Reflective of its mission, the Company has always worked towards Improving Lives across the socio-economic fabric of Pakistan.

ICI Pakistan Limited's five diverse businesses, namely Polyester, Soda Ash, Chemicals & Agri Sciences, Pharmaceuticals and Animal Health, further its brand promise of Cultivating Growth. Through these, the Company manufactures and trades in a wide range of products, including polyester staple fibre (PSF), soda ash, general and specialty chemicals, pharmaceuticals, nutraceuticals, animal health products and agricultural products (including chemicals, field crop seeds, vegetable seeds and more). It is also engaged in the nutrition business through its subsidiary NutriCo Morinaga (Private) Limited. This diverse portfolio enables ICI Pakistan Limited to supply a broad range of products that support almost every sector of the economy.

Through the ICI Pakistan Foundation, the Company undertakes various philanthropic initiatives in the areas of education, health, women empowerment, sustainability and community development.



## Ownership/About YBG

ICI Pakistan Limited became a part of the Yunus Brothers Group (YBG) in December 2012, following the sale by ICI Omicron B.V. of its shareholding in ICI Pakistan Limited.

Established as a trading house in 1962, YBG has transitioned into one of the fastest growing and most prolific conglomerates in the country, with diversified interests in cement, textiles, chemicals, pharmaceuticals, real estate, power generation and automobiles. What sets the group apart is its ability to develop sustainable and effective business partnerships with leading entities in all sectors.

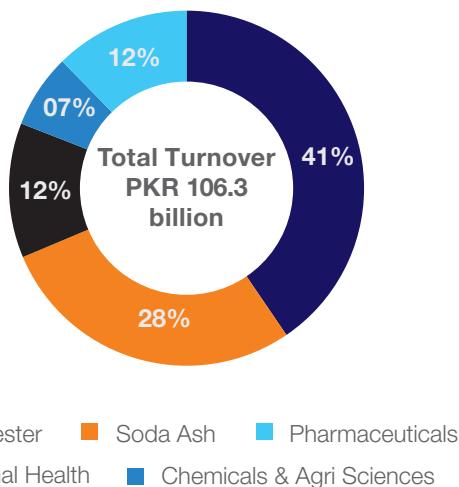
## Growth and Expansion Highlights FY'2021-22

During the year, the Company continued its exciting journey of growth, expansion and innovation.

Some key highlights include:

- Achieved record-breaking Net Turnover of over PKR 100 billion on a consolidated basis.
- The Soda Ash business successfully commissioned and commenced the operations of a 75,000 Tonnes Per Annum (TPA) Light Soda Ash (LSA) expansion project at its manufacturing facility in Khewra. Following this, the total installed capacity of the Soda Ash plant stands at 500,000 TPA.
- The Polyester business commissioned a 48 TPD recycling unit at its Sheikhupura plant to produce 100% PET recycled chips for the manufacturing of its branded recycled fibre.
- The Company signed a Joint Venture and Shareholders Agreement with Tariq Glass Industries Limited (TGIL) to set up a state-of-the-art, float glass manufacturing facility with a production capacity of up to 1,000 metric tonnes a day – to be set up in two phases of up to 500 metric tonnes each.

# Total Turnover by Business



## Industries Served

### Polyester

Textiles

### Soda Ash

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

### Pharmaceuticals

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

### Chemicals & Agri Sciences

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

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

### Animal Health

Livestock  
Poultry  
Bovine Genetics

# A Rich Legacy of Corporate Leadership

**ICI Pakistan Limited is proud of its incredible past and focused on an even better future.**

## 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 the 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 the capacity of its 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, AkzoNobel 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 a joint venture company NutriCo Morinaga (Private) Limited and holds a groundbreaking ceremony for the manufacturing facility in Sheikhupura.

## 2018

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

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

## 2019

Phase 2 of the 150,000 tonnes per annum Light Soda Ash (LSA) expansion of the Soda Ash plant, being an 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, are commenced.

ICI Pakistan Limited renews its longstanding relationship in the cardiovascular and oncology segments 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 (LSA) at the plant to 135,000 tonnes per annum.

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

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

## 2022

ICI Pakistan Limited enters into a Joint Venture and Shareholders Agreement with Tariq Glass Industries Limited (TGIL) to set up a float-glass manufacturing facility.

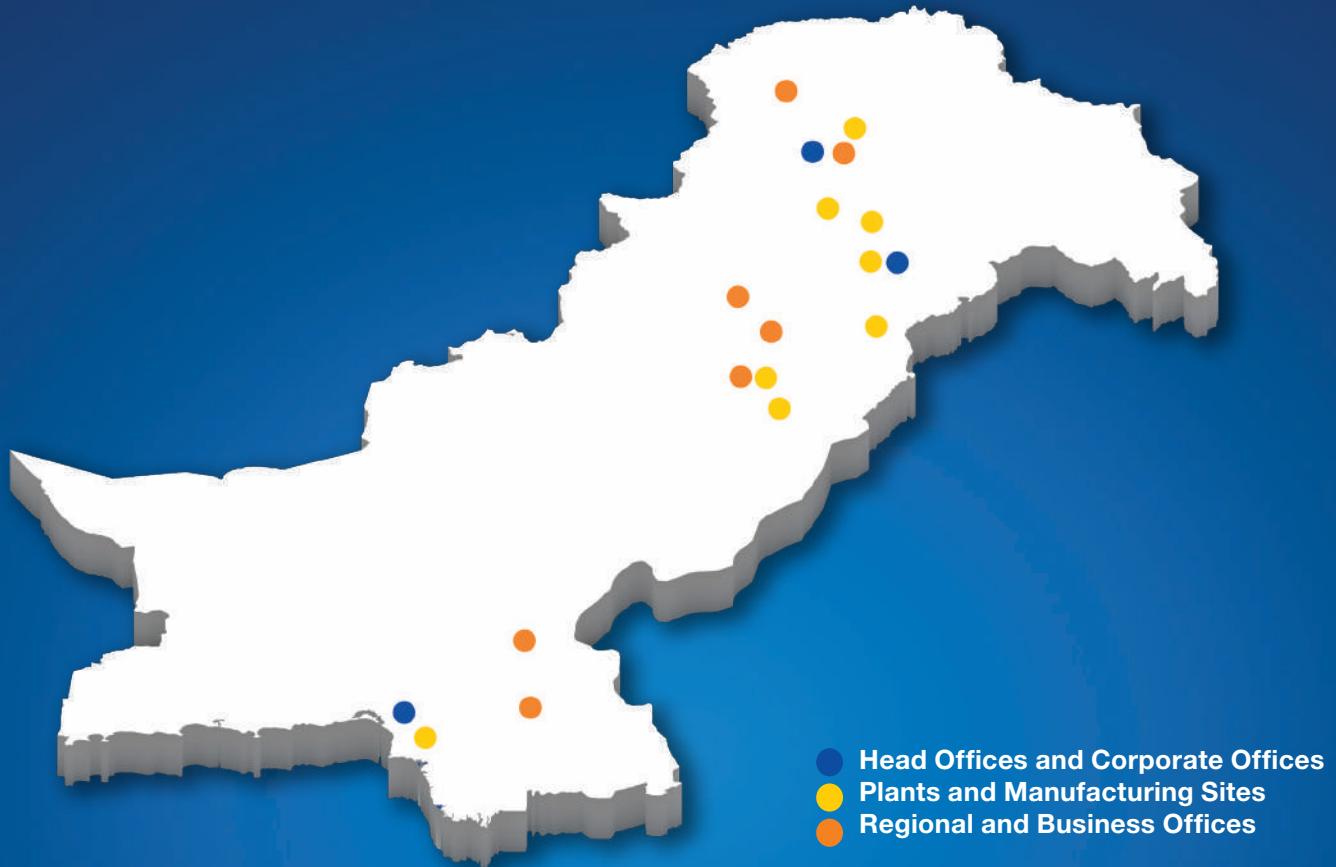
Manufacturing of 100% recycled PET chips for recycled Polyester Staple Fiber (PSF) commences at the Polyester plant in Sheikhupura.

Commissioning of operations of the 75,000 TPA Light Soda Ash (LSA) expansion at the Soda Ash plant in Khewra, bringing total installed plant capacity to 500,000 TPA.

ICI Pakistan Limited successfully acquires 55,013 ordinary shares (11% shareholding) in NutriCo Pakistan (Private) Limited, making it a subsidiary of the Company.

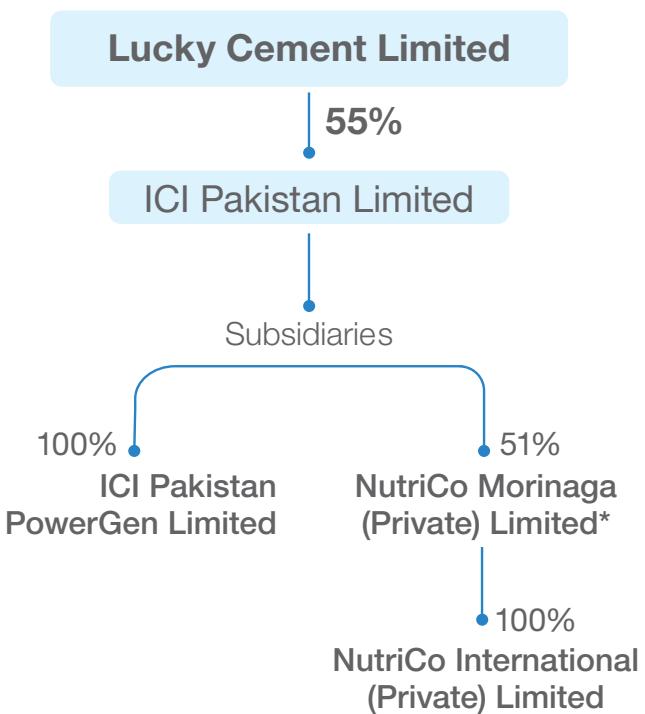
Sanctioning of the merger of NutriCo Pakistan (Private) Limited with and into NutriCo Morinaga (Private) Limited, both subsidiaries of the Company.

# Geographical Locations

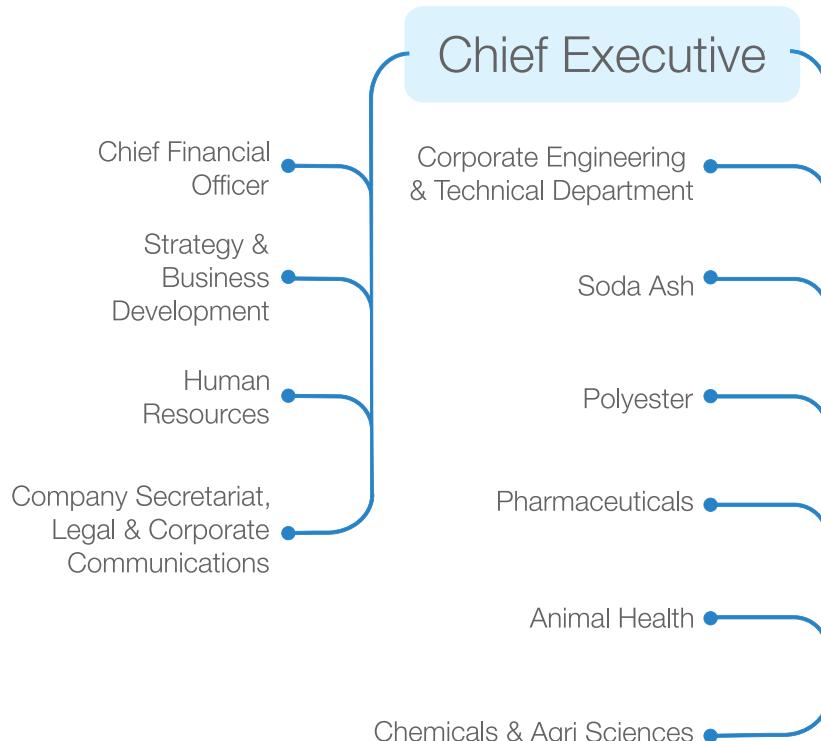


Facility	Address	Phone
Head Office, Karachi	ICI House, 5 West Wharf, Karachi	021-31313717-22
Chemicals Plant	ICI House, 5 West Wharf, Karachi	021-31313717-22
Nutraceuticals Plant	ICI House, 5 West Wharf, Karachi	021-31313717-22
Hawke's Bay Pharmaceutical Plant	S-33 Hawke's Bay Road, Karachi	021-32354651-6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

## Group Structure



## Organisational Structure



\*Pursuant to a Scheme of Arrangement sanctioned by the High Court of Sindh, Karachi, NutriCo Pakistan (Private) Limited merged with and into NutriCo Morinaga (Private) Limited, with effect from July 1, 2021.

# Key Performance Indicators

## Statement of Profit or Loss

<b>39%</b> Net turnover	<b>In PKR million</b>
2020-21	62,618
<b>2021-22</b>	<b>86,972</b>

<b>40%</b> Operating result	<b>In PKR million</b>
2020-21	8,399
<b>2021-22</b>	<b>11,753</b>

<b>24%</b> Profit before tax	<b>In PKR million</b>
2020-21	8,229
<b>2021-22</b>	<b>10,199</b>

<b>5%</b> Profit after tax	<b>In PKR million</b>
2020-21	5,959
<b>2021-22</b>	<b>6,249</b>

<b>30%</b> EBITDA	<b>In PKR million</b>
2020-21	10,950
<b>2021-22</b>	<b>14,259</b>

<b>-6%</b> EBITDA margin	<b>% of Net Turnover</b>
2020-21	17.49
<b>2021-22</b>	<b>16.40</b>

<b>5%</b> Earnings per share	<b>In PKR</b>
2020-21	64.52
<b>2021-22</b>	<b>67.66</b>

## Ratios

<b>11%</b> Equity	<b>In PKR million</b>
2020-21	23,879
<b>2021-22</b>	<b>26,391</b>

<b>-20%</b> Price earning	<b>In times</b>
2020-21	13.46
<b>2021-22</b>	<b>10.71</b>

<b>21%</b> Return on capital employed	<b>In %</b>
2020-21	28.79
<b>2021-22</b>	<b>34.80</b>

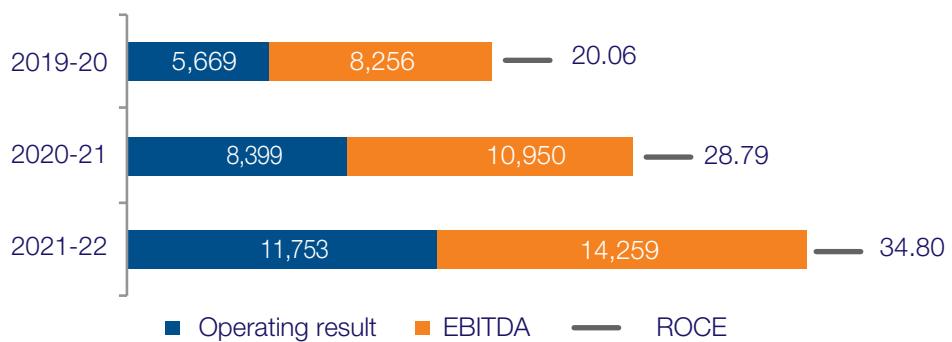
<b>4%</b> Return on fixed assets	<b>% of operating profit</b>
2020-21	39.45
<b>2021-22</b>	<b>40.96</b>

<b>30%</b> Operating result per employee	<b>In PKR million</b>
2020-21	4.14
<b>2021-22</b>	<b>5.39</b>

<b>238%</b> Capital expenditures	<b>In PKR million</b>
2020-21	2,828
<b>2021-22</b>	<b>9,547</b>

### Operating result and EBITDA

PKR million



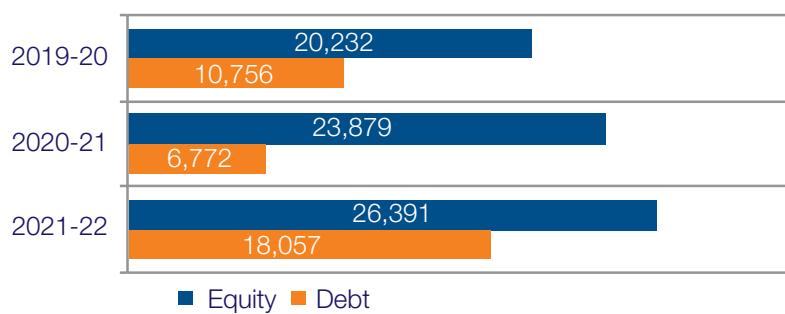
### Shareholder's equity and EBITDA per share

PKR



### Net Debt and equity

PKR million



# Review of the Chairman



Dear stakeholders,

On behalf of the Board of Directors of ICI Pakistan Limited, I would like to share the results of our Company for the year ended June 30, 2022.

Continuing the growth momentum, ICI Pakistan Limited, once again, delivered robust results across all its businesses, capitalising on post-pandemic economic recovery. Maintaining its growth trajectory, the Company, on a consolidated basis, delivered a record Net Turnover of PKR 100,867 million and an Operating Profit of PKR 13,825 million - a growth of 56% and 72% respectively. These results were driven by exceptional business performance across the board, which is reflective not only of a rebound in demand but also the commitment of our People to create a positive impact on the lives of our stakeholders and generate growing returns for shareholders.

ICI Pakistan Limited aspires to build a strong international and local footprint through sustainable and profitable growth, based on creating shared value for all stakeholders. With a clear vision for the future, previously approved initiatives by the Board were further supplemented by new strategic investments during the year. A joint venture with Tariq Glass Industries Limited to set up a state-of-the-art, float glass manufacturing facility with a production capacity of up to 1,000 metric tonnes a day was announced. The Soda Ash business successfully commissioned and commenced commercial operations of the 75,000 tonnes per annum (TPA) Light Soda Ash expansion project at its manufacturing facility in Khewra, taking the total installed capacity of the Soda Ash plant at Khewra to 500,000 TPA, with an incremental 60,000 TPA expansion underway.

In addition to the above, an approved investment enabling the Polyester business to manufacture recycled PET chips to produce recycled polyester fibre also came online during the year.

Following the acquisition of an additional 11% shareholding in NutriCo Pakistan (Private) Limited and its subsequent merger with and into NutriCo Morinaga (Private) Limited (NutriCo Morinaga), the Company received an offer from Morinaga Milk Industry Co. Ltd Japan (Morinaga Milk) to enhance its

shareholding in NutriCo Morinaga and resultantly, for Morinaga Milk to attain majority shareholding therein. In this regard, the Board of Directors of ICI Pakistan Limited has authorised a partial divestment of its shareholding, retaining approximately 24.5% of the share capital of NutriCo Morinaga upon completion of the transaction (subject to requisite approvals). This additional investment by Morinaga Milk reflects their confidence in the Pakistani market and unlocks opportunities for NutriCo Morinaga to further cater to the growing nutritional needs of children, the future of Pakistan.

Since its acquisition in 2012, ICI Pakistan Limited has proven to be an invaluable asset for the Yunus Brothers Group (YBG). As Chairman of the Board, I am pleased to be part of this enriching journey of progress and development, for the Company and more so, for all our stakeholders. From textiles and glass to healthcare, food and agriculture, the application of ICI Pakistan Limited's products position it at the core of its stakeholder's daily life. Drawing on the strength of the Company's current positioning and the brand equity of its holding company Lucky Cement Limited, post close of FY'2021-22, the Board has approved a change of the Company's name to 'Lucky Core Industries Limited'. Paving a stronger future, the new name propels us forward and solidifies YBG's continued confidence in the Company.

I would like to thank my fellow Board Members and our People for their unwavering dedication to ICI Pakistan Limited's mission of Improving Lives and commend them for proficiently executing the Company's growth strategy. I remain confident that the Company is on a strong footing and together, with your continued support, we will build a stronger tomorrow.

Best regards,



**Muhammad Sohail Tabba**

Chairman  
ICI Pakistan Limited

# Message from the Chief Executive



Dear Stakeholders,

For the last 78 years, ICI Pakistan Limited has worked towards a singular mission of Improving Lives. Our values are an embodiment of the work that we do, the products that we supply, the behaviours of our People, and the sustainability agenda that we drive. The theme for our Annual Report this year exemplifies this commitment to making a lasting impact.

I am pleased to share an overview of the last 12 months, highlighting some noteworthy milestones and achievements delivered by our Company.

During the year in review, ICI Pakistan Limited delivered record results in all spheres of its operations, despite local and international headwinds. On an unconsolidated basis, Net Turnover increased by 39% to PKR 86,972 million, with growth driven across the board by the Polyester (51%), Soda Ash (50%), Chemicals & Agri Sciences (24%), Pharmaceuticals (14%) and Animal Health (10%) businesses.

Operating Profit for the year at PKR 11,753 million is 40% higher than the Same Period Last Year (SPLY). Profit after Tax (PAT) at PKR 6,249 million rose by 5%, having been significantly impacted by the retrospective Super Tax imposed under the Finance Act 2022. Excluding this, PAT for the year would have been 24% higher at PKR 7,373 million.

Overcoming severe global supply chain challenges during the year, the Soda Ash business achieved record monthly exports by effectively opening up new markets. In addition, the business successfully commenced operations of a 75,000 tonnes per annum (TPA) Light Soda Ash (LSA) expansion project during the year, enabling it to meet increased customer demand and remain a partner of choice within Pakistan and beyond.

Sustainability is deeply embedded in our business model and ICI Pakistan Limited prides itself on integrating its everyday operations in a broader sustainability context. Our Polyester business forged ahead, successfully commissioning an extrusion line for the manufacture of recycled PET chips used in the production of the Company's premium brand of traceable and 100% recycled polyester staple fibre (PSF). This enhancement to its manufacturing capability was further supplemented by strategic collaborations with partners in the area of improving waste management. We believe that circularity of resources is the need of the hour and our business' product stewardship efforts are a testament to the same.

The Pharmaceuticals business continued its growth trajectory by embodying the Company's core value of Innovation. It commercialised four new product launches and three line extensions, enhancing ICI Pakistan Limited's impact to better serve the needs of patients across Pakistan. Scaling up its digital innovation efforts from the previous year, the business launched Health 360, Pakistan's leading digital scientific healthcare exchange to augment research capabilities, inspire innovation and promote inclusive scientific discourse.

Similarly, striving to create new avenues for growth, the Animal Health business expanded its localised portfolio by introducing six new products, with its Farmers Choice Poultry segment crossing PKR 1 billion in sales.

The Chemicals & Agri Sciences business also showed improved performance attributable to strategic improvisation and effective margin management across all portfolios. A breakthrough for the business was the successful launch of its first cotton seed variety, aimed at improving farm economics and reviving the cotton crop in Pakistan.

ICI Pakistan Limited's exceptional performance amidst continued volatility in the external environment would not have been possible without the dedicated and collaborative efforts of our People. They embody our values and are clearly a source of competitive advantage; an asset which we continue to invest in and nurture. Supplemented by Harvard ManageMentor, this year, we launched a virtual learning programme titled Learnathon for the benefit of our talent pool. Furthermore, Praise - our digital reward and recognition platform - helped inculcate a spirit of teamwork and camaraderie.

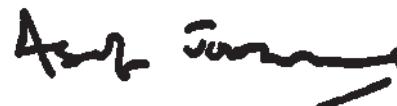
I am delighted to acknowledge that the continued efforts made by our teams have been recognised at multiple national and international forums. ICI Pakistan Limited was awarded the Top 25 Companies of the Year Award for 2020 by the Pakistan Stock Exchange (PSX). Our efforts to remain an employer of choice won us the 'Best Place to Work' award by Pakistan Society of Human Resource Management (PSHRM) & Engage Consulting, in the Manufacturing/Engineering category. In the area of sustainability, the Company was recognised at various forums which included the Soda Ash business receiving the International Safety Awards by the British Safety Council, the Chemicals & Agri Sciences business winning the Annual Environment Award by the National Forum for Environment & Health (NFEH) and the Company receiving the Environment, Health and Safety Award in the 'Responsibility for Health and Safety' category by the Professional Network, at the 7<sup>th</sup> International Awards on Environment.

The Company's commitment to Health, Safety, Environment and Security (HSE&S) and sustainability are the cornerstones of its operations. As the pace of climate change accelerates, the future of ICI Pakistan Limited rests on its ability to anticipate, reform and respond to these challenges. This year, the Company achieved 39 + million safe man-hours without injuries, an 8% reduction in energy intensity, a reduced CO<sub>2</sub> footprint and enhanced community outreach initiatives.

I am also excited about the forthcoming name change of ICI Pakistan Limited to Lucky Core Industries Limited as it more appropriately captures the contribution of our products to a range of end-use segments, whilst drawing on the corporate brand equity of Lucky Cement Limited.

I would like to express my sincere appreciation to our Board of Directors for their invaluable guidance and support, our stakeholders for their confidence in us and our team for their unfettered commitment that has enabled us to achieve all that we have. I am confident that ICI Pakistan Limited is well positioned for the future and look forward to another year of Improving Lives and creating shared value for our stakeholders.

Yours sincerely,

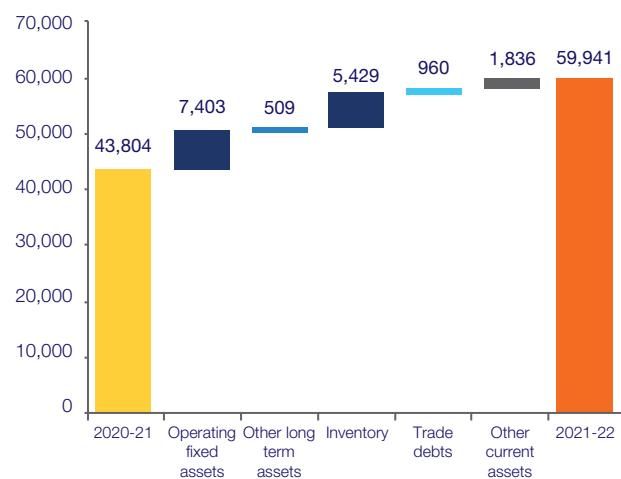


**Asif Jooma**  
Chief Executive  
ICI Pakistan Limited

# Financial Statements at a Glance

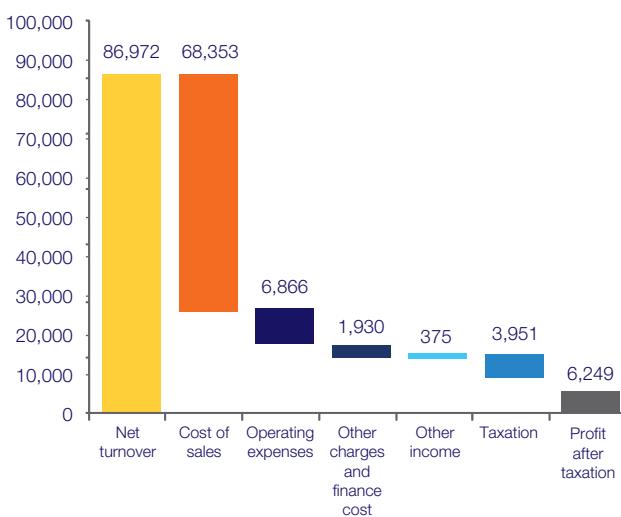
## Assets

PKR million



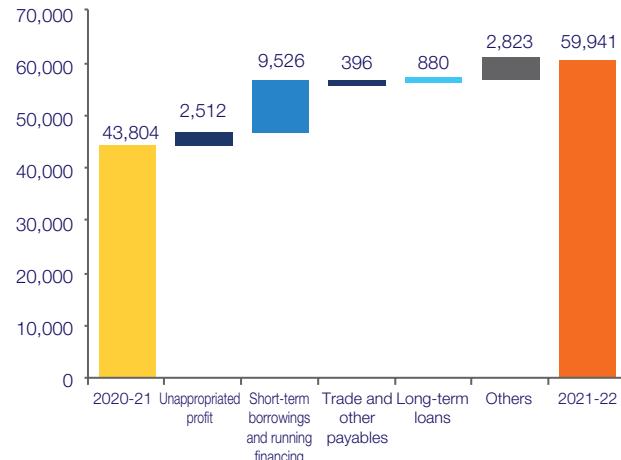
## Statement of Profit or Loss

PKR million



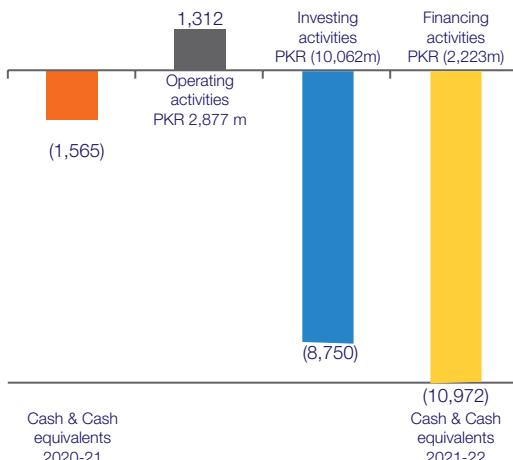
## Equity and Liabilities

PKR million



## Cash flow

PKR million



# Financial Highlights

The FY'2021-22 results compared to the Same Period Last Year (SPLY) at a glance

2021-22 turnover up by 37%

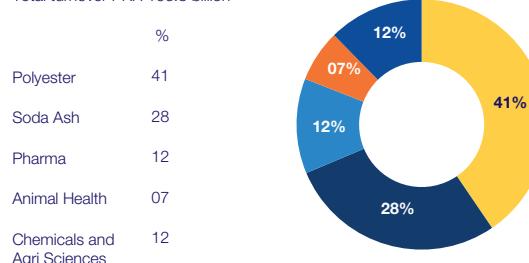
2021-22 gross profit up by 30%

2021-22 profit after taxation up by 5%

2021-22 earnings per share: PKR 67.66 (June 30, 2021: PKR 64.52)

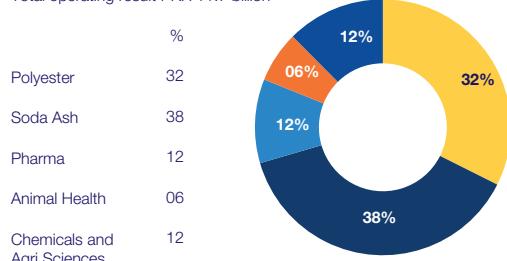
## Total turnover by Business

Total turnover PKR 106.3 billion



## Operating result by Business

Total operating result PKR 11.7 billion

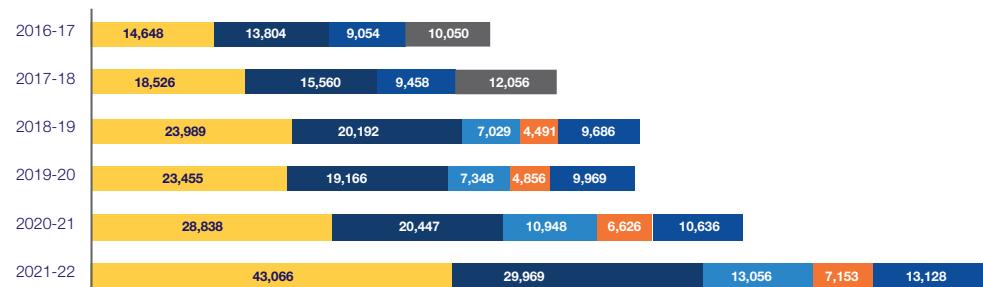


■ Polyester ■ Soda Ash ■ Pharma ■ Animal Health ■ Chemicals and Agri Sciences

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

## Turnover

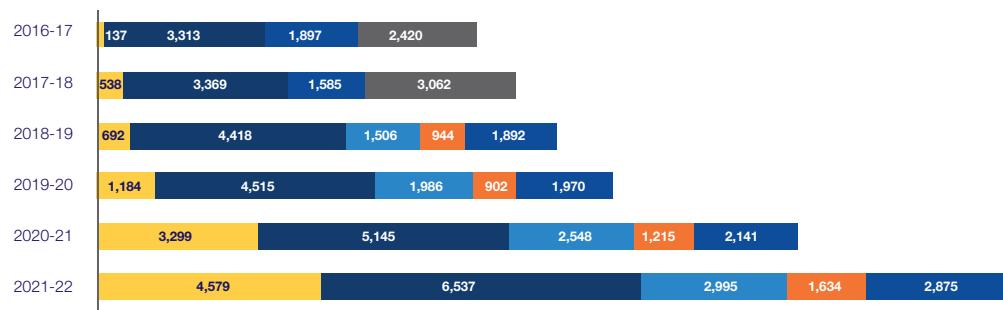
PKR million



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

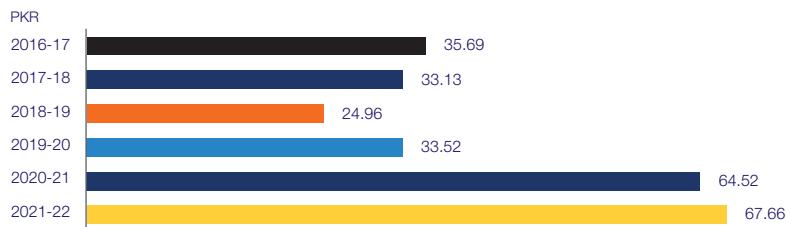
## Gross profit

PKR million

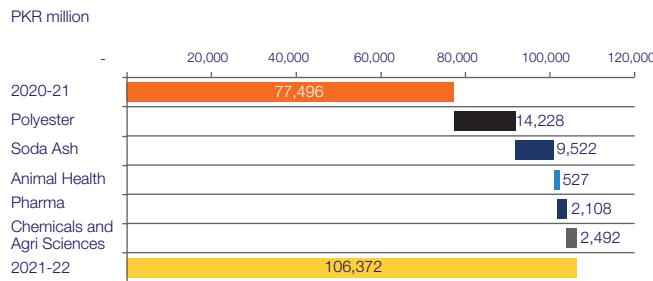


■ Polyester ■ Soda Ash ■ Pharma ■ Animal Health ■ Chemicals and Agri Sciences ■ Life Sciences

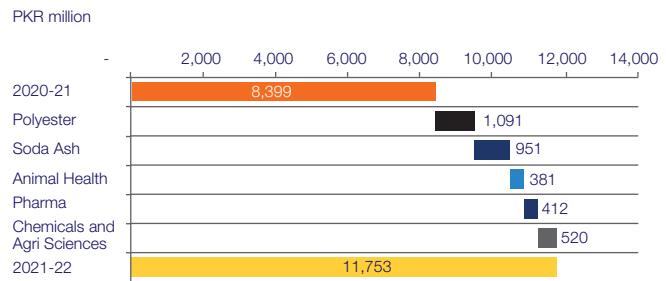
### Earnings per share



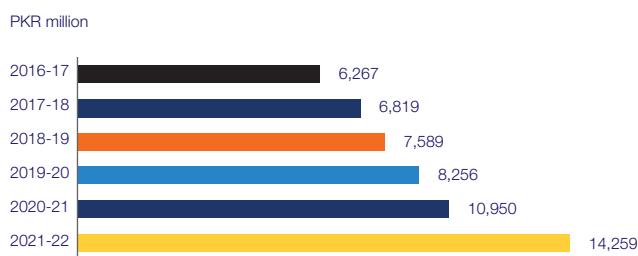
### Revenue development (Business-wise)



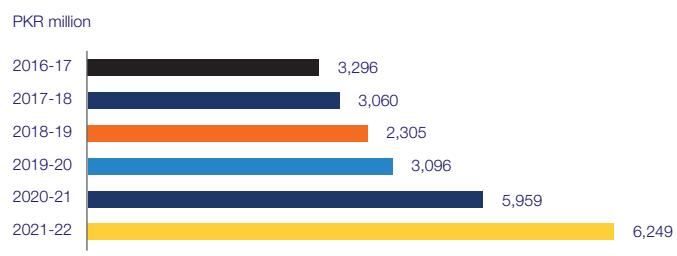
### Operating result development (Business-wise)



### EBITDA

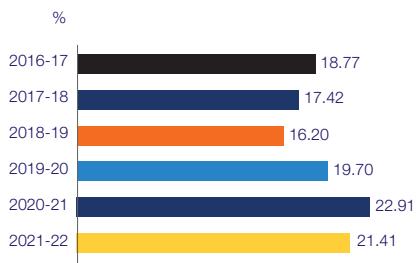


### Profit after taxation

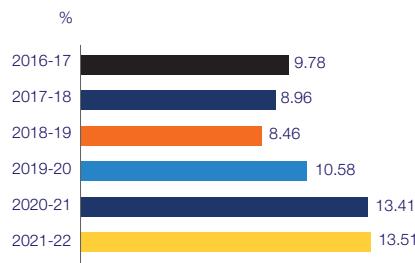


## Profitability ratios

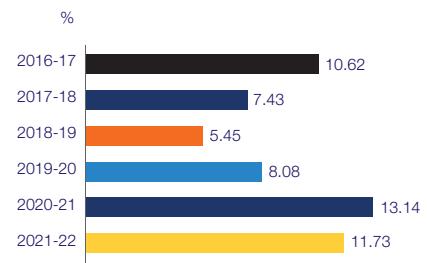
### Gross margin



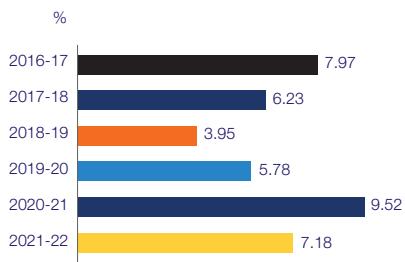
### Operating result margin



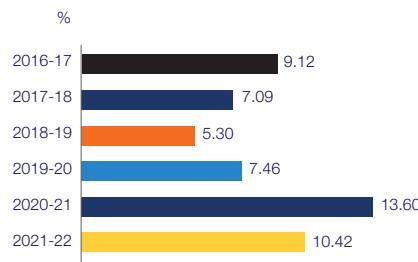
### Profit before taxation margin



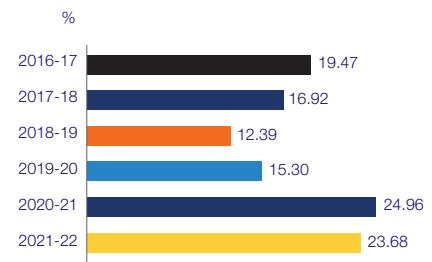
### Profit after taxation margin



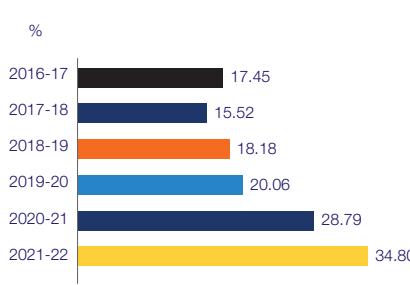
### Return on assets



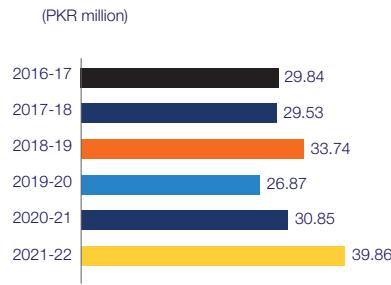
### Return on equity



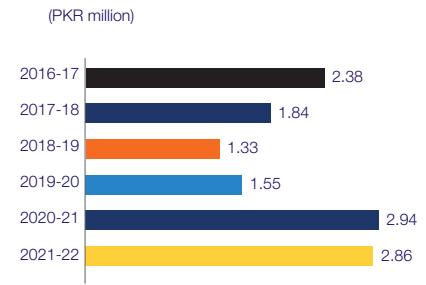
### Return on capital employed

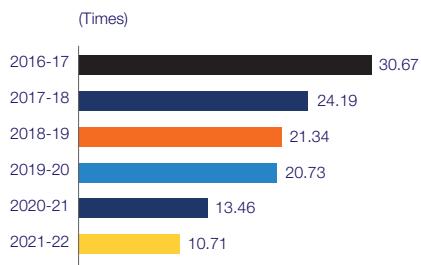
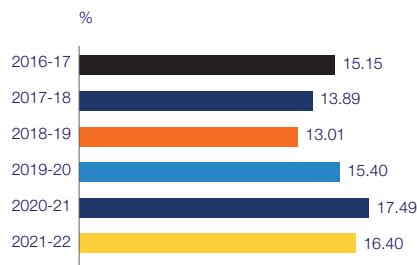
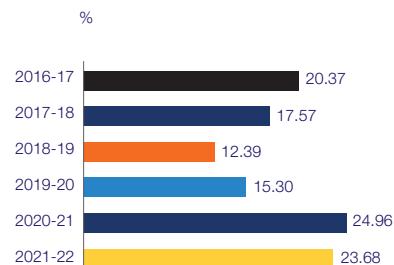
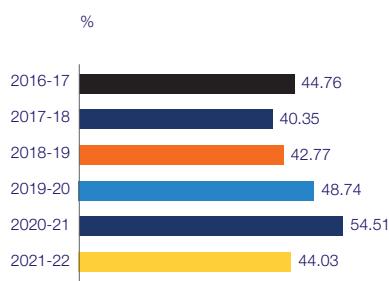
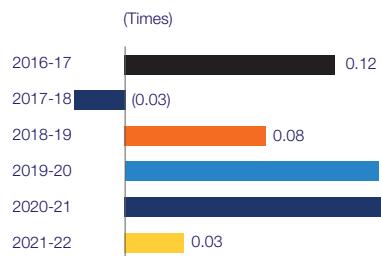
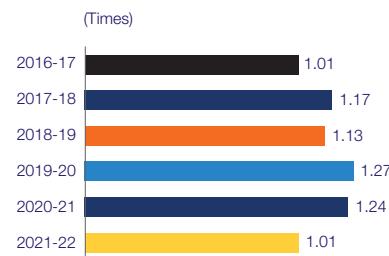
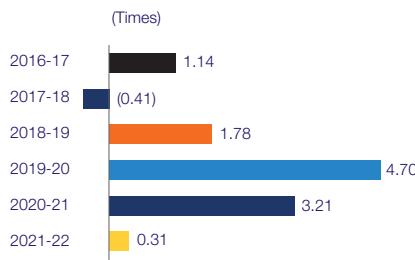
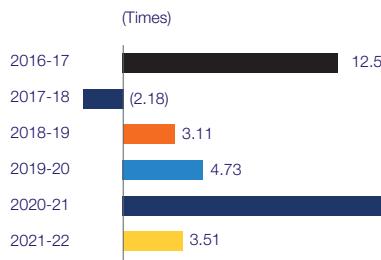
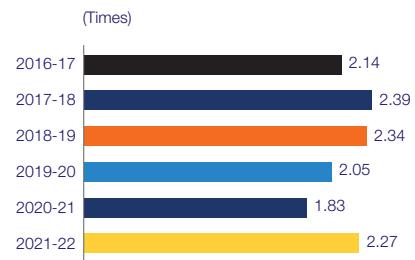


### Revenue per employee



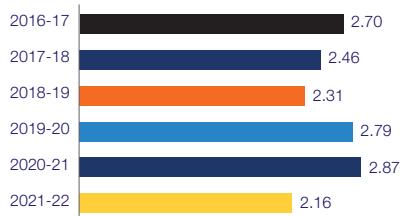
### Net income per employee



**Price earning ratio****EBIDTA Margin to Sales****Return on Shareholders' Fund****Liquidity and other ratios****Shareholders' Fund****Cash Flow from Operations to Sales****Current ratio****Cash Flow to Capital Expenditure****Cash Flow Coverage Ratio****Financial Leverage Ratio**

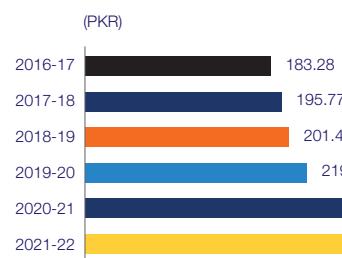
## Cost ratios

### Administration cost as % of net turnover



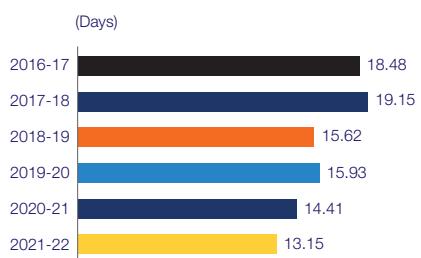
## Investors ratios

### Stockholder's equity per common share (PKR)

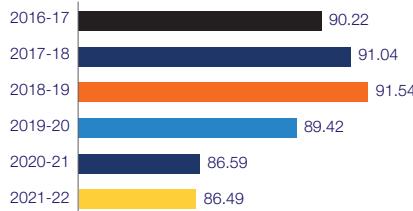


## Efficiency ratios

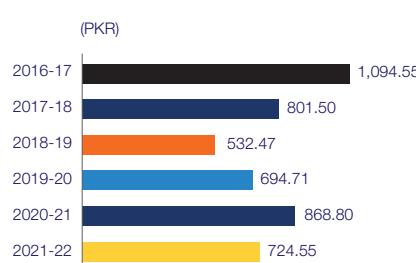
### Debtor turnover ratio (Days)



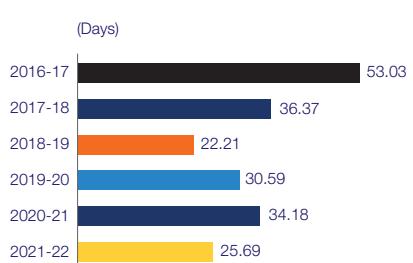
## Operating cost as % of net turnover\*



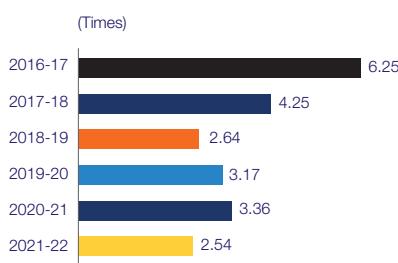
## Market value per share



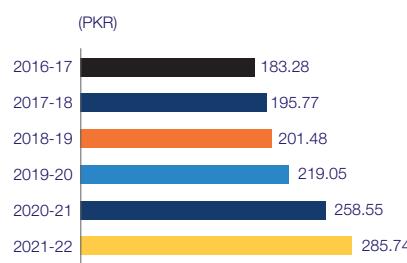
## Creditor turnover ratio (Days)



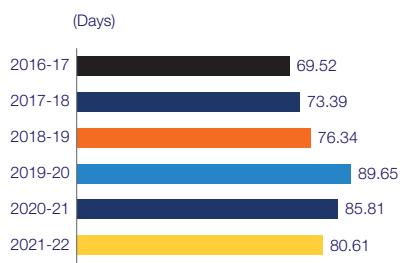
## Price to Book



## Net Assets per Share



## Inventory turnover ratio (Days)



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

# Operating & Financial Highlights

		January to December			July to June							
Ratios	Formula	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
<b>Profitability Ratios</b>												
Gross margin	Gross profit/Net turnover	%	11.23	12.17	15.43	17.53	18.77	17.42	16.20	19.70	22.91	21.41
Gross profit turnover	Gross profit/Turnover	%	10.28	10.89	13.59	15.18	16.33	15.39	14.46	16.30	18.52	17.52
Operating result margin	Operating result/Net turnover	%	5.48	5.82	8.11	9.41	9.78	8.96	8.46	10.58	13.41	13.51
Profit after tax margin	Profit after taxation/Net turnover	%	3.19	4.45	5.67	7.69	7.97	6.23	3.95	5.78	9.52	7.18
EBITDA Margin to Sales	EBITDA/Net turnover	%	8.53	9.32	12.53	14.55	15.15	13.89	13.01	15.40	17.49	16.40
Profit markup	Gross profit/Cost of sales	%	12.66	13.85	18.25	21.26	23.11	21.09	19.34	24.53	29.73	27.24
Profit before taxation margin	Profit before taxation/Net turnover	%	4.82	5.18	7.21	9.47	10.62	7.43	5.45	8.08	13.14	11.73
Return on equity	Profit after taxation/Total equity	%	11.05	14.33	15.99	18.65	19.47	16.92	12.39	15.30	24.96	23.68
Return on capital employed	Operating result/Capital employed	%	14.66	14.49	18.96	17.04	17.45	15.52	18.18	20.06	28.79	34.80
Return on assets	Profit after tax/Total assets	%	5.53	7.42	7.97	9.30	9.12	7.09	5.30	7.46	13.60	10.42
Return on fixed assets	Operating result/Fixed assets	%	18.75	19.00	21.34	20.39	20.60	20.45	24.01	27.11	39.45	40.96
Shareholders' Funds	Total equity/Total assets	%	46.74	48.99	47.68	47.13	44.76	40.35	42.77	48.74	54.51	44.03
Return on Shareholders' Funds	Profit after taxation/Total equity	%	11.84	15.15	16.72	19.72	20.37	17.57	12.39	15.30	24.96	23.68
Operating Leverage Ratio	Contribution/Operating profit	Times	3.50	3.64	3.18	3.12	3.13	3.34	3.17	3.73	2.98	2.58
<b>Growth Ratios</b>												
Net turnover		%	5.83	5.42	(1.88)	(1.50)	11.93	18.72	18.78	(8.11)	16.83	38.89
Operating results		%	(5.07)	12.04	36.76	14.28	16.24	8.76	12.22	14.87	48.15	39.94
EBITDA		%	1.82	15.20	31.89	14.39	16.54	8.80	11.30	8.79	32.62	30.23
Profit after taxation		%	(9.35)	46.91	24.88	33.75	15.93	(7.17)	(24.67)	34.32	92.50	4.85
<b>Efficiency Ratios</b>												
Asset turnover	Net turnover/Total assets	Times	1.73	1.67	1.41	1.21	1.14	1.14	1.34	1.29	1.43	1.45
Fixed asset turnover	Net turnover/Fixed assets	Times	3.42	3.26	2.63	2.17	2.11	2.28	2.84	2.56	2.94	3.03
Inventory turnover	(Cost of sales / Value of inventory )	Times	6.27	6.53	5.69	4.99	5.02	4.22	4.51	4.17	3.90	3.84
Current asset turnover	Net turnover/Current Assets	Times	3.77	3.66	3.47	3.16	3.14	2.84	3.14	3.18	3.45	3.30
Capital employed turnover	Net turnover/Capital Employed	Times	2.92	2.78	2.65	2.09	2.05	1.96	2.41	2.29	2.66	3.15
Operating working capital turnover	Net turnover/Operating working capital	Times	12.24	19.88	20.74	16.99	14.65	5.76	6.76	7.57	9.68	5.72
Debtor turnover ratio	(Average debtors/ Net turnover)*365	Days	7.23	8.23	11.14	15.17	18.48	19.15	15.62	15.93	14.41	13.15
Creditor turnover ratio	(Average creditors/ Cost of sales)*365	Days	42.23	37.55	50.52	54.08	53.03	36.37	22.21	30.59	34.18	25.69
Inventory turnover ratio	(Value of Average inventory/ Cost of sales)*365	Days	62.67	55.83	61.65	69.97	69.52	73.39	76.34	89.65	85.81	80.61
Operating cycle	No. of days in inventory+ No. of days in receivables- No. of days in payables	Days	27.66	26.51	22.27	31.05	34.97	56.17	69.75	74.98	66.04	68.07
Revenue per employee	Net turnover/Number of employees	PKR'000	34,022	33,160	30,206	27,890	29,844	29,530	33,736	26,866	30,846	39,859
Net income per employee	Profit After Tax/Number of Employees	PKR'000	1,086	1,476	1,712	2,146	2,378	1,840	1,333	1,552	2,936	2,864
<b>Cost Ratios</b>												
Operating costs	(% of net turnover)	%	94.52	94.18	91.89	90.59	90.22	91.04	91.54	89.42	86.59	86.49
Administration costs	(% of net turnover)	%	2.86	2.34	2.57	2.39	2.70	2.46	2.31	2.79	2.87	2.16
Selling costs	(% of net turnover)	%	2.90	4.00	4.75	5.73	6.30	6.01	5.44	6.32	6.64	5.74
Finance costs	(% of net turnover)*	%	0.76	1.01	1.07	1.03	0.93	2.19	2.50	2.96	0.85	0.78

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

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

2018-19 and 2019-20 includes revision of accounting policy from revaluation to cost model

		January to December		July to June								
Ratios	Formula	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
<b>Equity Ratios</b>												
<b>Restated</b>												
Price earnings ratio	Market value per share/ Earning per share	Times	13.26	21.18	18.63	14.46	30.67	24.19	21.34	20.73	13.46	10.71
Earnings per share	Profit after taxation/ Number of ordinary shares	PKR	12.55	18.43	23.02	30.78	35.69	33.13	24.96	33.52	64.52	67.66
Price to Book ratio	Market value per share/ Breakup value per share	Times	1.57	3.21	3.11	2.85	6.25	4.25	2.64	3.17	3.36	2.54
Dividend per share		PKR	2.00	8.00	11.50	15.50	18.00	16.50	9.00	16.00	40.00	35.00
Dividend cover	Earning Per Share / Dividend per share	Times	6.27	2.30	2.00	1.99	1.98	2.01	2.77	2.09	1.61	1.93
Dividend yield	Dividend per share/ Average market value per share	%	1.24	3.05	2.45	3.31	2.00	1.93	1.30	2.71	5.05	4.48
Dividend payout	Total dividend payout/ Profit after taxation	%	15.94	43.41	49.97	50.35	50.44	49.81	36.06	48.79	61.99	51.73
Market value per share at the end of year		PKR	166.40	390.34	428.87	445.02	1,094.55	801.50	532.47	694.71	868.80	724.55
Market value per share at the start of year		PKR	129.85	166.40	390.34	428.87	445.02	1,094.55	801.50	532.47	694.71	868.80
Highest market value per share		PKR	185.67	395.71	597.56	566.94	1,219.70	1,092.63	814.90	728.13	911.11	920.58
Lowest market value per share		PKR	135.37	160.99	366.39	410.00	447.92	735.93	516.82	436.57	679.26	679.00
Break-up value per share	Total Equity/Total Shares outstanding	PKR	105.99	121.67	137.69	156.09	175.23	188.52	201.48	219.06	258.55	285.74
Cost of debt at year end		%	10.17	9.49	7.16	5.67	5.56	5.97	10.44	8.86	4.79	9.15
Breakup Value per share (With Investment)	Total Equity + Investment/ Total shares outstanding	PKR	105.99	121.67	137.69	156.09	191.37	198.91	201.48	221.82	264.07	294.08
<b>Liquidity Ratios</b>												
Current ratio	Current assets/Current liabilities	Ratio	1.31	1.38	1.02	1.15	1.01	1.17	1.13	1.27	1.24	1.01
Quick ratio / Acid test ratio	(Current assets-Inventory)/ Current liabilities	Ratio	0.61	0.70	0.49	0.55	0.50	0.52	0.47	0.49	0.40	0.33
Cash ratio	Cash and cash equivalents/ Current liabilities	Ratio	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	0.01:1
Cash Flow from Operations to Sales	Cash generated from operations/ Net turnover	Ratio	(0.03)	0.10	0.10	0.10	0.12	(0.03)	0.08	0.14	0.14	0.03
Cash Flow to Capital Expenditure	Cash generated from operations/ Capital expenditure	Ratio	(1.01)	1.58	0.97	0.81	1.14	(0.41)	1.78	4.70	3.21	0.31
Cash Flow Coverage Ratio	Cash generated from operations/ Finance cost	Ratio	(5.19)	9.84	9.31	9.60	12.53	(2.18)	3.11	4.73	15.27	3.51
<b>Leverage Ratios</b>												
Debt to Equity (Book Value)	Total debt capital/Total equity	%	17.99	26.83	18.43	26.54	32.81	50.88	45.43	36.36	20.82	25.51
Debt to Equity (Market Value)	Total debt capital/Total equity	%	12.28	8.84	6.18	9.84	5.49	12.43	17.19	11.47	6.20	10.06
Financial Leverage Ratio	Total assets/Total equity	Times	2.00	1.93	2.01	2.01	2.14	2.39	2.34	2.05	1.83	2.27
Net Assets per Share	(Total assets - Total Liabilities)/ Number of ordinary shares	PKR	113.55	128.59	143.93	165.07	183.28	195.77	201.48	219.05	258.55	285.74
Total debt to capital ratio	Total debt capital/Total equity	Ratio	15:85	21:79	16:84	21:79	25:75	47:53	44.56	34:66	22:78	28:72
Operating leverage ratio	(Contribution/operating profit)	%	3.50	3.64	3.18	3.12	3.13	3.34	3.17	3.73	2.98	2.58
Interest cover	Profit before interest and tax / Financial charges	Times	7.34	6.12	7.72	10.18	12.03	6.68	3.18	3.71	14.76	13.26

Dividend includes both approved and recommended during the year

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

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

2018-19 and 2019-20 includes revision of accounting policy from revaluation to cost model

# Six Year Analysis

## Statement of Financial Position Analysis

### Assets

#### Non-Current Assets

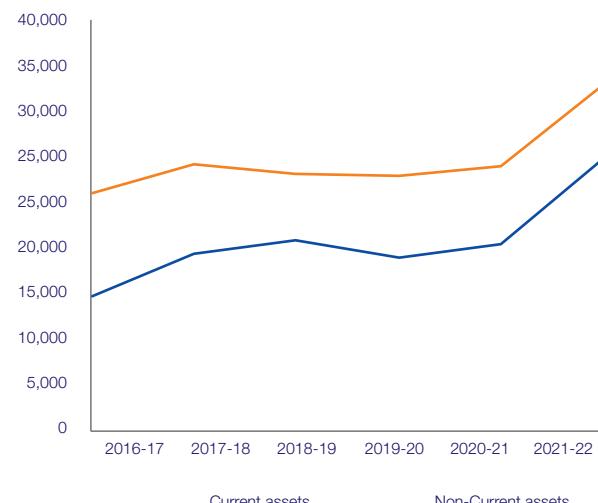
Non-current assets comprise fixed assets and investments in subsidiaries/associates. ICI Pakistan Limited's non-current assets have increased at a Compound Annual Growth Rate (CAGR) of 8%, attributable to various expansionary/growth/investment projects undertaken by the Company during the last six years. These include Phase 2 of the 75,000 Tonnes Per Annum (TPA) expansion project for the Soda Ash business, setting up of the new Masterbatches facility, the acquisition of selected assets and brands of Wyeth Pakistan Limited and Pfizer Pakistan Limited, along with investment in Cirin Pharmaceuticals Private Limited. Altogether, these investments are a testament to the Company's unwavering commitment to its brand promise of Cultivating Growth.

During the year in review, non-current assets of the Company increased by PKR 7.9 billion (31%) due to investments in CAPEX for expansionary projects such as the 135,000 TPA Soda Ash expansion project and the commissioning of a recycling unit at the Polyester plant in Sheikhupura for production of 100% PET recycled chips used to manufacture recycled polyester fibre.

ICI Pakistan Limited also invested PKR 770 million in Nutrico Pakistan (Private) Limited during the year to acquire an additional 11% shareholding, thereby taking its total shareholding to 51%. This made way for the merger of Nutrico Pakistan (Private) Limited with and into Nutrico Morinaga (Private) Limited.

#### Current Assets

Current assets include inventory and trade debts and have increased over the last six years at a CAGR of 15%, i.e. from PKR 13,160 million to PKR 26,388 million. In the current year alone, current assets have increased by 45% due to an increase in working capital requirements, owing to a combination of supply chain disruptions which necessitated maintaining higher inventory levels to avoid stockouts, and an unprecedented hike



in prices of raw materials due to the geopolitical situation. Trade debt levels have also increased due to an increase in Net Turnover and higher selling prices.

The increase in current assets over the years reflects the Company's growth across all businesses, as is evident from its net turnover and profitability. Growth in current assets over the last six years is in line with the growth in net turnover, which grew at a CAGR of 16%.

#### Equity and Liabilities

The shareholder's equity comprises of share capital and reserves. It has increased at a CAGR of 9% over the past six years, primarily due to increases in the profits of the Company, offset by dividend payments.

#### Non-Current Liabilities

Non-current liabilities comprise of long-term borrowings from financial institutions and deferred tax liabilities. Over the six years, it has increased with a CAGR of 3%, reflecting increases in long-term borrowing to support expansionary projects for the Company.

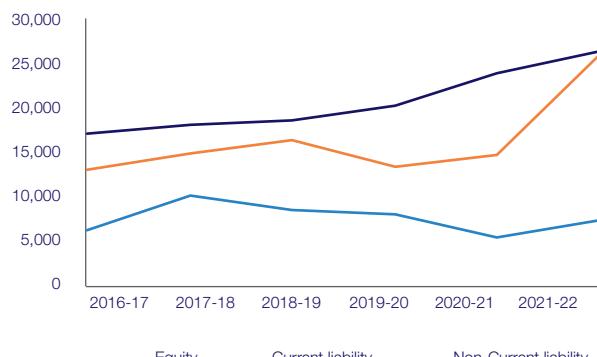
In FY'2020-21, long-term borrowing reduced due to repayments of loans as a result of higher cash generation, evidencing strong and diversified cash-generating ability and prudent cash flow/ liquidity management.

During the current year, concessionary long-term financing of PKR 3,054 million was obtained to finance expansion projects as mentioned above, due to which long-term loans increased by 25% in comparison to the previous year.

#### Current Liabilities

Over the six years, current liabilities have increased at a CAGR of 15% due to an increase in short-term borrowing to support increasing working capital requirements.

However, in comparison to last year, they have increased by 79%, i.e. from PKR 14,636 million to PKR 26,169 million, primarily due to substantial increases in short-term financing required to support increasing working capital requirements, as explained above.



## Statement of Profit or Loss Analysis

### Net Turnover

Net Turnover has increased from PKR 41,364 million to PKR 86,972 million at a CAGR of 16% in the past six years, owing to improved performances across all businesses. Net turnover of the Soda Ash and Polyester businesses collectively account for approximately 70% of the total sales.

Net Turnover has increased consistently over the years, except for FY'2019-20, when it decreased because of COVID-related lockdowns. A major decline in turnover was witnessed by the Polyester business due to a plant closure and declining prices across the petrochemicals value chain.

During the current year, Net Turnover recorded a significant increase of 39%, mainly due to recovering markets and the lifting of lockdowns after the pandemic, which have led to higher demand and increased sales volumes. Further, as demand picked up, prices of commodities in international commodity markets rose and further accelerated because of the Russia-Ukraine conflict, causing a commodity price super cycle. This, coupled with significant devaluation in the Pakistani Rupee against the US dollar, resulted in an increase in selling prices which contributed towards the increase in Net Turnover.

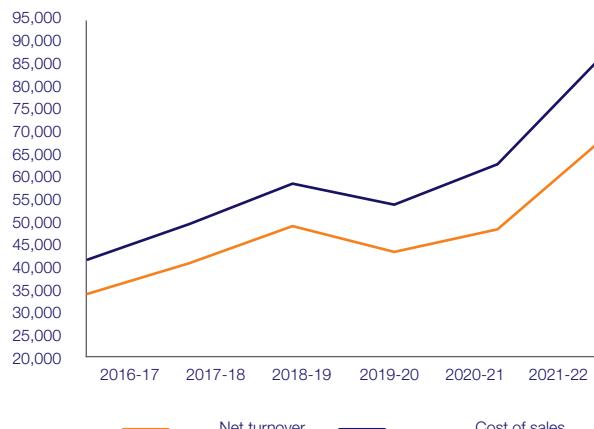
Timely investment in capacity expansion projects over the six years, particularly in the Soda Ash business, enabled ICI Pakistan Limited to cater to increased demand over the current year.

### Cost of Sales

Costs have increased from PKR 33,598 million to PKR 68,353 million at a CAGR of 15% over the last six years, in line with the increase in Net Turnover and increase in commodity/energy prices, coupled with the devaluation of the Pakistani Rupee.

Cost of Sales has been increasing consistently over the years, except for in FY'2019-20, when a dip in prices was caused by COVID-related lockdowns and lower production volumes for the Polyester business, due to plant closure and declining prices across the petrochemicals value chain.

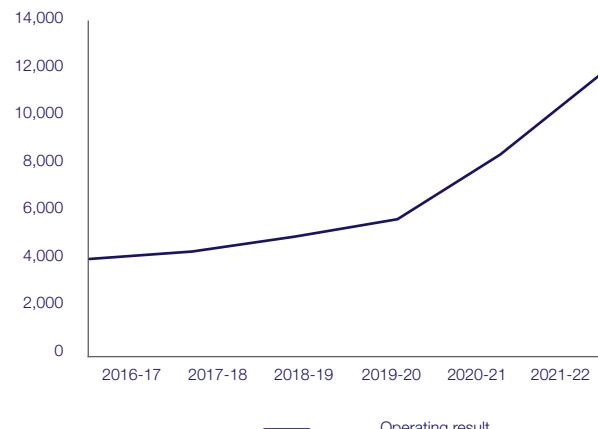
However, in the current year, the cost of sales increased by a significant 42% mainly due to increases in sales volumes, as explained in the Net Turnover section, coupled with increases in prices of raw materials like coke, Pure Terephthalic Acid (PTA), Mono-Ethylene Glycol (MEG), etc, and the prices of energy commodities like coal and RLNG, etc. This, along with escalating sea freights and tight availability of vessels, higher inflation rates, political uncertainty and depreciation of the local currency, kept the cost of sales on the higher side.



### Operating Result

Operating Profit increased from PKR 4,044 million to PKR 11,753 million at a CAGR of 24% in the last six years, owing to improved performances across all businesses. ICI Pakistan Limited has maintained a constant upward trajectory in its Operating Results, mainly due to growth in each of its businesses, driven by expansion, acquisitions, new product launches and better cost efficiencies. The addition of selected assets and brands of Wyeth Pakistan Limited and Pfizer Pakistan Limited, along with investment in the 75,000 TPA Light Ash capacity expansion projects, 70,000 TPA Dense Ash capacity project, the new Masterbatches manufacturing facility and investment in NutriCo Morinaga (Private) Limited have strengthened the Company's profile in the economy.

In the current year, Operating profit recorded a significant increase of 40%, mainly due to recovery in the markets and the lifting of lockdowns post-pandemic. Further, as demand picked up, prices of commodities rose globally. This phenomenon was exacerbated by the Russia-Ukraine conflict. However, ICI Pakistan Limited has been able to improve its profitability through higher sales volume, plant efficiencies and cost optimisations.



## Financial Charges / Exchange Losses

Over the six years, Financial Charges/Exchange Losses have increased from PKR 398 million to PKR 1,365 million at a CAGR of 28%, reflecting an increase in Finance Costs on the back of higher borrowings to support CAPEX expansion, investment in subsidiaries and short-term borrowings to support increased working capital requirements, as well as an increase in the policy rate by State Bank of Pakistan (SBP). Exchange Losses have increased due to the continuous depreciation of the Pakistani Rupee against foreign currencies.

In FY'2020-21, the Finance Cost/Exchange Loss was recorded at PKR 538 million, resulting from lower Finance Costs on account of lower borrowing rates and significantly reduced borrowing due to higher cash generation. This was supported by exchange gain following the appreciation of the Pakistani Rupee against the US dollar. However, in the current year, Finance Cost/Exchange Loss increased to PKR 1,365 million because of significantly higher borrowing to support higher working capital requirements and expansionary projects in the Soda Ash and Polyester businesses.

Further, the SBP also increased the policy rate by 675 base points during the year, which contributed towards the increase in Finance Cost. Exchange Loss increased by PKR 601 million owing to the depreciation of the Pakistani Rupee by approximately 30%.

## Other Income

Other income, comprising income from subsidiary/associate companies, stood at a negative CAGR of 16% over the six years in review. This was mainly due to no dividend income being received in the current year. However, in the prior five years, a consistent dividend was received with a CAGR of 3%.



## Statement of Cash Flow Analysis

### Operating Activities

From FY'2016-17 up until last year, cash flow from Operating Activities witnessed constant growth, from PKR 4,825 million to PKR 9,067 million, owing to an increase in profitability and improved cash flow generation across all businesses. The only exception was FY'2017-18, wherein cash flow from operating activities was negative PKR 1,402 million 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 the Pakistani Rupee.

During the current year, cash flows from Operating Activities declined due to an increase in working capital requirements. These increased significantly during FY'2021-22 due to supply chain disruptions and an unprecedented hike in prices of raw materials due to uncertainties in the geopolitical environment.

## Investing Activities

Cash used in investing activities has increased at a CAGR of 15% over the past six years and comprises investment in capital expenditure and investment in associate and subsidiary companies offset by dividend income received.

In the current year, cash used in Invested Activities at PKR 10,062 million is the highest in comparison to the last six years and comprises of investment in 135,000 Tonnes Per Annum (TPA) Light Soda Ash (LSA) expansion project, out of which 75,000 TPA was successfully commissioned during the year. It also includes investment in a 48TPD production unit to produce 100% recycled PET chips for the manufacture of recycled Polyester Staple Fibre (PSF) used in producing yarn for blended textiles. Further, during the year, PKR 770 million was invested to acquire an additional 11% stake in Nutrico Pakistan (Private) Limited.

In the previous five years, key expenditures included the 75,000 TPA Soda Ash expansion project, investment in Cirin Pharmaceuticals Private Limited and Nutrico Morinaga Private Limited, coupled with the acquisition of selected assets and brands from Wyeth Pakistan Limited and Pfizer Pakistan Limited. From FY'2019-20 till FY'2020-21, investment activities were negatively impacted because of economic slowdowns resulting from COVID-19.

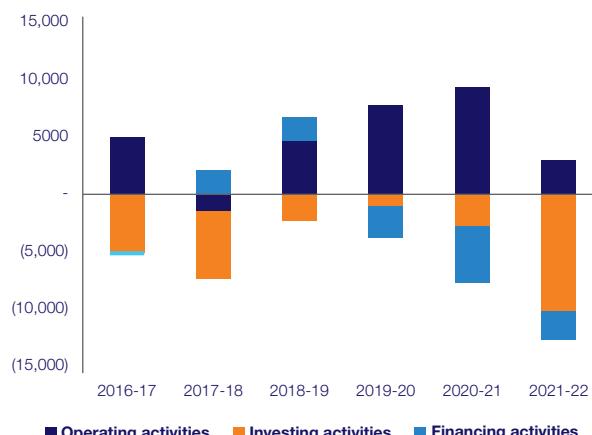
## Financing Activities

Financing Activities comprise mainly long-term loans obtained/(repaid) offset by dividend payments to shareholders. The Company has financed its expansionary needs and acquisitions as explained above by obtaining long-term loans. Dividend payments have been growing following the increase in profitability over the years.

In the current year, the Company has obtained long-term concessionary financing of PKR 3,054 million for its Light Soda Ash (LSA) and RPET expansion projects, as explained above in investing activities. This inflow was offset by Islamic term loan and payroll financing loan repayments amounting to PKR 1,482 million, along with dividend payments of PKR 3,678 million.

## Summary of Cash Flow Statement

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	PKR m
Net Cash Generated from Operating Activities	4,825	(1,402)	4,529	7,548	9,067	2,877	
Net Cash used in Investing Activities	(4,931)	(5,753)	(2,267)	(1,007)	(2,867)	(10,062)	
Net Cash Generated from/(used in) Financing Activities	(53)	1,993	(1,943)	(2,617)	(4,613)	(2,223)	
Net Change in Cash and Cash Equivalents	(159)	(5,161)	319	3,924	1,588	(9,407)	
Cash and Cash Equivalents at the End of the Year	(1,977)	(7,138)	(6,819)	(3,153)	(1,565)	(10,972)	



# SWOT Analysis

## STRENGTHS

- Rich legacy of over 78 years of successful operations.
- Strong brand equity.
- Part of the renowned Yunus Brothers Group (YBG).
- Diversified business portfolio, serving almost every segment in the country.
- State-of-the-art manufacturing facilities.
- Leading soda ash producer in Pakistan, with a growing presence in international markets.
- Increasing footprint in the Pharmaceuticals, Animal Health and Chemical & Agri Sciences markets.
- Competent and committed human resources.
- Track record of sustained profitability growth, strong cash generation ability and low gearing levels.
- Credit rating of AA/A-1+ signifying high credit quality.

## WEAKNESSES

- Dependence on supply of imported raw materials (PTA, Coke and MEG)
- Dependence on fuel sources (coal, gas and furnace oil).
- Constraints in passing on cost increase in the Pharmaceuticals business due to price regulation.

## OPPORTUNITIES

- Ongoing expansion of Soda Ash manufacturing facility.
- First local manufacturer of 100% recycled branded polyester stable fibre (PSF).
- Increasing soda ash exports to existing and new international markets.
- Cost-saving initiatives across the organisation.
- Successful collaborations with reputed international partners/principles.
- Joint venture with Tariq Glass Industries Limited (TGIL) for manufacturing of float glass.
- Strong financial position, allowing investments for growth.

## THREATS

- Supply chain constraints, raw material availability and volatile commodity prices.
- Local/international economic, political and environmental uncertainty.
- Policy rate hikes, currency devaluation and restrictive import regulations.
- High corporate taxability affecting shareholders' returns.
- Depleting natural resources, e.g. gas and coal.
- Dumping of low-cost imported products.
- Withdrawal of concessionary power tariffs for the Polyester business.



# Significant Factors Affecting the External Environment

**ICI Pakistan Limited operates in an ever-changing business environment, wherein its operations and performance are impacted by many macroeconomic factors. These include political, economic, social and environmental, regulatory and technological elements.**

The Company continuously identifies, assesses and monitors changes to its external environment that may impact its ability to continue creating sustainable value for its shareholders. ICI Pakistan Limited's well-integrated and holistic strategy seeks to ensure that it is prepared to effectively manage risks and capitalise on the opportunities resulting from volatile factors in the external environment.



## Political and Macroeconomic Conditions

Nearly two years after the start of the pandemic, FY'2021-22 showed a glimmer of hope. The loosening of Covid-related restrictions and the picking up of global demand led to a resumption in economic activities. However, the post-pandemic period has been marred by the ongoing Russia-Ukraine conflict, the global effects of which were felt in commodity markets and supply chains in the form of inflation, unfavourable financial conditions and a slowdown in global growth. Energy prices witnessed a 13-year high, amidst sanctions against Russia and the normalisation of Chinese demand. International commodity markets also witnessed a 'commodity price super cycle,' resulting in higher costs of doing business, while frequent and significant increases in the prices of agricultural commodities are exacerbating food insecurity and poverty in many emerging markets.

Consequently, there is great risk of a global recession. As per the World Bank, global growth is expected to slow down sharply from 5.7% in 2021 to 2.9% this year. Monetary tightening measures are being deployed across all major economies to curtail demand-led inflation, which may eventually lead to a decline in overall economic activity.

The volatility in global markets have impacted Pakistan's economy, which demonstrated cycles of 'boom and bust'. An impressive GDP growth rate of almost 6% for FY'2021-22, supported by an expansion of large-scale manufacturing by 11.7%, was overshadowed by ballooning twin fiscal and current account deficits. This combined with an uncertain political environment and high international fuel and commodity prices exerted immense pressure on foreign exchange reserves, resulting in a depreciation of the Pakistani Rupee against the US dollar by approximately 30%, leading to inflation. To control consumption, the State Bank of Pakistan (SBP) increased the policy rate by 800 bps since September 2021, along with various other measures to curb imports.

The IMF programme revival and expected exclusion from the FATF gray list is expected to provide much-needed stability on the external front. However, measures taken on the fiscal front will put further burden on corporates in Pakistan and in turn, affect shareholders' returns.

Long-standing structural weaknesses of the economy and political instability pose risks to sustained economic recovery. However, the implementation of key structural reforms under the IMF programme, focused on sustaining macroeconomic stability, increasing competitiveness and stabilising the energy sector, alongside the continuation of government policies, is expected to strengthen the economy over the longer-term.

Nonetheless, ICI Pakistan Limited remains focused on minimising the negative impacts of the same, delivering Enduring Value by strengthening relationships with existing customers and suppliers, whilst leveraging a diversified product portfolio to further its growth aspirations.



## Social and Environmental Factors

Social impacts resulting from the downturn of economic activity due to the pandemic and the Russia-Ukraine conflict, including a surge in energy and food prices, higher borrowing cost and local currency depreciation, are taking their toll on the disposable income of consumers.

Domestic response to these is being managed through the provision of a relief package announced by the Government, providing approximately 14 million marginalised families with immediate monthly monetary assistance. This relief is in addition to the EHSAS Programme, which has been extended to cover more people and helped overcome hunger and social disruption across the country. A Health Card system has also been introduced during the year to provide medical coverage to the needy.

A Subsidised House Financing Scheme was instrumental in providing low-cost, long-term financing to low-income households, as well as providing impetus to the construction industry. Investment in solar energy projects has also been incentivised to promote low-cost, environment-friendly energy sources. Moreover, the Poverty Alleviation Tax imposed on high-earning persons during the year has been able to make way for mass relief efforts for those in need.

On the environmental front, climate change remains one of the biggest threats to humankind, given the increase in the number of climate-related calamities, thereby resulting in loss of productivity, inflation and hunger. Pakistan is especially vulnerable to climate change and water scarcity and so, the construction of dams is now being expedited, as are reforestation initiatives.

ICI Pakistan Limited, being a responsible steward, continues to support sustainable socio-economic development through philanthropic investments undertaken by the ICI Pakistan Foundation in the areas of health, education, women's empowerment, community development and the environment, in partnership with its CSR co-partners. This year alone, the Company invested PKR 59.2 million in its CSR agenda.



## Regulatory

The Government of Pakistan continues to take steps to foster a positive business climate whilst enhancing the ease of doing business. As a responsible corporate, ICI Pakistan Limited is cognisant of changes in the regulatory environment and has robust systems in place to ensure compliance with the same.

However, the continuation of trade suspensions with neighbouring countries is impacting the Company's business, specifically the Pharmaceuticals and Agri Sciences businesses.



## Technology

The pandemic has highlighted the need for heightened digital connectivity and the resulting challenges arising in the area of cyber security. In response, the Company has built a strong pool of IT talent and deployed best-in-class security applications and policies.

## Significant Changes from Prior Years

FY'2021-22 has been characterised by high energy and commodity prices, supply chain disruptions, significant depreciation of the Pakistani Rupee, increases in borrowing rates and corporate tax due to local and geo-political factors, leading to an unprecedented rise in the cost of doing business.

Despite all the challenges, ICI Pakistan Limited has been able to post a 5% growth in Profit after Tax (PAT) on the back of higher sales volume and operational excellence.

# Vertical and Horizontal Analysis

## Vertical Analysis

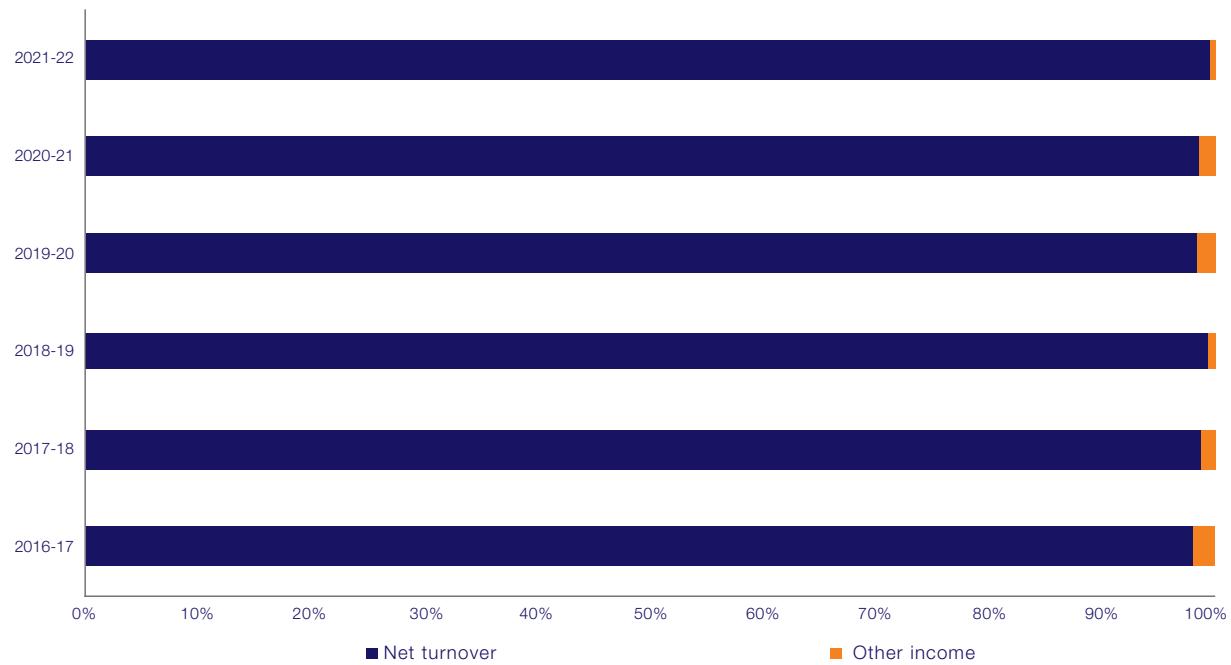
	July to June																						
	2016-17		2016-17		2017-18		2017-18		2018-19		2018-19		2019-20		2019-20		2020-21		2020-21		2021-22		
	PKR m	%	PKR m	%	PKR m	%	Restated	Restated	PKR m	%	PKR m	%	Restated	Restated	PKR m	%							
<b>Statement of Profit or Loss</b>																							
Net sales, commission & toll income	41,364	100.0	49,108	100.0	58,329	100.0	53,599	100.0	62,618	100.0	86,972	100%											
Cost of Sales	33,598	81.2	40,553	82.6	48,877	83.8	43,042	80.3	48,270	77.1	68,353	79%											
Gross profit	7,765	18.8	8,554	17.4	9,452	16.2	10,556	19.7	14,348	22.9	18,619	21%											
Selling & Distribution Expenses	2,607	6.3	2,949	6.0	3,170	5.4	3,389	6.3	4,155	6.6	4,990	6%											
Administration & General Expenses	1,115	2.7	1,207	2.5	1,346	2.3	1,498	2.8	1,794	2.9	1,875	2%											
Operating Result	4,044	9.8	4,398	9.0	4,935	8.5	5,669	10.6	8,399	13.4	11,753	14%											
Financial Charges/ Exchange Losses	398	1.0	1,071	2.2	1,891	3.2	1,962	3.7	538	0.9	1,365	2%											
Other Operating Charges	144	0.3	304	0.6	272	0.5	333	0.6	635	1.0	565	1%											
Other Operating Income	893	2.2	627	1.3	409	0.7	955	1.8	1,003	1.6	375	0%											
Profit before taxation	4,394	10.6	3,650	7.4	3,181	5.5	4,330	8.1	8,229	13.1	10,199	12%											
Taxation	1,098	2.7	591	1.2	876	1.5	1,234	2.3	2,269	3.6	3,951	5%											
Profit after taxation	3,296	8.0	3,060	6.2	2,305	4.0	3,096	5.8	5,959	9.5	6,249	7%											

## Horizontal Analysis

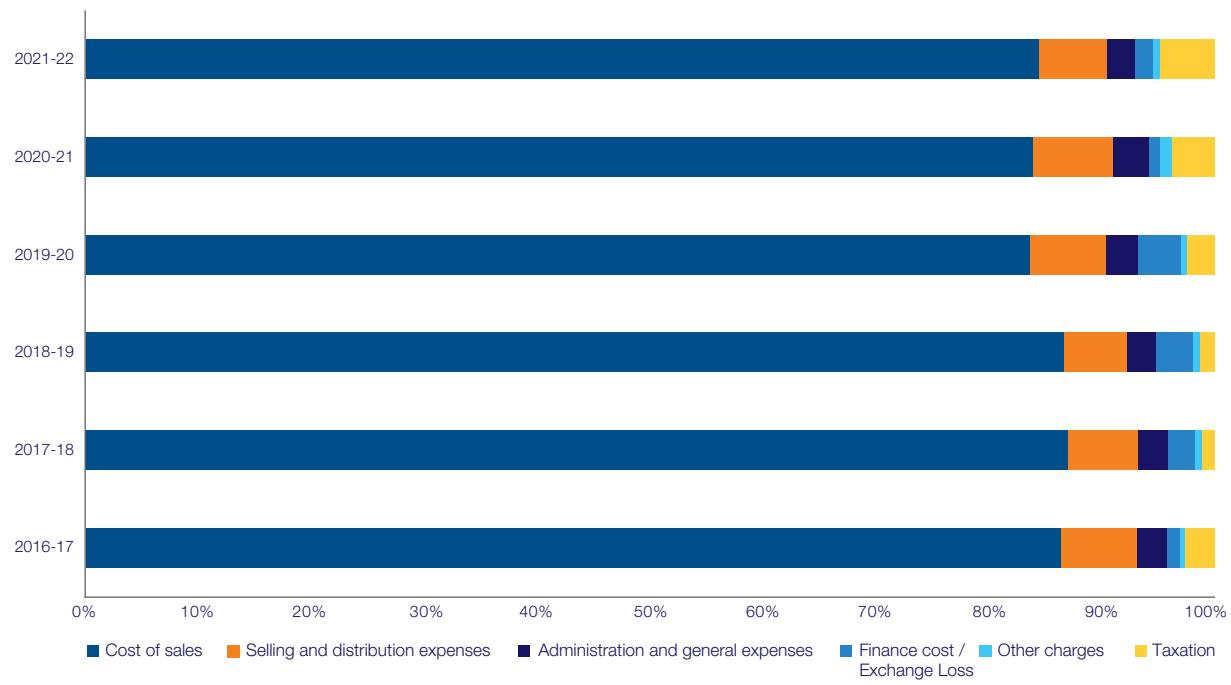
	July to June																						
	2016-17		2016-17		2017-18		2017-18		2018-19		2018-19		2019-20		2019-20		2020-21		2020-21		2021-22		
	PKR m	%	PKR m	%	PKR m	%	Restated	Restated	PKR m	%	PKR m	%	Restated	Restated	PKR m	%							
<b>Profit and Loss Account</b>																							
Net sales, commission & toll income	41,364	11.9	49,108	18.7	58,329	18.8	53,599	(8.1)	62,618	16.8	86,972	38.9											
Cost of Sales	33,598	10.2	40,553	20.7	48,877	20.5	43,042	(11.9)	48,270	12.1	68,353	41.6											
Gross profit	7,765	19.9	8,554	10.2	9,452	10.5	10,556	11.7	14,348	35.9	18,619	29.8											
Selling & Distribution Expenses	2,607	23.1	2,949	13.1	3,170	7.5	3,389	6.9	4,155	22.6	4,990	20.1											
Administration & General Expenses	1,115	26.4	1,207	8.3	1,346	11.5	1,498	11.3	1,794	19.8	1,875	4.5											
Operating Result	4,044	16.2	4,398	8.8	4,935	12.2	5,669	14.9	8,399	48.1	11,753	39.9											
Financial Charges	398	3.9	1,071	169.0	1,891	76.7	1,962	3.7	538	(72.6)	1,365	153.8											
Other Operating Charges	144	(49.5)	304	111.2	272	(10.4)	333	22.4	635	90.8	565	(11.1)											
Other Operating Income	893	29.8	627	(29.8)	409	(34.8)	955	133.6	1,003	5.0	375	(62.6)											
Profit before taxation	4,394	25.6	3,650	(16.9)	3,181	(12.9)	4,330	36.1	8,229	90.0	10,199	23.9											
Taxation	1,098	67.7	591	(46.2)	876	48.2	1,234	40.9	2,269	83.9	3,951	74.1											
Profit after taxation	3,296	15.9	3,060	(7.2)	2,305	(24.7)	3,096	34.3	5,959	92.5	6,249	4.9											

2018-19 and 2019-20 includes revision of accounting policy from revaluation to cost model

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



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



## Statement of Financial Position

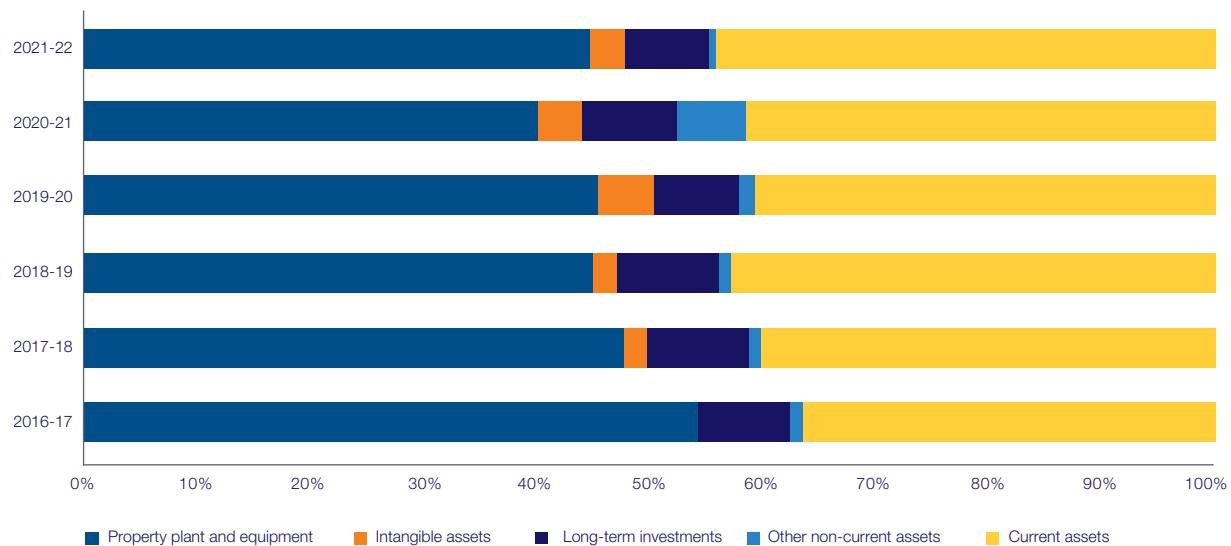
### Vertical Analysis

	July to June																					
	2016-17		2016-17		2017-18		2017-18		2018-19		2018-19		2019-20		2019-20		2020-21		2020-21		2021-22	
	PKR m	%	PKR m	%	PKR m	%	Restated	Restated	PKR m	%	PKR m	%	Restated	Restated	PKR m	%						
<b>Statement of Financial Position</b>																						
Total Equity and Revaluation Reserve	16,928	47	18,081	42	18,609	42	20,232	49	23,879	54	26,391	44										
Non Current Liability	6,243	17	10,248	24	8,539	20	8,024	19	5,289	13	7,380	12										
Current Liability	12,985	36	14,819	34	16,366	38	13,253	32	14,636	33	26,170	44										
<b>Total Equity and Liabilities</b>	<b>36,156</b>	<b>100</b>	<b>43,148</b>	<b>100</b>	<b>43,514</b>	<b>100</b>	<b>41,509</b>	<b>100</b>	<b>43,804</b>	<b>100</b>	<b>59,941</b>	<b>100</b>										
Non Current Assets	22,996	64	25,882	60	24,939	57	24,651	59	25,640	59	33,553	56										
Current Assets	13,160	36	17,266	40	18,575	43	16,858	41	18,163	41	26,388	44										
<b>Total Assets</b>	<b>36,156</b>	<b>100</b>	<b>43,148</b>	<b>100</b>	<b>43,514</b>	<b>100</b>	<b>41,509</b>	<b>100</b>	<b>43,804</b>	<b>100</b>	<b>59,941</b>	<b>100</b>										

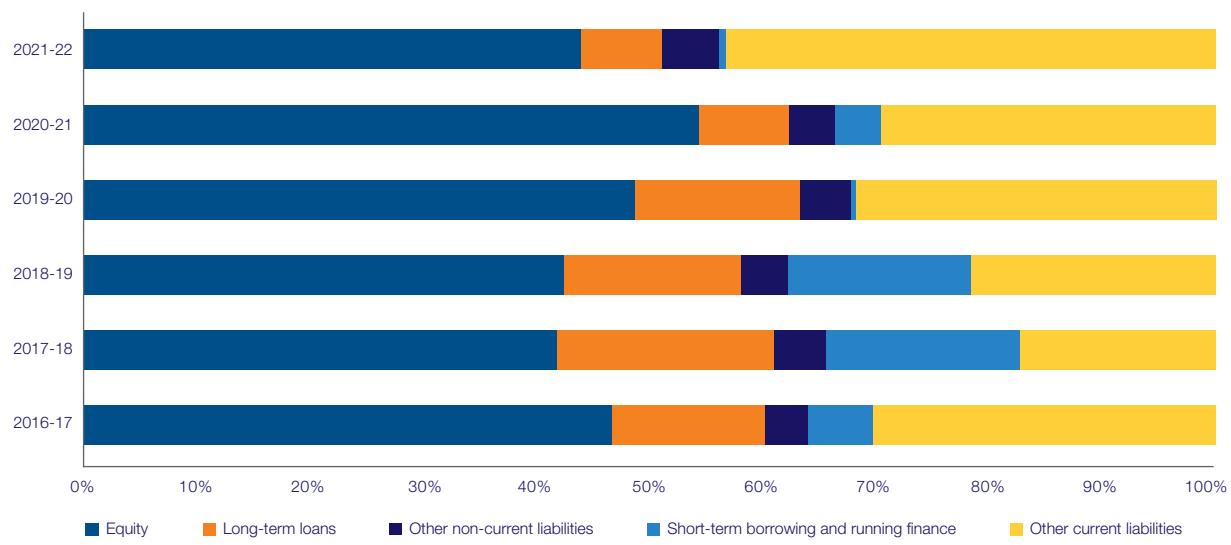
### Horizontal Analysis

	July to June																					
	2016-17		2016-17		2017-18		2017-18		2018-19		2018-19		2019-20		2019-20		2020-21		2020-21		2021-22	
	PKR m	%	PKR m	%	PKR m	%	Restated	Restated	PKR m	%	PKR m	%	Restated	Restated	PKR m	%						
<b>Balance Sheet</b>																						
Total Equity and Revaluation Reserve	16,928	11	18,081	7	18,609	3	20,232	9	23,879	18	26,391	11										
Non Current Liability	6,243	21	10,248	64	8,539	(17)	8,024	(6)	5,289	(34)	7,380	40										
Current Liability	12,985	28	14,819	14	16,366	10	13,253	(19)	14,636	10	26,170	79										
<b>Total Equity and Liabilities</b>	<b>36,156</b>	<b>18</b>	<b>43,148</b>	<b>19</b>	<b>43,514</b>	<b>1</b>	<b>41,509</b>	<b>(5)</b>	<b>43,804</b>	<b>6</b>	<b>59,941</b>	<b>37</b>										
Non Current Assets	22,996	22	25,882	13	24,939	(4)	24,651	(1)	25,640	4	33,553	31										
Current Assets	13,160	13	17,266	31	18,575	8	16,858	(9)	18,163	8	26,388	45										
<b>Total Assets</b>	<b>36,156</b>	<b>18</b>	<b>43,148</b>	<b>19</b>	<b>43,514</b>	<b>1</b>	<b>41,509</b>	<b>(5)</b>	<b>43,804</b>	<b>6</b>	<b>59,941</b>	<b>37</b>										

**Statement of Financial Position Analysis  
(Assets)  
(%)**



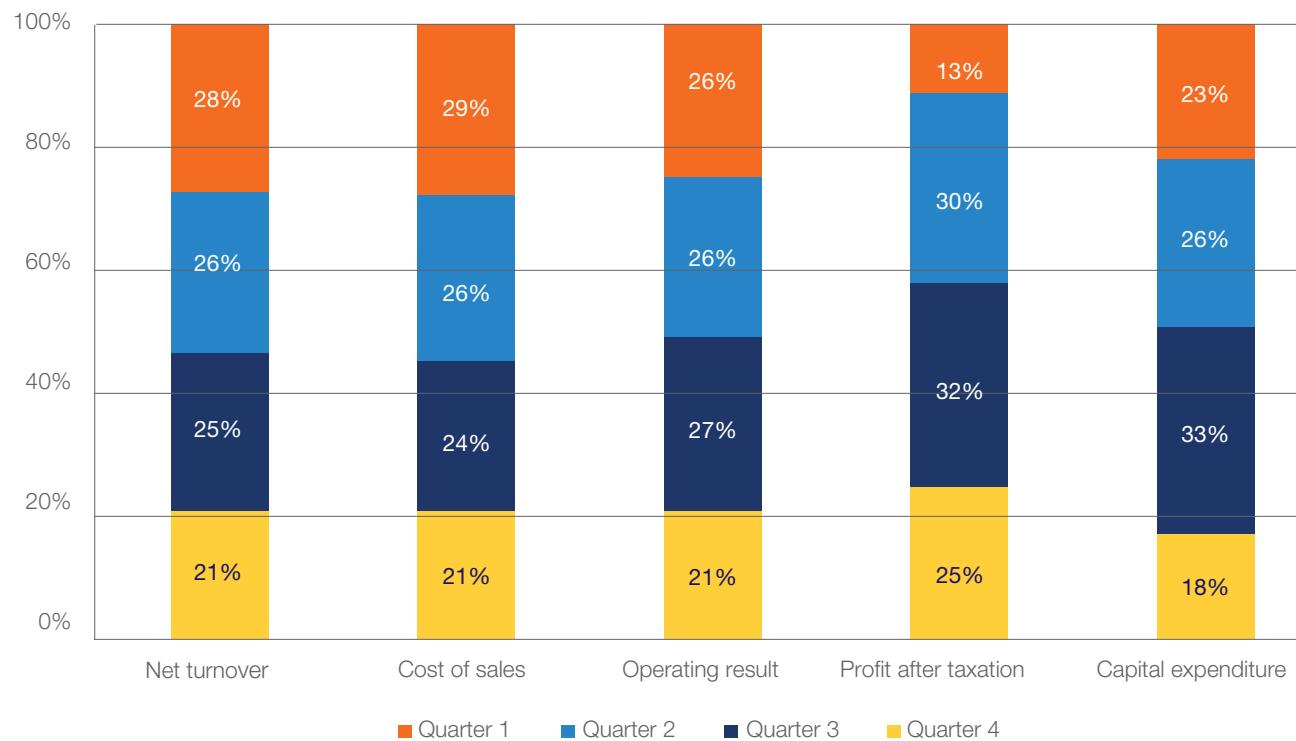
**Statement of Financial Position Analysis  
(Equity and Liabilities)  
(%)**



# Quarterly Analysis

In PKR '000

	Net Turnover	Cost of Sales	Operating Result	Profit After Taxation	Capital Expenditure
Quarter 1	18,186,717	14,177,466	2,480,365	1,547,076	1,609,610
Quarter 2	21,752,520	16,805,434	3,200,727	2,022,145	3,230,646
Quarter 3	22,501,776	17,677,000	3,023,071	1,896,891	2,516,555
Quarter 4	24,531,165	19,693,233	3,049,251	782,475	2,190,632
	<b>86,972,178</b>	<b>68,353,133</b>	<b>11,753,414</b>	<b>6,248,587</b>	<b>9,547,443</b>



Net Turnover	Cost of Sales	Operating Results	Profit After Taxation
<b>Quarter 1</b>			
<p>Net Turnover for the quarter, at PKR 18,187 million, is 31% higher as compared to the SPLY, with both the Polyester and Soda Ash businesses delivering revenues higher by 34% each versus the SPLY. Revenues of the Pharmaceuticals, Animal Health and Chemicals &amp; Agri Sciences businesses increased by 32%, 22% and 17% respectively.</p> <p>The improved performance of the Polyester business is attributable to strong demand from the textile sector and favourable regional dynamics.</p> <p>The soda ash market posted strong growth on account of improved overall demand and recovering economic performance, which was previously marred by COVID-19. The impetus for growth in the Soda Ash business was provided by the bazaar, silicate, and detergents segments.</p> <p>The Animal Health business's enhanced volumes were attributable to growth in the Farmer's Choice portfolio, in both the livestock and poultry segments. The Chemical &amp; Agri Sciences business achieved better results as a consequence of a sharp recovery in consumer demand.</p>	<p>The Cost of Sales for the quarter stood at PKR 14,177 million - 28% higher than the SPLY and in line with the increase in Net Turnover. This, combined with volatility in commodity prices, higher energy costs, supply chain constraints, higher inflation and the devaluation of the local currency, lead to a strong cost push.</p>	<p>The Operating Result for the quarter stood at PKR 2,480 million, which was 56% higher as compared to the SPLY. This was due to higher Operating Results in the Polyester, Soda Ash, Pharmaceutical, Animal Health and Chemical &amp; Agri Sciences businesses by 76%, 24%, 158%, 164% and 36% respectively.</p> <p>The Polyester business grew due to healthy unit margins on the back of favourable regional dynamics, improved efficiencies and tighter cost control.</p> <p>The Soda Ash business's performance was due to higher sales volume and effective plant operations, partially offset by higher raw material and energy prices.</p> <p>The performance of the Pharmaceuticals business was driven by a better sales mix, enhanced capacity utilisation and manufacturing efficiencies, while the Animal Health business improved margins on the back of growth in the Farmer's Choice portfolio in both the livestock and poultry segments.</p> <p>The Chemical &amp; Agri Sciences business achieved better results because of a sharp recovery in consumer demand, with a strong focus on margin optimisation and operational excellence.</p>	<p>Profit after Tax (PAT) for the quarter, at PKR 1,547 million, and EPS of 16.75 was 66% higher than the SPLY. This was as a result of operational excellence across all businesses and lower finance costs due to improved cash generation, resulting in significantly reduced debt levels.</p> <p>However, this was partially offset by the higher exchange loss due to a 8% devaluation of the Pakistani Rupee (PKR) to US Dollars (USD) during the quarter.</p>
<b>Quarter 2</b>			
<p>Net Turnover for the quarter, at PKR 21,753 million, was 41% higher as compared to the SPLY, with all five businesses maintaining the momentum built in Q1. The Polyester and Soda Ash businesses delivered 67% and 39% higher revenues respectively, whereas the revenues of the Chemicals &amp; Agri Sciences, Animal Health and Pharmaceuticals businesses were higher by 26%, 12% and 4% respectively.</p> <p>The improved performance of the Polyester business was mainly attributable to a higher import offer, backed by an increase in feedstock prices and sea freights, along with strong demand from the textile industry.</p> <p>The Soda Ash business's performance was attributable to a higher sales volume achieved through aggressive penetration in export markets.</p> <p>The Pharmaceuticals business delivered an improved performance on the back of new product launches. The Animal Health business delivered growth on the back of a strong performance by the locally-manufactured Farmer's Choice portfolio in both the livestock and poultry segments.</p> <p>The Poultry Biologicals portfolio, including CAVAC vaccines, maintained a positive trajectory. Moreover, the business witnessed record production of Sludge, translating into a volumetric sales growth of 60%.</p> <p>The Chemical &amp; Agri Sciences business achieved improved results due to a sharp recovery in consumer demand.</p>	<p>The Cost of Sales for Q2 amounted to PKR 16,805 million - an increase of 45% from the SPLY, thereby outpacing the growth in Net Turnover for the quarter. This was due to increases in the Cost of Sales across all businesses, Polyester and Soda Ash being the major contributors.</p> <p>Volatility in international commodity prices, higher energy costs due to the rebound of crude oil markets, supply chain constraints, higher inflation and devaluation of the local currency kept costs on the higher side.</p>	<p>The Operating Result for the quarter at PKR 3,201 million, was 32% higher than the SPLY. Improved performance was seen across all businesses and the major contributors were the Animal Health, Polyester and Pharmaceuticals businesses.</p> <p>The Polyester business's growth was driven by healthy unit margins and favourable regional dynamics, improved efficiencies and tighter cost control.</p> <p>The Soda Ash business's Operating Results, on the other hand, witnessed a decline of 3%, despite increases in domestic sales. This was due to a drastic increase in raw material prices and energy costs.</p> <p>The Pharmaceutical business's improved performance by 64% was due to enhanced plant efficiencies, successful product launches and an improved product mix.</p> <p>The Animal Health business, despite cost-push pressures, was able to boost its results by 63%, resulting from effective margin management and cost rationalisation.</p> <p>Meanwhile, the performance of the Chemicals &amp; Agri Sciences business was delivered through a stronger focus on operational excellence and margin optimisation.</p>	<p>PAT for the quarter under review, at PKR 2,022 million, and EPS of PKR 21.89, was 20% higher than the SPLY. This was mainly due to higher operating profits across all businesses except for Soda Ash, and lower Finance Cost on account of improved cash generation and lower interest rates. This was partially offset by a higher Exchange Loss resulting from a 4% devaluation of the Pakistani Rupee against the US dollar.</p>
<b>Quarter 3</b>			
<p>Net Turnover for the quarter at PKR 22,502 million was 31% higher compared to the SPLY. The Soda Ash and Polyester businesses saw 50% and 38% higher revenues, respectively. Revenues of the Chemicals &amp; Agri Sciences and Pharmaceuticals businesses were higher by 19% and 6%, while the revenue of the Animal Health business was in line with the SPLY.</p> <p>The Polyester business's growth was due to strong downstream demand backed by higher import offers, increase in feedstock prices and sea freights.</p> <p>The Soda Ash business's performance was largely driven by higher sales volume realised through focused export market expansion.</p> <p>The Chemicals segment benefited from improved demand amid consistent growth in the manufacturing industry. Favourable weather conditions and low instances of pest attacks enabled the Agri Sciences segment to deliver in the seeds sub-segment as well.</p>	<p>Cost of Sales, at PKR 17,677 million, was 38% higher compared to the SPLY, outpacing the growth in Net Turnover.</p> <p>International commodity and energy prices, which were already on the rise due to recovering demand post the pandemic, reached an all-time high due to the Russia-Ukraine conflict. Prices of coal and Brent crude were severely impacted, resulting in higher energy costs for the businesses. This, combined with escalating sea freights and unavailability of vessels, higher inflation rates, political uncertainty and devaluation of the PKR, kept Cost of Sales on the higher side.</p>	<p>The Operating Result for the quarter, at PKR 3,023 million, is 10% higher than the SPLY. The Soda Ash, Animal Health and Chemicals &amp; Agri Sciences businesses were the major contributors, despite strong cost push factors.</p> <p>The Operating Result for the Polyester business was 7% lower than the SPLY, owing to higher energy costs and a significant surge in global commodity prices, as well as the continued devaluation of the Pakistani Rupee.</p> <p>Operating Profit for the Soda Ash business grew by 21%, primarily driven by higher sales volumes and better export margins.</p> <p>The improved performance achieved in the Pharmaceutical business was driven by a better sales mix and lower operating expenses.</p> <p>The Animal Health business saw better margins and volumes as well, resulting from growth in the Farmer's Choice portfolio in both the livestock and poultry segments.</p> <p>The Chemical &amp; Agri Sciences business recorded improved results, attributable to a sharp recovery in consumer demand and a strong focus on margin optimisation and operational excellence.</p>	<p>PAT for the quarter, at PKR 1,897 million, and EPS of PKR 20.54, was 5% higher than the SPLY. Growth in the Operating Result was partially offset by higher Finance Costs resulting from rising interest rates and debt levels, along with a higher Exchange Loss on account of a 4% devaluation of the PKR.</p>
<b>Quarter 4</b>			
<p>Net Turnover for the quarter, at PKR 24,531 million, is 52% higher than the SPLY, owing to higher revenues overall. The Soda Ash and Polyester businesses showed growth of 75% and 64%, respectively. Meanwhile, the Pharmaceuticals, Animal Health and Chemicals &amp; Agri Sciences businesses' revenues are higher by 17%, 10% and 35% respectively.</p> <p>Net Turnover for the Polyester business is higher by 64%, attributable to higher import offers and strong downstream demand and an increase in feedstock prices and sea freights.</p> <p>The Soda Ash business's performance was largely driven by a higher sales volume realised in the domestic market, coupled with increases in selling prices due to rising cost of production.</p> <p>The Pharmaceuticals business delivered improved performances on the back of new product launches, whereas the Animal Health business grew on the back of a strong performance by the Farmer's Choice portfolio in both the livestock and poultry segments.</p>	<p>Cost of Sales for the quarter stand at PKR 19,693 million, higher by 54% as compared to the SPLY. This is attributable to a higher sales volume and a significant increase in raw material and energy prices due to the Russia-Ukraine conflict and currency devaluation.</p>	<p>Operating Profit for the quarter, at PKR 3,049 million, is 90% higher as compared to the SPLY.</p> <p>The domestic soda ash market posted strong growth on the back of greater sales volume and sales prices compensating for the increase in Cost of Sales.</p> <p>The Polyester business's performance was driven by healthy unit margins and favourable regional dynamics, along with improved efficiencies and tighter cost control.</p> <p>In the Animal Health business, operating performance was driven by a greater focus on the Farmer's Choice portfolio in both livestock and poultry segments. Moreover, the Poultry Biologicals portfolio, including the flagship CAVAC vaccines, also outperformed in Q4.</p> <p>The Chemicals segment benefited from improved demand amid consistent growth in all sectors of the manufacturing industry. Favourable weather conditions contributed to the improved performance of the Agri Sciences segment.</p>	<p>Profit after Tax (PAT) for the quarter, at PKR 782 million, and EPS of PKR 8.48, is lower by 48% as compared to the SPLY.</p> <p>This is mainly due to the retrospective imposition of 4% Poverty Alleviation Tax and 6% Super Tax, as per the Finance Act, 2022.</p> <p>Excluding this, the PAT for the quarter was PKR 1,906 million with an EPS of 8.48 - 26% above the SPLY.</p>

# DuPont Analysis

DuPont Analysis	2021-22	2020-21
Tax burden	38.73%	27.58%
Interest burden	7.44%	6.73%
Operating result margin	13.51%	13.41%
Asset turnover (Times)	1.45	1.43
Gearing (Long term debt/Equity)	25.51%	20.82%
Return on equity	23.68%	24.96%

## Commentary on DuPont Analysis

Net Turnover for the year under review was 39% higher than the Same Period Last Year (SPLY), owing to the exceptional performance delivered by all businesses. Net Turnover for the Polyester, Soda Ash, Pharmaceuticals, Chemicals & Agri Sciences and Animal Health businesses grew by 51%, 50%, 14%, 24% and 10% respectively.

Operating Results of the Company improved by 40%. This was primarily due to higher sales volume, healthy unit margins, growth in exports, efforts to expand product range and better manufacturing efficiencies.

Finance Cost for the year is 38% higher than the SPLY, owing to higher debt levels, as working capital requirements increased on account of supply chain disruptions. This necessitated maintaining higher inventory levels to mitigate the risk of stockouts and an unprecedented hike in prices. Further, the cost of borrowing rose significantly, with the State Bank of Pakistan (SBP) increasing the policy rate by 6.75% amidst monetary policy tightening. Furthermore, the Pakistani Rupee depreciated by approximately 30% against the US dollar, resulting in higher Exchange Losses as compared to the SPLY.

Tax Expense for the year was also higher as compared to the SPLY because of higher profitability and the imposition of a

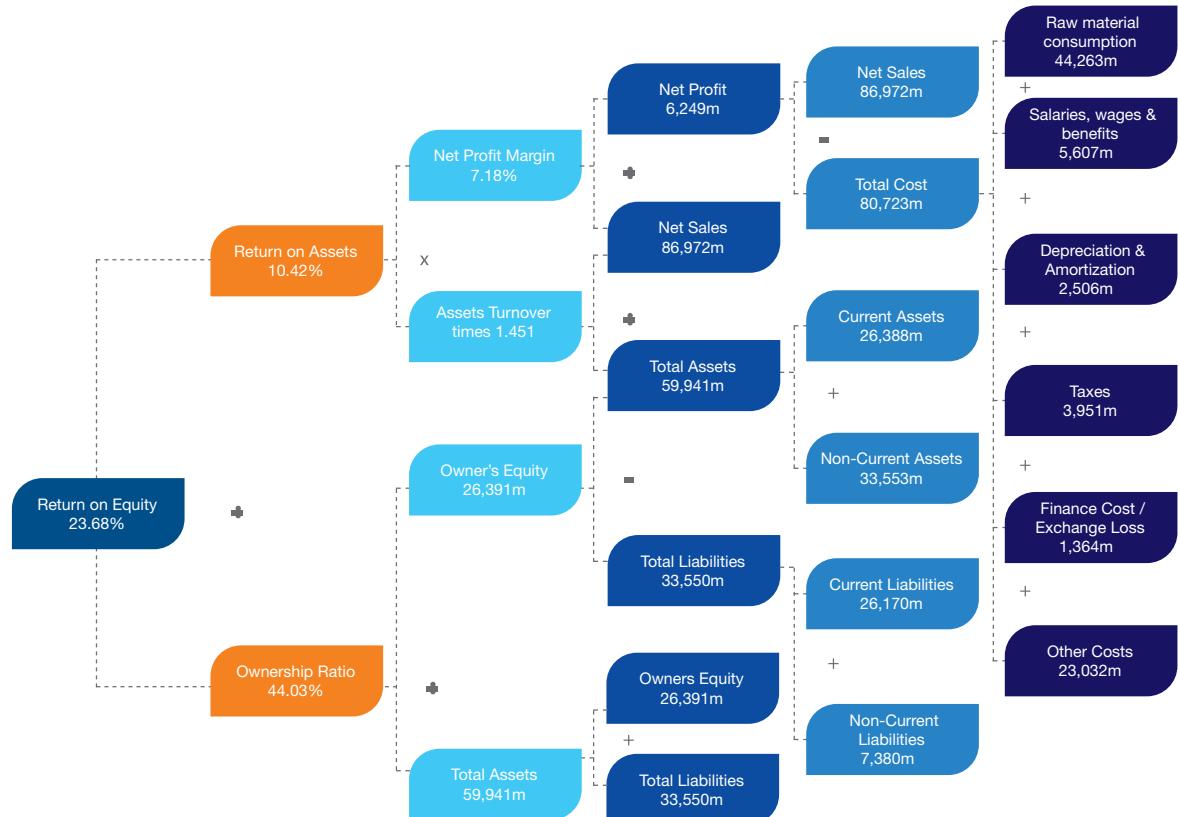
4% Poverty Alleviation Tax and 6% Super Tax, as per Finance Act, 2022, impacting profitability. Nonetheless, Profit After Tax (PAT) was 5% higher as compared to the SPLY.

Non-Current Assets of the Company witnessed an increase of 31% on account of additions in property, plant and equipment, primarily as part of the Soda Ash business's expansion project and the commissioning of a recycled Polyester Stable Fibre (PSF) unit at the Polyester business's manufacturing site in Sheikhupura.

Long-term investments increased by 21% due to the acquisition of an additional 11% stake in NutriCo Pakistan Private Ltd.

Current Assets rose by 45% due to increased working capital requirements, owing to a combination of supply chain disruptions, which compelled the Company to maintain higher inventory levels to mitigate the risk of stock outs, and a record hike in prices.

Ownership Ratio decreased by 19% as compared to the SPLY, due to an overall increase in debt levels to support higher working capital requirements and ongoing capacity expansion projects. Resultantly, the Return on Equity was recorded at 23.68% as compared to 24.96% in SPLY.

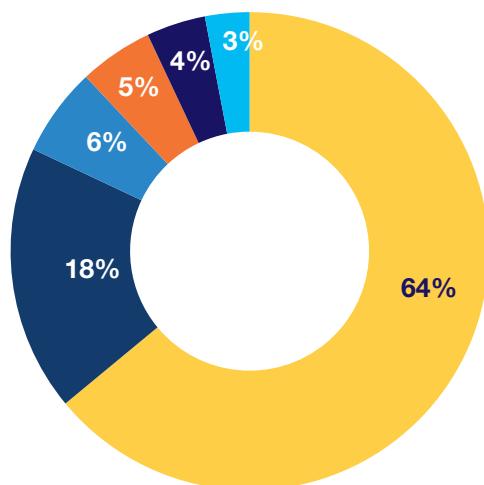


# Value Addition and its Distribution

		30-Jun-22	%	30-Jun-21	%
Net Sales		86,972,178		62,617,966	
Sales Tax		11,334,774		7,921,139	
Net Sales including sales tax	A	98,306,952	100%	70,539,105	99%
Other operating Income		375,484	0%	1,002,966	1%
		<b>98,682,436</b>	<b>100%</b>	<b>71,542,071</b>	<b>100%</b>
Raw Material and Services	B	64,557,276	64%	44,634,271	63%
Government Exchequer and duties	C	17,479,172	18%	11,734,432	16%
Employee remuneration & benefits	D	5,605,816	6%	5,485,500	8%
Operating and Other expenses	E	4,791,585	5%	3,728,422	5%
Dividends		3,694,364	4%	2,308,978	3%
Profit Retained	F	2,554,223	3%	3,650,468	5%
		<b>98,682,436</b>	<b>100%</b>	<b>71,542,071</b>	<b>100%</b>

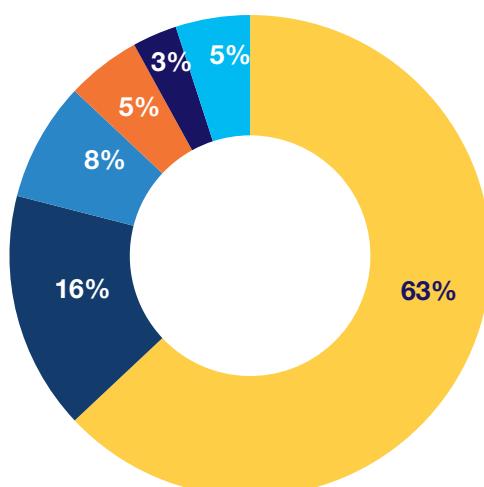
## 30-Jun-22

- Raw Material and services
- Government Exchequer and duties
- Employee remuneration and benefits
- Operating and other expenses
- Dividends
- Profit Retained

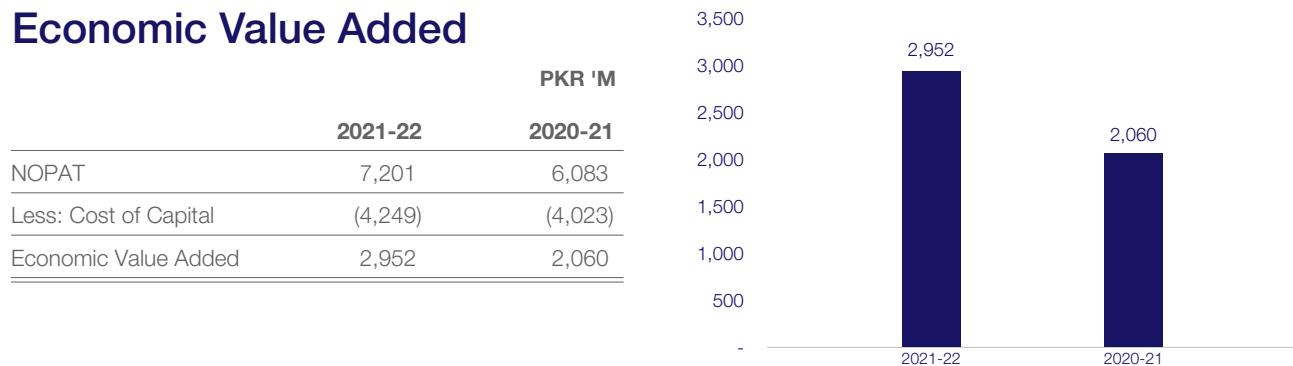


## 30-Jun-21

- Raw Material and services
- Government Exchequer and duties
- Employee remuneration and benefits
- Operating and other expenses
- Dividends
- Profit Retained

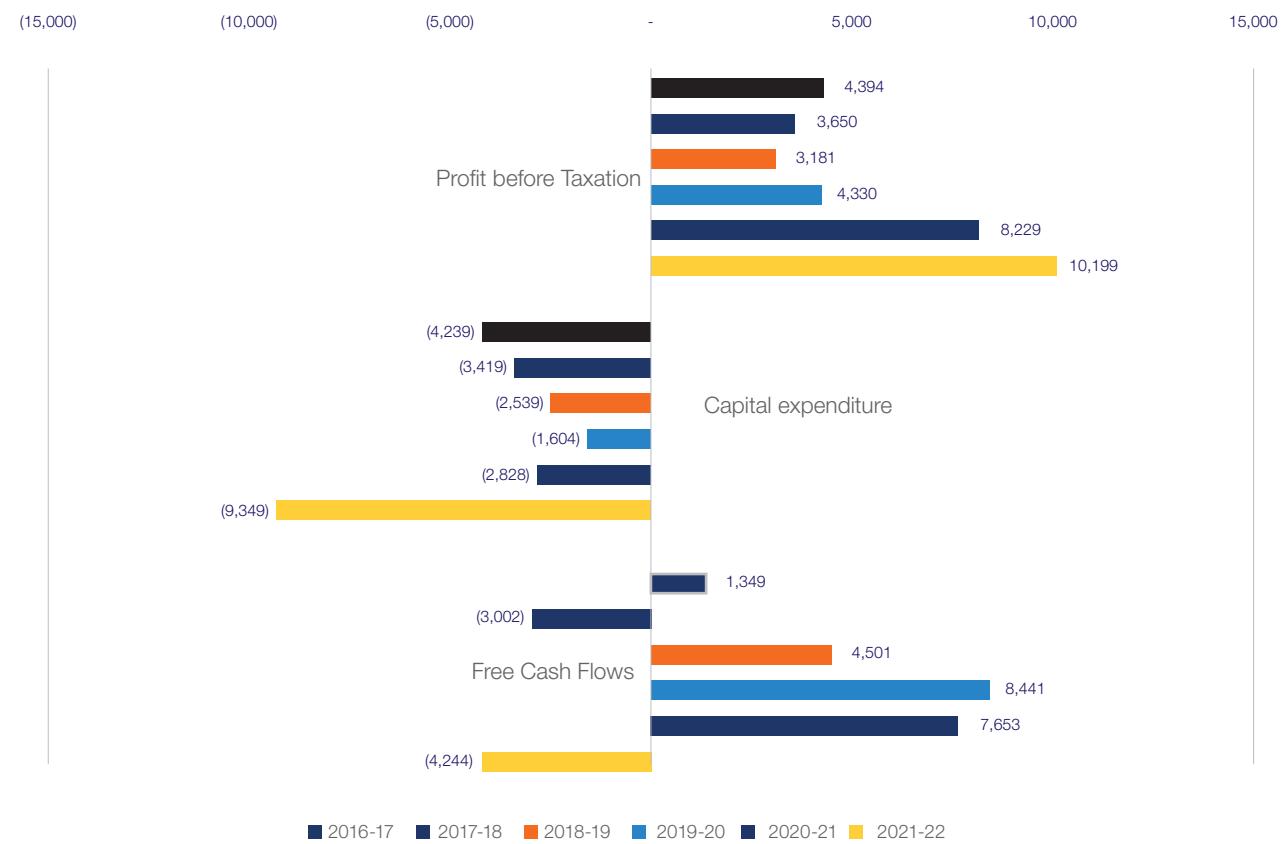


## Economic Value Added



## Free Cash Flow

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	PKR 'M
Profit before Taxation	4,394	3,650	3,181	4,330	8,229	10,199	3,500
Adjustments for non cash items	1,966	2,787	4,060	3,542	2,423	3,248	2,500
Changes in working capital	(772)	(6,020)	(201)	2,173	(171)	(8,343)	1,000
Capital expenditure	(4,239)	(3,419)	(2,539)	(1,604)	(2,828)	(9,349)	500
<b>Free Cash Flows</b>	<b>1,349</b>	<b>(3,002)</b>	<b>4,501</b>	<b>8,441</b>	<b>7,653</b>	<b>(4,244)</b>	-



# Strategy and Resource Allocation

## Heavy Capital Expenditure

ICI Pakistan Limited continues to make strides in fulfilling its brand promise of Cultivating Growth.

In June 2022, the Company successfully commissioned operations of the 75,000 tonnes per annum (TPA) of its Light Soda Ash (LSA) expansion project at its Khewra plant. This expansion is part of the 135,000 TPA expansion project. The remaining 60,000 TPA Debottleneck (DBN) project is on track to be completed during FY'2022-23. This will position the Company to better cater to the growing needs of the market.

Further, during the year, the Company successfully commissioned a 48 TPD production unit of 100% PET Recycled chip for the manufacture of recycled polyester stable fibre (PSF) in the last quarter of 2022. This addition will enable the business in supporting the downstream value-added textile industry to meet the stringent demands of both local and international customers.

Moreover, during the year, the Company has signed a Joint Venture and Shareholders Agreement with Tariq Glass Industries Limited (TGIL) to set up a state-of-the-art, greenfield facility for the manufacturing of float glass. The new facility will have a production capacity of up to 1,000 metric tonnes per day and will be set up in two phases, each phase having a production capacity of up to 500 metric tonnes per day.

## Diversification in New Markets

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

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

Moreover, during the year, exports of soda ash grew significantly. The growth in exports was primarily driven by expanding the business's footprint in the Asia Pacific and MENA regions, leveraging break bulk movement of goods in a period of severe shortage of containers.

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

## Improved Performance

The Operating Profit for the year at PKR 11,753 million was 40% higher than the SPLY, with improved performances across all businesses. The Polyester business delivered a growth of 40% in Operating Profit as compared to the SPLY on account of higher sales volume and healthy unit margins as a result of favourable regional dynamics and post-pandemic recovery of the textile sector. The Operating Profit for the Soda Ash business grew by 27% as compared to the SPLY, mainly due to growth in exports and manufacturing efficiencies. The remaining businesses also delivered improved results on the back of operational excellence and improved demand scenario.

Profit after Tax (PAT) for the year ended June 30, 2022, at PKR 6,249 million is 5% higher than the SPLY. The Earning per Share (EPS) for the period of PKR 67.66 is similarly 5% above the SPLY. Under the Finance Act 2022, a 10% additional tax was imposed during the current year, in the form of a 4% Poverty Alleviation Tax and 6% Super Tax which will be applied retrospectively. Excluding this imposed additional tax, the PAT for the year was PKR 7,373 million and the EPS of PKR 79.83 which is 24% above the previous year's performance. This increase was primarily driven by higher sales and operational excellence across all businesses, resulting in a 40% increase in Operating Profit. Aforesaid growth in the Operating Profit was significantly offset by higher Finance Costs, Exchange Losses and the imposition of additional tax in the current year.

## 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 to serve local and international markets.

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

## Explanation of Negative Changes in Performance and Analysis of Variations in Interim Results with Final Accounts

With all businesses delivering robust performance, the Operating Profit for the year at PKR 11,753 million is 40%

higher than the SPLY. Similarly, Profit After Tax (PAT) for the year at PKR 6,249 million was 5% higher than the SPLY. Growth in Operating Profit was significantly offset by higher Finance Costs, Exchange Losses and the imposition of additional tax in the current year.

Operating Profit of the Company for second half of the year surpassed that of first half, despite challenging local economic and unstable geopolitical situation post the Russia-Ukraine conflict. This was mainly due to improved performance across all businesses and manufacturing efficiencies. However, in terms of PAT, the second half of the year was impacted by higher Finance Costs, Exchange Losses due to significant depreciation of the Pakistani Rupee by 30% against US dollar and the imposition of additional 10% tax in the form of Poverty Alleviation and Super Tax.

## Business Rationale for Capital Expenditure/Projects for FY'2021-22 and the Next Year

In line with the brand promise of Cultivating Growth, the Company, since its acquisition by YBG, has ventured into various expansionary and diversifying projects.

ICI Pakistan Limited, being the largest producer of Soda Ash in Pakistan, has been serving multiple industries even before the formation of Pakistan. Accordingly, to continue serving the growing needs of the market and in line with its growth aspirations, the Company continued to expand its Soda Ash business production capacity by 135,000 TPA out of which 75,000 TPA has been commissioned during June 2022. The remaining 60,000 TPA will be completed during FY'2022-23 and enhance the total installed capacity of the Soda Ash plant to 560,000 TPA.

ICI Pakistan Limited takes pride in being a pioneer of the manufacturing polyester staple fibre (PSF) in Pakistan. Considering the global agenda, needs of the customers and ICI Pakistan Limited's special focus on forging a culture of sustainability, in the current year, the Company has successfully commissioned a new unit to produce 100% recycled PET chips for the manufacture of recycled polyester staple fibre (PSF), which will be used in producing yarn for blended textiles.

Moreover, the Company, through a joint venture company with Tariq Glass Industries Limited (TGIL) will set up, a state-of-the-art, greenfield facility for the manufacturing of float glass. The new facility will have a production capacity of up to 1,000 metric tonnes per day and will be set up in two phases, each phase having a production capacity of up to 500 metric tonnes per day. The first phase of the project is expected to be operational by FY'2024-25.

## Composition of Local/Imported Material and Sensitivity Analysis in Narrative Form due to Foreign Currency Fluctuations

ICI Pakistan Limited imports approximately 60% of its inventory in the form of raw and packing material, as well as finished goods. Transactions are primarily carried out in CNY, EURO, USD and GBP.

During the year, Exchange Loss at PKR 545 million is 1074% higher compared to the SPLY, owing to a 30% depreciation of the Pakistani Rupee against the US dollar. As the Company is heavily dependent on imported raw materials, any increases in their prices results in increased cost of production, excessive cash flow requirements and lesser profitability. Hence, it

proactively monitors foreign liabilities against the risk of currency fluctuations and where applicable, hedges against them. It also continuously identifies opportunities to shift its material sourcing to local vendors and during the year, successfully switched from imported coal to locally available Afghan coal, thus saving precious foreign exchange reserves of the country.

## Overcoming Liquidity Challenges and Managing Debts and Operational Losses

ICI Pakistan Limited has in place a team of professionals for cash flow management. This is done on a regular basis by forecasting and analysing future receipts and payments. Risks, if any, are highlighted on a timely basis to minimise cash flow risks and precautionary actions are taken immediately.

The Company can avail sufficient financing facilities from various banks to meet its current and forecasted debt obligations. It also has a robust and diversified cash generation ability with no interdependence of one business on the other, which enables it to repay debts swiftly. This is evident from its significantly low long-term debt levels despite consistent expansions and acquisition projects being undertaken.

On the other hand, short-term debts have significantly increased in line with working capital requirements, due to a combination of supply chain disruptions which necessitated maintaining higher inventory levels to mitigate the risk of stockouts and an unprecedented hike in raw material prices, along with consistent dividend payments. However, the Company maintains its Current Ratio above 1 due to prudent financial management.

This is also reflected in the ratings of AA/ A-1+ assigned by an independent credit rating company to ICI Pakistan Limited.

## Defaults in Payment of Debts

With a strong and diversified cash-generation and prudent cash flow/liquidity management, the Company always discharges its debt obligations on time.

## Methods and Assumptions in Compiling Indicators

ICI Pakistan Limited has a designated Strategy and Planning function which takes into account economic data published by the State Bank of Pakistan (SBP), an 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 are then presented before the Executive Management Team (EMT) which, after careful discussions and considerations, finalises the assumptions and methods used.

## 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 profit ever. Progress against projects, as defined earlier, have been in line with the disclosures made in the previous year.

## Status of Projects Disclosed in the Previous Year

In June 2022, the Company successfully commissioned operations of the 75,000 TPA of Light Soda Ash (LSA) expansion project at its plant in Khewra. This is part of the

135,000 TPA expansion project and the remaining 60,000 TPA Debottleneck (DBN) project is on track to be completed during FY'2022-23. Further, it successfully commissioned a 48 TPD production unit of 100% PET recycled chips for the manufacturing of recycled PSF in the last quarter of FY'2021-22.

## Source of Information and Assumptions Used for Projections/Forecasts

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

Assistance from external consultants is only taken for areas wherein ICI Pakistan Limited lacks the adequate required level of expertise internally. These projections are then reviewed and agreed upon by the EMT and 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 emergency situations and actions to be taken in case they arise. It also updates the Risk Registers on a regular basis and documents mitigation plans, which are then reviewed and approved by the EMT and the Board Audit Committee. Trainings are regularly conducted to disseminate the information, specially to critical members of the teams. The EMT takes the final decision before responding to any challenge or uncertainty.

## Forward-Looking Statement

The post-pandemic recovery of the global economy has been severely impacted by the ongoing Russia-Ukraine conflict. Consequently, prices in the international commodity markets have soared to all-time highs. The adverse effects of this unprecedented inflation and energy crisis are being felt around the world, leading to a mixed global economic outlook and the risk of a recession. Monetary tightening measures are being deployed across all major global economies to curtail demand-led inflation, which may eventually lead to a decline in economic activity.

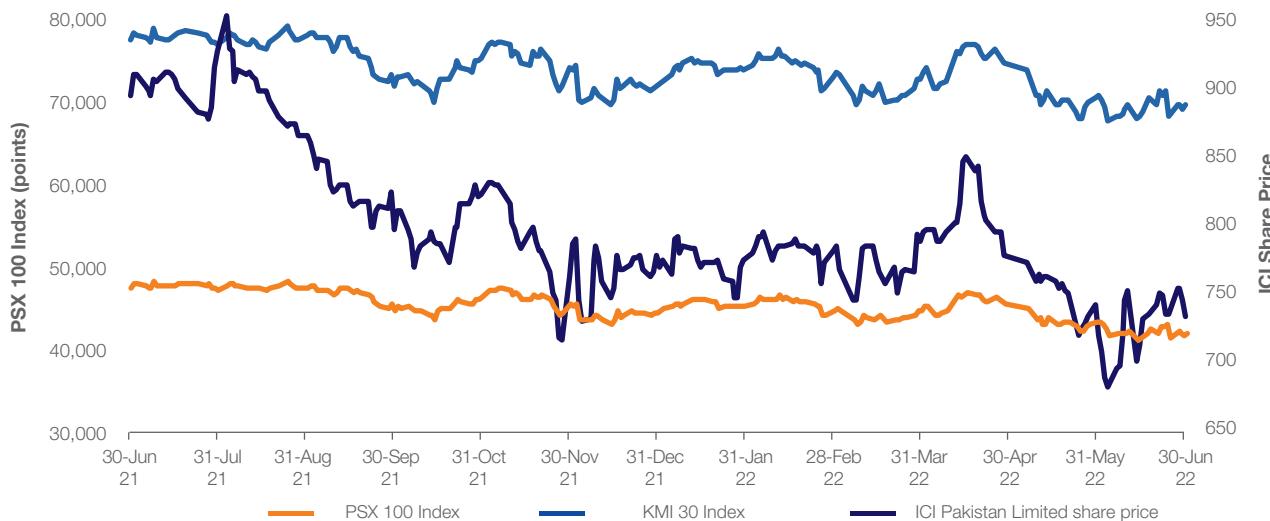
The volatility in global markets also impacted Pakistan's economy, which continued to demonstrate cycles of 'boom and bust'. An impressive GDP growth rate of almost 6% for FY'2021-22 was overshadowed by ballooning twin fiscal and current account deficits. This combined with an uncertain political environment and high international fuel and commodity prices exerted immense pressure on foreign exchange reserves, resulting in a significant depreciation of the Pakistani Rupee against the US dollar. This, in turn contributed to high inflation.

Long-standing structural weaknesses of the economy and low productivity growth pose risks to sustained recovery. To control consumption, the SBP has increased the policy rate by 800 bps since September 2021, along with various measures to curb imports.

The IMF programme revival is expected to provide much-needed stability on the external front but measures taken on the fiscal front will put a further burden on corporates in Pakistan and ultimately, abate shareholders' returns.

Going forward, risks of a global and domestic slowdown in growth, inflationary pressures, high cost of borrowing, uncertainties in the domestic business environment and ongoing monetary tightening measures pose a serious threat to business. Nonetheless, ICI Pakistan Limited remains focused on minimising the negative impacts of the same, delivering enduring value by strengthening relationships with existing stakeholders whilst leveraging its diversified product portfolio.

## Share Price Sensitivity Analysis



During the year ended June 30, 2022, ICI Pakistan Limited's shares underperformed against the PSX 100 Index by 4.32% (the share price decreased by 16.60% in comparison to PSX 100 Index, which declined by 12.28%).

The Company's share price on June 30, 2021, was PKR 868.80 and PKR 724.55 on June 30, 2022. It has delivered

an exceptional business performance with an unconsolidated PAT of PKR 6,249 million, higher by 5% than the SPLY. However, volatility in global commodity prices, coupled with political and economic uncertainty kept the equity market under pressure, which negatively impacted the share price.

# Awards and Achievements

## Best Place to Work Award

In October 2021, ICI Pakistan Limited was awarded the 'Best Place to Work in the 'Manufacturing and Engineering' category by the Pakistan Society of Human Resource Management (PSHRM) and Engage Consulting. The award is a testament to the Company's commitment to its core value of Passion for People and consistent dedication to providing a culture of learning and enablement.

## 14<sup>th</sup> Annual CSR Awards

In February 2022, the Soda Ash business received the Annual CSR Award in the 'Community Development and Services' category at the 14<sup>th</sup> Annual CSR Awards organised by the National Forum for Environment and Health (NFEH).

This reflects the Company's longstanding commitment to the community of Khewra in the areas of education, health, women's empowerment, environment and community development.

## International Safety Award

The Soda Ash business won the International Safety Awards, hosted by the British Safety Council in March 2022. Competing against applicants from 39 countries, the achievement recognises the business' commitment to occupational health, safety and wellbeing.

## PSX Top 25 Companies

ICI Pakistan Limited received the Top 25 Companies Award from the Pakistan Stock Exchange on account of its outstanding performance in terms of corporate governance and financial success, adding to shareholder value.



ICI Pakistan Limited's HR team receiving the Best Place to Work Award

## Environment, Health & Safety Award

In July 2021, ICI Pakistan Limited won the Environment, Health & Safety Award in the 'Responsibility for Health and Safety' category. The award was announced by the Professional Network at the 7<sup>th</sup> International Awards on Environment - a programme affiliated with the United Nations (UN) that recognises organisations with exceptional HSE policies and practices.

## Annual Environment Excellence Award

In August 2021, the Chemicals & Agri Sciences business received the Annual Environment Excellence Award by the NFEH, in recognition of the business' best-in-class sustainability initiatives and environmental management system.

## Entity Ratings

In line with the Company's core values of Integrity and Responsibility, the VIS Credit Rating Company reaffirmed the 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 the Company's strong financial standing in the diverse industries it operates in.



The Soda Ash business received the Annual CSR Award by NFEH

# Harnessing Technology to Accelerate Growth

For decades, ICI Pakistan Limited has channelled the power of innovation and technology to maximise efficiency and retain its agility and competitive advantage. The Company's IT team is an effective business enabler, ensuring visibility and compliance through innovative and sustainable information solutions and embracing the best infrastructure technology.

COVID-19 has highlighted the need to increase digitalisation in all spheres of business activity. During the year, ICI Pakistan Limited's IT team has undertaken several technological transformations to improve employee user experiences and help implement the practices that facilitate business goals.

## Highlights for the Year 2021-22

### Governance and Security

Cyber-security remains a top priority for the Company to protect both its data and assets. As such, various awareness sessions were conducted during the year to ensure that employees were abreast with the threats and the role they could play in mitigating them. The implementation of leading security solutions was also completed to protect the users and applications of ICI Pakistan Limited.

### Boosting the SAP Footprint

To derive the benefits of efficient controls and real-time data processing capabilities, the Company launched SAP S4/HANA at its subsidiary NutriCo Morinaga (Private) Limited during the year. The transition in the Soda Ash business has already been completed, with plans to implement the same across all the other businesses as well.

### Campus Network Upgrade

To improve data exchange processes and bolster internet connectivity, ICI Pakistan Limited's IT infrastructure revamp was initiated during the year. The upgrades were aimed at minimising service disruptions to improve user experiences and enhance system security across multiple locations of the Company.

### Digitising Procurement

With a focus on improving efficiencies and enabling transparency in vendor negotiation and procurement, a digital procurement process powered by Oracle was formally launched. The platform encourages competitive pricing through reverse and forward auctioning and has resulted in savings worth PKR 100+ million during the year.

### Robotic Process Automation

The Robotic Process Automation project aims to modernise ICI Pakistan Limited's manual tax reconciliation procedures to ensure timely and accurate tax payments to the Federal Board of Revenue (FBR). The project is currently in the trial phase and the Company plans to leverage its benefits to enhance process efficiencies.



# Innovating for Sustained Growth

A relentless focus on innovation and continuous improvement enables ICI Pakistan Limited to stay ahead of the curve. By capitalising on exciting new opportunities, the Company ensures that it continues to deliver sustained value for its stakeholders.

Encapsulated in its core value of Innovation, the pursuit of better, smarter and simpler solutions is the driving force of ICI Pakistan Limited's success.

Launched in October 2018, the Explore Challenge is an intrapreneurship programme aimed at driving a sustainable cultural shift towards innovation. It encourages employees to think beyond their imaginations and develop and pitch creative new concepts, to deliver on the Company's brand promise of Cultivating Growth. The success of the programme rests on the support of the Executive Management Team (EMT), Business Executive Teams (BET) and the Innovation Champions.

The Explore Challenge has managed to sustain its momentum since its launch. In 2022, the programme concluded its third edition, for which the 'Innovation Window' was expanded to one whole year, meaning employees could submit their ideas at anytime during the year. The result was over 200 people contributing 100+ ideas across various product categories. Collectively, the three editions of the Challenge (2018 to 2022)

have delivered a total quantifiable impact of over PKR 450 million per annum, with many of the ideas creating positive non-financial impacts. The programme has also encouraged cross-functional collaboration and better synergies between coworkers, having engaged over 200 employees in each round.

ICI Pakistan Limited believes in the value of all ideas and the Explore Challenge is a true reflection of that. For the coming year, the Strategy team plans to extend the competition by rewarding all ideas that reach execution. The Company sees the Explore Challenge as a crucial engine of change and encourages its employees to participate and contribute to a better world, no matter how big or small the idea.



# Raising the Bar – Lean Six Sigma

The ability to induce change and improvements from within is critical to any organisation operating in today's competitive business environment. ICI Pakistan Limited believes in fostering a culture of innovation where employees are enabled to continuously reorganise and reinvent products, services and operations for sustainable growth.

As an ambitious, forward-thinking company, ICI Pakistan Limited prioritises innovation and ensures its employees have the relevant tools to push the boundaries of convention. Launched in 2020, the Lean Six Sigma (LSS) programme has empowered them to create efficiencies in multiple processes at the workplace, fostering a collaborative working environment.

The LSS programme began with the LSS Champions training and 32 selected employees undergoing the Green Belt training. These employees worked on six different projects to bring about efficiencies and cost savings of a total of over PKR 100 million.

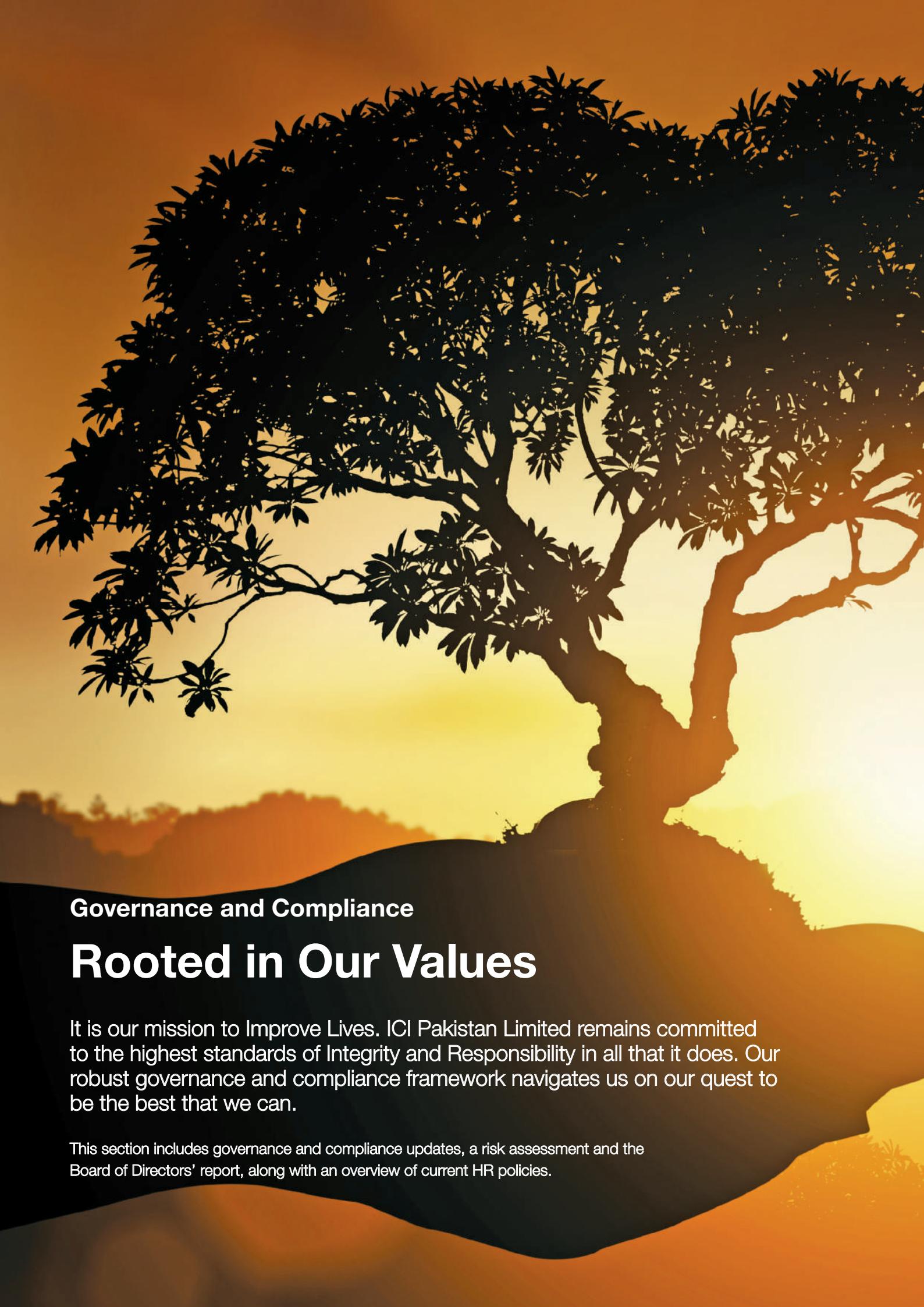
In its second year of running, during FY'2021-22, the LSS programme has progressed with 46 employees participating in nine projects to deliver savings of PKR 100 million per annum.

Following the success of the first two phases, the Company plans to address and solve various other business challenges using the LSS methodology and train over 50 Yellow Belts and 25 additional Green Belts during the next year.



Participants at the Lean Six Sigma training.





## **Governance and Compliance**

# **Rooted in Our Values**

It is our mission to Improve Lives. ICI Pakistan Limited remains committed to the highest standards of Integrity and Responsibility in all that it does. Our robust governance and compliance framework navigates us on our quest to be the best that we can.

This section includes governance and compliance updates, a risk assessment and the Board of Directors' report, along with an overview of current HR policies.



# Company Information

## Board of Directors

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

## Audit Committee

**Syed Muhammad Shabbar Zaidi** – Chairman  
**Khawaja Iqbal Hassan** – Member  
**Muhammad Ali Tabba** – Member  
**Jawed Yunus Tabba** – Member

## HR & Remuneration (HR&R) Committee

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

## Executive Management Team (EMT)

**Asif Jooma** – Chief Executive  
**Atif Aboobukar** – Chief Financial Officer \*  
**Nauman Shahid Afzal** – Vice President, Polyester  
**Arshaduddin Ahmed** – Vice President, Chemicals & Agri Sciences  
**Laila Bhatia Bawany** – General Counsel, Company Secretary and Head of Corporate Communications & Public Affairs  
**Muhammad Abid Ganatra** – Vice President, Soda Ash  
**Eqan Ali Khan** – General Manager, Strategy, Business Development & Innovation  
**Aamer Mahmud Malik** – Vice President, Pharmaceuticals  
**Muhammad Farrukh Rasheed** – General Manager, Human Resources & Administration

\*Alphabetised as per the last name

## Chief Financial Officer

**Atif Aboobukar**

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

**Laila Bhatia Bawany**

## Head of Internal Audit

**Khalid Munif Khan**

## 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 Limited  
Faysal Bank – Islamic Banking  
Habib Bank Limited  
Habib Bank Limited – Islamic Banking  
Habib Metropolitan Bank Limited  
Habib Metropolitan Bank – Sirat Islamic  
Industrial and Commercial Bank of China Limited  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Samba Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Standard Chartered Bank (Pakistan) Limited – Saadiq  
United Bank Limited  
UBL Ameen

## Registered Office

ICI House, 5 West Wharf, Karachi – 74000.  
Tel: 111-100-200 / (021) 32313717-22 | Fax: (021) 3231 1739  
Website: [www.ici.com.pk](http://www.ici.com.pk)

## Shares Registrar

FAMCO Associates (Private) Limited  
8 – F, Nursery,  
Block – 6, P.E.C.H.S  
Shahrah-e-Faisal, Karachi.  
Tel: (021) 34380101-5 | Fax: (021) 34380106  
Website: [www.famco.com.pk](http://www.famco.com.pk)

## 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 and Management Committees

## Committees of the Board

### Audit Committee with Brief Terms of Reference

The Audit Committee oversees ICI Pakistan Limited's robust internal controls and risk management framework. Chaired by an Independent Director, it is the eyes and ears of the Board, assisting it in discharging its fiduciary responsibilities.

The Audit Committee reviews the periodical financial statements, related party transactions, internal and external audit reports and significant legal matters. The Committee also monitors implementation of best corporate governance practices and reviews investigation reports of any violations thereof.

The Committee has the authority to discuss any matter that falls within its remit directly with the management and internal or external auditors and if necessary, may also obtain external legal or professional advice on the matter. It also recommends, to the Board, the appointment of external auditors and ensures adequate coordination between internal and external auditors. The Audit Committee comprises four members of which two are Non-Executive Directors and two members, including the Chairman of the Committee, are Independent Directors. The Head of Internal Audit acts as the Secretary to the Audit Committee, which meets at least four times a year and at least once a year with the external auditors, without the presence of the CFO and the Head of Internal Audit.

### Human Resource and Remuneration Committee (HR&R)

The Human Resource and Remuneration Committee (HR&R) is a sub-committee of the Board that 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 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 matters such as remuneration and performance of key management positions and in particular, managers who report directly to the Chief Executive, and recommends the same for approval by the Board.

The Committee meets at least once a year. It 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.

### Banking Committee

The banking committee comprises two Executive Directors and one Independent Director and has been constituted to approve matters relating to the 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 Shares Transfer Committee consists of two Executive and one Non-Executive Director. It 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 (EMT)

The Chief Executive is the Chairman of the EMT. This comprises all the business and functional heads. It meets at least 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 (HSE&S) Management Committee monitors Company-wide HSE&S practices. It oversees the health, safety, environment and security functions and is also responsible for ensuring that all 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 ICI Pakistan Limited's succession planning and talent pipeline at all levels. It 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 (D&I) Committee

The Company's Diversity & Inclusion (D&I) Committee is chaired by the General Manager - Strategy, Business Development & Innovation and ensures continuous focus on its D&I agenda through various initiatives. The D&I Committee also proposes and reviews policies and programmes in line with the D&I mandate. Some of the policies include the sabbatical, maternity and paternity leaves policies and a Career Builder Programme for women returning to work after a hiatus.

# Board of Directors



**Muhammad Sohail Tabba**  
Chairman

Mr Muhammad Sohail Tabba, one of Pakistan's leading businessmen and philanthropists, heads a conglomerate of businesses and export houses under the Yunus Brothers Group (YBG) brand name. His proficient leadership in diverse sectors (textiles, cement, energy, entertainment, real estate and charity, etc) spans over three decades and 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 and Lucky Textile Mills Limited amongst others, Mr Tabba 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 started as a Non-Executive Director on the Board of ICI Pakistan Limited in 2012 and was appointed the Chairman of the Company in 2014. He is also Chairman of NutriCo Morinaga (Private) Limited. His leadership, personal credibility and strong interpersonal skills have been instrumental to the success of this venture.

Mr Tabba's relentless energy, vision, and an uncanny ability to think outside the box, resulted in the creation of LuckyOne Mall. His vision was also 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 and Lucky One (Private) Limited, Mr Tabba 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 also a Director at Aziz Tabba Foundation that runs the Tabba Heart and Kidney Institutes, in addition to other welfare projects. His determination to contribute to the community has transformed the pediatric emergency rooms of government hospitals. Mr Tabba became the Founding Trustee of ChildLife Foundation Pakistan in 2012. His contributions to the healthcare sector of Sindh and Balochistan have manifested in the treatment of 4 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, 11 contemporary emergency rooms are functioning efficiently in the under-resourced hospitals of Sindh, Balochistan and Punjab.



**Muhammad Ali Tabba**  
Vice Chairman

Mr Muhammad Ali Tabba is 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 Ltd (YTM), a state-of-the-art, home textiles operation with subsidiaries in North America and Europe. He is the Chairman of Lucky Motors Corporation (LMC) and Lucky Electric Power Company Limited (LEPCL) and also plays a pivotal role in providing strategic leadership to ICI Pakistan Limited as its Vice Chairman.

Mr Tabba started his career with Yunus Brothers Group (YBG) – a family conglomerate in 1991. YBG is one of the premier business houses of Pakistan, with diversified interests in building materials, chemicals, pharmaceuticals, energy, textiles, automotive and real estate development.

He is the Chairman of Pakistan Textile Council (PTC) - a think tank, advocacy and research-based body - as well as the All Pakistan Cement Manufacturing Association (APCMA) - a regulatory body of cement manufacturers in Pakistan. In the recent past, he has been Chairman of Pakistan Business Council (PBC) - a business advocacy forum comprising of leading private sector businesses.

Mr Tabba has extensive engagements in many community welfare projects and serves on the Board of Governors at many renowned universities, institutions and foundations. He is the Vice Chairman of the non-profit organisation, Aziz Tabba Foundation (ATF). The Foundation runs a non-profit working extensively towards social welfare, education, health and housing. The Foundation runs two state-of-the-art hospitals in Karachi: the 170-bed Tabba Heart Institute (THI), which is a dedicated cardiac care hospital, and a 100-bed Tabba Kidney Institute (TKI) - a specialised institution, providing comprehensive treatment for nephro-urological disorders.

In recognition of his outstanding services and contributions in the social development sector, the World Economic Forum (WEF) bestowed Mr Tabba with the title of Young Global Leader (YGL) in 2010. He is the recipient of the Karachi Chamber of Commerce and Industry's "Businessman of the Year" Gold Medal for the year 2012- 2013.

Most importantly, the Government of Pakistan has awarded Mr Tabba with the Sitara-E-Imtiaz in 2018.



## Amina Abdul Aziz Bawany

Non-Executive Director

Appointed as a Non-Executive Director on ICI Pakistan Limited's Board of Directors on December 28, 2012, Mrs Amina Abdul Aziz Bawany is a postgraduate in Early Years Education with over 10 years of experience in the education sector. She holds a key oversight position within the YBG and possesses a versatile skill set with experience in customer relations and sales. Over time, she has become known for her attention to detail and impeccable communication skills. She is also on the boards of various charities that successfully raise funds for the medical and educational needs of the underprivileged of Pakistan.

In addition, Mrs Bawany 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, Mr Jawed Yunus Tabba has a rich experience in the textiles industry and is currently the Chief Executive Officer and Director of Lucky Textile Mills Limited. His untiring efforts have helped him acquire deep insight and expertise into export and manufacturing activities. He has been instrumental in managing the textile concerns of YBG whilst transforming Lucky Textile Mills Limited into one of the premier textile manufacturers of Pakistan. The company is among the top five home textiles exporters of Pakistan, with a story of rapid expansion and diversification under Mr Tabba's leadership and guidance. He is also the Vice Chairman of YBG.

Mr Tabba serves on the Board and related sub-committees 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. He is also managing the Real Estate Project LuckyOne - the largest mall in Pakistan, a multi-faceted, first-of-its-kind regional shopping mall that has revolutionised shopping in Pakistan.

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



## Asif Jooma

Chief Executive

Mr Asif Jooma began his career in the corporate sector with ICI Pakistan Limited back in 1983. He has over 35 years of extensive experience in senior commercial and leadership roles. Following his early years with the Company 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 the 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 and currently serves on the Board of National Bank of Pakistan, Systems Limited, Pakistan Tobacco Company Limited and International Industries Limited. Mr Jooma is also the Chief Executive of NutriCo Morinaga (Private) Limited.

Additionally, Mr Jooma 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). He himself graduated cum laude from Boston University with a Bachelor of Arts in Development Economics and attended Executive Development programmes at INSEAD and Harvard Business School thereafter.



## Khawaja Iqbal Hassan

Independent Director

Khawaja Iqbal Hassan was appointed 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 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 and Lucky Cement Limited, as well as the Board of Governors of the Karachi Grammar School. He is a Trustee of the Layton Rahmatullah Benevolent Trust (LRBT), the Cardiovascular Foundation and the Tauheed Trust. He is also Chairman of the Advisory Committee of the Development Corporation Pakistan Advisers (Private) Limited - a wholly-owned subsidiary of British International Investment (formerly CDC Group PLC) of the UK.

In addition to this, he has served as a member of the Monetary Policy Committee of Pakistan and on 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, The Pakistan Fund, Global Securities Pakistan Limited, NIB Bank Limited, The Lahore University of Management Sciences (LUMS), The Central Depository Company of Pakistan Limited and The Pakistan Centre for Philanthropy (PCP).

He is the 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 his meritorious contributions to national interests.



**Syed Muhammad Shabbar Zaidi**  
Independent Director

Syed Muhammad Shabbar Zaidi was appointed an Independent Director on the Board of Directors of ICI Pakistan Limited in May 2020. A chartered accountant by profession, he served as the 26<sup>th</sup> Chairman of the Federal Board of Revenue (FBR) from May 2019 till April 2020 and also as a Provincial Minister for Finance, Board of Revenue and Excise and Taxation for the Government of Sindh, during the 2013 caretaker setup.

Mr Zaidi was 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 and Exchange Commission Committee formed for Corporate Industrial Rehabilitation Reform and the Economic Advisory Council. He is a fellow member of the Institute of Chartered Accountants of Pakistan and has served as President of the Institute from 2005-2006. Also, Mr Zaidi was a 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 (SBP) and was the Director of the Karachi Stock Exchange Limited from 2012-2015.

Among his non-profit work, Mr Zaidi is a trustee of the Sindh Institute of Urology & Transplantation (SIUT) and member of the Board of Governors of Liaquat National Hospital and Karachi School of Business and Leadership (KSBL). He has also authored books, including 'A Journey for Clarity' and 'Pakistan: Not a Failed State'.



**Muhammad Abid Ganatra**  
Executive Director and Vice President Soda Ash

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

He was appointed as a Director on the Board of ICI Pakistan Limited on December 28, 2012, and from April 2013 onwards, also served as the Chief Financial Officer of the Company for over seven years. He has been associated with YBG 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 a Bachelors in Law and is a Certified Director from the Institute of Corporate Governance of Pakistan.

# Executive Management Team



**Nauman Shahid Afzal**

Vice President  
Polyester

**Atif Aboobukar**

Chief Financial Officer

**Arshaduddin Ahmed**

Vice President  
Chemicals & Agri Sciences

**Asif Jooma**

Chief Executive

**Laila Bhatia Bawany**

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



**Muhammad Abid Ganatra**  
Vice President  
Soda Ash

**Aamer Mahmud Malik**  
Vice President  
Pharmaceuticals

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

**Muhammad Farrukh Rasheed**  
General Manager  
Human Resources and  
Administration

# Report of the Directors

## for the year ended June 30, 2022

The Directors are pleased to present their report, together with the audited financial statements of the Company, for the year ended June 30, 2022.

This Directors' Report has been prepared in accordance with Section 227 of the Companies Act, 2017, and Listed Companies (Code of Corporate Governance) Regulations 2019.

### Overview of the Economy and Financial Performance

Net Turnover at PKR 86,972 million for the year under review is 39% higher compared to the Same Period Last Year (SPLY), at PKR 62,618 million, owing to exceptional performance across all businesses. Post-pandemic recovery of the global economy and favourable local market dynamics, coupled with various incentives from the Government, paved the way for a surge in economic activities which helped deliver a robust performance across all segments.

Net Turnover of the Polyester business is 51% higher than the SPLY, on the back of strong volumes due to strong demand from the textile industry and favourable regional and local dynamics. Net Turnover of the Soda Ash business increased 50% as a result of higher sales volumes realised through enhanced focus on export market expansion and healthy growth on the domestic front. The Pharmaceuticals business recorded an increase of 14% in Net Turnover, mainly on the back of new product launches and improved market penetration. Net Turnover of the Chemicals & Agri Sciences business grew 24% against the SPLY, following a strong recovery of consumer demand in the Chemicals segment and strong rebound in the manufacturing industry and improved performance of the Agri Sciences segment. The Animal Health business achieved a growth of 10% in Net Turnover owing to the business' focused efforts to drive its locally manufactured Farmer's Choice portfolio in both livestock and poultry segments.

With all businesses delivering robust performances, the Operating Profit for the year at PKR 11,753 million is 40% higher than the SPLY. The Polyester business delivered a growth of 40% in Operating Profit as compared to the SPLY, due to higher sales volume and healthy unit margins as a result of favourable regional dynamics and post-pandemic recovery of the textile sector. The Operating Profit for the Soda Ash business grew by 27% as compared to the SPLY, mainly due to growth in exports and manufacturing efficiencies. Strong sales performance, new product launches, improved sales mix and manufacturing efficiencies allowed the Pharmaceuticals business to deliver growth of 49% in Operating Profit as compared to the SPLY. The Chemicals & Agri Sciences business showed an increase of 55% in Operating Profit as compared to the SPLY. Positive business dynamics of the Agri Sciences business, sharp recovery in consumer demand coupled with an enhanced focus

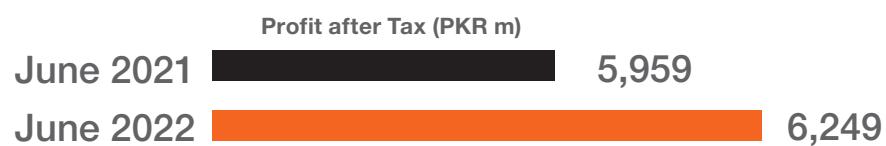
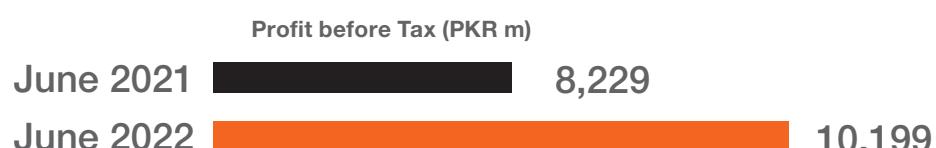
on margin optimisation and operational excellence contributed to this performance. The Animal Health business delivered an exceptional growth of 100% in Operating Profit compared to the SPLY with a strong focus on promoting its high margin portfolio, better cash-credit mix and tight control over fixed costs. In addition to this, significant growth was witnessed in the locally manufactured Farmer's Choice portfolio in both livestock and poultry segments, particularly the Poultry Biologicals portfolio which outperformed to drive business performance.

Instability in international commodity prices continued to pose a challenge for the businesses during the year. The ongoing Russia-Ukraine conflict added to this volatility manifold, causing a commodity price super cycle, resulting in higher energy costs. These, combined with continuously escalating sea freights and tight availability of vessels, higher inflation rates, political uncertainty and devaluation of the local currency, remained the key challenges during the year.

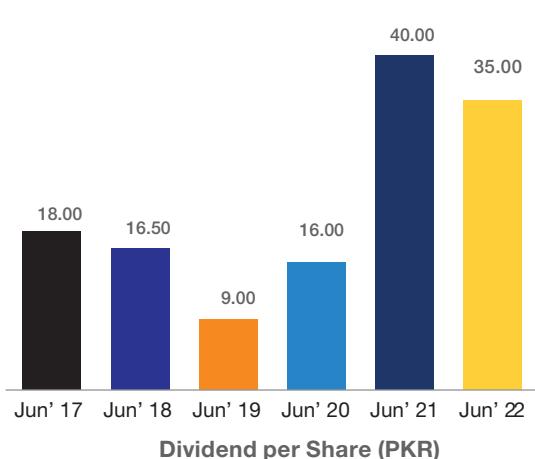
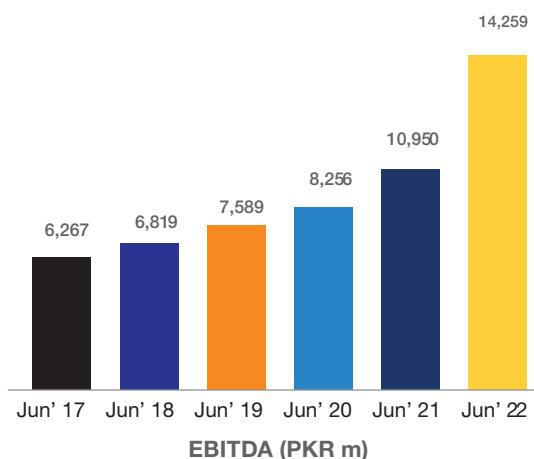
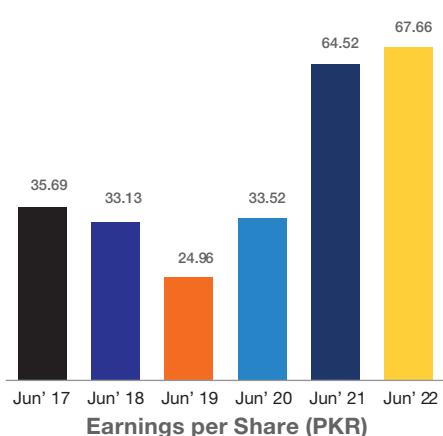
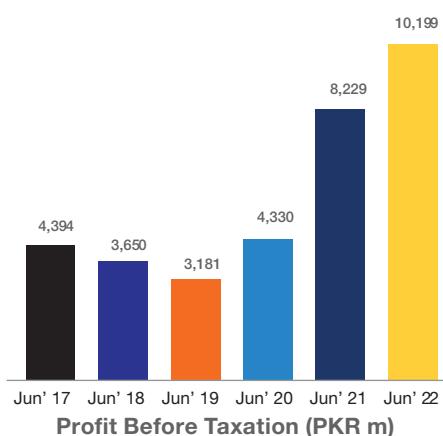
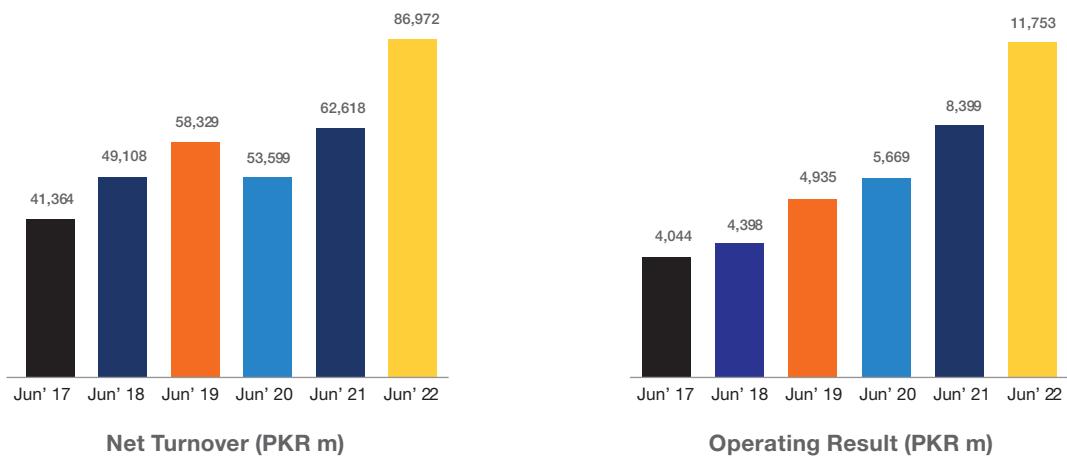
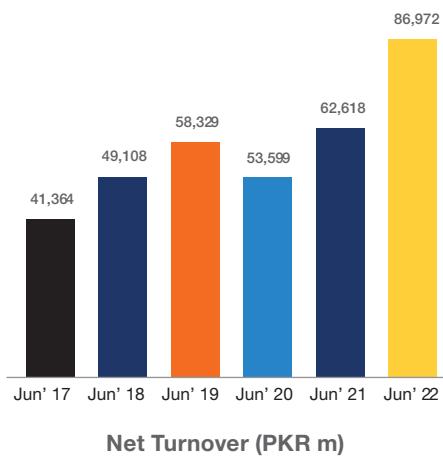
Profit after Tax (PAT) for the year ended June 30, 2022, at PKR 6,249 million is 5% higher than the SPLY. The Earning per Share (EPS) for the period of PKR 67.66 is similarly 5% above the SPLY. Under the Finance Act 2022, a 10% additional tax was imposed during the current year, in the form of a 4% Poverty Alleviation Tax and 6% Super Tax which will be applied retrospectively. The Company believes that applying a tax with retrospective effect is against the principles of equity. Excluding this imposed additional tax, the PAT for the year was PKR 7,373 million and EPS was PKR 79.83, which is 24% above the previous year's performance. This increase was primarily driven by higher sales and operational excellence across all businesses, resulting in a 40% increase in Operating Profit. The aforesaid growth in the Operating Profit was significantly offset by higher Finance Costs, exchange losses and the imposition of additional tax in the current year. Finance Cost for the year at PKR 820 million is 38% higher than the SPLY, owing to higher debt levels as working capital requirements increased due to a combination of supply chain disruptions which necessitated maintaining higher inventory levels to mitigate the risk of stockouts and an unprecedented hike in prices. Finance Costs increased significantly with SBP increasing the policy rate by 6.75% during the year amidst monetary policy tightening measures. Exchange Loss for the year at PKR 545 million is 1074% higher compared to the SPLY, owing to a 30% depreciation of the Pakistani Rupee against the US dollar for the period under review. The effective tax rate has increased due to the aforementioned imposition of an additional tax.

## Financial Performance

PKR million	June 2022	June 2021	Increase/ (Decrease) %
Net Turnover	86,972	62,618	39%
Gross Profit	18,619	14,348	30%
Operating Result	11,753	8,399	40%
Profit Before Tax	10,199	8,229	24%
Profit After Tax	6,249	5,959	5%
Earnings Per Share (PKR)	67.66	64.52	5%



## Six Years Financial Performance at a Glance



## Growth and Expansion

In line with ICI Pakistan Limited's growth aspirations, the Board of Directors on February 10, 2022, approved a joint venture between the Company and Tariq Glass Industries Limited (TGIL) to set up, through a joint venture company, a state-of-the-art, greenfield facility for the manufacturing of float glass. The new facility will have a production capacity of up to 1,000 metric tonnes per day and be set up in two phases, each phase having a production capacity of up to 500 metric tonnes per day. In this regard, the Company executed a Joint Venture and Shareholders Agreement with Tariq Glass Industries Limited on February 18, 2022.

In an Extraordinary General Meeting (EOGM) held on March 21, 2022, the members of the Company accorded their approval for an equity investment of up to PKR 4.6 billion in the proposed joint venture company. The shareholding of the Company in the joint venture company will be 51%. The first phase of the project is expected to be operational by FY'2024-25.

Additionally, the Company, on August 3, 2021, completed the acquisition of a further 11% shareholding in NutriCo Pakistan (Private) Limited (NutriCo Pakistan), taking its total shareholding in NutriCo Pakistan to 51% post-acquisition. Following this, a Scheme of Arrangement under Sections 279 to 283 and 285 of the Companies Act, 2017, was filed before the Honourable High Court of Sindh for the merger of NutriCo Pakistan with and into NutriCo Morinaga (Private) Limited (NutriCo Morinaga), which was sanctioned on February 15, 2022. Pursuant to the Scheme of Arrangement, the entire undertaking of NutriCo Pakistan stands merged with and into NutriCo Morinaga with effect from the start of business on July 1, 2021.

Furthermore, ICI Pakistan Limited received a conditional offer from Morinaga Milk Industry Co. Ltd. Japan (Morinaga Milk) to acquire an aggregate of approximately 33.3% of the issued and paid-up share capital of NutriCo Morinaga from its existing shareholders. Post year-end, the Board of Directors of ICI Pakistan Limited have granted in principle approval to move forward with a partial divestment of its 26.5% of shareholding constituting the issued and paidup share capital of NutriCo Morinaga, subject to, inter-alia, valuation of NutriCo Morinaga and the finalisation of definitive agreements, to be presented to the Board for final approval. The Company will continue to hold approximately 24.5% of the share capital of NutriCo Morinaga upon the completion of the proposed transaction.

The Directors Report on the consolidated performance of the Group is covered on Page F68 of the Annual Report.

## 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, 2022, at the rate of 150% i.e. PKR 15/- per share of PKR 10/- each, subject to the approval of the shareholders at the forthcoming Annual General Meeting. Together with the interim dividend of PKR 20/- per share already paid, this amounts to a total dividend of PKR 35/- per share for the year ended June 30, 2022.

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

A strong focus on HSE&S lies at the core of all ICI Pakistan Limited operations. Adherence to the highest health and safety standards is maintained for the Company's on-premises stakeholders and the communities it operates in. For the year in review, the Company continued to focus on assessing the efficacy of the existing regulatory frameworks and its approach to managing hazards and risks within the businesses.

ICI Pakistan Limited remained committed to inculcating a safety mindset through leadership communication, employee awareness initiatives and its policies and manuals, resulting in the Company delivering a robust performance during the period under review. All businesses combined, the Company logged around 39.2 million safe man-hours, as at June 30, 2022. The Soda Ash, Chemicals & Agri Sciences, Pharmaceuticals, Animal Health, and Polyester businesses respectively achieved 27.7, 4.95, 1.76, 0.08, 2.69 million man-hours without reportable injury whereas, the Corporate Offices stood at 2.06 million safe man-hours.

There were three reportable injuries during FY'2021-22. These incidents were thoroughly investigated and action plans were formulated and implemented against each finding to avoid recurrence.

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. Moreover, for the period under review, training course modules on highly hazardous activities were reviewed in conjunction with the operational requirements and multiple trainings were conducted by the Corporate HSE&S function in collaboration with the businesses.

Furthermore, a detailed HSE&S management audit of the Pharmaceuticals sites was conducted by trained safety professionals and a detailed report with marked areas of improvement was shared with the business for onward working.

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

Utilising the Health Assessment Performance Index (HAPI) and Hygiene Performance Index (HYPI) programmes at all sites, continuous health assessment and monitoring of employees' exposure to hazards were conducted during the year. No occupational illness was reported in FY'2021-22.

The Company continued to use the Electronic Performance Management (EPM) framework to report Key Performance Indicators (KPIs) for HSE and Energy. Performance reports

were monitored regularly and deviations were highlighted, analysed and discussed with each business. Energy conservation, waste reduction, water conservation and National Environmental Quality Standards (NEQS) compliance through the implementation of sustainability plans continued. This included compliance across new projects such as the Soda Ash expansion project.

ICI Pakistan Limited's sustainability initiatives are overseen by the Sustainability Council, which acts as a governing body on matters relating to sustainability targets and performance. In line with its sustainability agenda, the Company continues to report sustainability compliance under the United Nations Sustainable Development Goals (SGDs) and reinforces a culture of sustainability among its employees through its flagship sustainability drive, STEP.

During the year in review, ICI Pakistan Limited's sustainability report was awarded the Best Sustainability Report by ICAP & ICMA Pakistan and its Soda Ash business received the "International Safety Award" by the British Safety Council after due evaluation of the business's Health & Safety Management System.

For more detailed information on HSE&S and sustainability performance, please see the Sustainability section of the Annual Report on Page 110.

## Community Investment

Guided by its mission of Improving Lives, ICI Pakistan Limited sustains principled efforts in creating shared value across the communities where it operates. The Company's Corporate Social Responsibility (CSR) agenda is largely managed through the ICI Pakistan Foundation (the 'Foundation').

Certified by the Pakistan Center of Philanthropy (PCP), the Foundation is a registered trust managed by a Board of Trustees. The Foundation continues to support sustainable socio-economic development through philanthropic investments in the areas of health, education, women's empowerment, community development and the environment. These investments are made in partnership with CSR co-partners such as Layton Rahmatulla Benevolent Trust (LRBT), Marie Adelaide Leprosy Centre, Karvan-e-Hayat, ChildLife Foundation, The Citizen's Foundation (TCF), Aabroo Education Welfare Organization and Tabba Kidney Institute (TKI), amongst others. This year, the Company donated PKR 59.2 million towards its CSR agenda.

Additionally, multiple community activities are carried out directly by the Company itself.

For detailed information on CSR and community investment initiatives, please see pages 153 to 159 of the Annual Report.

## Human Resources

ICI Pakistan Limited strongly believes that a key driver of its success is its talented employee pool. As such, during the year in review, the Company continued its efforts to create a working environment where its People felt valued, nurtured, empowered, inspired, and recognised in line with its employee

value proposition of "One Team, Many Possibilities". Despite a challenging post-COVID-19 period, the employees showcased resilience and emerged stronger than before to deliver enduring value for stakeholders. Under the stewardship of the leadership team, ICI Pakistan Limited has been expanding the competency level of its employees by upskilling and reskilling to ensure sustainable growth.

## Organisational Culture

At ICI Pakistan Limited, continuous efforts are made to build a positive and inclusive working culture by staying true to the Company's core values and its Code of Conduct. This year, an organisation-wide campaign was launched to instil a deeper understanding of and compliance with the Code of Conduct. Furthermore, learnings from the pandemic were leveraged to make changes in terms of work flexibility. This enabled ICI Pakistan Limited to increase productivity and innovation, and strengthen its organisational culture, maintaining a focus on employee wellbeing, growth and engagement.

The Company won the "Best Place to Work" award in the Manufacturing/Engineering Industry category by Pakistan Society of Human Resource Management (PSHRM) and Engage Consulting. With a mood score of 8.04 on a scale of 10, the employee engagement monthly pulse survey also indicated a highly engaged workforce and reflects its efforts to maintain its status as an employer of choice.

Staying true to the employee value proposition, continuous efforts were made to connect with employees through various engagement sessions that gave employees a chance to disconnect from work and network with one another.

ICI Pakistan Limited recognises the importance of encouraging diversity within its workforce and being an equal opportunity employer to further its vision and mission. As such, it envisions developing a high-performing talent pool by capitalising on its diversity, purposefully embracing inclusion, and empowering all employees to perform to their highest potential through the various initiatives and training sessions that were introduced during the year.

## Our Talent

During the year in review, the Company continued to refresh its talent pipeline by recruiting fresh graduates from leading local universities in the commercial, technical and finance streams through a structured graduate recruitment drive. Furthermore, for its Graduate Recruit and Internship Drives, this year, ICI Pakistan Limited partnered with Revelian, an Australian organisation that designs psychometric tests to provide data-driven profiles of candidates. The tests were aimed at identifying the most suitable candidates for entry-level positions. Twelve graduates were recruited during the year and over 400 experienced professionals joined the Company.

To support the development of its talent pool, employees are provided with adequate opportunities to grow by pursuing career opportunities within functional and cross-functional streams of the Company's diverse business portfolios. To promote cross-business talent pollination agenda, the Talent Market Place project was launched during FY'2021-22, enabling

employees to work on cross-business projects. ICI Pakistan Limited's robust succession planning forum evaluates its emerging and high potential candidates from its talent pool against the "Judgement, Drive and Influence" model. The forum is led by the Capability Groups for various streams, including Commercial, Technical, Finance, IT, HR, Corporate Communications and Legal. Regular meetings and check-ins are conducted to review the succession pipeline with a focus on capability-building by encouraging internal lateral moves.

## Capability

Learning and development remain a core commitment to helping ICI Pakistan Limited people grow. Established in 2019, a Learning Academy was launched to further learning and development within the organisation. In the past year alone, multiple learning initiatives were organised to nurture the capability of the Company's employees. These included distance-learning initiatives such as Learnathon, Developing Future Leader Programme, Pause for Thought and Read to Lead. Bite-size trainings were delivered throughout the year, including core development programmes for the technical stream, commercial, finance and HR capability trainings. A total of 124 training interventions were arranged, resulting in a more agile, empowered, and accountable workforce that is ready to explore endless possibilities.

## Rewards, Recognition and Wellness

The Company's Workplace Wellness Programme continued during the year and was instrumental in providing avenues for ensuring the health and wellbeing of employees. Multiple workshops were conducted to create awareness regarding mental health, breast cancer and the importance of improving lifestyle habits. The programme's ambassadors played a key role in embedding the wellness agenda and made it possible for the entire organisation to come together and participate in the activities. Post pandemic, the Company resumed hosting in-person celebratory meetup events to encourage employees to move to normalcy once again.

Embracing technology and digitalisation is necessary to increase organisational agility and address the needs of ICI Pakistan Limited's growing millennial workforce. This year, the Company launched the "PRAISE" application to acknowledge the efforts of its employees and foster a culture of appreciation, wherein employees rewarded their colleagues with praise cards and points. ICI Pakistan Limited firmly believes that recognising efforts is extremely crucial. Hence, its reward packages are designed to meet the needs of a geographically diverse workforce and are benchmarked against industry standards.

## Risk Management

Effective risk management is pivotal to sustainable business growth. At ICI Pakistan Limited, the Board has the overall responsibility of overseeing risk management processes, which include risk management and internal control procedures. These processes, which are documented and regularly reviewed, are designed to safeguard assets and address possible risks to the Company, including the possible impact on business continuity. Any identified risk 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 to ensure uninterrupted operations.

The Company maintains a clear organisational structure with a well-defined chain of authority. Senior management is responsible for implementing procedures, monitoring risks 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 and corrective actions are 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.

A detailed report on the risk management philosophy, key risks and tools used by the Company is available on page 84 of the Annual Report.

## Business Updates

### Polyester Staple Fibre (PSF)

#### Net Turnover (PKR m)

June 2021		24,297
June 2022		36,676

#### Operating Result (PKR m)

June 2021		2,716
June 2022		3,807

In FY'2021-22, energy prices rose sharply following the Russia-Ukraine conflict. Energy shortages and the decision by OPEC+ to maintain planned output caused crude oil prices to reach a 13-year high. Crude oil average price was 66% higher as compared to the SPLY. Tracking strong crude oil values, Paraxylene (PX) and Pure Terephthalic Acid (PTA) average prices increased by 52% and 48% respectively, as compared to the SPLY. However, for Mono Ethylene Glycol (MEG) markets, the start-up of coal-based plants mitigated the impact as the average price of MEG increased by 21% as compared to the SPLY. In addition, the Rupee fell 30% against the US dollar, further increasing input costs.

Tracking feedstock prices, domestic PSF prices increased by 43% as compared to the SPLY. Energy prices were sharply rising by increases of 65%, 27% and 64% for coal, gas, and furnace oil, respectively. Consequently, energy costs for the business increased 41% against the SPLY.

On the cotton front, reduced global production and tight availability kept cotton prices on the higher side. The international and domestic cotton average prices increased by 54% and 70% respectively, as compared to the SPLY. Blend economics continued to favour polyester blends throughout the year.

Net Turnover of the Polyester business at PKR 36,676 million for the year is 51% higher than the SPLY, which is attributable to higher import offers and strong downstream demand backed by an increase in feedstock prices and sea freights.

The Operating Profit at PKR 3,807 million for the year is 40% higher than the SPLY. Margins during the year remained healthy on the back of favourable regional dynamics and improved efficiencies. However, this was largely offset by higher energy costs due to a significant surge in global commodity prices, along with continuing pressure on the Pakistani Rupee.

Further, in line with the vision of providing sustainable and value-added products to consumers, the business successfully commissioned a 48 TPD production unit of 100% PET recycled chips for the manufacture of recycled PSF in the last quarter of 2022. This addition will enable the business in supporting the downstream value-added textile industry to meet the stringent demands of both local and international customers.

Going forward, the petrochemical markets are expected to undergo correction as fear of a global recession continues to loom. Cotton prices have already witnessed a reset and polyester is expected to follow suit. Both, Europe and US, top export destinations for Asian countries are witnessing a slowdown in textile demand as food and energy continue to take the majority share of the consumer's wallet.

## Soda Ash

### Net Turnover (PKR m)

June 2021	 16,709
June 2022	 25,064

### Operating Result (PKR m)

June 2021	 3,526
June 2022	 4,476

The domestic soda ash market witnessed volume and value growth compared to the SPLY as markets bounced back post-pandemic, with a recovery in downstream demand across most segments. In FY'2021-22, the total sales volume of the business grew by 16% over the SPLY, with growth in domestic sales of 9%, whilst exports exhibited robust growth of 87% compared to the SPLY.

The growth in exports was primarily driven by expanding the business's footprint in the Asia-Pacific and MENA regions, leveraging break bulk movement of goods in a period of severe shortage of containers. This is a testimony to the business's agility in responding to changed market conditions. On the domestic front, the glass segment was clearly the growth engine as the float glass sector benefitted from incentives offered to the construction industry in the first half of the year. Similarly, owing to post-pandemic recovery, sales to the paper segment grew as academic institutions remained fully operational in the current year coupled with the declining viability of imported paper owing to the depreciation of the Pakistani Rupee.

During the year under review, the business posted a Net Turnover of 25,064 million and an Operating Profit of PKR 4,476 million, which is 50% and 27% higher than the SPLY, respectively. This growth was primarily driven by higher sales

volumes, manufacturing efficiencies and higher selling prices resulting from increases in the prices of raw materials, energy, and other inputs.

The business has been facing challenges on account of increases in energy and input costs mainly due to unprecedented increases in the prices of coal, coke and RLNG, which scaled record high levels during the year. The ongoing Russia-Ukraine conflict has adversely affected energy and commodity prices. Tracking the same, soda ash prices will remain on the higher side until a correction is witnessed in global commodity prices. Sea freight and logistics also continued to pose challenges due to disruption in the overall global supply chain.

In June 2022, the business successfully commissioned operations of the 75,000 tonnes per annum (TPA) expansion project at its manufacturing facility in Khewra. This expansion is part of the 135,000 TPA expansion project. Post commissioning of the 75,000 TPA expansion, the total installed capacity of the Soda Ash plant now stands at 500,000 TPA. The remaining 60,000 TPA Debottleneck (DBN) project is on track to be completed during FY'2022-23.

Going forward, the domestic demand outlook is expected to remain mixed, given the steep Pakistani Rupee devaluation and inflationary pressures on the local economy which may affect economic activity across the value chain, particularly in the bazaar segment. The glass segment will remain key for the domestic soda ash market growth, whereas the paper segment will benefit from import substitution on account of currency depreciation.

On the export front, the business aims to enter and establish a strong foothold in new international markets and further capitalise on the opportunities in the global soda ash market given its enhanced capacity following the planned expansions of its manufacturing capabilities.

## Pharmaceuticals

### Net Turnover (PKR m)

June 2021	 7,814
June 2022	 8,886

### Operating Result (PKR m)

June 2021	 836
June 2022	 1,247

ICI Pakistan Limited's Pharmaceutical business has continued its growth momentum while navigating through multiple challenges and delivered a Net Turnover and Operating Result for the year under review at PKR 8,886 million and PKR 1,247 million respectively, which is 14% and 49% higher, respectively, than the SPLY. This growth is attributable to an improved product sales mix, including contribution from several market-leading new product launches, enhanced plant efficiencies and cost optimisation initiatives.

The pharmaceutical industry has continued its strong growth momentum on the back of robust demand for COVID-19 related therapies. However, the near-term outlook for the industry appears challenging considering rising commodity prices, devaluation of the Pakistani Rupee and consequent increases in the cost of production caused by multiple factors including increased costs of both imported and local raw and packing materials, and significantly higher energy costs. This cost-push has eroded product margins which, in turn, has made the business viability of select products questionable and may lead to a realignment of the portfolio. Further, recent changes in the sales tax regime for the pharmaceutical sector will hamper the industry's ability to supply medicines at an affordable cost to patients.

Although the industry has continued an uninterrupted supply of life-saving medicines to the market, these challenges are expected to cause an overall decline in market growth in the coming months as the cost of doing business will significantly increase which, if not compensated through adequate price increases, will put pressure on sustaining an uninterrupted supply of life-saving medicines to the market. Resultantly both sales volumes, as well as gross margins, are expected to decline in the ensuing year.

Moving forward, considering an unpredictable fiscal environment, ICI Pakistan Limited's Pharmaceutical business will continue to focus on further rationalisation of costs to remain competitive in the market to ensure a continued supply of high-quality products that cater to the growing needs of the Pakistani market.

## Animal Health

### Net Turnover (PKR m)



### Operating Result (PKR m)



Global supply chain issues and vessel shortages continued to remain a major challenge during the year, which negatively impacted the timely availability of key raw materials. However, the business, through effective inventory management, product mix and cost rationalisation, was able to mitigate the impact of these challenges. On the domestic front, the continuous surge in the cost of ingredients for cattle feed formulation led to a cost-push while the end consumer was unable to realise an adequate return on investment in the form of increased milk prices. Resultantly, farmers shifted towards cheaper, albeit less nutritious alternatives, posing a challenge to cattle feed volumes.

Despite the aforesaid challenges, the business delivered a Net Turnover of PKR 5,617 million - 10% higher than the SPLY, whereas Operating Profit for the period stood at PKR 761 million, translating to a growth of 100% compared to the SPLY.

The performance was mainly driven by an enhanced focus on the locally manufactured Farmer's Choice portfolio in both livestock and poultry segments. Moreover, the Poultry Biologicals portfolio, including the flagship CAVAC vaccines also outperformed to drive business growth as compared to last year.

Aligned with the business's aspirations to expand the footprint of its locally manufactured portfolio, production and volumetric sales of Silage were 23% higher than the SPLY. Moreover, the business also launched six new products under its locally manufactured Farmer's Choice portfolio to further fortify its footprint in the market.

Going forward, devaluation of local currency, high inflation and global supply chain disruptions will continue to pose a challenge to the business. However, aligned with the needs of the domestic market, despite external challenges, the business aims to continue to deliver sustainable growth through its robust portfolio of products, catering to the livestock and poultry segments.

## Chemicals & Agri Sciences

### Net Turnover (PKR m)



### Operating Result (PKR m)



The Chemicals & Agri Sciences business achieved a Net Turnover of PKR 10,807 million for the year under review, with a growth of 24% over the SPLY. The Operating Result for the year at PKR 1,462 million is 55% higher than the SPLY. The strong growth in results was mainly driven by strategic improvisation and effective margin management across the business' portfolios.

The Chemicals segment benefited from the improved demand scenario amid consistent growth in the manufacturing industry across all sectors. Favourable weather conditions during the major part of the year contributed to the improved performance of the Agri Sciences segment. The Masterbatches segment also continued its positive momentum, posting a volumetric growth of 23% compared to the SPLY.

On the external front, the Russia-Ukraine conflict and its consequential impact on international commodity prices jolted the growth of the domestic economy. The pressure on the Pakistani Rupee against the US dollar, multiple increases in the policy rate and increased taxes introduced through the Finance Act, 2022, in the latter part of the year under review will impact industrial and consumer demand in the near term.

Going forward, the above factors, along with ongoing supply chain disruptions, will continue to impact the domestic business environment while posing a threat to business profitability. The business, however, remains focused on minimising its adverse impacts and creating enduring value for existing and new customers through operational excellence and innovation, while delivering robust results.

## Finance

The Company's balance sheet as of June 30, 2022, remains on a strong asset footing of PKR 59.9 billion (2021: PKR 43.8 billion), with a current ratio of 1.01 (2021: 1.24) and a quick ratio of 0.33 (2021: 0.40).

The Net Turnover of PKR 86,972 million for the year under review is 39% higher compared to the SPLY, owing to an increase in revenues across all businesses.

The Gross Profit for the year under review is 30% 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 20% higher than the SPLY, whereas the administrative and general expenses for the year are 5% higher than the SPLY. The rise in sales and distribution expenses is essentially due to higher sales, increased outward freight, particularly for export orders, and inflationary impact on other expenses.

The increase in Operating Profits was partially offset by higher Finance Costs due to increased debt levels owing to increased investment in working capital and higher cost of borrowing due to an increase in the policy rate by 6.75% during the year. This led to an increase in Finance Costs by 38% compared to the SPLY. Moreover, the Exchange Loss of PKR 545 million during the year, as compared to the exchange gain of PKR 56 million in the SPLY, also impaired the profitability of the Company. Further, the effective tax rate has also increased due to the imposition of 4% Poverty Alleviation Tax and 6% Super Tax in the Finance Act, 2022, leading to higher tax incidence from the SPLY.

Other Operating Income for the year was 63% lower than the SPLY mainly due to no dividend income from both subsidiary companies, namely ICI Pakistan PowerGen Limited and NutriCo Morinaga (Private) Limited.

The Profit after Tax (PAT) and Earnings per Share (EPS) for the year at PKR 6,249 million and 67.66 respectively, are 5% higher than the SPLY.

## Future Outlook

Post-pandemic recovery of the global economy has been severely impacted by the ongoing Russia–Ukraine conflict. Consequently, prices in the international commodity markets soared to an all-time high. Effects of this unprecedented inflation and energy crisis are being faced around the world, leading to a mixed global economic outlook with risks of a recession. Monetary tightening measures are being deployed across all major global economies to curtail demand-led inflation, which may eventually lead to a decline in economic activity.

The volatility in global markets has also impacted Pakistan's economy, which continued to demonstrate cycles of 'boom and bust'. An impressive GDP growth rate of almost 6% for FY'2021-22 was overshadowed by ballooning twin fiscal and current account deficits. This combined with an uncertain political environment and high international fuel and commodity

prices, exerted immense pressure on foreign exchange reserves resulting in a significant depreciation of the Pakistani Rupee against the US dollar, which in turn contributed to high inflation. Long-standing structural weaknesses of the economy and low productivity growth pose risks to a sustained recovery. To control consumption, the State Bank of Pakistan increased the policy rate by 800 bps since September 2021, along with various measures to curb imports.

The IMF programme revival is expected to provide much-needed stability on the external front. However, measures taken on the fiscal front will put further burden on corporates in Pakistan and, in turn, affect shareholders' returns.

Going forward, risks of a global and domestic slowdown in growth, inflationary pressures, high cost of borrowing, uncertainties in the domestic business environment, coupled with the ongoing monetary tightening measures, pose a threat to business demand, as well as profitability in the short to medium-term. Nonetheless, ICI Pakistan Limited remains focused on minimising the negative impacts of the same, delivering enduring value and strengthening relationships with existing customers and suppliers, whilst leveraging its diversified product portfolio to further its growth aspirations.

## Acknowledgement

The results of the Company reflect the relentless commitment and contribution of its strong pool of talented employees and the trust placed in the Company by its stakeholders.

## Auditors

M/s EY Ford Rhodes, Chartered Accountants, have audited the financial statements of the Company for the year ended June 30, 2022. Being eligible, they have offered themselves for reappointment for the next financial year ending June 30, 2023.

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, 2023, 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 the unconsolidated financial statements attached therein.

## Compliance with the Code of Corporate Governance

The Company has taken all necessary steps to ensure Good Corporate Governance in all its practices, in compliance with the Code of Corporate Governance (CCG) Regulations, and as such, 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 the preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- 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 about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance.
- Key operating and financial data for the last 10 years is summarised on pages 28-29.
- 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 of the Company are approved or ratified by the Audit Committee and the Board of Directors.

## Investment In Retirement Benefits

Fund Name	30-Jun-22	30-Jun-21
	Un-Audited	Audited
	Value (PKR million)	Value (PKR million)
1 ICI Pakistan Management Staff Defined Contribution Fund	1,359.97	1,243.44
2 ICI Pakistan Management Staff Provident Fund	1,306.72	1,290.54
3 ICI Pakistan Management Staff Pension Fund	688.76	880.20
4 ICI Pakistan Management Staff Gratuity Fund	639.28	646.51
5 ICI Pakistan Non-Management Staff Provident Fund	555.93	571.40
<b>Total Fund Size</b>	<b>4,550.65</b>	<b>4,632.10</b>

## 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

Syed Muhammad Shabbar Zaidi  
Khawaja Iqbal Hassan

##### ii) Non – Executive Directors: 4

Mr Muhammad Sohail Tabba  
Mr Muhammad Ali Tabba  
Mr Jawed Yunus Tabba  
Mrs Amina A. Aziz Bawany

### iii) Executive Directors: 2

Mr Asif Jooma  
Mr Muhammad Abid Ganatra

### 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

### Shares Transfer Committee

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

## Directors' Attendance

During the period under review, seven (7) Board meetings, four (04) Audit Committee meetings and two (02) Human Resource and Remuneration (HR&R) Committee meetings were held. Attendance by each Director of the respective Board/Sub – Committees meetings was as follows:

Name of Director and Secretary	Board of Directors Meetings	Audit Committee Meetings	HR & Remuneration Committee Meetings
Mr Muhammad Sohail Tabba	7	-	2
Mr Muhammad Ali Tabba	6	3	2
Mr Jawed Yunus Tabba	7	3	2
Mrs Amina Abdul Aziz Bawany	2	-	-
Mr Asif Jooma	7	-	2
Khawaja Iqbal Hassan	7	4	2
Mr Muhammad Abid Ganatra	7	-	-
Syed Muhammad Shabbar Zaidi	6	4	-

## Directors' Remuneration

A formal Directors' Remuneration Policy approved by the Board is in place. The policy includes a transparent procedure for the remuneration of Directors, under the Companies Act, 2017 and CCG. As per the said policy, Directors are paid an after tax remuneration of PKR 75,000/- for attending each meeting of the Board or its Sub-Committees.

Appropriate disclosure for remuneration paid during the year to Directors and the 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 Board of Directors believes that continuous assessment is critical in determining how effectively the Board has performed against the objectives and goals that they have set for themselves. Based on the results of the evaluation, areas of improvement are identified and corrective action plans are prepared and acted on.

## Directors' Training

A majority of the Board members have either acquired Director's training or have the prescribed qualification and experience required for exemption from training programmes for Directors, under Regulation 19 of the CCG. All Directors are fully conversant with their duties and responsibilities as Directors of corporate bodies.

## Risk Assessment Framework

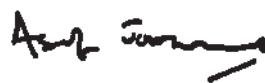
Appropriate disclosure of the Company's risk framework and internal control system has been made on pages 84 to 93.

## Pattern of Shareholding

The pattern of shareholding of the Company, under Section 227(2)(f) of the Companies Act, 2017 as at June 30, 2022, is annexed to this report.



**Muhammad Sohail Tabba**  
Chairman



**Asif Jooma**  
Chief Executive

Date: August 1, 2022  
Karachi

# Statement of Compliance with Listed Companies

## (Code of Corporate Governance) Regulations, 2019

**ICI Pakistan Limited**  
**Year Ended June 30, 2022**

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG/Regulations) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. ICI Pakistan Limited ("the Company") has applied the principles contained in the CCG in the following manner:

1. The total number of directors are 8 as per the following:

- a. Male: 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 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 official 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 the 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 and, in his absence, by a director elected by the Board for this purpose. 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 authorised institutions or have the prescribed qualification and experience pursuant to Regulation 19 of the CCG.

10. The Board has approved the appointment of the Company Secretary, including the remuneration and terms and conditions of employment, and complied with relevant requirements of Regulations.

11. The 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.

a) Audit Committee	04
b) HR and Remuneration Committee	02

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 ICI Pakistan Limited have confirmed that they have been given a satisfactory rating under the Quality Control Review programme of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with the Audit Oversight Board of Pakistan that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on the 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 relatives (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 the 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 362<sup>nd</sup> Board meeting held on January 28, 2020, discussed that, given the diversified nature of ICI Pakistan Limited's 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 two. The number of Independent Directors could be reviewed in the next election of Directors.

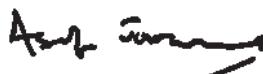
The Shareholders in Extraordinary General Meeting held on May 11, 2020, had elected eight Directors for the current term of three years.

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

August 01, 2022  
Karachi



Asif Jooma  
Chief Executive



# 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 for the year ended 30 June 2022 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 2022.

*CM Farid Khodas*

Chartered Accountants

Place: Karachi

Date: 02 September, 2022

UDIN Number: CR202210078x9zvcOTIn

# Corporate Governance and Compliance

**At ICI Pakistan Limited (the “Company”), we strive to uphold the highest standards of corporate governance practices and promote transparency in all of our business operations.**

We believe that sound governance is critical to our short-term and long term success. Our core aspiration of Delivering Enduring Value for all stakeholders and enhancing our economic and social performance is achieved through fair and sound business practices.

The corporate governance structure of ICI Pakistan Limited is led by its core values, constitutive documents and the current legal and regulatory framework. Additionally, the Company maintains sound internal controls which comprise of robust risk management systems, authority limits, accountabilities and internal policies, including its Code of Conduct.

## Corporate Governance Statement

In line with its core value of Integrity and Responsibility, the Company adheres to applicable laws and regulations, including the Listed Companies (Code of Corporate Governance) Regulations 2019 (CCG), the Listing Regulations of the Pakistan Stock Exchange and applicable financial reporting frameworks.

The Statement of Compliance, as required under the Listed Companies (Code of Corporate Governance) Regulations 2019 (the “CCG”), signed by the Chairman of the Board and Chief Executive, along with the Auditor’s review report, also form part of this Report.

## Major Applicable Regulations

### External

- 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

### Internal

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

## Ownership and Control Structure

Details of ICI Pakistan Limited’s pattern of shareholding as at June 30, 2022, are annexed to this Report. Collectively, the Yunus Brothers Group (YBG), through its group companies, holds an equity stake of 81.54% in the capital. Lucky Cement Limited, the majority shareholder, holds 55% of the share capital.

### Capital Structure

ICI Pakistan Limited’s share capital comprises of 92,359,050 ordinary shares. No other class of shares are issued by the Company.

ICI Pakistan Limited primarily manages its long-term investment requirements and working capital requirements through its own cash generation, as well as financing facilities from various banks. It has significant amounts of unutilised banking facilities due to its strong cash-generating ability, through its diversified and strong performing businesses.

The Company’s EBITDA generation capacity, along with prudent liquidity management, is reflected in its current and quick ratios, which were 1.01 and 0.33 respectively, as of June 30, 2022.

The share capital structure is as follows:

### Authorised Share Capital

PKR 15,000,000,000 - each share having a face value of PKR 10/-

### Issued, Subscribed and Paid-up Capital

PKR 923,590,500 - each share having a face value of PKR 10/-

### Shares Held by Directors/Executives

The details of the shareholding of Directors and Executives of the Company are provided in the Pattern of Shareholding annexed to this Report.

## Board of Directors

### Board Composition

The Board of ICI Pakistan Limited comprises of Executive, Non-Executive and Independent Directors. The Company has a total of eight Directors on its Board, consisting of:

- Two (2) Executive Directors
- Four (4) Non-Executive Directors (including one female

Director)

- Two (2) Independent Directors

## Independent Directors

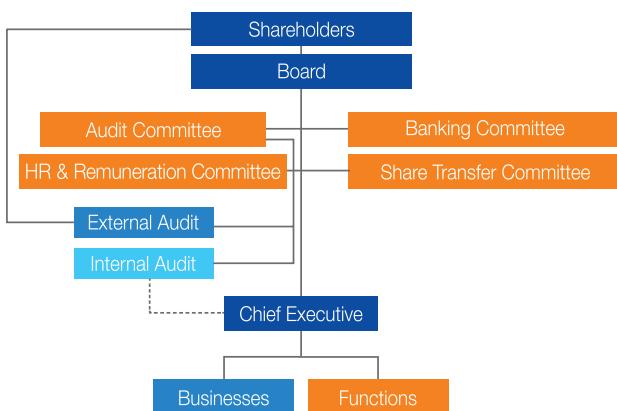
The Independent Directors on the Board of Directors are:

- Khawaja Iqbal Hassan
- Syed Muhammad Shabbar Zaidi

## Committees of the Board

The Board of Directors of the Company have constituted the Board Audit Committee and the Human Resource & Remuneration (HR&R) Committee, in compliance with the CCG. Additionally, the Board has also constituted a Banking Committee and Share Transfer Committee to deal with all banking and shares-related matters. Details of these Sub-Committees are available in this Report.

## Governance Structure



## Casual Vacancy

No casual vacancy arose on the Board during the year ended June 30, 2022.

## Responsibilities of the Board of Directors

The Board of Directors is responsible for inter alia:

- Governing the organisation by establishing Board policies; setting goals and objectives that the Company is required to adopt and implement
- Determining, evaluating and reviewing the strategy of the Company, including expansion opportunities
- Adopting, reviewing and ensuring the implementation of the vision and mission of the Company
- Reviewing and evaluating present and future business opportunities, threats and risks in relation to the Company
- Establishing adequate systems of internal control and reviewing its effectiveness
- Overseeing regulatory and compliance risks
- Establishing and reviewing effectiveness of risk management policies
- Review of business compliance and financial risks
- Conducting regular reviews of the performance of the Company
- Reviewing and approving financial statements of the Company
- Reviewing and approving yearly budgets
- Sanctioning major capital expenditures and investments
- Safeguarding the strategic interests of the Company and its stakeholders

- Ensuring compliance with the Company's Code of Conduct at all levels
- Evaluating the performance of the Board and its committees
- Approving the appointment of individuals at key management positions
- Evaluating succession planning

## Board Performance Evaluation

In line with regulatory requirements and best global practices, the Board and its Sub-Committees undertake a formal process of performance evaluation on an annual basis. Evaluation proformas/forms are circulated to each Board member at the end of the financial year. These forms are duly filled and returned to the Company Secretary, who is responsible for compiling the results while ensuring strict confidentiality with respect to the responses. The results are shared with the Board to address any issues that may have been identified and frame strategies to bring about improvements in its performance.

## 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 individuals with a clear segregation in the roles and responsibilities of each.

## Chairman

The Chairman of the Board, Mr Muhammad Sohail Tabba, is a Non-Executive Director. The primary role of the Chairman is to ensure that the Board of Directors remains effective in its task of setting and implementing the Company's direction and strategy. The Chairman is entrusted with the overall supervision and direction of Board proceedings.

## Significant Commitments

Mr Muhammad Sohail Tabba was appointed as a Non-Executive Director on the Board in 2012, and was subsequently appointed as the Chairman of the Board in 2014. The details of his other significant commitments as Chairman, Director and/or Trustee are given in his profile in this Report.

## Chief Executive

Mr Asif Jooma holds the office of Chief Executive and is an Executive Director on the Board. He is responsible for the overall performance of ICI Pakistan Limited, in accordance with the business strategy and financial budgets approved by the Board. All businesses and functional heads report to him. The Chief Executive reports to the Board of Directors.

The key responsibilities of the Chief Executive include:

- Implementing Company policies as approved by the Board
- Directing strategy towards profitable growth and operation
- Developing strategic operating plans that reflect long-term objectives
- Implementing strategic objectives established by the Board
- Maintaining an ongoing dialogue with the Board to keep them updated on all significant developments
- Ensuring adequate operational and financial controls are in place
- Ensuring the operating objectives and required standards of performance are understood by all employees of the Company
- Monitoring the operating and financial results against budget

- Taking remedial action where necessary and informing the Board of any significant changes
- Ensuring that the Company complies with all applicable laws and regulations
- Building and maintaining an effective team and appropriate succession plans

### Evaluation of the Chief Executive's Performance

The performance of the Chief Executive is evaluated on the basis of quantitative and qualitative value-driven objectives. The former relates to the growth and financial performance of the Company, while latter relates to its performance on parameters including sustainability, best corporate governance practices, risk management, employee development and growth in line with its vision. Underpinning these objectives is the "how" component, which measures the processes and policies that have been implemented and complied with.

### Matters Delegated to the Executive Management Team (EMT)

The EMT is responsible for the implementation of the goals, strategies and policies set out by the Board. It comprises of the Chief Executive, the Chief Financial Officer, the Company Secretary and other heads of businesses and functions.

The Board has entrusted the Chief Executive with necessary powers and responsibilities to facilitate the smooth execution of the day-to-day affairs of the Company and implement strategic plans. The Chief Executive is, in turn, assisted by the EMT. The Chief Executive is responsible for keeping the Board informed on all relevant matters, including key risks and changes in the operating environment. Approvals are sought from the Board by the management on all major business activities and operations, as and when it is appropriate and necessary.

### Material Interests of Board Members

In accordance with Section 205(3) of the Companies Act, 2017, Directors are required to disclose directorships or memberships they hold in other corporate bodies at the time of their appointment and on an annual basis. The Company also updates this information on a quarterly basis, which is used to compile and maintain an updated list of all related parties. In case any conflict of interest arises, the matter is referred to the Board Audit Committee and subsequently, the Board for resolution.

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

The Company has two Executive Directors:

- Mr Asif Jooma
- Mr Muhammad Abid Ganatra

The details of their directorships on the board(s) of other entities are mentioned in their respective profiles, given in this Report.

### Director's Orientation

No new directors were appointed on the Board during the year ended June 30, 2022.

### Directors' Training Programme (DTP)

A majority of the Directors have either obtained Directors'

training or have the prescribed qualifications and experience required for exemption from training programmes for directors, pursuant to Regulation 19 of the CCG. All Directors on the Board of ICI Pakistan Limited are fully conversant with their duties and responsibilities.

### Director's Remuneration Policy

The Company has in place a formal policy for the remuneration of its Non-Executive and Independent Directors, for attending Board and Sub-Committee meetings, in accordance with the Companies Act, 2017, and the CCG. The policy provides that the remuneration to be paid to the Directors shall be appropriate and commensurate with the level of responsibility and expertise required of them and stipulates that the remuneration shall not be at a level which could be perceived to compromise the independence of the relevant Directors. The policy intends to attract and retain appropriate professionals needed to successfully add value to the Company. As per the policy, a Non-Executive or Independent Director is entitled to claim reasonable travelling, hotelling and other ancillary expenses incurred on account of attending meetings of the Board, its Sub-Committees, general body meetings of the Company and/or for tending to any other business for the Company. ICI Pakistan Limited also provides indemnity coverage to its Non-Executive and Independent Directors to the extent provided for in the Companies Act, 2017.

Executive and Non-Executive Directors, that are also on the boards of subsidiaries and/or associated companies of ICI Pakistan Limited, are not given any additional remuneration for attending board meetings of these companies. No extra services were taken from any Non-Executive Director during the year.

For details of remuneration paid to the Executive and Non-Executive Directors during the year, refer to note 39 of the Unconsolidated Financial Statements.

### Security Clearance of Foreign Directors

The Company currently does not have any foreign directors on its Board. If any foreign director is on boarded in the future, it will follow the necessary steps as per SECP requirements to ensure security clearance for them.

### Board Meetings Held Abroad

All Board meetings during the year ended June 30, 2022, except for one, were held at the registered office of the Company - ICI House, 5 West Wharf Road, Karachi. One meeting of the Board was held at the head office of Gadoon Textile Mills Limited, located at 7/A, Tabba Street, Muhammad Ali Society, Karachi. Video link facilities were also provided for Directors attending virtually. No meeting of the Board was held outside of Pakistan during the year.

### Code of Conduct

ICI Pakistan Limited has always adhered to the highest ethical standards in all its operations. The Code of Conduct encompasses business principles and the ethical standards that the Company is committed to uphold. It believes in widely propagating the values and ethics for strict adherence across the board, including by all employees, as well as external vendors, customers and suppliers that it conducts business

with. The Company has introduced modules for the Code of Conduct on its internal portal and organises training sessions on a regular basis. Furthermore, it forms an integral part of the induction plan upon joining. All new employees are required to read, understand and acknowledge the Code of Conduct and sign a declaration undertaking to comply with it.

### Internal Controls

ICI Pakistan Limited has a sound system of internal controls and risk management to safeguard its assets and appropriately address and/or mitigate emerging risks. The Board assumes the overall responsibility of overseeing the internal control process, including its effectiveness.

The Company maintains a clear organisational structure with a well-defined chain of authority and has clear remits of authority prescribed by the Board. An internal control assessment is also conducted by an independent Head of Internal Audit, who reports directly to the Board Audit Committee. Comprehensive details regarding the Risk Management System are separately disclosed in this Report.

### Conflict of Interest

A formal disclosure of interest is obtained from each Director on an annual basis and updated on a quarterly basis.

Under the approved related party transactions policy, the Directors are required to disclose their interest in any transaction with individuals or corporate bodies falling under the definition of a related party, as soon as these are established.

### Related Party Transactions

ICI Pakistan Limited maintains and regularly updates a list of related parties. Transactions with related parties are carried out on an arm's length basis and in the ordinary course of business, as per the related party transactions policy approved by the Board. A list of related party transactions is submitted to the Board Audit Committee every quarter for their review. Based on their recommendations, such transactions are subsequently approved by the Board. Transactions with related parties are also referred to the shareholders in a general meeting for ratification/approval as applicable. The related party transactions entered into during the year, along with their details, are disclosed in note 40 to the Unconsolidated Financial Statements.

### Insider Trading

ICI Pakistan Limited has a policy on insider trading and securities transactions in line with applicable legislation and regulations. As per directives issued by the Pakistan Stock Exchange (PSX), the Company maintains and updates a list of Executives. Any transaction carried out by an Executive, their spouse and/or minor children in the shares of the Company has to be reported to the Company Secretary immediately, along with details of sale/purchase of shares. The Company Secretary accordingly discloses such transactions to the PSX. Executives are not permitted to transact in shares of ICI Pakistan Limited during the closed period announced by the Company.

### Competition Law

As embodied in the Code of Conduct, ICI Pakistan Limited supports the principles of free enterprise and fair competition. It competes vigorously but fairly within the framework of all applicable laws, to provide the highest standards of goods

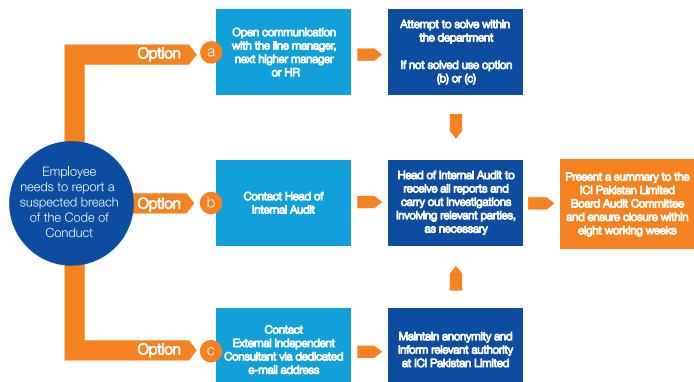
and services. The Company conducts regular competition law trainings to ensure that its employees continue to understand and ensure compliance with competition laws. The last training was conducted on June 17, 2022.

### Speak Up (Whistleblowing Policy)

To ensure the highest levels of transparency and create an environment that promotes integrity and responsibility, employees have access to a robust whistleblowing programme called "Speak Up" which is overseen by the Board Audit Committee. Through this, an employee can confidentially report any Code of Conduct violation, including suspected unethical dealings, fraud, bribery, conflict of interest, discrimination and harassment, to the relevant HR Manager or Head of Internal Audit. In addition, to enhance anonymity, an independent third party (a renowned firm of Chartered Accountants) has also been engaged and can be approached, either via email or by post, to file a complaint. This gives employees the confidence to report without any fear.

All complaints are thoroughly investigated within a timeline of eight weeks from the date of the Speak Up. 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. The process is overseen by the Board Audit Committee.

The policy also addresses any abuse of the procedure through appropriate disciplinary action against such employees.



#### Speak Up Reports During the Year

Number of Speak Ups reported to Audit Committee during the year ended June 30, 2022 1

Number of Speak Up Investigations Completed and Cases Closed 1

## Internal and External Audits

### Internal Audit

The Internal Audit function at ICI Pakistan Limited 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. The Head of Internal Audit independently reports to the Board Audit Committee, and administratively to the Chief Executive. A risk-based annual internal audit plan is approved by the Board Audit Committee. The Head of Internal Audit ensures that the plan, as approved, is effectively implemented.

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 against audit findings are rigorously followed up to ensure timely implementation of corrective measures. The Board, through the Board Audit Committee, reviews the assessment of risks, internal control and disclosure procedures, and suggests remedial actions where applicable. The Board Audit Committee also reviews the performance of the Internal Audit function.

### External Audit

External auditors are appointed by the shareholders on an annual basis at the Annual General Meeting (AGM) on the recommendation of the Board of Directors. The partner in charge of the Company's audit is rotated every five years, as per regulations. The Board Audit Committee also assesses their performance, qualifications and independence.

## Governance Practices Exceeding Legal Requirements

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

- Adoption of best reporting practices as prescribed by ICAP/ICMAP, with a view to making Company financials more transparent
- Adoption of Global Reporting Initiatives (GRI) Standards. Implementation of a robust Health, Safety and Environment (HSE) policy at its plants and offices
- Adoption of the framework for UN Global Compact "Ten Principles"
- Adoption of the International Integrated Reporting Council (IIRC)'s Integrated Reporting Framework
- Adoption of Sustainability Reporting

### United Nations Global Compact (UNGC)

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

### Diversity and Inclusion (D&I) Governance

The Company is dedicated to fostering Diversity and Inclusion (D&I) at all levels. It aims to create a high-performing workforce by capitalising on its diversity, purposefully embracing inclusion and empowering all employees to perform to their highest potential. To ensure the Company implements its vision, a D&I committee has been formed to overlook all related initiatives. A framework is designed to regulate the agenda, which focuses on four major goals: Demonstrate Leadership Commitment and Accountability, Build and Maintain a Diverse Workforce, Cultivate and Foster an Inclusive Culture and Drive Change beyond the Workplace.

The committee and leadership team is devoted to creating a diverse workforce by cascading D&I goals and targets in the performance plans of the key stakeholders. To promote an inclusive environment, ICI Pakistan Limited has taken the following initiatives:

- Introduced the 'Dignity at Work' platform, which aims to support and sustain a positive work environment
- Assigned gender diversity targets to each business
- Created awareness on the importance of the diversity and how it can contribute to making a difference
- Ensured gender-balanced panels for candidate evaluation during recruitment
- Conducted extensive work on building a diverse talent pipeline
- Introduced interventions under the 70:20:10 rule to build high competencies
- Continued the Impact Scholarship Programme through which education to female students from underprivileged backgrounds are sponsored. This helps them pursue undergraduate degrees from top-tier universities of Pakistan, including IBA, LUMS, GIKI and NUST
- Continued the Women's Development Programme (WDP) that provides four to six-weeks-long internship opportunities to female students
- Embedded policies such as sabbaticals, maternity and paternity leaves
- Introduced a Career Builder platform for women who want to return to work after a long break

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

- Monitoring targets through the D&I dashboard
- Identifying roles and hiring female workers across the organisation
- Conducting D&I Committee meetings
- Assessing the organisation's demographics and diverse profiles

The overall workforce at ICI Pakistan Limited comprises of 6.1% females, with an 11% representation at the EMT level. The Company is committed to increasing these figures to create a wider and diversified talent pool, and ensure that D&I objectives have a meaningful impact on its growth, as well as society as a whole.

### Corporate Social Responsibility

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

### Details of Taxes, Duties, Levies

Details of contingency related to taxes and duties are available in note 27.2 of the financial statements.

## Investor Relations

ICI Pakistan Limited is committed to maintaining strong and transparent relations with all its stakeholders. Accordingly, the Board has approved an investor relations policy to provide a mechanism to manage investor relations. The Company has a dedicated section on its website (<http://www.ici.com.pk>) for investor relations. The website is maintained in English and Urdu as per regulatory requirements and is updated on a regular basis.

### Investor Grievance Policy

The investor relations section of the website contains the contact details, including an email address, fax number and postal details, of the concerned manager to whom investor grievances and complaints can be submitted. The Company Secretariat department regularly monitors these and strives to resolve them within a period of seven 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.

### Stakeholder Engagement Process

ICI Pakistan Limited regularly communicates all relevant information to its shareholders and other stakeholders through announcements made on the PSX portal, press releases, corporate briefings, notices to shareholders and its website. Financial and other information is contained in its Annual Reports and quarterly financial reports, which are also available on the website. A corporate briefing session was held on October 07, 2021, attended by shareholders, analysts and investors.

In line with the Company's core value of Customer Centricity, the businesses use multiple channels to engage with their customers. This includes regular meetings, customer visits, participation in trade fairs and distributor/customer conferences. The Pharmaceuticals business engages with its customers strictly in line with the regulatory policies issued by the Drug Regulatory Authority of Pakistan (DRAP).

A dedicated email ID ([ccpa.pakistan@ici.com.pk](mailto:ccpa.pakistan@ici.com.pk)) has been provided on the website to encourage all stakeholders to share queries and feedback. Regular and open communication channels are also maintained between the Company and its employees through bi-annual Chief Executive reviews, in-house newsletters, surveys, employee portals, regular town halls and other events.

### Dividend Policy

ICI Pakistan Limited declares dividend in line with the policy approved by the Board.

## General Meetings

The Company holds its general meetings in accordance with the requirements under the Companies Act, 2017, Rule Book of the PSX, the CCG, and its Articles of Association.

### Presence of the Chairman at the Annual or Extraordinary General Meeting

The Annual General Meeting and Extraordinary General Meetings of the Company were held on September 29, 2021, and March 21, 2022, respectively, and were attended by the Chairman of the Board and the Chairman of the Board Audit Committee.

### Issues Raised in the Last Annual or Extraordinary General Meeting

Queries including on the Company's operational and financial performance were raised by the shareholders and answered to their satisfaction.

### Steps Taken by the Management to Encourage Minority Shareholders

The Company encourages all its shareholders, including minority shareholders, to attend its general meetings and complies with all the regulatory requirements necessary to facilitate them to do so. This includes the introduction of a facility to attend meetings via video-conferencing as per SECP directives.

Notices for the general meetings are sent to all the shareholders within the requisite regulatory time frame. Further, the notices are also published on the PSX portal, ICI Pakistan Limited's website and printed in English and Urdu newspapers with nationwide circulation, simultaneously.

## Business Continuity Plan/ Disaster Recovery Plan

The Company has in place detailed Business Continuity Plans for each of its businesses and an IT Disaster Recovery Plan. These outline strategies and processes to ensure timely restoration and smooth functioning in case of a catastrophe or calamity. The aim is to ensure that all critical business functions continue to operate safely during a calamity on an interim basis, without disruption.

It was through the Business Continuity Plans that ICI Pakistan Limited was able to continue its operations during the COVID-19 pandemic.

### Record Keeping

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

# 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 details of the Audit Committee members are given on Page 54 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 2022, and reports that:

- The standalone and consolidated financial statements of ICI Pakistan Limited for the year ended June 30, 2022 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 taken by 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 judgement. 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 a 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 details 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 actions where necessary or brought the matters to the Board's attention where required.

The Audit Committee has provided proper means for staff and management to report to it 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, 2022. 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 the audit committee meetings where required. The Audit Committee also met the external auditors in the absence of Chief Financial Officer and the Head of Internal Audit in accordance with the requirements of 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. 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, 2023, and the Audit Committee has duly recommended their reappointment.

## Annual Report 2022

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 2022 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 15, 2022  
Karachi

# Risk Management

**Effective risk management is key to achieving ICI Pakistan Limited's objectives, with regards to the efficiency of operations, reliability of financial reporting, compliance with all applicable laws and the desire for sustainable growth.**

Integrated throughout the Company, risk management at ICI Pakistan Limited occurs at the functional, business and corporate levels. The Board of Directors oversees the risk management and control processes. The systems are designed to safeguard the Company's assets, shareholders' investments/interests and address possible impacts on business continuity. The identified risks that could potentially affect the achievement of strategic, operational, financial and/or compliance objectives are promptly reported for timely action to the Board and senior management. This serves to ensure that risk exposure remains consistent with the strategy, business, regulatory environment and stakeholder requirements.

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

The Company also employs a robust Enterprise Risk Management (ERM) framework, which is integrated across the organisation to ensure that all potential risks are identified and addressed on time. The ERM framework utilises comprehensive interactive systems and processes, enabling ICI Pakistan Limited 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	Source	Type
Changing government policies, and unstable economic conditions adversely affecting the business	External	Strategic
Exposure to liabilities arising from non-compliance with laws and regulations	Internal	Compliance
Overdependence on single-source suppliers and major principals	Internal and External	Operational / Commercial

Risk Mitigation Plan	Likelihood	Impact	Risk Exposure Rating	Timeline
<p>Continued commitment to Customer Centricity, product quality, innovation and supply chain efficiencies, along with a strong market footprint, helps ICI Pakistan Limited appropriately respond to challenges posed by economic conditions as required.</p>	Medium	High	High	Medium to Long-Term
<p>The Board and management endeavour to define and implement a clear strategy to minimise costs. They continuously seek dialogue with policymakers through various business forums in the overall interest of domestic industries.</p>				
<p>ICI Pakistan Limited closely monitors changes in the regulatory environment and adapts to all significant changes in a timely manner. It is dedicated to compliance with all applicable legal and regulatory requirements with a special emphasis on conformity to the Code of Conduct. The Company has a comprehensive compliance programme that includes trainings, monitoring and assessments.</p>	Low	High	Medium	Long-Term
<p>ICI Pakistan Limited continuously engages its principals in a strategic view of the business in Pakistan. It emphasises upon the satisfaction of its suppliers and works hard to outperform their expectations.</p>	Low	Medium	Medium	Long-Term
<p>The Company safeguards its position through secured contracts and continues to seize opportunities to launch its own range of products/ brands and reduce dependency on principals. It also explores alternate suppliers regularly and performs concrete and thorough research on their offered product ranges to meet any contingencies, if required.</p>				

Risk	Source	Type
Product Quality	Internal	Operational/ Commercial
Disruptions to critical business operations	Internal / External	Operational
Information technology risk	Internal	Operational

Risk Mitigation Plan	Likelihood	Impact	Risk Exposure Rating	Timeline
<p>ICI Pakistan Limited maintains continued focus on quality control at both the principal and business levels (e.g. storage/transportation at correct temperatures, etc). It also ensures that detailed information is available on packaging while regular staff trainings are conducted on product-handling and management.</p>	Low	High	Medium	Long-Term
<p>The Company has defined Standard Operating Procedures (SOPs) for crisis management and media-handling. Moreover, its Customer Complaint Management System aids in conducting a timely review of the customer feedback. ICI Pakistan Limited further conducts a gap analysis to improve testing methodologies so as to comply with its core value of Customer Centricity.</p>				
<p>ICI Pakistan Limited has established disaster recovery and business continuity plans which are implemented at all locations/plants across Pakistan. Moreover, it has insurance coverage to safeguard against any monetary losses.</p>	Low	High	Medium	Medium to Long-Term
<p>State-of-the-art IT controls and firewalls are in place to safeguard confidential/proprietary information. Regular system updates, IT audits, and vulnerability awareness campaigns are carried out alongside trainings to monitor and minimise possible breaches.</p>	Low	Medium	Medium	Medium to Long-Term
<p>The Company also has a well-established IT Code of Conduct.</p>				

Risk	Source	Type
Inability to attract, engage and retain high potential/promotable talent	Internal	Strategic
Volatility in foreign currency exchange rate	External	Financial
Commodity risk	External	Operational/Commercial
Failure to keep pace with technological advancements	Internal	Strategic

Risk Mitigation Plan	Likelihood	Impact	Risk Exposure Rating	Timeline
ICI Pakistan Limited's key focus remains the growth and wellbeing of its intellectual capital. As such, it follows a formal succession planning process and a culture of employee training and development, aided by market-competitive compensation. All HR policies are developed with a focus on employee retention and engagement.	Low	Low	Low	Medium to Long-Term
The Company's centralised treasury function closely monitors and manages the exposure to foreign currency risk and uses various mechanisms, such as locking forward contracts, minimising foreign currency credit and resorting to natural hedging, wherever possible. Further mitigation is carried out through the introduction of generic brands and regular assessments of the economic situation for timely and informed decision-making.	Medium	Low	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	Low	Low	Short-Term
The management highly values the automation of operations and technological advancement. ICI Pakistan Limited has invested in the modernisation of production facilities utilising latest technological developments for cost/output optimisation. It also maintains close ties with customers and consults them regarding changes taking place in the industry.	Low	Low	Low	Long-Term

Risk	Source	Type
HSE&S compliance risk	Internal	Health & Safety
Interest rate risk	External	Financial
<p>An increase in interest rates will result in higher borrowing costs and impact profitability</p>		
Credit risk	External	Financial
<p>The risk of default by credit customers in the current challenging economic conditions, leading to an adverse financial impact</p>		
Liquidity risk	Internal	Financial
<p>The risk of the Company being unable to fulfil its financial obligations due to insufficient funds</p>		

Risk Mitigation Plan	Likelihood	Impact	Risk Exposure Rating	Timeline
<p>For ICI Pakistan Limited, compliance with HSE&amp;S standards is its license to operate. SOPs are developed and strict compliance to them is ensured. Employee trainings and safety audits are also carried out to continuously monitor and minimise risk. The Company continues to focus on energy conservation, waste and operational efficiencies, eco-efficiency and footprint reduction. A detailed report on HSE&amp;S performance and development is available in this Report.</p>	Low	Low	Low	Long-Term
<p>ICI Pakistan Limited 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, subject to market conditions and government policies. 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, it tries to pay off its debts to minimise the impact of an increase in interest rates.</p>	Medium	Low	Low	Short to Medium-Term
<p>Counter party risk is sufficiently diversified with established limits for key customers. Credit reviews are regularly conducted to align the exposure in line with changing conditions, while remaining within the bounds of the overall risk appetite of the Company.</p>	Low	Low	Low	Medium to Long-Term
<p>ICI Pakistan Limited ensures optimum utilisation of cash generated by its operations and has sufficient financial lines with various institutions to meet any funding requirements. Also, it 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.</p>	Low	Low	Low	Short-Term

# **A Partner of Choice**

Known and trusted by generations, our products find use in many critical, everyday applications. We understand that we have a unique and inspiring opportunity to grow, whilst making Pakistan and its people safer and stronger by providing the best-in-class products and solutions.

This section outlines the performance and growth recorded by ICI Pakistan Limited's five core businesses during FY'2021-22.





# Soda Ash

Ever since its inception in 1944, ICI Pakistan Limited's Soda Ash business has grown from strength to strength and remains a steady contributor to the national economy. A trusted and reliable supplier, it continues to make strategic investments to enhance its production capabilities and meet the growing needs of markets. Manufacturing quality soda ash for a wide range of industrial applications, the business delivers enduring value and touches the lives of countless consumers in Pakistan and abroad.

## Business Overview

ICI Pakistan Limited's Soda Ash business is positioned as a 'Supplier of Choice' in the domestic market and an established exporter in the regional markets. The business produces light and dense soda ash.

Considered one of the most essential inorganic chemicals, soda ash has multiple industrial applications and is used in the manufacturing of everyday goods such as glass, paper, detergents and laundry soap, etc. The business also manufactures food-grade sodium bicarbonate, commonly known as 'baking soda,' which is used in cooking, as well as tanneries, textiles, water purification and poultry feed.

## Market Overview

During the year in review, the global soda ash market remained under pressure on account of supply chain disruptions and exorbitant increases in energy costs. China, the largest producer of soda ash in the world, remained inactive in the soda ash export markets due to port congestions and lockdowns in certain parts of the country, leading to an astronomical rise in export prices.

The domestic soda ash market witnessed strong growth in FY'2021-22 as the markets bounced back post-pandemic. There was an improvement in demand in the downstream segments and the large-scale manufacturing sector regained lost ground. With increased investments in the construction sector, the glass segment became the growth engine of the domestic market. It grew on account of the Government's initiative to expand the construction sector. However, moving ahead, the momentum may slow down as compared to FY'2021-22. With no imports of sheet glass, the domestic glass market is expected to remain strong.

The paper segment flourished with the resumption of academic institutions post-pandemic. Additionally, the non-viability of imported newsprint material, due to the significant depreciation of the Pakistani Rupee, resulted in increased offtake of locally-made paper.

The market for detergents has also been growing on account of a renewed focus on hygiene after the pandemic. The textile segment witnessed steady growth as exports surged in FY'2021-22. The silicate segment remained strong, given the growing demand for adhesives from the packaging industry.

## Business Performance and Key Developments

Despite widespread uncertainty, the Soda Ash business was able to achieve its highest-ever domestic sales during the period under review. It recorded its highest-ever export sales after the successful completion of two break-bulk export orders. Based on its learnings from the initial two shipments, the business was able to successfully streamline its break-bulk export process for future consignments, including the redesigning of sling bags to



mitigate spatial constraints and maximise shipping quantity. Moving forward, it aims to make break-bulk a regular feature of its exports.

Further, the business made strong inroads into new export markets in Indonesia, Saudi Arabia, Vietnam, Thailand and the Philippines this year, whilst expanding its presence in Bangladesh, Sri Lanka, Tanzania and the UAE.

To complement its growth aspirations, the business successfully commissioned operations of the 75,000 Tonnes per Annum (TPA) expansion at its manufacturing facility in Khewra in June 2022, as part of a planned 135,000 TPA expansion project. The total installed capacity of the plant now stands at 500,000 TPA. The remaining 60,000 TPA Debottleneck (DBN) project is scheduled for completion during FY'2022-23.

The Soda Ash business upholds its long-standing drive to select and install state of-the-art technology, in consultation with suppliers from China. A key part of the expansion is a Coal-Fired Boiler and a Steam Turbine which will allow it to eliminate dependence on expensive alternate fuels such as RLNG.

## Future Outlook

Going forward, the business is expecting to reap the benefits of the various measures undertaken during FY'2021-22 to enhance operational efficiency, expand capacity and venture into new export markets.

Rapid inflation, deterioration of purchasing power, rising costs of business and the prevalent uncertainties in the country pose the threat of considerable headwinds for the Pakistani economy. The business has customers in different industries and markets. Hence, its robustness is correlated to the overall economy. It intends to capitalise on the expanded export footprint and focus on markets with better netbacks.

With capacity-expansion initiatives underway, the allocated volume for exports is expected to increase considerably. The 60 KTPA Debottleneck (DBN) project, currently under construction, is expected to come online by the end of the 2022 calendar year. The nameplate capacity of the plant will accordingly increase to 560KTPA.

Also, in line with ICI Pakistan Limited's penchant for sustainability, the team has set forth an ambitious target of planting 30,000 trees during the next fiscal year. This would not only cover the soda ash premises and residential estates but also its surrounding communities.



**The Soda Ash team has committed to planting 30,000 trees in the coming year.**

# Polyester

For decades, ICI Pakistan Limited's Polyesters business has been contributing to the textile market through its comprehensive range of polyester staple fibres (PSF). Today, it continues to strengthen itself by leading the innovation agenda for the downstream textile industry. Evolving to meet the growing demands of its customers through enrichments in its product portfolio, the Polyester business has aligned itself for future growth in Pakistan's textile industry.

## Business Overview

Polyester Staple Fibre (PSF) is manufactured by the polymerisation of two key raw materials, Pure Terephthalic Acid (PTA) and Mono-Ethylene Glycol (MEG), both of which are derivates of crude oil. A man-made fibre, it is the second most critical raw material for the textile value chain and consumed by the spinning industry for the manufacturing of different polyester yarns. The yarn is subsequently converted into a variety of value-added fabrics by the downstream industry and used as an alternative to cotton.

## Market Overview

In FY'2021-22, as the global economy recuperated from pent-up demand, political tensions between Russia and Ukraine, and China's dual circulation strategy, created a global energy crisis. Resultantly, the average price of crude oil for the period under review increased by 67%, as compared to the Same Period Last Year (SPLY). Prices of Paraxylene (PX) followed suit, increasing by 53% as compared to the SPLY. Tracking upstream values, the average PTA price also rose by 48%. However, the resumption of coal-based plants limited the impact on MEG and the average MEG prices rose by 25% as compared to the SPLY.

The significant devaluation of the Pakistani Rupee has resulted in a price increase for imported raw materials. During the year under review, domestic average price of PSF increased by 42%, as compared to the SPLY.

On the cotton front, adverse weather conditions in China and USA, and reduced cultivated areas in Pakistan, affected global production. Amid improved demand and supply shortages, the average price of international cotton rose by 54%, as compared to the SPLY. This kept domestic cotton prices on the higher side, with the average price increasing by 71% as compared to the SPLY.



The partnership with FibreTrace offers end-to-end traceability for Terylene Clean.

## Business Performance and Key Developments

In Q4 of FY'2021-22, the Polyester business successfully commissioned a state-of-the-art, rPET bottle recycling unit at its manufacturing facility in Sheikhupura. The unit utilises European technology to fully convert post-consumer waste PET bottles into chips used to manufacture the Company's recycled polyester fibre brand, Terylene Clean. A first-of-its-kind, branded and recycled fibre, Terylene Clean enables the downstream value-added textile industry to meet the stringent demands of both local and international customers. It continues to bolster the local textile industry to meet ever-changing consumer preferences and augments ICI Pakistan Limited's sustainability agenda and its commitment to responsible stewardship.

Some of the key highlights from the year include:

- Partnership with FibreTrace to offer end-to-end traceability for Terylene Clean. With a tracer embedded, Terylene Clean brings authenticity and traceability across the value chain.
- The business joined the CoRe Alliance - a group of leading corporates working to boost awareness, build infrastructure and devise policies to curb PET waste.
- The business partnered with Aabroo Educational Welfare Organization, which provides free-of-cost education and accommodation to the youth of underserved and marginalised communities. Aabroo schools benefit greatly from its solid waste management programme and by partnering with the institution on a PET bottle scheme, the business aims to help increase its bandwidth by way of greater waste collection, ultimately providing education to more children.
- Through partnerships with the Lahore Biennale Foundation and WWF, the business has sponsored the Green School Certification Programme and Spellathon 2021-22, respectively. Both initiatives are aimed at creating awareness at the grassroots level and inculcating a sense of responsibility for waste management, with the latter impacting more than 9,000 students in 32 schools countrywide.



The Polyester business team at the Aabroo MOU signing event

## Customer Engagement

The Polyester business's Commercial team continued to serve as an effective interface with customers, keeping them abreast with emerging market trends and providing seamless assistance.

To increase customer engagement and usage of the Terylene App, the business introduced a Guess and Win T20 Competition this year, which successfully increased the app's subscriber base.

Another highlight was a customers' conference arranged by the business' Techno-Commercial team, aimed at sharing the latest developments in the industry and providing updates on upcoming projects.

## Future Outlook

A record surge in global inflation has altered consumption patterns on account of a reduction in the end consumer's purchasing power. Markets across Asia have already begun to witness a slowdown in orders from the West. This will likely lead to subdued demand, with regional players seeking lucrative alternate destinations to dump excess supply.

In Pakistan, however, the government's policy framework will play a key role in protecting the PSF market.

Globally, there is a growing demand for PSF as a replacement for cotton. As per PCI Wood Mackenzie, by 2030, PSF demand share is expected to rise from 55% to 58%. A renewed focus on health, hygiene and sustainability is expected to raise the importance of specialised value-added PSF variants and the business remains committed to capitalising on such opportunities to further its growth prospects.

# Pharmaceuticals

ICI Pakistan Limited's Pharmaceuticals business is committed to providing reliable and cost-effective healthcare, thereby impacting the lives of millions of Pakistanis. Through sound investments in expansionary projects, mergers and acquisitions, and its relentless efforts towards enhancing operational excellence, the business is able to offer better access to quality medications that drive sustainable, competitive and profitable growth. Today, it is one of the top 18 pharmaceutical companies (IQVIA) in the country, with aims to reach even greater heights in the years ahead.

## Business Overview

ICI Pakistan Limited's Pharmaceuticals business manufactures, markets and distributes some of the leading pharmaceuticals products of the country, in therapeutic areas including cardiology, oncology and anti-infectives. In total, its strong portfolio covers 13 therapeutic areas and includes both Company-owned brands and those imported or manufactured and distributed in partnership with world-renowned pharmaceuticals and healthcare providers, such as AstraZeneca and Ferrer.

## Market Overview

The pharmaceuticals industry of Pakistan registered sales of PKR 606 billion in FY'2021-22. The industry currently encompasses 650+ companies, with the top 100 companies accounting for approximately 97% of the industry's market share. It is growing at 16% on the back of socio-economic factors such as a growing population, changing lifestyles, increased awareness of health issues and a high occurrence of acute illnesses.

## Business Performance and Key Developments

ICI Pakistan Limited's Pharmaceuticals business remains as one of the fastest growing companies and is currently ranked as the 18<sup>th</sup> largest player in the industry (IQVIA MAT Apr 2021 exc. V6-V7).

The Pharmaceuticals business achieved net sales income of PKR 8.9 billion for FY'2021-22, 14% higher than the SPLY. This impressive growth in a challenging year was achieved as a result of multiple strategic initiatives, which included improving efficiencies across the product value chain, delivering successful product launches and driving exceptional customer engagement.

Staying true to its commitment of putting patients first, the Pharmaceuticals business has successfully launched seven new products namely Veroclav, Xelna, Moximax, Epian, Esopase IV, and Etipro line extensions. Moreover, Veroclav, has been recognised amongst the top 10 launches of the pharmaceutical industry. The addition of these products will further strengthen ICI Pakistan Limited's presence in the antibiotic, anti-allergy, neurosciences and gastro-intestinal segments.

The manufacturing and supply chain functions have been able to improve efficiencies and deliver cost improvements by reducing the cost of materials through the development of alternate sources, reducing operational costs, improving fixed cost absorption and fostering greater synergies across the supply chain. The business has also leveraged operational best practices by investing heavily in its manufacturing facilities in Hawkes Bay (Karachi) and Hattar. It takes special care to provide a secure workplace for its employees and the team is conducting regular plant upgrades, mechanisations and trainings to reinforce strict HSE controls and support productivity and wellbeing.



## Customer Engagement

ICI Pakistan Limited's Pharmaceuticals business has continued to embed a patient-centric approach across its customer engagement initiatives. The focus is on building customer experiences and delivering value as, when, and how, the customer/patient wants. The foundation of its customer engagement strategy is embedded in three foundational pillars: (i) Advocacy Mobilisation, (ii) Scientific Cascades and (iii) Disease Awareness.

The business has been at the forefront of driving multichannel transformation in the industry. The forward-thinking, future-ready and agile Multichannel Customer Engagement unit continued to deliver exceptional customer experiences through digital transformation and technology-enabled engagements. Through a best-in-class multichannel engagement model, the Pharmaceuticals business delivered a 1.5X increase in customer engagement, integrating various channels and driving scientific discourse across the healthcare community.

In line with our values of Innovation and Customer Centricity, the Pharmaceuticals business launched Health360, Pakistan's leading digital scientific exchange on healthcare. This initiative was focused on three fundamental pillars: Enhancing Research Capabilities, Inspiring Innovation and Promoting Inclusive Scientific Discourse. The initiative featured 35+ multidisciplinary sessions, 70 + local and international speakers across six countries, 40,000+ attendees, and 30+ universities.

The business's multichannel customer engagement has helped maintain its competitive advantage and has enabled it to stay relevant, connected and engaged with healthcare professionals.

## Future Outlook

While COVID-related lockdowns contributed as a significant challenge to the global supply chains, the Russia-Ukraine conflict has further impacted the international commodity markets, especially crude oil prices. Rupee devaluation has also significantly increased the cost of imported raw materials for the business. Despite these challenges, the business is committed to providing high quality, life-saving medicines at affordable costs to the patients in line with its mission of Improving Lives.



In line with ICI Pakistan Limited's value of Customer Centricity, the Pharmaceuticals business successfully launched seven new products between 2021 and 2022: Veroclav, Xelna, Moximax, Epian, Esopase IV and the Etipro line extensions this year.



ICI Pakistan Limited's Pharmaceuticals business will continue to launch best-in-line products for the Pakistani healthcare system and continue to further strengthen its manufacturing and people capabilities. The business is committed to navigating any external challenges by embracing an agile mindset with a focus on innovative solutions to better serve patients across Pakistan.

# Animal Health

ICI Pakistan Limited's Animal Health business contributes to the progress of Pakistan's livestock and poultry segments through superior quality products, including animal feed and health solutions. The business is committed to providing sound animal nutrition and veterinary care to improve the quality of meat and dairy products, as well as the quality of life for the animals and people, alike.

## Business Overview

ICI Pakistan Limited's Animal Health business serves the livestock and poultry industries of Pakistan. Catering to the requirements of the former, it manufactures, markets and distributes anthelmintic, antibiotics, intra-mammary, intra-uterine and antiprotozoal products, along with bovine genetics, bypass fat, reproductive hormones and a nutritional portfolio comprising restoratives, silage and vanda. Similarly, the business' portfolio for the poultry industry includes antibiotic growth promoters (AGPs), moisture optimisation and grain treatments, antibiotics (imported and locally manufactured), biologicals, disinfectants, organic acids and nutritional products.

## Market Overview

Livestock continues to be the largest subsector of the agricultural industry, providing means of sustenance to over 8 million rural families. During FY'2021-22, the country produced 63.6 million tonnes of milk, becoming the fourth largest milk producer in the world. Unfortunately, the outbreak of the Lumpy Skin Disease (LSD) in the summer of 2022 was a major setback, with total meat exports falling by 21% to 64,113 tonnes (USD 284 million) from 81,561 tonnes in the Same Period Last Year (SPLY). But despite low supply, Pakistani meat earned a fair average per/tonne price of USD 4,440 compared to USD 3,424 last year.

The segment has been affected by the lack of modernisation. Competitive milk prices, increased input costs and greater awareness of productivity have led to a shift from indigenous breeds to high-yielding exotic and crossbreed animals for commercial farming. Population growth, increasing per capita income and new export avenues also catalysed demand for meat, milk, rawhide and nutritional products.

But recently, efforts to improve breeding, nutrition, biosecurity, genetics and overall health management of animals and related imports have been made. Post-pandemic, the resumption in exotic animal imports will result in high-quality genetics, enhanced milk production and a greater focus on technical advancements. Moreover, large-scale vaccination campaigns against multiple diseases have been carried out, resulting in lower outbreaks.

Pakistan's poultry industry currently ranks as the 11<sup>th</sup> largest supplier in the world. With a Compound Average Annual Growth Rate (CAGR) of 8.1%, and investments of more than PKR 750 billion, it is expected to expand, driving the growth of oilseed meal and per capita chicken consumption alongside it.

Constituting approximately 36.5% of the total meat production in Pakistan, during FY'2021-22, poultry meat production increased by 9.1%, while the production of table eggs grew by 5.7%. The government's developmental initiatives, including the Back Yard Poultry programme, are aimed at providing an economical source of protein and livelihood for the undernourished strata of the population. Also, the fishing industry is a rising source of food security, helping reduce demand pressures on others sources.

## Business Performance and Key Developments

During the period under review, the Animal Health business achieved a Net Turnover of PKR 5.6 billion, a growth of 10% compared to the SPLY. The livestock and poultry segments contributed 69% and 31% to the topline, respectively. Two new products were launched during the year under the Farmer's Choice portfolio: Linoxin 4.4%, an antibiotic growth promotor, and Tilpolysin, an effective macrolide antibiotic to address mycoplasma. Both products garnered significant demand post-launch.

Rupee devaluation and the resultant increase in input costs remained a challenge for margin management. The business is focused on strengthening its locally-produced portfolio which will help mitigate the risk of further devaluation. The Farmer's Choice portfolio recorded sales of PKR 3.67 million. Both Farmer's Choice – Vanda and Silage crossed PKR 2.27 billion in Net Sales, followed by Farmer's Choice Poultry with PKR 1.08 billion and MSD at PKR 958 million.

The Animal Health corporate portfolio crossed PKR 261 million in Net Sales - a growth of 55% over the SPLY. Farmer's Choice – Poultry Antibiotics recorded PKR 1 billion in net sales - a growth of 49% over the SPLY, while the CAVAC portfolio achieved Net Sales of PKR 212 million and grew by 25%.

Additionally, the partnership with Trouw Nutrition - the animal nutrition division of Dutch global company Nutreco - paved the way for further diversification.

## Customer Engagement

During FY'2021-22, the business solidified its commitment to Customer Centricity by hosting numerous symposiums and farmers' gatherings across Pakistan, keeping its stakeholders abreast with best farming practices and infectious diseases. It relaunched an extensive product awareness campaign for the rational use of antibiotics in poultry, with revamped packaging to highlight product benefits and the perverse impacts of gastrointestinal tract infections.

The livestock segment engaged 60,000+ farmers and 22,000 professionals in a series of info-sessions with a special focus on animal nutrition and disease prevention. Large-scale deworming campaigns were also carried out in Thar and its surrounding areas. Product launches during the year included Ecton Drench from the Supportive Medicine portfolio, along with the relaunch of injectables like Amoxivet, Endectin and Tricure. Other info



sessions were conducted by the business' technical staff to support the new launches.

During the period under review, the production of cottonseed cake – a cheaper and lower-quality animal-feed alternative to Vanda and Silage – increased due to a bumper cotton harvest. Prices of the raw materials used in to manufacture Vanda (maize, wheat bran and soybean) also rose. This, coupled with weak implementation of the Punjab Feed Act, 2016, which regulates feed production caused an increase of 38% in animal compound feed prices. Resultantly, the demand for Vanda and Silage suffered.

In response, the business hosted a seminar to highlight the nutritional value of Vanda. Similarly, the implementation of a 17% tax on soybean imports and an unprecedented hike in corn prices led to a rise of 39% in poultry feed prices. The increased costs were transferred onto consumers by way of increased prices, which abated the demand for the business' products further.

This year, the Animal Health business participated in the Pakistan Dairy Expo and collaborated with its global partner Elanco to conduct a technical session for corporate industry leaders. The business also participated in the National Buffalo and Small Animal Show, held at the Buffalo Research Institute in Pattoki.

## Future Outlook

Going forward, the business is focused on localisation to mitigate the impact of currency devaluation and rising import costs. Committed to improving the health of its consumers, it is promoting a shift from conventional to antibiotic-free marketable chickens. Poultry farmers have responded well to the CAVAC poultry biological portfolio. Subject to the receipt of necessary approvals, it expects to commence sales for an improved coccidiosis vaccine called Coccivac-D2 in FY'2022-23

Further, the Commercial Dairy team of the livestock segment is looking to benefit from the newly-revamped Farmers' Choice – Vanda. The production capacity of Silage is also set to cross 80,000 Tonnes Per Annum (TPA).

Strategic collaborations with international partners such as Trouw Nutrition, MSD and Berg and Schmidt will allow the business to introduce value-added products for livestock and poultry farmers, in turn expanding footprint. Overall, despite challenging external circumstances, the Animal Health business is geared to face the coming year with a bigger portfolio and a strong focus on growth opportunities.



Animal Health trade customers engagement meeting in Lahore

# Chemicals & Agri Sciences

From food items to medical applications, crops and farming to sporting goods, and from vehicle transmissions to the cooling and refrigeration industries, the diverse portfolio of ICI Pakistan Limited's Chemicals & Agri Sciences business plays a vital role in the daily lives of millions.

Leveraging technological advancements and continuous innovation enable it to add value to almost every industrial segment of Pakistan.

## Business Overview

ICI Pakistan Limited's Chemicals & Agri Sciences business comprises of five divisions: General Chemicals (GC), Polyurethanes (PU), Specialty Chemicals (SC), Masterbatches (MB) and Agri Sciences.

Through the Chemicals Divisions (GC, PU, MB and SC), the business imports, blends and distributes numerous products and variants from international trading partners. It takes pride in a diverse portfolio and its ability to cater to almost every industry in Pakistan.

The General Chemicals (GC) segment consists of the consumer chemicals and adhesives sub-segments that service various industries, including healthcare, beverages, food, dairy, meat, hotels, restaurants, agriculture, labelling and construction. In the adhesives segment, the Company's flagship brand, Calabond is an established name, known for its woodwork-based adhesive solutions. The consumer chemicals segment partners with renowned international suppliers to distribute a holistic hygiene products range in Pakistan which includes solutions for home care, open plant cleaning, sanitisation, disinfection and filter aids, etc.

A pioneer of rigid and flexible Polyurethane (PU), the PU segment offers solutions for use in the manufacturing of appliances, construction, thermoware, automotives and sports goods.

Providing quality customised colours and additives for the plastic industry, the Masterbatches (MB) segment leverages its research and design capabilities to offer bespoke solutions to customers. Its extensive portfolio includes whites, colours and additives, including processing aids, Anti-Slip and Anti-Block, amongst others.

The Specialty Chemicals (SC) team takes pride in being a major contributor to the two main sectors of economy, i.e. textiles and agriculture. With its extensive portfolio, this division serves as the backbone of ICI Pakistan Limited's Chemicals business, being vital to numerous industries, including plastics, rubber, paints and pharmaceuticals.

The Agri Sciences division distributes field crop seeds, vegetable seeds, micronutrients and agrochemicals that promote improved farming practices and contribute to Pakistan's agricultural sector.

## Market Overview

Mounting pressures on account of hikes in raw material prices due to global inflation, supply side disruptions owing to the global shipping crisis, exchange rate fluctuations and political unrest presented challenges to industries across the board.

Exports for the textile sector witnessed a record high on a Year-on-Year (YoY) basis, with an increase in the exports of knitwear, bedding, towels and ready-made garments during the fiscal year. However, global inflation, shipping delays, high costs of production and unavailability of key raw materials impacted production unfavourably. In the local market, the two-month LNG shutdown and energy crisis affected the industry

adversely. In the last quarter of the year, due to the political instability, along with unfavourable economic conditions, policy rate hikes and Rupee devaluation, the domestic market was affected as local demand plummeted.

The industrial chemicals market faced challenges such as price volatility throughout the year, especially in the solvent commodities range. A special focus was on the value-added product ranges as they were the least prone to price fluctuations. The after effects of the pandemic continued in the shape of supply chain disruptions characterised by shortages, delays and extended lead times, which impacted the segment significantly as most of the products are internationally traded. Competition with Chinese products remained fierce as the price differential with European alternatives expanded. The paints industry saw a rise in the market share of small local manufacturers and a decrease in the share of big multinational players.

The cotton production target for FY'2021-22 was set at 11M bales, providing a positive future outlook. Despite this, a persisting supply-chain crisis, the resurgence of COVID-19 in China, currency devaluation and aggregating inflation contributed to significant challenges for the crops protection chemicals segment. A surge in illegally traded products in the market also added to mounting pressure. The pace of the herbicide season was broken by delays in shipments of major active ingredients and port congestions.

Furthermore, the Russia-Ukraine conflict amplified pressure on Europe and Central Asia. A subsequent energy crisis followed, with extraordinarily high crude oil and SC prices.

The MB market has seen steady growth with an increase in innovation and the applications of plastics across all sectors. This will be propelled further as the world moves towards a greener and more sustainable economy, increasing opportunities for product development. The market has also witnessed multiple new players emerging across all segments.

During FY'2021-22, the performance of the agriculture sector improved compared to the SPLY. However, challenges due to shrinking agricultural land, climate change, pest attacks, shortage of irrigation water, economic and global supply chain-related volatilities have hindered it from achieving its true potential. Post pandemic, the steep rise in the price of various commodities has further enhanced the importance of this sector, especially for the countries that are net importers of food items.

This year, the agriculture sector exhibited the highest growth rate over the past five years. On the aggregate, it recorded strong growth of 4.40% - an improvement of 26% from last year's growth rate of 3.48%. The crops sector outperformed and posted a growth of 6.58% against 5.96% in the previous year. At a sub-sector level, important crops, other crops and cotton ginning depicted a significant growth of 7.24%, 5.44% and 9.19%, respectively, against last year's 5.83%, 8.27% and -13.08%. The growth in production of important crops, namely cotton, rice, sugarcane and maize, is estimated at 17.9 %, 10.7%, 9.4% and 19.0 % respectively.

Both the field crop and vegetable seed segments have been dominated by the Open Pollinated Variety (OPV). Within the seeds industry, a growing trend of hybridisation was observed. The

pesticides industry continues to focus 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 important hybrid seeds for farmers in the current year as well.

During FY'2021-22, the cotton crop area declined by 6.8% against the SPLY. However, cotton production increased by 17.9% against the SPLY, on account of improved yield. This was attributed to conducive weather conditions, smooth input supplies and better crop management practices owing to favourable cotton prices in the international and domestic markets.

Sugarcane was cropped on an increased area of 8.2% compared to the SPLY. Rice crop achieved a record high output, improving by 10.7% compared to the SPLY. With the rising area under rice cultivation and domestic production exceeding the domestic annual requirement, the country often has an exportable surplus. Wheat, accounting for 7.8% of the value add in agriculture and 1.8% of GDP, witnessed a decline in production due to a reduction in the area sown, a shortfall in irrigation water and drought conditions at sowing, lower fertilisers offtakes and heat wave in March/April.

## General Chemicals (GC)

### Business Performance and Key Developments

During FY'2021-22, the consumer chemicals segment faced challenges on account of shipment delays and the subsequent closure of ports and global supply chain issues. The business, however, maintained a keen focus on its portfolio management. In particular, the beverages portfolio continued to provide a holistic product range for bottle filtration, while the professional care segment saw rapid growth owing to demand increases for hygiene solutions from the HORECA segment.

The adhesives segment continued to grow while investing in the distribution and sub-distribution channels for its white glue range, which is available in almost every part of the country. During the year, two new adhesive products were launched pan-Pakistan: Calabond Plus and Super Glue. Both were well received by customers. However, during FY'2021-22, the segment saw a spike in the prices of raw materials due to inflation.

### Customer Engagement

Throughout the year, the adhesives segment carried out various events called "Baithaks" that served to engage and draw product application insights from carpenters. Moreover, the business conducted multiple customer visits, with existing and new customers, regarding product technicalities and safety guidelines. Other promotional and merchandising activities were also conducted at points of purchase to enhance visibility.

The GC segment also collaborated with the ICI Pakistan Foundation to donate hand sanitiser to multiple schools in marginalised areas on World Hygiene Day. Continuing its pledge to donate Calabond WD10 to Ra'ana Liaquat Craftsmen Colony (RLCC) from FY'2020-21, the segment supported female artisans of the NGO's livelihoods department.

### Future Outlook

Going ahead, innovation and expansion will continue to be the segment's goal for the coming years.

Specifically, the consumer segment plans to expand to the hospitality and dairy sectors while maintaining robust business and developmental efforts in other sectors. For adhesives, the key focus will be new business development and expanding its product range and retail footprint. The segment will work to capitalise on the benefits of its online and offline marketing, data analytics and automation for numeric and geographic expansion.

## Polyurethanes (PU)

### Business Performance and Key Developments

During FY'2021-22, the segment faced challenges on account of supply allocation from principals and volatility in the international feedstock prices. Moreover, there were increasing operational costs due to inflationary pressures and political and economic uncertainty.

Despite this, the PU segment has continued to retain its market position on account of strong customer relationships, enhanced product quality and customer service, backed by its promise of innovation and reliability.

### Customer Engagement

Post the pandemic, the business continued its customer engagement activities. These included holding extensive training sessions with its customers at the Chemicals Technical Centre (CTC), aimed at building an in-depth understanding of specific customer needs to drive the development of bespoke solutions, particularly in the sports segment.

The PU segment also participated in the Polyurethanes & Coating Show 2022 as a gold sponsor. The event highlighted the Company's role in benefiting the industry and offered an opportunity to engage with stakeholders.



### Future Outlook

The PU segment will continue to explore new business opportunities and deliver enduring value for all stakeholders by introducing new technologies and diversifying its product application portfolio.

## Masterbatches (MB)

### Business Performance and Key Developments

Despite the challenging landscape owing to commercial and global supply chain conditions, and volatility in international feedstock prices, the MB segment demonstrated robust growth on the back of focused product innovation and technocommercial expertise. Efforts towards product and customer base expansions made during FY'2021-22 resulted in an enhanced market share.

Import substitution in the premium plastic segments saw tremendous progress and continued to remain top priority, furthering ICI Pakistan Limited's commitment towards the wellbeing of the overall economy.

### Customer Engagement

During the year, the MB team carried out extensive customer engagement activities. Post pandemic, regular customer visits and increased interaction, specifically with key accounts, coupled with the business' technical expertise, have enabled it to promptly service customer requirements.

Furthermore, the team worked closely with customers to facilitate and develop technical expertise, particularly in growing plastic applications, such as PP non-woven, fiber and yarn, and breathable films. The MB segment also participated in the 3P (Plasprintpack) Exhibition held at the Lahore Expo this year, successfully showcasing its strong brand presence and interacting with customers and suppliers.

### Future Outlook

Pakistan's plastics industry is still in an infant stage, compared to other regional markets. The per capita consumption of plastics is one of the lowest in the region, which offers high potential for new product development and growth in the MB segment. The business 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 its market position.

## Specialty Chemicals (SC)

### Business Performance and Key Developments

During FY'2021-22, the textiles sub-segment's partnership with Huntsman Textile Effects enhanced market penetration along with strong R&D and technology transfer. New segments of dyes and specialised textile chemicals were also explored, with robust performance in the dyes trading business. The business engaged new customers in the textile segment such as Lucky Textile Mills, Sarena Industries, Style Textiles and Kohinoor Textiles. The segment continued to reap the benefits of portfolio rationalisation, product developments and margin enhancement initiatives.

The Industrial Chemicals sub-segment continued to deliver excellent margins and achieve outstanding profitability, despite it being a turbulent time with multiple challenges in the market. Customer outreach was a major focus, with new customers onboarded and efforts made to retain existing ones.

The crops protection chemicals sub-segment focused on expanding its portfolio by revamping the business model and focusing on new suppliers. After competitive landscaping, the segment developed combo products to match the ongoing global trend of formulations and created an avenue for successful market penetration. Building on ICI Pakistan Limited's core value of Innovation, the crops protection sub-segment plans on venturing into the surface chemistry market with a complete portfolio of offerings.

### Customer Engagement

Throughout the year, the SC segment carried out various customer engagement initiatives, including frequent customer

visits and technical trainings arranged at the Chemicals Technical Centre (CTC) to create awareness of product technicalities and safety guidelines. Furthermore, the textiles sub-segment organised marketing and promotional activities at the customers' end, including bulk trials for its new launches.

### Future Outlook

Moving forward, the SC segment will continue to create value for its customers by leveraging innovation. The business is focused on fostering sustainable growth amidst an extremely challenging macroeconomic environment.

The textiles sub-segment will continue to increase its customer base and capitalise on USPs, i.e. specialised solutions and in-house technical services to develop business opportunities. Augmenting partnerships with suppliers to introduce new products for portfolio expansion will be key, alongside a continued focus on portfolio rationalisation, procurement efficiencies, pricing initiatives, maintaining healthy working capital and cost optimisation.

Industrial Chemicals' outlook relies on the performance of the diverse set of industries being served, which are currently facing uncertainty. Hence, the segment will focus on risk management and consolidation to overcome these challenges.

The upcoming cotton season is forecasted to be promising for the crops protection chemicals sub-segment but ongoing economic and political uncertainties may impact the encouraging cotton forecast. The segment is planning to navigate with strategic procurement decisions and innovative developments.

## Agri Sciences

### Business Performance and Key Developments

Key challenges faced by the business during FY'2021-22 included declining acreage of cotton crop at the tail end of the last crop cycle, high input prices and an import ban from India. A fragmented supply chain with cost and availability issues was further impacted by the resulting volatility on account of the Russia-Ukraine conflict and pressures arising from the fifth wave of COVID-19 in China.

A liquidity crunch, rising from rampant inflation, also impacted farmers' ability to invest in quality products. This, coupled with limited access to formal credit, limits the financial capacity of farmers, making them unable to invest in the quality and yield of their crops.

Moreover, severe water shortages and abrupt changes in weather patterns, such as prolonged high temperatures, long dry spells and reduced winter seasons, have all affected the yields of important crops such as wheat, corn, rice, cotton and mango. Poor controls and a lack of standardisation have flooded the market with inferior quality seeds and agrochemicals.

Despite the challenges, ICI Pakistan Limited's Agri Sciences business showed improved growth over last year. The seeds segment, on the back of sunflower seeds, recorded 53% growth, followed by agrochemicals with 46%. This was despite challenging conditions arising from less cotton acreage and low pest pressure on the cotton crop in the early part of FY'2021-22. The ban on Indian imports remained a challenge for the agrochemicals and seed segments.

During the year, the business focused on enhancing secondary sales by expanding its customer base. In line with the objective of developing a holistic portfolio of offerings and creating sustainable growth, two new products were launched in the Seeds segment and the Agrochemicals portfolio was strengthened by the addition of four new products. This included a breakthrough for the business: the launch of its first Cotton Seed variety, ICI-2121, which is now commercially available and planted in Sindh. It will not only improve farm economics but also help in the revival of the cotton crop in Pakistan. The business is positioned to continue this growth momentum in the future.

### Customer Engagement

The Agri Sciences business continues to focus on not only becoming a holistic solution provider and enhancing its portfolio but also uplifting the agricultural sector by introducing best practices at the farm level. The Sales and Technical teams conducted frequent trainings with farmers on the latest production technologies and efficient farm management practices.

Moreover, the quest for innovation led the business to expand its digital farm monitoring project. Run in collaboration with a renowned technology partner, it now offers farmers a wider geographical radius, enabling them to monitor crop conditions via their smartphones.

Post the pandemic, the business increased its customer engagement activities, which included a series of retail partner training and conferences. In light of the same, the agrochemicals segment arranged a Business Partners' Conference in Baku, Azerbaijan, where participants were briefed on business updates and current policies to chart a clear direction for the future.

Hoping to sow the seeds of a greener future, the business planted 100 trees at the Govt. Boys School in Hafizabad on International Day for Biodiversity.



### Future Outlook

To mitigate challenges, the business will continue to invest in portfolio diversification and effective margin management. The seeds segment will focus on minimising its reliance on sunflowers while creating a footprint in other products, such as cotton. In addition to the two registered varieties, additional cotton seed varieties will be explored for commercial use in the coming years for Punjab and Sindh. This would provide farmers with quality and high-yielding cotton varieties that would, in turn, revitalise Pakistan's cotton crop.

The Agrochemicals segments will drive stronger business development, supported by an expected pipeline of new partners and products. These initiatives will help deliver value-added products to farmers while enabling the Company to expand its business and maximise returns.

## Sustainability Performance

# An Agenda for Action

We are committed to delivering value beyond the boundaries of our operations. ICI Pakistan Limited has propelled itself on a journey that encourages us to STEP beyond sustainability, towards conservation and circularity. We continue to give back to the communities we serve.

This section delves into the Company's sustainability strategy, Key Performance Indicators, and outlines achievements against annual and long-term targets.



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# Message from the Chief Executive

Dear Stakeholders,

As a responsible manufacturing entity with a rich legacy spanning over seven decades, sustainability, for ICI Pakistan Limited, represents our future. We understand that our footprint extends beyond our boundaries and as such, our mission of Improving Lives captures the greater purpose of our Company – that is, accelerating growth through strategic investments and creating shared value in everything that we do. We believe that we have an obligation. The good that we do today will make way for a brighter and healthier future for generations to come.

Welcome to our latest sustainability report, which highlights our commitment to consistently cultivate sustainable and profitable growth in all areas of our operations, generating long-term value for our stakeholders.

Fourteen years ago, ICI Pakistan Limited was one of Pakistan's pioneers of voluntary sustainability reporting. Since then, we have continued to deliver and supplement our sustainability journey. In line with the GRI standards and UN Sustainability Development Goals (UNSDGs), our transparency and thoroughness in reporting were also recognised by the ICAP-ICMAP last year as we received the Best Sustainability Report Award.

Our Sustainability Council is tasked with reviewing annual sustainability performances and setting voluntary targets for future reporting. In this report, we present a new range of five-year targets for FY'2024-25 and will provide a clear roadmap for our sustainability performance in the coming years.

I am pleased to report that along with our robust financial performance this year, ICI Pakistan Limited's sustainability agenda also demonstrated strong progress. We achieved 39 million man hours without injury, reduced our KPIs for energy consumption by 8% and increased our philanthropic spending by 96.6%. Our Soda Ash, Polyester and Chemicals & Agri Sciences businesses received multiple awards for their commitment to the environment, safety and philanthropy – a testament to a deep-rooted culture of doing better by doing good.

Launched in 2021, our flagship sustainability drive, STEP (Sustain, Transform, Evolve, Preserve) completed two years as a meaningful platform for creating awareness and employee engagement, whilst collaborating with multiple eco-friendly initiatives. Spanning eight successful campaigns during FY'2021-22, STEP has helped foster a sustainable mindset within our organisation so that we Refuse - Reduce - Reuse - Recycle resources wherever possible.

Climate change is progressively affecting the world as we know it. We must all play a role in the responsible consumption of the planet's finite resources and take necessary actions to tackle this emergent threat. During the year, ICI Pakistan Limited reduced 1,400 tonnes of CO<sub>2</sub> emissions by investing in a total of 1,734KW solar projects across multiple manufacturing sites. This included our largest solar power undertaking - a 1000KW project at our Polyester fibre plant in Sheikhupura.



In addition, spread over multiple cities, collectively through the efforts of our Soda Ash, Pharmaceuticals, Chemicals & Agri Sciences businesses and Pehchan employee volunteers, we completed the plantation of 23,000+ trees – an activity that we plan to continue in the years ahead.

I am delighted to share that this year, the Company commissioned an rPET recycling unit at our Polyester plant, enabling the business to forge ahead and build on its eco-friendly portfolio. Strategic collaborations with WWF, Aabroo Educational Welfare Trust and Lahore Biennale Foundation, in the area of waste management, will aid us in not only converting post-consumer PET waste into our premium recycled polyester fibre brand Terylene Clean but also reflects ICI Pakistan Limited's focus on product stewardship and circularity.

Regarding social performance, although in line with last year, we aim to improve our workplace diversity and inclusion statistics in the coming years. We see our 2,100+ workforce as our most important asset, and the Company's commitment to providing its People with a healthy and equitable work environment, one that encourages their development, is unwavering.

I encourage you to read on and learn more about ICI Pakistan Limited's overall sustainability efforts and positive contributions to UNSDGs and society.

Warmest regards,

A handwritten signature in black ink, appearing to read 'Asif Jooma'.

Asif Jooma,  
Chief Executive

# Taking Sustainable STEPs

## Sustainability Highlights FY'2021-22

**Zero**  
occupational illnesses

**250 million+**

PET bottles recycled to produce Terylene Clean, reduced CO<sub>2</sub> emissions equivalent to planting 200,000 trees

**8.1%**  
reduction in energy intensity as compared to the SPLY

**1,400+ tonnes**  
of CO<sub>2</sub> emissions reduced through 1,734 KW solar energy projects

**23,000+**

trees planted

**100 million**  
gallons of brackish water recycled by the Soda Ash business

**8+ campaigns**  
for sustainability awareness and engagement conducted

**Learnathon**

ICI Pakistan Limited's month-long virtual learning marathon launched

**Yes, She Can!**  
launched

**Best Sustainability Report**  
Award by ICAP and ICMAP

**ISO Verification**  
of ICI Pakistan Limited's HSE&S Management System by URS

**HSE&S Management Audit**  
conducted for the Pharmaceuticals business

## Awards

### **Soda Ash**

business won the International Safety Award for HSE Management Systems by British Safety Council and the CSR Award in the Community Development & Services Category by NFEH

### **Polyester**

business won the Annual Community Emergency Response Team (CERT) event by Rescue 1122, Sheikhupura

### **Chemicals & Agri Sciences**

business received the Annual Environmental Excellence Award by NFEH

## Community Outreach

**321**  
free-of-cost  
eye care camps

**46,843 kgs**  
of waste recycled with  
Aabroo Educational  
Welfare Organization

**50**  
scholarships for  
TCF students

**Refurbishment**  
of the Children's Emergency Room  
at Mayo Hospital with ChildLife  
Foundation

**2,077**  
Pehchan hours clocked by  
224 volunteers



# Creating Shared Value



## Key Inputs

### Social

- 2,100+ employees nationwide
- Pioneer in adopting principles of sustainability (Health, Safety and Environment)
- Employee and leadership development
- Partnerships with communities and universities
- Pandemic management
- PKR 59 million allocated to Corporate Social Responsibility (CSR) programmes during the year
- Strong culture of corporate governance, ethics, diversity and inclusivity

### Economic

- Project investments
- Business Continuity Plans during the Pandemic
- Strong and healthy return on equity
- 100,000+ vendors

### Environmental

- Enhanced environmental stewardship plans
- Tree plantation drives
- Improvement in biodiversity

### Social

- 39 million+ safe man-hours
- Farmer and customer awareness sessions
- Impact Women's Development Programme
- 24,000+ direct beneficiaries of CSR initiatives
- 20 CSR projects funded by the ICI Pakistan Foundation

### Economic

- PKR 17.5 billion contributed to the national exchequer in taxes and duties
- 52% payout ratio to shareholders
- PKR 8,860 million consolidated Profit-after-Tax (PAT)

### Environment

- 23,000+ trees planted at various sites
- 33% improvement in biodiversity, compared to 2003
- 250,000+ PET bottles recycled
- 1,400+ tonnes of annual CO<sub>2</sub> emissions reduction

### Value Creation and Addition

- ICI Pakistan Limited's sourcing and manufacturing processes are sustainable, safe and optimised continuously
- The Company manufactures, markets and produces high-quality and innovative products
- There is a strong focus on supporting and investing in communities
- In line with its brand promise of Cultivating Growth, ICI Pakistan Limited creates sustainable value for all stakeholders

# About the Report

This is ICI Pakistan Limited's 14<sup>th</sup> annual Sustainability Report, prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. This report also contains a reference to the UN SDGs. The Company began the practice of voluntary sustainability reporting in 2008 and continues to leverage sustainable practices and transparency for environmental excellence and social impact.

## Report Boundary

The report covers ICI Pakistan Limited's five core businesses and its corporate functions, including manufacturing sites, corporate offices and regional/business offices. The data presented 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 (PKR) unless otherwise indicated.

## Reporting Period

The reporting period corresponds with the Company's FY'2021-22 (from July 1, 2021 to June 30, 2022). 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 its impact on the economy, environment, and society, and are significant for stakeholder interests and decision-making.

The content 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 ICI Pakistan Limited's sustainability strategy (outlined in this document), this report also presents Key Performance Indicators (KPIs) relating to material topics that have been prioritised internally by the Company's sustainability reporting governing body, the Sustainability Council. The five-year KPIs shared in this report were set during FY'2021-22, after the FY'2020-21 report covered the concluding year of the previous five-year targets. This year's report also presents achievements against targets in comparison to the last five years.

These will pave the way for the Company's sustainability efforts going forward. However, given its growth and expansion, as well as the changing economic and political landscape, the targets may be subject to review and revision. There were no significant changes in the list of material topics or boundaries from the previous year's report.

## Data Collection

The data to compile this report has been obtained from the Company's financial management reporting systems, the Environmental Performance Management (EPM) database and the Corporate HR Information Management System.

ICI Pakistan Limited's reporting cycle takes place on a quarterly basis during which, related information and inputs are received from 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. The data regarding integrity management, employment practices, sourcing and community investment is compiled and monitored by members of the Sustainability Council. Where limitations in data collections exist, appropriate explanations have been added to the report.

## Assurance

An independent review of this report was conducted by Corporate Social Responsibility Centre Pakistan (CSRCP), in accordance with GRI Standards, the IISAE 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 opinions.

## Contact Us

To share any feedback or comments related to the Sustainability Report, please email at: [sustainability.council@ici.com.pk](mailto:sustainability.council@ici.com.pk)

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A soft copy of this report and additional information on ICI Pakistan Limited's business units and products is available on the website at [www.ici.com.pk](http://www.ici.com.pk)

# Materiality Assessment

ICI Pakistan Limited focuses its sustainability efforts in areas deemed to contribute the greatest value to its continued growth, performance and success, and those that 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 and why they have been selected and deemed critical to the Company's operations. The topics have been identified based on several factors,

including alignment with its strategy, objectives, vision, values, and brand promise of Cultivating Growth, past practices, and internal analysis on issues raised by the Sustainability Council. These topics are also chosen based on stakeholders' concerns and feedback, general relevance, and the 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
<b>Economic</b>	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
<b>Environmental</b>	Energy	ICI Pakistan Limited, our customers
	Water	ICI Pakistan Limited, our local communities, our customers
	Emissions	ICI Pakistan Limited, our suppliers, our local communities
	Effluents and Waste	ICI Pakistan Limited, our suppliers, our local communities
<b>Social</b>	Employment and Labour Relations	ICI Pakistan Limited
	Training and Education	ICI Pakistan Limited
	Occupational Health and Safety	ICI Pakistan Limited
	Diversity and Equal Opportunity	ICI Pakistan Limited
	Non-Discrimination	ICI Pakistan Limited
	Freedom of Association	ICI Pakistan Limited
	Child Labour	ICI Pakistan Limited
	Local Communities	ICI Pakistan Limited, our local communities

## Relevance of Material Topics to ICI Pakistan Limited



### Economic

#### Economic Performance

Deemed to be material as disclosures under this topic relate directly to ICI Pakistan Limited's value creation agenda, as embodied by its vision, values, and brand promise. The Company is committed to providing enduring growth and value for its stakeholders and the same can be quantified and assessed accurately through audited financial statements, which are appended to the Annual Report. In addition, economic performance carries implications for all other material topics reported upon.

#### Indirect Economic Impacts

Disclosures under this topic illustrate ICI Pakistan Limited's economic impact on a wider socio-economic front, covering a wider span of stakeholders. The Company intends to support growth and development beyond its scope of operations. As a responsible corporate citizen, it monitors and measures 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 its operations and value creation agenda.

#### Compliance

Compliance is a material topic due to its significance on ICI Pakistan Limited's license to operate and its economic impact in the form of fines and penalties in case of violation. Non-compliance also negatively impacts brand image.

#### Anti-Competitive Behaviour

Anti-competitive behaviour is a material topic due to its significance on the license to operate and its economic impact in the form of fines and penalties in case of violation. Non-compliance also negatively impacts the brand image.



### Environmental

#### Energy

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 can also provide the Company with a competitive edge in terms of cost-effectiveness.

#### Water

This is deemed a material topic based on the Company's water usage requirements for its operations and the current state of water availability in Pakistan. According to a recent report by the International Monetary Fund (IMF), Pakistan ranks third in the world amongst 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, monitoring emissions is of vital importance to ICI Pakistan Limited. Disclosures in this regard also provide an overview of its compliance with 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 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 driven by its core value of Passion for People. The Company 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. It 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, providing formal training, development and growth opportunities, with performance appraisals, feedback systems and creating an open culture that encourages discussion.

## Occupational Health and Safety

This topic carries tremendous significance 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 and safety and provides training sessions to their customers covering aspects of product 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 (D&I) and valuing the contributions of its diverse workforce. The Company's commitment to (D&I) is driven by its core values (Passion for People; Integrity and Responsibility), brand promise and the 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), brand promise of Cultivating Growth and the Code of Conduct.

## Freedom of Association and Child Labour

In line with the Company's core value of Integrity and Responsibility, and its Code of Conduct, the highest standards of internationally proclaimed human rights are upheld. The Company supports and abides by international charters on freedom of association, ILO Conventions, and local regulations in its sphere of influence.

## Local Communities

Disclosures on this topic take into account operations for the development of communities. These disclosures are important because they provide an overview of the significance of these operations and their impacts, allowing stakeholders to assess the value added by such initiatives.



# Sustainability Strategy

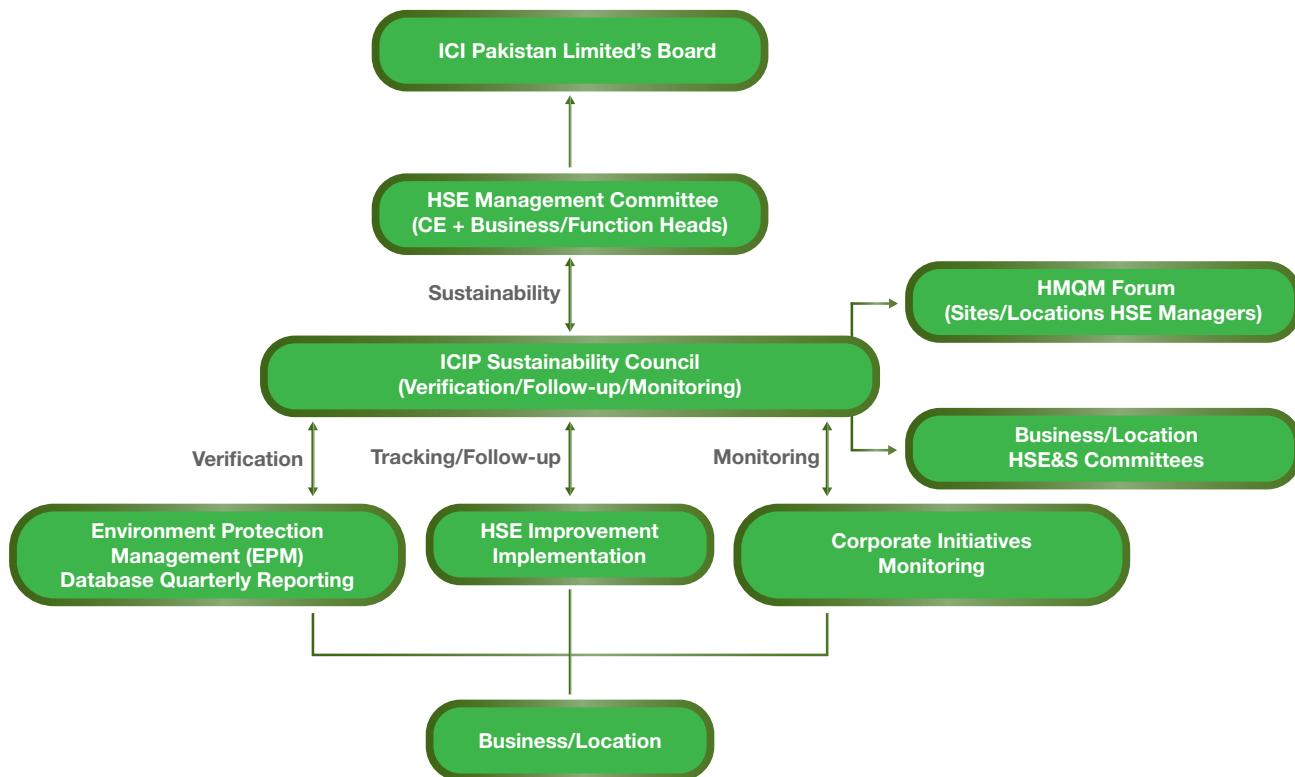
ICI Pakistan Limited's sustainability strategy is based on creating a sustainable future and enhancing quality of life for society at large, whilst creating shared value for its stakeholders.

## Approach to Sustainability

Sustainability is embedded in all areas of the Company's operations for the benefit of its stakeholders. Driving the strategy are five underlying principles:



# Structure and Operations of the Sustainability Process at ICI Pakistan Limited



## Sustainability Governance

ICI Pakistan Limited's sustainability strategy is guided by a clear governance structure in tandem with KPIs and other controls. These include its mission and values, Code of Conduct and the HSE&S Management System.

In accordance with requirements of the 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. All businesses are also required to report their health and safety performances. The reporting is governed through a state-of-the-art 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. It analyses data for each sustainability KPI and benchmarks performance against the baseline. These trends are then presented to the Sustainability Council for review and agreement on a suitable control mechanism of KPIs, based on global sustainability guidelines. It also briefs the Executive Management Team (EMT) regarding the OEE footprint, potential technological requirements and the financial impact that these may have on the Company and the community.

## Sustainability Council

Comprising of representatives from all businesses and functional areas, the Sustainability Council assists the Board in fulfilling its responsibility to the Company's shareholders regarding sustainability practices. The Council's scope includes development, implementation and monitoring of all Health, Safety, Environment and Security (HSE&S) policies and practices.

## Responsibilities of the Council

The Council will act to:

- Define sustainability KPIs, measurement matrices and establish sustainability targets
- Review the environmental footprint and develop strategies to mitigate impact
- Review relationships, both current and proposed, with stakeholders
- Formulate and execute communication strategies relating to ICI Pakistan Limited's sustainable growth
- Set guidelines for managing sustainable change
- Introduce and implement actions to promote cutting edge technologies that further the Company's sustainability agenda
- Define broad parameters for enhancing product responsibility
- Prioritise sustainability goals in areas where the Company can make a meaningful impact

## Adopting Sustainable Development Goals (SDGs)

The breadth of sustainability initiatives undertaken underscores ICI Pakistan Limited's commitment to addressing the United Nation's (UN) Sustainable Development Goals (SDGs), while fulfilling its brand promise of Cultivating Growth. Highlights of these initiatives and their corresponding SDG contribution are showcased further in this Sustainability Report.

**1** NO POVERTY



**2** ZERO HUNGER



**3** GOOD HEALTH AND WELL-BEING



**4** QUALITY EDUCATION



**5** GENDER EQUALITY



**6** CLEAN WATER AND SANITATION



**7** AFFORDABLE AND CLEAN ENERGY



**8** DECENT WORK AND ECONOMIC GROWTH



**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**10** REDUCED INEQUALITIES



**11** SUSTAINABLE CITIES AND COMMUNITIES



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



**14** LIFE BELOW WATER



**15** LIFE ON LAND



**17** PARTNERSHIPS FOR THE GOALS



# Taking Action on Sustainable Development Goals

## Inculcating a Sustainable Mindset

ICI Pakistan Limited recognises that vital to furthering its sustainability agenda is fostering a green mindset within its employees. In October 2021, World Sustainability Day was celebrated in partnership with The Shamil Initiative. A 'Seeds of Sustainability' workshop was conducted, wherein employees learnt the benefits of seed bombing as a convenient alternative to conventional methods of plantation, followed by a live demonstration of how to create seed bombs. An exhibition of environmentally-friendly products made by the artisans of The Shamil Initiative was also held at the Head Office.

Moreover in November 2021, ICI Pakistan Limited conducted a challenge that engaged and rewarded employees for sharing their sustainability efforts. Daily challenges encouraged employees to refuse single-use plastics and reduce carbon emissions by carpooling, decluttering, planting trees and reusing items in their daily lives. Winners of the daily challenges received eco-friendly products sourced through SME businesses.

In June 2022, on World Environment Day, the Company held a webinar on the importance of solid waste management, in partnership with TrashIt and Aabroo Educational Welfare Organization. This was followed up with a live composting demonstration for employees and an exhibition of locally-crafted, eco-friendly products.

Throughout the year, the Company highlighted all sustainability initiatives undertaken by each of its businesses via internal and external communication campaigns. In this way, it encouraged cross-learning and raised awareness among stakeholders on how they can play their part in safeguarding the environment.



## ICI Pakistan Limited Wins Best Sustainability Report Award

The Company won the Best Sustainability Report Award, held by the Institute of Chartered Accountants Pakistan (ICAP) and the Institute of Cost and Management Accountants Pakistan (ICMAP) in August 2021. The report received praise for its depth and transparency of reporting as well as for upholding responsible reporting standards.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



## ICI Pakistan Limited recognised for excellence in HSE&S

The Company views upholding stringent standards for HSE&S as its licence to operate. Testament to the efforts made during the year, its HSE&S initiatives were lauded by multiple external awarding entities. In September 2021, the Chemicals & Agri Sciences business won the 18<sup>th</sup> Environmental Excellence Award from the National Forum for Environment and Health (NFEH). The Polyester business also secured the top spot in the annual Community/Industrial Emergency Response Team (CERT) competition, organised by Rescue 1122 (Punjab Emergency Response Services Department) in Sheikhupura. In March 2022, the Soda Ash team won the International Safety Award from the British Safety Council for its commitment to occupational health and safety.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## Ayesha Chundrigar Foundation (ACF) 17 PARTNERSHIPS FOR THE GOALS

### - Fund Raising Drive

In October 2021, to mark World Animal Day, ICI Pakistan Limited organised a fundraising auction in support of ACF. Items donated by employees were put up for sale and all the proceeds from the auction were forwarded to ACF for animal welfare.



## OICCI Pakistan Climate Conference 2022

In March 2022, Mr Asif Jooma, Chief Executive ICI Pakistan Limited, participated in a panel discussion on 'Reducing Waste Through a Circular Economy' at the Pakistan Climate Conference 2022, organised by the Overseas Investors Chamber of Commerce and Industry (OICCI). The theme of the event supplemented recent efforts made by ICI Pakistan Limited's Polyester business towards inculcating circularity within its operations for the launch of its recycled polyester brand, Terylene Clean, which enables the Company to support the downstream value-added textile industry in meeting the stringent demands of both local and international customers.



Fundraising auction held to support ACF

# Stakeholder Engagement

Active stakeholder engagement and constructive dialogue are imperative to ICI Pakistan Limited's sustainability commitment. In line with its vision, mission and values, the Company remains dedicated to understanding the concerns and expectations of its stakeholders and developing opportunities to create sustainable value.

Stakeholder Group	Key Concern	Concerned Function	ICI Pakistan Limited's response	Detailed Information
<b>Shareholders/ Investors</b>	Timely and proper disclosure of information, ongoing economic viability, growth prospects, opportunities for growth, reflection of shareholder/investor's viewpoints in corporate management	Corporate Finance, Company Secretariat, Corporate Communications and Public Affairs	Timely disclosure to PSX on Company website, Corporate Briefing Sessions, Shareholder meetings (AGM and EOGM), communication with institutional investors and analysts, Investor Relations Policy	Corporate Governance Pg 81
<b>Employees</b>	To cascade corporate strategy and share updates about business initiatives, proper treatment, promotion of occupational health and safety of workforce, career development and training opportunities	EMT, Human Resources, Corporate Communications and Public Affairs	CE Sessions and EMT Town Hall meetings between senior leadership and employees, Employee Engagement Survey, Employee Wellness Programme, Internal Communications - Intranet portal, in-house newsletters, Explore Innovation Challenge, trainings	Employee Engagement and Wellness Pg 128 Occupational Health and Safety Pg 146 Training and Education Pg 148 Diversity and Equal Opportunity Pg 150 Non Discrimination Pg 152 Explore Innovation Challenge and Lean Six Sigma Pg 50-51
<b>Customers</b>	Development and delivery of better/cost-effective products, timely resolution of complaints, pertinent disclosure of information on products and services	Business sales team, Technical support and quality assurance	Technical and HSE-related support services, surveys, field/site visits, customer satisfaction surveys, online and offline marketing, engagement activities	Customer Engagement Pg 126 Business Performance Pg 94-107



Stakeholder Group	Key Concern	Concerned Function	ICI Pakistan Limited's response	Detailed Information
<b>Local Community</b> <b>Engagement Frequency</b> Regular	Supporting local communities as a responsible corporate citizen, community engagement	Manufacturing site employees, ICI Pakistan Foundation and on-site CSR teams	Ensuring compliance with HSE&S regulatory requirements, contribution to local communities through ICI Pakistan Foundation and ICI Pakistan's businesses, participation in Pehchan Volunteer activities	ICI Pakistan Foundation Pg 153 Pehchan Volunteer Programme Pg 159 Business Performance Pg 94-107
<b>Government and other Regulatory Bodies</b> <b>Engagement Frequency</b> Regular/Case Basis	Compliance with relevant laws and regulations	Relevant business/functional representatives	Ensuring compliance with all applicable laws and regulations	-
<b>Suppliers</b> <b>Engagement Frequency</b> Regular	Fostering fair business relations, streamlined information sharing for effective partnerships	Procurement, relevant business teams	Procurement Policy Manual, procurement and negotiation activities, supplier audits	Code of Conduct Pg 08 Sustainability Report Sourcing Pg 132
<b>Media</b> <b>Engagement Frequency</b> Occasional	Timely disclosure of information	Corporate Communications and Public Affairs, EMT	Digital presence (Website and Social Media), press releases, announcements to Pakistan Stock Exchange	Code of Conduct Pg 08 Corporate Governance and Compliance Pg 52
<b>Academic and Research Institutions</b> <b>Engagement Frequency</b> Occasional	Promotion of technological progress, placement opportunities for future talent, leadership and workplace insights	HR, technical services, relevant business teams, ICI Pakistan Foundation and CSR teams	Graduate Recruit and Internship Drives, career fairs, participation in guest speaker sessions, CSR and volunteer activities	Diversity and Equal Opportunity Pg 150 Training and Education Pg 148 ICI Pakistan Foundation Pg 153
<b>NGOs and NPOs</b> <b>Engagement Frequency</b> Regular	Social contribution through CSR activities	ICI Pakistan Foundation, business CSR teams	CSR and volunteer activities	ICI Pakistan Foundation Pg 153 Business Performance Pg 94-107

# Customer Engagement 2021-22

**Customer Centricity is a core value at ICI Pakistan Limited, fulfilled by its varied business units with regards to their respective customers. The Company strongly believes that customer engagement creates value that is vital for commercial success.**

## Pharmaceuticals business

- This year, Health360 – a one-of-a-kind digital exchange comprising 70+ local and international speakers, 40,000+ attendees, 30+ universities and 35+ multidisciplinary sessions – was launched. The initiative was aimed at enhancing research capabilities, inspiring innovation and promoting inclusivity. Through this, the Pharmaceuticals business successfully increased customer engagement by 1.5x. Some 90 webinars were delivered to 10,000+ HealthCare Professionals (HCPs), local and international, during FY'2021-22, with an integrated build-up including emails and SMS-based communications.

## Polyester business

- This year, ICI Pakistan Limited's Polyester business collaborated with various organisations as "partners in change" to improve waste collection in Pakistan.
- The Guess and Win T20 Competition, held to increase customer engagement and usage of the Terylene App.
- The business' Commercial team continued to be an effective interface with external stakeholders, keeping them abreast with market trends and providing seamless assistance.
- A customer conference arranged by the Techno-Commercial team to share the latest developments in the industry with attendees and give them updates on upcoming projects.

## Chemicals & Agri Sciences business

- A series of sessions called 'Baithaks' were organised by the General Chemicals (GC) and Adhesive teams to encourage capacity-building with its target audience regarding product usage and safety guidelines.
- The Polyurethane (PU) segment held extensive training sessions at the Chemicals Technical Centre (CTC) for its customers. This aided the business in understanding specific customer requirements and drive innovation through tailor-made solutions, specifically for the sports segment.
- The PU segment was a Gold Sponsor of the PU Coatings Show, where it interacted with customers and suppliers and reinforced its reputation as a leading supplier of PU solutions.
- The Industrial Chemicals segment arranged customer trainings in collaboration with its international suppliers Evonik and Venator.



Customers interacting at the PU Coatings Show

- Frequent customer visits took place throughout the year, where the focus was on product safety guidelines in accordance with the HSE standards. Furthermore, the segment also organised activities at the customers' end, including bulk trials for new launches.
- The crops protection chemicals sub-segment engaged in commercial visits to maintain healthy relationships with customers by providing technical assistance.
- In March 2022, the Agrochemicals sub-segment of the Agri Sciences business held a Business Partners' Conference in Baku, Azerbaijan, to solidify stakeholder ties and make grounds for future growth.

## Animal Health business

- To commemorate World Animal Day, ICI Pakistan Limited's Animal Health business held a one-day seminar at the Lasbela University of Agriculture, Water and Marine Sciences, Balochistan. The event focused on best animal-rearing practices.



The Animal Health business at the Lasbela University of Agriculture, Water and Marine Sciences

- The business' Livestock Commercial sub-segment initiated a nationwide deworming campaign to help farmers combat infestations in their farm animals. The campaign covered remote areas of Thar, where the vast majority depends on cattle herding for survival. A total of 80 camels, 100 cattle and 500 sheep and goats were treated in Mithi, whereas, in Chelar, 1,200 sheep and goats and 250 cattle were dewormed successfully.



The Animal Health deworming campaign in full swing

- The business participated in the Dairy Asia Expo to exhibit its products and solutions to livestock and dairy stakeholders, including farmers, extension agents, livestock development organisations, researchers and scientists.



The Animal Health team at the Dairy Asia Expo

- Multiple farmer gatherings were organised in major districts of Pakistan to build awareness on modern feeding practices and available solutions, such as Farmer's Choice Vanda and Silage.



Farmers gathering to discuss modern feeding practices

# Employee Engagement and Wellness

As ICI Pakistan Limited continues to build on its brand promise of Cultivating Growth, employee engagement and wellness remain vital. The Company believes that success is made possible when employees are engaged, aligned with its vision and feel valued and heard.



In line with the Company's employee value proposition 'One Team, Many Possibilities', the Company continued to provide its People with opportunities to grow, learn, participate, celebrate and succeed.

With the threat of COVID-19 having subsided during the latter part of the year, celebrations formed a large part of ICI Pakistan Limited's wellness initiatives. During the year, employees reconnected with colleagues to celebrate multiple national, cultural and diversity-related days such as Eid and Independence Day, Easter Egg Hunts and a Basant Festival.



Employees at the Basant Festival

During FY'2021-22, to further the Company's Diversity and Inclusion (D&I) agenda, the 'Yes She Can!' campaign was launched. Employees were engaged through a series of gender sensitisation sessions to foster and sustain a diverse ecosystem within. Moreover, ICI Pakistan Limited celebrated International Women's Day, hosting a virtual panel discussion on the theme of 'Break the Bias', wherein accomplished female figures from various industries shared insights on shattering stigmas and biases within their respective workplaces. Additionally, a pop-up display attended by employees was organised at the Head Office and in Mozang in support of SME female entrepreneurs.



International Women's Day panel discussion on 'Break the Bias'

To strengthen D&I, a Sensitivity, Inclusion and Accessibility workshop was conducted in partnership with Connect Hear. The nuances of deaf inclusion were discussed, followed by an introduction to sign language.



Sensitivity, Inclusion and Accessibility workshop conducted in partnership with Connect Hear

To support employee health and wellness, the Company's Workplace Wellness Programme continued to conduct various engagement activities, such as sessions on mindfulness and meditation, Employee Appreciation Week and the promotion of real-life stories through the Humans of ICI Pakistan Limited campaign.

To celebrate World Health Day, the Company partnered with Karwan-e-Hayat to hold an awareness session on mental health and workplace stress management, followed by instructional breathing and anxiety-relieving exercises.

# Sustainability Highlight

## Praise – Rewarding Talent

**Workplace recognition is an ideal way to boost employee engagement and morale. This highlight delves into ICI Pakistan Limited's initiatives towards recognising the efforts of its employees.**

Launched by the Company's Corporate HR function to make recognition a strong pillar of our culture, Praise is a workplace recognition initiatives that aids the Company's people in recognising each other easily through a user-friendly digital platform.

Praise has the functionality to have managers award points to their team members, which the latter can redeem to avail exciting gifts. Since recognition goes beyond hierarchies, the system also has a feature whereby any employee can award an Appreciation Card to anyone else. The launch of Praise was met with an enthusiastic response. Over 26,000 praise cards and 1.8 million Praise Points were awarded.



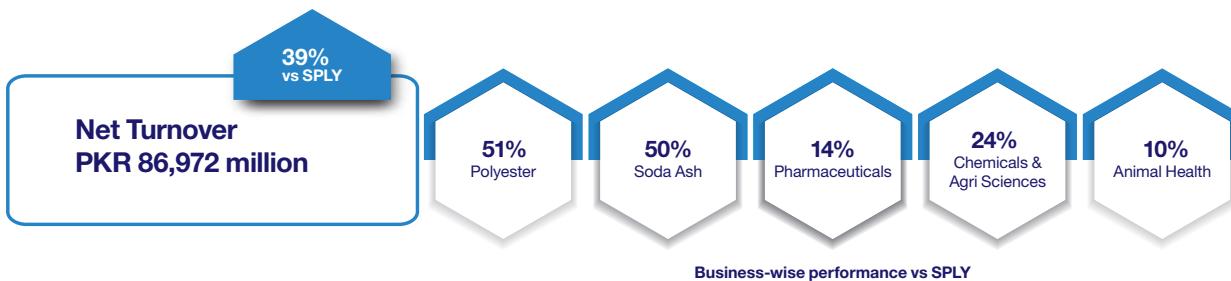
# Economic Performance: Management Approach

This section outlines ICI Pakistan Limited's approach to the material topics of Economic Performance, Indirect Economic Impacts, Market Presence, Compliance and Anti-Competitive Behaviour. Other disclosures relating to these are presented in the GRI Content Index, and/or in the Company's Financial Statements for FY'2021-22.

ICI Pakistan Limited is well aware of the economic impact of its activities and operations at both community and national levels. As such, it remains committed to value creation for all. Economic performance is one of the key drivers of the Company's aspirations and the strategy for the same is proactively managed by relevant stakeholders across the Company.

The overall responsibility of governing the organisation, along with driving its strategy, lies with the Board of Directors. (For details on how the Board functions, please turn to page 52 of the Annual Report).

Comprehensive information on the Company's commercial performance for the year can be found in the respective Business Performance and Directors Report sections of the Annual Report 2021-22, as well as the financial statements.



Overview of ICI Pakistan Limited's Performance on an Unconsolidated Basis

# Integrity Management

## Key Performance Indicators

KPIs	Units	2017-18	2018-19	2019-20	2020-21	2021-22	Target 2024-25
<b>Code of Conduct confirmed incidents</b>	number	5	4	1	0	2	0
<b>Code of Conduct acceptance</b>	% employees	100	100	100	100	100	100
<b>Management audits, including reassurance audits</b>	number	6	6	6	6	6	6
KPIs	Units	2017-18	2018-19	2019-20	2020-21	2021-22	Target 2024-25
<b>Serious Incidents - Level 3</b>	number	1	0	0	0	0	0
<b>Serious Incidents - Level 1, 2</b>	number	2	2	4	4	3	0
<b>Serious loss of containment - Cat D</b>	number	0	0	0	0	0	0
<b>Regulatory action - Level 3</b>	number	0	0	0	0	0	0

### Overview 2021-22

In line with its core values, ICI Pakistan Limited ensures that the highest standards of integrity are maintained across all facets of its operations. The Company's business principles are transparent and reflected in the Code of Conduct, adherence to which is mandatory. As part of the induction process, all new employees are required to read and sign a declaration of compliance and also undertake a mandatory E-module on the Code of Conduct and Health, Safety, Environment and Security (HSE&S) practices. If required, employees may confidentially report any violations to the Code of Conduct, through the Company's whistleblowing policy, Speak Up. Two violations of the Code of Conduct were reported during FY'2021-22 and the appropriate actions were taken accordingly.

Frequent site audits and communication to all businesses ensures implementation and compliance with the HSE&S Management System. A quarterly review of all businesses is conducted based on the assessment of hazards and recommendations from previous reviews. This year, three incidents of Level 2 were reported. (For details, please refer to the Occupational Health and Safety KPIs overview on page 146 of this report.)

### Socio-Economic Compliance

ICI Pakistan Limited maintains a zero-tolerance policy towards corruption. Its business operations are subject to various domestic federal and provincial laws and regulations. To comply with all applicable laws is a core principle of its Code of Conduct.

### Freedom of Association and Child Labour

The Company respects its employees' rights to freedom of association. During the period under review, there were no cases in which freedom of association or the right to collective bargaining were endangered or breached. 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

### Key Performance Indicators

KPI's	Units	2017-18	2018-19	2019-20	2020-21	2021-22	Target 2024-25
<b>Vendor Policy signed by key suppliers</b>	%	98	99	96	96	96	98
<b>Vendor Policy signed by Central NPR Suppliers</b>	%	83.3	83	84	92	92	95
<b>Supportive Supplier Visits</b>	number	48	131	165	240	436	500

#### Overview 2021-22:

Building shared value to achieve sustained growth requires ICI Pakistan Limited to maintain strong ties with its business partners. Its extensive supply chain network covers supply chain managers of each of its businesses and their respective teams. To streamline procurement and handling practices, the teams actively seek and apply best practices to capitalise on opportunities for synergy.

Following the cradle-to-grave approach, the Company ensures the procurement of high-quality raw materials through a stringent supplier evaluation process and the compliance of finished products with the HSE&S Management System at all stages of the product life cycle. All suppliers are screened against social, environmental and safety aspects before being included in the Approved Supplier List, based on the Corporate Guidelines for Selection of Suppliers. The most critical suppliers are also evaluated based on "CEFIC" protocol.

Regular HSE&S audits of suppliers are conducted to ensure compliance with the Vendor Policy. Relevant avenues for improvement are shared with them as part of the process. Frequent pro-bono trainings on HSE&S best practices in warehousing, transportation and logistics are conducted to minimise loss-time injury or fatality.

Through the Vendor Policy, ICI Pakistan Limited continues to engage new suppliers and ensure that they comply with all applicable laws, regulations, and the internal value system. The Policy complies with human rights, labour and social standards, and anti-discrimination and anti-corruption policies, in addition to protecting the environment. Continuous reviews of the Vendor Policy for suppliers are conducted.

The Company works closely with its supply chain partners to promote sustainability in their operations and ensure the continuity of its own operations and improvements in its partners' business operations. With the subsiding threat of Covid-19 during the year, supportive supplier visits increased by 81% compared to the SPLY.

ICI Pakistan Limited aims to do business with partners that endorse its ethical values, as well as social and environmental standards. It aims to continue its efforts to bring its direct suppliers, both product and non-product related, under the umbrella of its sustainability efforts.

## Spend Analysis

ICI Pakistan Limited's diversified product portfolio includes light and dense soda ash, Refined Sodium Bicarbonate (RSB), Polyester Staple Fibre (PSF), general and speciality chemicals, pharmaceuticals, nutraceuticals, animal health and agricultural products. Its supply chain operations are complex, involving multiple suppliers present both locally and internationally.

The Company's partnerships with suppliers are contingent upon mutual value-creation, as well as a reliable supply of raw materials, technical goods and services at competitive prices. A summary of procurement spends made by each business are as follows:

S. No	Business	Procurement Spend (PKR million)			% Spend	
		Local	Import	Total	Local	Import
1	Polyester	15,530	13,788	29,290	53%	47%
2	Soda Ash	10,571	8,439	19,010	56%	44%
3	Chemicals & Agri Sciences	1,016	5,138	6,154	17%	83%
4	Pharmaceuticals	1,490	3,087	4,577	33%	67%
5	Animal Health	1,842	1,677	3,519	52%	48%

## Transportation

The diversity of the Company's portfolio requires varied transportation for inbound and outbound materials. These range from the transportation of materials in bulk, such as Lime Stone, Salt, Coal, Met Coke, PTA, MEG, VAM, Polyol and finished goods, to temperature-sensitive raw materials for the Pharmaceuticals business and other finished products.

To reduce the resulting carbon footprint, special efforts are made to transport the materials through railways. This year, 76,547 tonnes of coal for the Soda Ash plant and 4,951 tonnes for the Polyester plant were transported on trains. A total of 93,306 metric tonnes of materials, mainly coal, coke breeze and met coke, has also been moved. To transport 93,306 metric tonnes of material on trains, a total of 60 train tracks were utilised. Conversely, to move this material by road, 1,985 trailers (22 wheelers) would have been required.

Further efforts were made to supply soda ash in bulkers to customers, instead of polypropylene bags. A total of 10,673MT of soda ash was delivered via bulkers, saving 213,460 bags.

# Environmental Performance: Management Approach

This section outlines ICI Pakistan Limited's approach to the material topics of Energy, Water, Emissions, Effluents and Waste. Other disclosures relating to these are presented in the GRI Content Index, or referenced therein if occurring elsewhere in the Annual and Sustainability Reports.

## 6 CLEAN WATER AND SANITATION



## 7 AFFORDABLE AND CLEAN ENERGY



## 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



## 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



## 13 CLIMATE ACTION



## 15 LIFE ON LAND



A leading manufacturing entity, ICI Pakistan Limited is guided by its core values of Integrity and Responsibility. It remains committed to delivering sustainable growth while monitoring and managing the impacts of its operations on the environment. As a responsible corporate citizen, it strives for environmental responsibility, within the Company and beyond.

The monitoring and evaluation of environmental performance falls under the domain of the Health, Safety, Environment (HSE) function. ICI Pakistan Limited's continued dedication to upholding the highest standards of health and safety for its stakeholders and to protecting the environment is ensured by abiding by a set of HSE&S principles. In line with these, the Company strives to improve its HSE&S performance every year, which is considered the collective responsibility of every individual working therein.

The Company has in place an integrated HSE&S policy that governs all related matters, providing clear provisions for environmental performance management. The Corporate HSE function is responsible for overseeing HSE&S. Along with this, each business has its own HSE&S department, which handles more specific, localised matters.

The HSE&S Management System serves as a guideline for its operations, including future projects. Its scope extends to all businesses, locations and employees or persons present on any ICI Pakistan Limited premises. The system abides by globally-recognised standards such as the ISO 14001 Environmental Management Systems Standard, ISO 45001 Occupational Health and Safety Management Systems and the Responsible Care Management System. The calculation of KPIs for this Report is based on the HSE&S Management System and covers all businesses of ICI Pakistan Limited. The current HSE&S policy was issued in May 2022 and reviewed by the Sustainability Council.

The management of vital environmental performance parameters is carried out in line with regulatory compliance requirements such as NEQS, best global practices and ICI Pakistan Limited's belief in sustainable development and growth. The environmental performance is monitored and reported regularly (internally every quarter and externally on an annual basis) through the Environmental Performance Management (EPM) database - an application for the collation and analysis of HSE&S data, and the reduction of the Company's Operational Eco-Efficiency (OEE) footprint. The data is then studied against relevant sustainability parameters and utilised in various ways, including for the analysis of each business' sustainability performance, and to set goals and targets for the future.

ICI Pakistan Limited remains focused on assessing the effectiveness of existing regulatory HSE&S frameworks on an ongoing basis. This helps ensure that its systems are sufficiently robust to safeguard both people and the environment.

## Product Stewardship

ICI Pakistan Limited has been a strong advocate of Product Stewardship since the commencement of its operations in the 1940s. The Company works to ensure that its products are of the highest quality and that their health, safety and environmental impacts are monitored and managed throughout the product life cycle.

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



**15** LIFE ON LAND



## Product Stewardship Highlights FY'2021-22

### Reducing PET Waste

In line with the Company's sustainability agenda, the Polyester business had launched a premium brand of traceable and 100% recycled polyester fibre, Terylene Clean. Manufactured from recycled PET chips that are derived from post-consumer PET waste, the product offers a solution to Pakistan's growing PET waste burden. To date, more than 250 million PET bottles have been recycled through Terylene Clean. This year, to further the recycling cause, the business collaborated with multiple organisations including Aabroo Educational Welfare Organisation to improve avenues for PET waste collection. For additional information, please refer to page 143 of the Sustainability Report.

### Rethinking Product Transportation and Packaging

During the year, the Soda Ash business continued to improve its customer serviceability to remain a 'Supplier of Choice'. Successful trials in June 2021 have enabled the business to transport material consignments in customised bulkers to its key accounts in the domestic market.

Moreover, the business has redesigned its packaging to mitigate spatial constraints and maximise the amount transported. This helped eliminate the consumption of 81,000 kgs of polypropylene liners in the soda ash supply chain.

### Leading Digital Scientific Exchange

To promote scientific advocacy, ICI Pakistan Limited's Pharmaceuticals business launched Health 360 – a digital platform for Healthcare Professionals (HCPs) to engage in dialogue with others from the medical community. The initiative offered multiple info-sessions featuring top-notch academic content, leading local and international HCPs, and customer testimonials. Utilising a state-of-the-art, customised virtual conference set-up, Health 360 showcased best medical practices and how they can be implemented in Pakistan, in line with the Company's core values of Innovation and Customer Centricity.

# Sustainability Highlight

## Cultivating Growth through Product Innovation

**In line with its values of Customer Centricity and Innovation, ICI Pakistan Limited is committed to understanding customer and market needs for its sustained growth and success. This highlight illustrates the Company's tireless efforts towards developing innovative solutions.**

Businesses are encouraged to identify and develop solutions to address the needs of their respective markets. Moreover, the Company's Explore Challenge also encourages employees to innovate all year round and present their concepts to the EMT for further feasibility.

During FY'2021-22, ICI Pakistan Limited strove to create new avenues for growth, and launched new products across its businesses. The Pharmaceuticals business completed 42 new product development briefs. Of these, four new brands and three product line extensions were successfully commercialised. The Animal Health business expanded its portfolio during the year and introduced six new products: three antibiotics, a non-steroidal anti-inflammatory drug (NSAID) for livestock, an oral de-wormer and an anti-protozoal. The Chemicals & Agri Sciences business built on its adhesives portfolio to launch a new variant of its flagship Calabond brand. Moreover, the Agri division successfully launched four new products, including the launch of the Company's first ever locally developed cotton seed.

These initiatives are a reflection of the Company's belief in pioneering technologies and innovative possibilities. Pursuing growth in every business, ICI Pakistan Limited remains committed to providing strategic, quality solutions for all.



# Energy

**7** AFFORDABLE AND CLEAN ENERGY



**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



## Key Performance Indicators

Energy Consumption	Units	2017-18	2018-19	2019-20	2020-21	2021-22	Target 2024-25
<b>Total energy consumption</b>	1000Tj	6.75	7.6	7.79	7.92	8.30	10.1
<b>Per tonne production</b>	GJ/te	12.88	13.66	15.65	13.03	11.98	11.61

### Overview 2021-22

ICI Pakistan Limited is focused on reducing its energy consumption through the EPM database. Any deviations are immediately noted and conveyed to the relevant business. During the year, the Sustainability Council actively seeks and proposes projects that reduce energy consumption.

In FY'2021-22, total energy consumption was higher but energy conservation initiatives and investments in renewable energy were made by the Company and resulted in an 8.1% reduction in the energy intensity.

### Tubular Chain Conveyor (TCC) System

The Polyester business has reduced its electricity consumption by 95% in its conveying process through the installation of a new Tubular Chain Conveyor (TCC) System for its primary raw material. The system conveys PTA through a drag conveyor instead of pneumatic air conveying, which is an energy-intensive process. In addition, the TCC offers multiple benefits such as easy maintenance, reduction in dust and waste created during the conveying process, lower use of Nitrogen and the elimination of the need for consumables like return filters and bag filters.

The project has led to a decline in carbon emissions of approximately 842,700 kgs per annum, which is equivalent to planting approximately 29,500 trees per annum.



# Sustainability Highlight

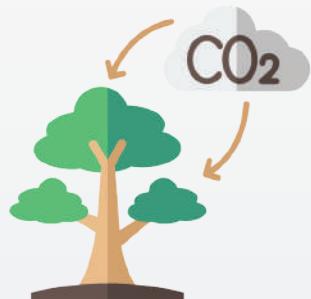
## Harnessing Solar Power for a Brighter Future

In line with its sustainability agenda and its core values of Innovation and Customer Centricity, ICI Pakistan Limited prioritises initiatives that will optimise processes and procedures for a sustainable future. This sustainability highlight illustrates the Company's efforts to move to renewable energy forms.

At ICI Pakistan Limited's Soda Ash business, this focus translated into the installation of a 486KW Solar Power System at the Bela Water Pumping Station in December 2021. Situated on the banks of River Jhelum, the project covers an area of 2,300 m<sup>2</sup> and includes 900 solar panels, which will reduce the Company's reliance on the national grid by producing 650,000 units of electricity. It is also expected to curtail emissions by approximately 281,000 kgs per annum, a reduction equivalent to planting 12,800 trees per annum.

Similarly, the Polyester business installed a 1,000 KW Solar Power Project at its Sheikhupura manufacturing site. This was the largest solar energy project historically undertaken by ICI Pakistan Limited and is expected to generate 1.35 million units of electricity and save PKR 28 million in energy costs annually, whilst reducing the business' carbon footprint by 957,000 kgs per year, a reduction equivalent to planting 38,000 trees per annum.

To responsibly sustain its growth ambitions, the Pharmaceuticals business installed a 248KW Power Generation System at its Hawke's Bay plant. It is expected to save 357,800 kWh of electricity per annum and reduce the business' carbon footprint by approximately 162,256 kgs.



Solar Initiatives Collective:  
Carbon Emission reduction of  
**1400+ tonnes;**  
(Equivalent to planting  
**56,000 trees per annum**)



# Water Conservation

**6** CLEAN WATER AND SANITATION



**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



## Key Performance Indicators

Water Usage	Units	2017-18	2018-19	2019-20	2020-21	2021-22	Target 2024-25
<b>Total fresh water use</b>	million m <sup>3</sup>	5.4	5.5	5.3	5.1	5.6	7.38
<b>Per tonne production</b>	kg/te	10.48	9.78	10.62	8.3	8.2	8.47
<b>% of site with sustainable fresh water</b>	%	25	17	66	66%	66%	75%

### Overview 2021-22

Water consumption per tonne of production was lower compared to the SPLY, on account of higher PSF production, eco-friendly processes for the manufacturing of Silage and steady operations at the Soda Ash plant.

Cross-functional teams were formed to monitor water usage and take immediate actions against instances of leakages or overuse. ICI Pakistan Limited's businesses continued their water conservation efforts during the year, which included the following initiatives:

### Recycling Waste Water

The Soda Ash business completed a significant water conservation project during the year, involving the recycling of

submersible water. Using a state-of-the-art water collection, processing and recycling system, the initiative has reduced the consumption of fresh submersible water. This project has enabled the business to conserve more than 100 million gallons of water annually.

### Ultrasonic Vial-Washing System

During the year, the Animal Health business installed a modern, ultrasonic vial washing system at its plant in Lahore. Prior to the installation, significant quantities of water were consumed during the vial washing process. This initiative has helped the business reduce its water consumption by 45%, a reduction of 300,000 gallons of water per annum.

# Emissions

7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



15 LIFE ON LAND



## Key Performance Indicators

Emissions Control	Units	2017-18	2018-19	2019-20	2020-21	2021-22	Target 2024-25
<b>Total COD emissions</b>	te	26.9	29.72	24.73	28.73	40.71	29
<b>Per tonne production</b>	kg/te	0.05	0.05	0.05	0.05	0.06	0.03
<b>Total VOC emissions</b>	te	3.31	3.22	2.85	3.04	2.80	3.2
<b>Per tonne production</b>	kg/te	0.01	0.01	0.01	0.01	0.01	0.004
<b>Total NO<sub>x</sub> emissions</b>	te	2,017	2,527	2,878	2,612	2,787	3,531
<b>Per tonne production</b>	kg/te	3.84	4.49	5.77	4.29	4.02	4.05
<b>Total SO<sub>x</sub> emissions</b>	te	3,438	3,454	3,680	3,768	3,987	4,715
<b>Per tonne production</b>	kg/te	6.55	6.14	7.38	6.19	5.75	5.4
<b>Total direct CO<sub>2</sub> emissions (Scope 1)</b>	te	650,000	800,000	845,720	831,381	884,038	1,103,095
<b>Per tonne production</b>	kg/te	1,247	1,424	1,696	1,366	1,276	1,263
<b>Total indirect CO<sub>2</sub> emissions (Scope 2)</b>	te	1,864	1,938	2,213	1,823	2,452	2,229
<b>Per tonne production</b>	kg/te	3.55	3.44	4.44	3.00	3.54	2.55

### Overview 2021-2022

During the year, ICI Pakistan Limited's focus on the reduction of Operational Eco-Efficiency (OEE) KPIs remained one of its top deliverables. These are monitored through the Company's robust environmental performance monitoring database and any deviations are promptly reported to the Sustainability Council for further action. During the past year, ICI Pakistan Limited's total emissions remained within the National Environmental Quality Standards (NEQS).

The Company's NO<sub>x</sub>, SO<sub>x</sub> and direct CO<sub>2</sub> emissions remained well within the NEQS. Due to efficient operations at plant sites, a significant reduction in emissions is evident per tonne of production.

However, due to the expansion projects undertaken at the Soda Ash plant and the resultant upsurge in electricity usage, the Company's overall Scope CO<sub>2</sub> has seen a minor increase. Additionally, the absolute values of emissions were higher during the year owing to a rise in the volume of production and the consequent electricity usage across the Company. Multiple energy reduction initiatives, such as the Tubular Chain Conveyor Project, Moisture Reduction at Calciner 3 and 4 at the Soda Ash plant, and the Improved Rotary Dissolver, are in process to curb this increase in emissions.

As a responsible manufacturing concern, ICI Pakistan Limited is taking steps to moderate and reduce CO<sub>2</sub> emissions. As such, the initiative to increase the Company's capacity for solar power generation was taken. During the year, the Company commissioned approximately 1,750 KW of solar energy, aiming to reduce over 1,400 tonnes of CO<sub>2</sub> per annum. For additional information, please refer to page 138 of the Sustainability Report.

Energy audits were conducted across ICI Pakistan Limited's sites. The sources of inefficiencies and loss related to emissions were addressed.

# Sustainability Highlight

## Planting Trees for a Greener Future

**As a manufacturing entity, ICI Pakistan Limited is cognisant of its impact and actively works towards adopting nature-based solutions to curtail carbon emissions. This sustainability highlight illustrates the Company's efforts to offset its carbon footprint through tree plantation initiatives.**

One of the simplest and most effective ways to positively mitigate environmental impact remains the act of planting trees. A number of tree plantation drives were undertaken during the year. Initiated in 1992, through Project Green, ICI Pakistan Limited's Soda Ash business has converted 41 acres of dried lime bed into green plantation sites since inception, with 450,000 saplings planted to support 82 species of fauna. As an extension of the project, a green park and bird sanctuary was launched in September 2021. The business has also added an olive garden to the park, planting 650 olive trees. Showcasing the use of recycled materials, the green park project was completed using reused or recycled materials from the manufacturing site. Amongst other recycled materials, lime grit which is formed during the soda ash manufacturing process was used to level the park site. Bricks from old plant kilns were also utilised.

In December, 2021, the Chemicals & Agri Sciences business conducted a tree plantation drive at the Company's Head Office in Karachi, planting 50 saplings.

World Earth Day was observed across the Company in April 2022. Multiple tree plantation drives were held at its offices nationwide and a total of 395 trees were planted. Moreover, the ICI Pakistan Foundation partnered with Karwan-e-Hayat, a psychiatric rehabilitation NGO with operations across Karachi to plant 30 trees at its facility in Karachi.

To commemorate International Biodiversity Day, in May 2022, the Agri Sciences team conducted an awareness session regarding green initiatives and the importance of environmental protection, at the Government Boys Primary School in Hafizabad. The session was followed by a tree plantation activity where 100 saplings were planted on the school premises.

Through these initiatives, more than 23,000 trees have been planted in various parts of the country during FY'2021-22.



# Effluents and Waste

**9** INDUSTRY, INNOVATION AND INFRASTRUCTURE



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



**13** CLIMATE ACTION



**15** LIFE ON LAND



## Key Performance Indicators

Waste Management	Units	2017-18	2018-19	2019-20	2020-21	2021-22	Target 2024-25
<b>Total waste</b>	kte	40.83	34.19	37.5	101.7	66.8	84.998
<b>Per tonne production</b>	kg/te	77.88	60.74	75.2	167	96.4	97.39
<b>Total hazardous waste</b>	kte	0.20	0.028	0.024	0.095	0.152	0.117
<b>Per tonne production</b>	kg/te	0.38	0.05	0.05	0.16	0.02	0.0134
<b>Total non-reusable waste</b>	kte	0.20	0.028	0.047	0.285	0.255	0.219
<b>Per tonne production</b>	kg/te	0.38	0.05	0.094	0.46	0.36	0.25
<b>Total non-reusable hazardous waste</b>	kte	0.20	0.028	0.024	0.095	0.152	0.117
<b>Per tonne production</b>	kg/te	0.38	0.05	0.05	0.16	0.22	0.134
<b>Total hazardous waste to landfill</b>	kte	0	0.00	0.00	0	0	0
<b>Per tonne production</b>	Kg/te	0	0.00	0.00	0	0	0

### Overview 2021-2022

The production of waste is an unavoidable by-product of any manufacturing process. ICI Pakistan Limited strives to minimise its impact on this material topic by employing the 4R Concept in its waste management process. Its efforts commence at the time of waste generation by Refusing and Reducing when possible, Reusing to preserve balance and Recycling where possible.

This year, a 34.3% decrease in waste generated per tonne of production was reported primarily due to reduced Fly Ash sale.

Moreover, as part of STEP, its flagship sustainability drive,

ICI Pakistan Limited worked towards eliminating single-use PET water bottles from its locations nationwide. The initiative has resulted in a reduction of over 30,000 PET bottles during the year. It was further supported by various awareness campaigns and collaborations with local, eco-friendly initiatives such as The Shamil Initiative, Aabroo Educational Welfare Organisation, TrashIt, Al-Wasila and Studio 25.

Also, the Hawke's Bay plant of the Pharmaceuticals business recycled over 500 kgs of scrap materials (including metal, wood and plastic waste), and repurposed it into decorative and useful items, using them at the plant or donating them to multiple philanthropic organisations.

# Sustainability Highlight

## Trash to Treasure: Preparing for a Circular Economy

In line with its sustainability agenda, and its core values of Passion for People and Innovation, ICI Pakistan Limited strives to promote circularity and protect the environment through waste management. This sustainability highlight illustrates the Company's efforts to curb excessive waste and support its surrounding community.

The Polyester business maintained its momentum from last year and continued to foster circularity. It has introduced Terylene Clean and Terylene Powered by CiCLO to help curb plastic and microfiber pollution, respectively. The former is a premium brand of traceable and 100% recycled polyester fibre, salvaged from post-consumer PET bottle waste while the latter behaves like natural fibre, leaving less waste behind.

To date, through Terylene Clean, more than 250 million PET bottles have been recycled, resulting in reduced carbon dioxide emissions equivalent to planting more than 200,000 trees. By 2023, the brand aspires to be recycling more than 1.2 billion PET bottles per annum.

To support its circularity agenda, during the year, the business collaborated with multiple philanthropic and academic partners to create awareness and help improve solid waste management. Its partnership with Aabroo Educational Welfare Organization (Aabroo), which has been providing cost-free education to marginalised children for over 18 years, has proved to be especially impactful. The mutually beneficial collaboration, funded by ICI Pakistan Limited's Polyester business, involves the setup of an organised PET waste collection process from households. The collected waste is monetised by the business to fund Aabroo's educational endeavours and is used in the manufacture of recycled PET chips.

Additionally, the business successfully commissioned a PET bottle recycling unit at its manufacturing site in Sheikhupura, for the conversion of PET bottles (post-consumer waste) into PET chips used to manufacture Terylene Clean.



# Social Performance: Management Approach

Management approaches for the following material topics are covered in this section: Occupational Health and Safety, Training and Education, Diversity and Equal Opportunity, Non-Discrimination policy, Local Communities, Freedom of Association and Child Labour. Other disclosures for these are presented in the GRI Content Index or referenced therein, if occurring elsewhere in the Annual and Sustainability Report.



ICI Pakistan Limited considers itself a custodian of society which, in this context, covers its workforce and the communities that it operates in. With an employee base of over 2,100, the Company imparts a marked impact on livelihood, opportunities and growth. This includes people who live in close proximity to its major manufacturing sites. As such, it needs to monitor and share information on these crucial aspects.

Social Performance is the joint responsibility of three internal stakeholders, each responsible for their specified area: HSE&S, the ICI Pakistan Foundation (Foundation) and Human Resources (HR).

All CSR initiatives undertaken by ICI Pakistan Limited, as well as all related major investments, are planned on a yearly basis and managed by the Foundation in line with its CSR policy. The company makes a contribution of a set percentage of its PAT to the Foundation every year, with the approval of the Foundation's Board of Directors. Detailed information on the Foundation's CSR initiatives and the impact created can be found on page 153 of the Sustainability Report.

In the HR function, policies and practices are governed by the Code of Conduct and all applicable laws and regulations. Depending on the nature of the initiative, approval is given by either the Board of Directors or the EMT.

Goals and targets undergo a strict review annually, resulting in the identification of medium and long-term objectives. The HR function facilitates the dissemination of these goals at an individual level, and their delivery becomes part of the Company's Performance and Development System. Training needs and individual development areas are also reviewed through ICI Pakistan Limited's annual performance appraisal tool, P&DD.

Overall, voluntary targets for each of these areas of operation are set by the respective Heads of Departments (HoDs), in correspondence with the Chief Executive, EMT or Board of Directors, as and where applicable. At times, specific governing bodies/management teams (such as the Sustainability Council) are also part of the approval body and help set targets in collaboration with other key stakeholders.

ICI Pakistan Limited adheres to a clear and concise grievance mechanism to support ethical and fair social performance. Its whistleblowing policy, Speak Up, is open to all employees 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 on page 52.

The effectiveness of social performance is gauged in a multitude of ways. For HSE&S, it is determined through the Learning Event Database, management audits and the Environmental Protection Management (EPM) Database. For HR, effectiveness can be measured based on the Company's performance appraisal system and employee engagement surveys. For CSR, effectiveness is gauged on the KPIs of individual ongoing initiatives and successful disbursement of the annual approved budget for the Foundation.

A detailed HSE&S management system based on Responsible Care Management System ISO 14001 and 45001 is in place to mitigate risks associated with people, products, and process safety. ICI Pakistan Limited has implemented multiple layers of hazard and risk assessments which help it to identify and control risks through all stages of a project. Employees are encouraged to report hazards through the Learning Event database and their inputs are recorded and investigated for improvements to the HSE&S processes. They are engaged in behavioural safety discussions, daily safety talks, online communications, and workshops regarding all essential HSE&S matters.

ICI Pakistan Limited ensures the occupational health of each employee through Health Assessment and Hygiene Assessments plans. All employees are covered through a robust medical policy. The Company takes care to ensure their wellbeing and promotes a healthy lifestyle through various campaigns under its Wellness initiative.



Key HSE training on accident investigation

# Occupational Health and Safety



## Key Performance Indicators

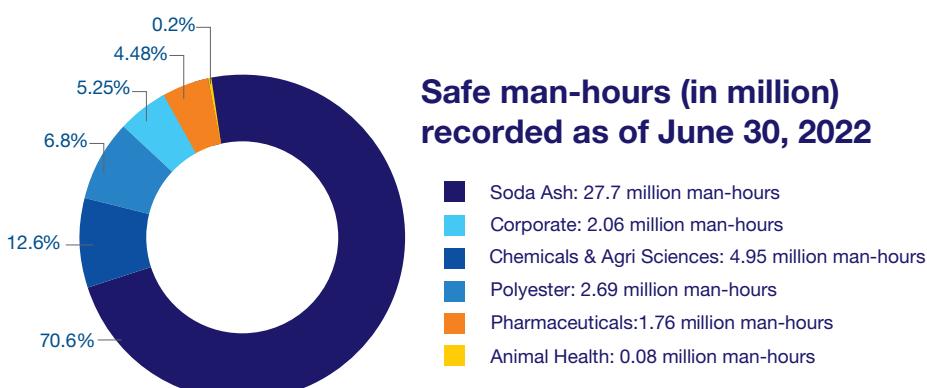
Occupational Health and Safety		2017-18	2018-19	2019-20	2020-21	2021-22	Target 2024-25
<b>Total reportable injury rate (employees/supervised contractors)</b>	\million hours	0.10	0.10	0.47	0.44	0.20	0
<b>Occupational illness rate (employees)</b>	\million hours	0	0	0	0	0	0
<b>Total illness absence rate (employees)</b>	%	1.51	1.28	1.28	1.39	1.66	1.30
<b>Fatalities</b>	number	1	0	0	0	0	0
<b>Total reportable injury rate (independent contractors)</b>	\million hours	0.45	0.28	0	0	0.16	0
<b>Lost time injury (independent contractors)</b>	number	2	1	0	0	0	0
<b>% sites with BBS programme</b>	%	100	100	100	100	100	100
<b>Distribution incidents</b>	number	2	1	0	0	0	0
<b>Motor vehicle incidents with injury</b>	number	0	0	0	0	0	0

### Overview 2021-22

There were three reportable injuries during the year and the total reportable injury rate remained at 0.20 for employees and 0.16 for contractors. The incidents were thoroughly investigated and action plans were formulated and implemented against each finding to avoid recurrence.

The Health Assessment Performance Index (HAPI) and Hygiene Performance Index (HPI) Programmes were compiled and practised across the Company and there were no reportable cases of occupational illnesses during FY'2021-22.

Furthermore, this year, a detailed HSE&S management audit was conducted across Pharmaceuticals sites by trained safety professionals. Areas of improvement were identified in each to further the HSE&S agenda. Training employees on vital HSE&S topics remains a key part of the Company's HSE&S agenda every year.



## Fire Safety Management at the Pharmaceuticals business' Hattar plant

A new fire hydrant system comprising a 400 gpm pump, jockey, elevan hose reel cabinets and one pillar hydrant was installed at the Pharmaceuticals plant in Hattar to safeguard the entire premises (GMP areas included) against any unfortunate events. The system follows NFPA 1, while the fire water storage has been developed in compliance with NFPA 22.

## Key HSE&S Trainings Conducted

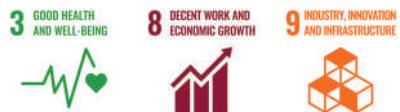
- One-day training on “Accident Investigation” for employees of the Animal Health business was held at ICI Pakistan Limited’s Mozang office;
- Three-day session on “Basic Life Support and Fire Training” was conducted at Animal Health’s Veterinary Medicine plant, in collaboration with Rescue 1122. It included demonstrations on using fire extinguishers, administering First Aid and CPR, practical evaluations and written assessments by the Emergency Response team;
- One-day training on “Hazard Operability” for the Animal Health business was arranged in collaboration with Inovo Solutions Limited, before the Hazard and Operability (HAZOP) and Periodic Hazard Assessment (PHA) studies on the plant;
- Two-day session on “Behaviour Based Safety” for all Animal Health employees took place in collaboration with Corporate HSE;
- One-day training on Fire Safety at the Pharmaceuticals business’ Hawke’s Bay site in September 2021;

- Two major external trainings regarding fire-fighting and the safe lifting of heavy equipment, organised for the logistics staff of the Pharmaceuticals business;
- A mock drill as part of the Soda Ash business’ Crisis Management Plan wherein a mock fire scenario was created to check the response of all individuals and teams in Khewra. The observations were made by independent parties;
- An inter-business HSE Workshop by Chemicals & Agri Sciences and Animal Health, held in June 2022 in partnership with Rescue 1122, to apprise attendees on fire safety, emergency preparedness and disaster response;
- A two-day session on the requirements of ISO Environmental Management System (14001:2015) and ISO 19011 (Guidelines for Auditing Management Systems) held by the Polyester team. This included a Risk Assessment activity, where trainees were provided with insight on ICI Pakistan Limited’s Risk Management framework with regards to ISO 14001 2015.



HSE team engaging in a mock drill

# Training and Education



## Key Performance Indicators

Training and Education for Management Employees	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Average hours of training per employee (gender and grade)</b>	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: 3.5; G32: 3.6; G33: 4.5; G34: 4.6; G35: 5.2; G36: 5.7; G37: 4.9; G38: 5.5; G39: 7.2; G40: 6.3 Trainee: 3.03; WL4: 40	Male: 4.9, Female: 2.9, G30: 4.4; G31: 12.9; G32: 15.8; G33: 14.2; G34: 22.3; G35: 32.4; G36: 12.7; G37: 11.7; G38: 9.2; G39: 11; G40: 12.4 Trainee: 3.8; WL4: 16
<b>On-line P&amp;D Discussion participation</b>	%	98.5	85	98	100%
<b>Management Development Programme</b>	No. of Managers	634	238	122	86
<b>Employee engagement index</b>		8.2	NR	N/R	7.9
					8.04

### Overview 2021-22

Employee development is positioned at the forefront of all learning interventions at ICI Pakistan Limited. The Company's Learning Academy platform is grounded in its value of Passion for People and consistently aims to enhance employee capability. The programmes offered under the ambit of the Learning Academy cover finance, leadership, personal effectiveness, commercial, technical, organisational development and employee health and safety.

This year, the Company launched 'Learnathon' - a virtual learning programme. Spread over 35 sessions, the Company's internal senior talent, supplemented by Harvard ManageMentor, conducted sessions for the benefit of their colleagues. Over 570 employees participated in the month-long programme.

To strengthen the technical competence of engineers, the Core Development Programme (CDP) continued to offer training for the HSE&S and technical functions. As a manufacturing entity, engineers occupy a vital position in the Company, owing to which, course content for engineers was updated in 18 areas, with a special focus on technical skills.

ICI Pakistan Limited continued to expand its talent pool through its Graduate Recruitment Drive. Fresh graduates from leading local and international universities are thereby recruited into commercial, technical and finance streams. In addition, for the gamification assessment, the Company partnered with Revelian, an international service provider that designs psychometric tests to provide data-driven profiles of candidates. Twelve graduates were recruited during the year for entry-level positions. Additionally, the following learning interventions were introduced:

### LUMS Developing Future Leaders

In partnership with LUMS, 34 employees recognised as Emerging Talent and High Potential attended the university's flagship programme, aimed at enhancing leadership skills

### Finance for Non-Finance

An in-house training programme aimed at developing financial acumen was conducted.

## Read to Lead

A comprehensive initiative comprising projects such as the e-library, book club and book corner, to encourage a Company-wide learning culture.

## Career Development and Performance Management

ICI Pakistan Limited's performance evaluation and development system aims to sustain and review the performance of its workforce. Categorised into three phases (Objective Setting, Mid-Year Review and Year-End Review), the system is integral to assessing performance and providing constructive feedback against the objectives set at the beginning of the year.

Developed to navigate difficult conversations between employees and their managers, a conversation starter toolkit, Focus Forward was developed. Tackling topics such as employee performance, growth and career progression, this three-step guide enabled employees to engage in conversations that added value to their development.

Launched to map out career progression, and equip employees with the tools necessary for growth, Aspire 2.0 focused on career planning and the development of future leaders. An intensive week-long programme, it included panel discussions, technical career roadmaps, peer-to-peer coaching sessions and capability-building trainings.

## Employee Engagement Index

During FY'2021-22, the employee engagement index rose from 7.9 to 8.04, reflecting an increase in employee satisfaction throughout the Company.



Aspire 2.0 in full swing

# Diversity and Equal Opportunity

## Key Performance Indicators



Diversity and Equal Opportunity for Management Employees	2017-18	2018-19	2019-20	2020-21	2021-22
<b>Percentage of governance body by gender</b>	Male 6, Female 2 (75% M, 25% F)	Male 6, Female 2 (75% M, 25% F)	Male 6, Female 2 (75% M, 25% F)	Male 7, Female 2 (78% M, 22% F)	Male 8, Female 1 (89% M, 11% F)
<b>Percentage of employees by gender</b>	Management – Male 1154, Female 49 Trainees - Male 26, Females 21 94.4% M 5.6% F	Management – Male 1351, Female 88 Trainees – 29 Male, 25 Females 93.88 M 6.12 F	Management – Male 1520, Female 92 Trainees - Male 27, Females 13 M 93.6%, F 6.3%	Management – Male 1599, Female 104 Trainees - Male 11, Females 4 M 94%, F 6%	Management – Male 1603, Female 105 Trainees - Male 22, Females 18 M 93.9%, F 6.1%
<b>Percentage of governance body by age</b>	30-50: 62.5% (5) Above 50 37.5% (3)	30-50: 62.5% (5) Above 50 37.5% (3)	30-50: 62.5% (5) Above 50 37.5% (3)	Between 30-50 - 44% (4) Above 50 – 56% (5)	Between 30-50 – 44% (4) Above 50 - 56% (5)
<b>Percentage of employees by age</b>	Under 30: 384 (30.7%). 30-50: 660 (52.8%) , Above 50: 206 (16.5%)	Under 30: 426 (29.60%). 30-50: 850 (59.07%) , Above 50: 163 (11.33%)	Less than 30 - 483 (29.2%) Between 30 & 50 - 1025 (62.0%) Above 50 - 144 (8.7%)	Less than 30 - 469 (28%) Between 30 & 50 - 1081 (63%) Above 50 - 153 (9%)	Less than 30 - 427 (25%) Between 30 & 50 - 1132 (66%) Above 50 - 149 (9%)

### Overview 2021-22

ICI Pakistan Limited's commitment to fostering diversity and inclusion in the workplace is grounded in its values. The Company firmly believes in providing merit-based equal opportunities, in line with the values of Integrity and Responsibility and Passion for People. The Code of Conduct fosters the paramount importance of an equitable workplace.

To further cement diversity and inclusion at every level, ICI Pakistan Limited's Diversity and Inclusion (D&I) Council works towards meeting the diversity targets set each year. Consisting of representatives from each business, the Council makes efforts toward the hiring and retention of diverse employees, introducing inclusive initiatives, and aims to sustain a culture of respect.

During the year, the gender diversity ratio stood at 11% in the Executive Management Team (EMT) and 6.1% in the overall employee base. With plans to sustain and increase female representation, the Company aims to maintain a gender-inclusive workforce and environment.

### Diversity and Inclusion Highlights

- The Dignity at Work programme was introduced to inculcate the importance of a respectful and conducive work environment. Replete with interventions such as anti-harassment and disciplinary policies, trainings geared towards harassment investigations and Code of Conduct refreshers, the initiative promotes a progressive work culture.

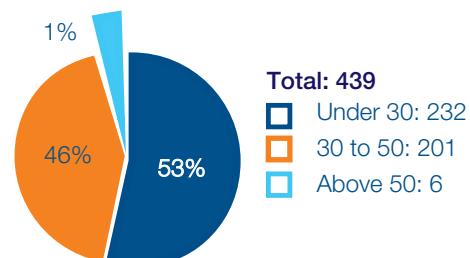
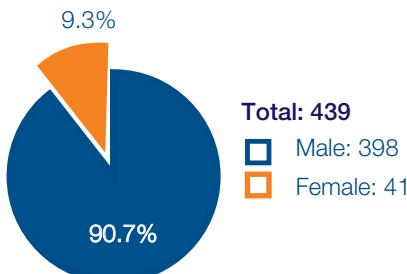
- The "Yes She Can!" campaign was launched to conduct D&I trainings and facilitate a recurrent dialogue on gender sensitisation.
- Under IMPACT, ICI Pakistan Limited continued its female scholarship programme. In partnership with top-ranked local universities, the programme provides scholarship opportunities to women facing financial limitations. Aiming to provide high-performing female students with internship opportunities geared towards corporate exposure while facilitating their learning and networking, the Women Development Programme catered to individuals from diverse backgrounds.
- D&I days are consistently observed to celebrate diversity and create an inclusive environment for all employees. To commemorate International Women's Day, a week-long celebration took place, including a pop-up event featuring women entrepreneurs running small businesses and a panel discussion composed of leading and inspirational women sharing insights on breaking biases in their respective fields.

### Anti-Competitive Behaviour

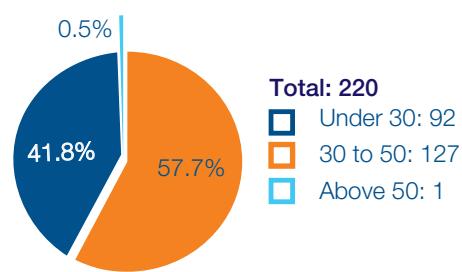
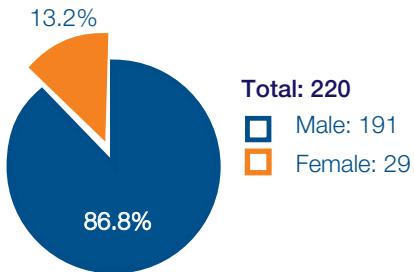
During the reporting period, there have been no legal actions initiated or pending against the Company before the Competition Commission of Pakistan.

All personnel at ICI Pakistan Limited are expected to conduct Company business in compliance with applicable competition laws. Furthermore, compliance with competition laws falls within the framework of its Code of Conduct. The Code is accessible to and read by each employee.

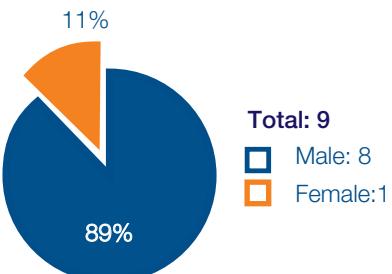
**Total number and rate of new employee hires during the reporting period, by gender and age group**



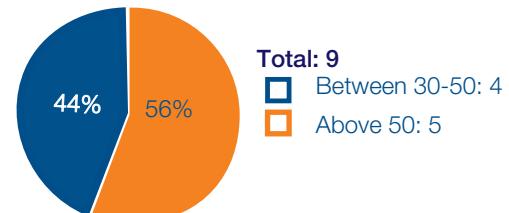
**Total number and rate of employee turnover during the reporting period, by age group and gender**



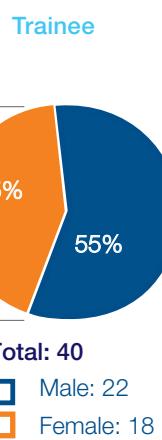
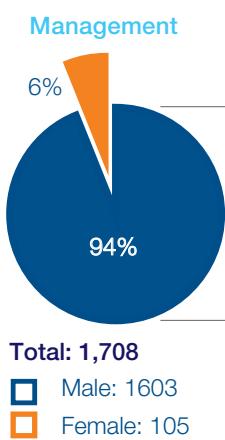
**Percentage of governance body by gender**



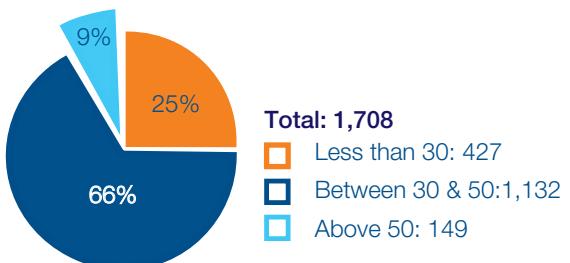
**Percentage of governance body by age**



**Percentage of employees by gender**



**Percentage of employees by age**



## Non-Discrimination



### Key Performance Indicators

Non-Discrimination	2017-18	2018-19	2019-20	2020-21	2021-22	Target 2024-25
<b>Total number of incidents of discrimination</b>	No.	0	0	0	0	0

#### Overview 2021-22

Non-Discrimination is a fundamental part of ICI Pakistan Limited's ethos and values. The Code of Conduct explicitly states that the suitability of candidates for job opportunities depends entirely on objective and non-discriminatory criteria.

Speak Up, the Company's whistleblowing policy, is accessible to employees for reporting any breaches to the Code of Conduct. The policy provides for a detailed mechanism to report any such cases whilst maintaining anonymity. Speak Up ensures that all checks and balances are in place with regards to not only discriminatory practices but also any other violations of the Code.

In addition to the above, the Code of Conduct strictly prohibits child labour and any form of forced or compulsory labour.

There were no reported incidents of discrimination during the year. The Company aims to maintain this status quo, and strengthen its ongoing focus on ethical and responsible behaviour.



# Local Communities

## Key Performance Indicators

Community Investment	2015-16	2016-17	2017-18	2019-20	2020-21	2021-22
<b>Community programme investment</b>	PKR million	20	20	30	30	59

ICI Pakistan Limited's Corporate Social Responsibility (CSR) agenda is largely managed through the ICI Pakistan Foundation ('the Foundation'), which is certified by the Pakistan Centre for Philanthropy (PCP). The Foundation is governed by its own Board of Trustees and its policies and objectives as outlined in the Trust Deed and CSR Policy. Its accounts are audited by certified chartered accountants.

The Foundation's CSR philosophy is derived from ICI Pakistan Limited's vision, mission, values and brand promise. 'Improving Lives' manifests itself in the ICI Pakistan Foundation's commitment toward CSR, focusing on creating shared value in the communities that the Company operates in.

The Foundation maintains strict evaluation criteria for grant approvals to ensure that all allocations are utilised responsibly and transparently. It works with registered organisations involved in one or a combination of its CSR pillars. Its community investment programmes are geographically specific to ICI Pakistan Limited's presence in the selected community.

The Company's location-based teams are engaged frequently to evaluate community requirements, identify intervention areas and ensure smooth implementation of the programmes. The Foundation's aim of directing philanthropic investment toward socio-economic development has enabled it to support underserved communities, thereby prompting positive change.

## CSR Pillars



Health



Education



Community Development



Women Empowerment



Environment

## Overview of CSR Initiatives for FY'2021-22



### Health

**Support extended to health-related initiatives includes funding for programmes that serve the community and reputed healthcare non-profits.**

#### Access to Quality Healthcare - Hamqadam Community Clinic

Established in 2016 and 2017 in Khewra and Sheikhupura respectively, the Hamqadam Mother and Child Healthcare Community Clinics benefit the lives of countless marginalised infants and mothers in the community. Funded by the Foundation and run in partnership with the Marie Adelaide Leprosy Centre (MALC), support for the Hamqadam Community Clinics continued during the year. Having contributed to the improvement of the local healthcare infrastructure in their communities, the clinics have monitored over 4,000 children of age five years and below for immunisation and nutrition, and conducted regular consultations of over 1,100 pregnant women. Throughout the course of the year, 17,332 OPD cases were successfully facilitated with 95 emergency ambulance trips recorded.



Daily check-ups at the Hamqadam Community Clinic

#### The Gift of Sight - LRBT

One of the Foundation's longest-running programme, free-of-cost eye care camps were continued at Khewra in partnership with the Layton Rahmatulla Benevolent Trust (LRBT) during the year. Since 1991, the programme has benefited thousands of deserving patients from Khewra and beyond. A milestone achievement of 321 camps since the programme's inception was achieved in June 2022. During FY'2021-22, 9 camps were completed, a total of 2,091 patients benefited and 506 surgeries conducted.



Eye Camp conducted in partnership with LRBT

#### Prioritising Health - Tabba Kidney and Tabba Heart Institute

In partnership with the Tabba Kidney Institute, the Foundation continued bi-annual renal health camps in Khewra. 363 individuals benefitted from free-of-cost consultation, examination and lab testing. Additionally, 100 dialysis sessions were sponsored for critically-ill individuals at the Tabba Kidney Institute during the year. In continuation of its commitment towards quality healthcare, the Foundation initiated its partnership with the Tabba Heart Institute to launch quarterly cardiology camps inclusive of screening tests, cardiologist consultations and ultrasounds, in Khewra.



Kidney Camp conducted in partnership with the Tabba Kidney Institute

#### Supporting Mental Healthcare - Karwan-e-Hayat

Recognising the dire gap between quality mental healthcare in Pakistan and the marginalised individuals in need of it, the cost of psychiatric medicines for a total of 100 OPD and inpatients at Karwan-e-Hayat was funded by the Foundation.

# Sustainability Highlight

## Saving Lives

Since its inception, the ICI Pakistan Foundation has prioritised and invested in the provision of quality healthcare to the communities that it operates in. This sustainability highlight illustrates the Foundation's commitment to providing quality healthcare to marginalised communities.

Recognising the need to uplift pediatric healthcare in the nation, the ICI Pakistan Foundation has contributed to the cause through a recurring partnership with the Child Life Foundation (CLF). In 2016, the Foundation initiated a fruitful collaboration with the Child Life Foundation, a non-profit institution that works with the aim of providing children from low-income settings with quality and affordable healthcare facilities. As part of the three-year partnership, the Foundation funded the Pediatric Fast Track OPD Block in the ChildLife Emergency Room at the Sindh Government Lyari General and Teaching Hospital in Karachi.

As such, over 22,500 young lives were treated during the course of three years. Furbished with modern surgical equipment, an on-site pharmacy and comfortable beds, CLF's facilities provide free of cost treatment and have fully-trained staff, doctors and nurses available to accommodate the patients. By improving the quality of healthcare provided, CLF has successfully brought up the survival rate of critically ill patients from 15% to 90% across its facilities.

Given the immense impact created by CLF, this year the Foundation has partnered with it to upgrade, refurbish and manage the Resuscitation Block of the Children's Emergency Room (ER) at Mayo Hospital, Lahore. The revamped facility is a 24-hour, free-of-cost facility with more than 40 beds and upgraded equipment. While the ER treats 150,000 children annually from all across Punjab, the Resuscitation Block caters to the most critically ill, which forms 10% of the patient pool. As such, the annual impact is projected to be 15,000 children's lives saved.





## Women's Empowerment

**Support extended to women's empowerment related initiatives includes vocational training and educational support.**

### Creating Opportunities for Financial Empowerment - RLCC

The Foundation funded a six-month quilt-making workshop for 36 female artisans of the Ra'ana Liaquat Craftsmen Colony (RLCC) to enhance livelihood opportunities and encourage the financial empowerment of home-based female entrepreneurs.

### Supporting Future Leaders – IMPACT Scholarship Programme

Launched by the Foundation in 2018, the IMPACT Scholarship Programme in partnership with top-ranked local universities, finances the undergraduate degrees of four female students. The programme aims to provide scholastic opportunities to underserved female students, allowing them to engage in quality higher education.



Quilting workshop at RLCC



## Community Development

**Support extended to uplifting the lives of stakeholders in communities that ICI Pakistan Limited operates in includes infrastructural support and employee volunteer activities.**

Launched in 2018, the Pehchan Volunteer Programme provides employees of ICI Pakistan Limited with opportunities to engage in community-based CSR initiatives of their choice. For more detailed information on the Pehchan Volunteer Programme, please refer to page 159 of the Sustainability Report.

During the FY'2021-22, the Foundation funded the extension of the footpath and walkway leading from Khewra to Pind Dadan Khan. The project allowed for greater accessibility and safety for the community and ensured the provision of improved infrastructural facilities.



Extension of the footpath and walkway from Khewra to Pind Dadan Khan



## Education

### Support extended to learning and development initiatives includes primary, secondary and higher education support.

#### Developing Young Minds - Government Boys and Girls Primary School, Tibbi Hariya

During the year in review, the Foundation continued to support the Government Boys and Girls Primary School in Tibbi Hariya, Sheikhpura, in collaboration with CARE Foundation, to provide quality education to 140 deserving students. The school has a female enrollment rate of 52.5%. Also, to foster an environment conducive to learning and development, the Foundation funded the refurbishment and maintenance work on the school's facility, including the provision of new classroom furniture and teaching aids.

#### Supporting Educators – CMGHS, Bararkot

Reconstructed by the Foundation in 2007 post a devastating earthquake, the Foundation, in collaboration with Friends Welfare Organisation, has continued to fund the salaries of four teaching staff at the Community Managed Girls High School (CMGHS) in Bararkot.

#### Access to Quality Education – The Citizens Foundation

This year, 50 deserving students from The Citizens Foundation V. M. Ghany campus received an annual educational scholarship.

#### Sustaining the Future of Healthcare – Murshid School of Nursing and Midwifery

To further the inclusion of women in healthcare, the Foundation has been supporting merit-based scholarships for the female students enrolled in the two-year Midwifery Diploma Programme at the Murshid School of Nursing and Midwifery since 2014. This year, a batch of eight students was supported throughout the two-year period, until graduation.



Students of the Tibbi Hariya School in Sheikhpura

#### A Step Closer to Agricultural Best Practices – Pakistan Agricultural Coalition

The Foundation has been helping the Pakistan Agricultural Coalition (PAC) since 2014, investing in their agricultural technical institute to facilitate the educational and technological needs of local farmers.



## Environment

### Support extended to environment-related initiatives includes funding for tree plantations and waste management activities.

In line with ICI Pakistan Limited's sustainability agenda, the Foundation collaborated with multiple CSR co-partners during the year to reduce, reuse and recycle waste. Environmental impact reduction initiatives included:

- Continued recycling of administrative waste generated at the Head Office. A total of 15,988 kgs of waste were donated to Al-Wasila Welfare Trust under their Safaiwala Programme for further recycling. All funds generated were utilised to treat 2,202 OPD patients from marginalised communities in Karachi. Moreover, the Foundation collected and recycled 237 obsolete desk calendars from FY'2020-21. A total of 78 kgs of dry waste was recycled in the process;
- Continued recycling of administrative waste generated at the Mozang office and in Sheikhupura. A total of 46,843 kgs of waste was donated to Aabroo Educational Welfare Organization for further recycling. Funds generated were utilised to support the educational needs of 72 students from low-income households in Lahore;
- A tree plantation drive at Karwan-e-Hayat.



Tree plantation drive at Karwan-e-Hayat

# Coming Together to Make a Difference



ICI Pakistan Limited encourages its employees to commit to social and environmental causes of their choice, calling on their generosity to support disadvantaged populations through the Pehchan Volunteer Programme. Through various initiatives employees can apply their personal and professional expertise to take part in volunteering initiatives and devote up to two working days (or 16 working hours) annually on Company time in pursuit of volunteer work.



## Pehchan Highlights FY'2021-22



**224 Volunteers Engaged**

**2,077 Hours Dedicated**

**28 Initiatives Conducted**

**8 CSR Partners Engaged**



## Pehchan volunteers participated in the following initiatives during the year:

- Organised a fundraising auction to protect abandoned, abused and neglected animals through the Ayesha Chundrigar Foundation (ACF);
- Conducted awareness sessions for rural women and children on the safe and responsible disposal of packaging material for agro chemical products;
- Organised a book donation drive, donating over 450 books to the libraries at Akhuwat Foundation's NJV School and Kiran Foundation;
- Conducted an awareness session regarding the importance of green initiatives and planted 100 trees at the Government Boys Primary School in Hafizabad;
- Collected over 490 Kgs of clothes through a Company-wide clothing donation drive to support the Akhuwat Foundation;
- Participated in 11 blood donation drives, nationwide, in partnership with the Fatimid Foundation and donated 165 pints of blood;
- Organised a beach cleanup activity at Sandspit Beach to commemorate World Cleanup Day, collecting 212 Kgs of waste. Collected waste was donated to Al-Wasila Trust for onward recycling;
- Conducted multiple tree plantation drives across the Company's locations, planting over 7000 saplings;
- Donated scrap secondary packaging materials, discarded panaflex from marketing activities, and unwanted furniture and fixture items from the Company's Head Office location, for reuse or recycling to ACF, Ra'na Liaquat Craftsmen Colony (RLCC), Akhuwat Foundation, and Al-Wasila Trust.

# GRI Content Index

Full Compliance: Partial Compliance: 

GRI STANDARD CORE DISCLOSURES					
Disclosures	Response	Compliance			
<b>General Disclosures</b>					
<b>GRI 102: General Disclosures 2016</b>					
<b>Organizational Profile</b>					
102-1	Name of the organisation	<b>Section:</b> ICI Pakistan Limited at a Glance- Page 10			
102-2	Activities, brands, products and services	<b>Section:</b> ICI Pakistan Limited at a Glance - Page 10-11 <b>Section:</b> Soda Ash Business - Page 96-97 <b>Section:</b> Polyester - Page 98-99 <b>Section:</b> Pharmaceuticals - Page 100-101 <b>Section:</b> Animal Health – Page 102-103 <b>Section:</b> Chemicals & Agri Sciences – Page 104-107			
102-3	Location of headquarters	<b>Section:</b> ICI Pakistan Limited at a Glance- Page 14			
102-4	Location of operations	<b>Section:</b> ICI Pakistan Limited at a Glance - Page 14			
102-5	Ownership and legal form	<b>Section:</b> ICI Pakistan Limited at a Glance - Page 10-15			
102-6	Markets served	<b>Section:</b> ICI Pakistan Limited at a Glance - Page 10-15			
102-7	Scale of the organisation	<b>Section:</b> ICI Pakistan Limited at a Glance - Page 10-15 <b>Section:</b> Report of the Directors for the Year Ended – Page 62-72 <b>Section:</b> ICI Pakistan Limited Unconsolidated Financial Statement - Page F06-F09			

102-8	<b>Information on employees and other workers</b>	<p><b>Section:</b> Diversity and Equal Opportunity - Page 150</p> <p><b>Response:</b> Permanent - 1600 (Male 1520, Female 80) (Temporary Staff - 108 (68 contractual and 40 Trainees) 77% Male, 23% Female. Trainees (40) are employees on temporary employment contracts.</p> <p>Employees perform a significant portion of ICI Pakistan Limited's activities.</p> <p>Data was compiled by the Corporate HR Department as per actual and no assumptions are made.</p> <p>The employees are distributed in Punjab (55.2%), Sindh (30.6%), KPK (9%), Islamabad (4%), Balochistan (0.9%) and AJK (0.4%).</p>	
102-9	<b>Supply chain</b>	<b>Section:</b> Sourcing - Page 132	
102-10	<b>Significant changes to the organisation and its supply chain</b>	<p><b>Section:</b> Sourcing - Page 132-133</p> <p><b>Section:</b> A Rich Legacy of Corporate Leadership- Page 12-13</p>	
102-11	<b>Precautionary principle or approach</b>	<p><b>Section:</b> Corporate Governance and Compliance: Code of Conduct - Page 9,78-80</p>	
102-12	<b>External initiatives</b>	<p><b>Response:</b> GRI Standards and United Nation Sustainable Development Goals.</p>	
102-13	<b>Membership of associations</b>	<p><b>Response:</b> Chamber of Commerce, EPA – All Provinces, Competition Commission of Pakistan, National Board of Boilers and Pressure Vessels, National Environmental Quality Standards, Pakistan Business Council (PBC), Pakistan Institute of Corporate Governance, MAP, OICCI</p>	
<b>Strategy</b>			
102-14	<b>Statement from senior decision-maker</b>	<b>Section:</b> Message from CE - Page 21, 111	
<b>Ethics and integrity</b>			
102-16	<b>Values, principles, standards and norms of behaviour</b>	<p><b>Section:</b> Our Vision, Mission and Values - Page 6-7</p> <p><b>Section:</b> Our Code of Conduct - Page 8-9</p> <p><b>Section:</b> Sustainability Strategy – Page119</p>	
<b>Governance</b>			
102-18	<b>Governance structure</b>	<p><b>Section:</b> BBoard and Management Committees - Page 55</p> <p><b>Section:</b> Company Information - Page 54</p> <p><b>Section:</b> ICI Pakistan Limited at a Glance – Page 10</p> <p><b>Section:</b> Sustainability Strategy &amp; Sustainability Council - Page 119</p>	

<b>Stakeholder Engagement</b>			
<b>102-40</b>	<b>List of stakeholder groups</b>	<b>Section:</b> Stakeholder Engagement - Page 138	[REDACTED]
<b>102-41</b>	<b>Collective bargaining agreements</b>	<b>Response:</b> Response: 404 employees (24%) covered by collective bargaining agreements of employees. Total number of employees: management 1600; Contractual 68; trainees 40	[REDACTED]
<b>102-42</b>	<b>Identifying and selecting stakeholders</b>	<b>Section:</b> Stakeholder Engagement - Page 124-125	[REDACTED]
<b>102-43</b>	<b>Approach to stakeholder engagement</b>	<b>Section:</b> Stakeholder Engagement - Page 124-125	[REDACTED]
<b>102-44</b>	<b>Key topics and concerns raised</b>	<b>Section:</b> Stakeholder Engagement - Page 124-125	[REDACTED]
<b>Reporting Practice</b>			
<b>102-45</b>	<b>Entities included in the consolidated financial statements</b>	<b>Response:</b> ICI Pakistan Limited at a Glance – Page 15 <b>Section:</b> About the Report - Page 115	[REDACTED]
<b>102-46</b>	<b>Defining report content and topic Boundaries</b>	<b>Section:</b> About the Report - Page 115 <b>Section:</b> Materiality Assessment - Page 116	[REDACTED]
<b>102-47</b>	<b>List of material topics</b>	<b>Section:</b> Materiality Assessment - Page 116	[REDACTED]
<b>102-48</b>	<b>Restatements of information</b>	<b>Response:</b> Not Applicable - no restatements of information given	[REDACTED]
<b>102-49</b>	<b>Changes in reporting</b>	<b>Section:</b> About the Report - Page 115	[REDACTED]
<b>102-50</b>	<b>Reporting period</b>	<b>Section:</b> About the Report - Page 115	[REDACTED]
<b>102-51</b>	<b>Date of most recent report</b>	<b>Response:</b> August 2021	[REDACTED]
<b>102-52</b>	<b>Reporting cycle</b>	<b>Section:</b> About the Report - Page 115	[REDACTED]
<b>102-53</b>	<b>Contact point for questions regarding the report</b>	<b>Section:</b> About the Report - Page 115	[REDACTED]
<b>102-54</b>	<b>Claims of reporting in accordance with the GRI Standards</b>	<b>Section:</b> About the Report - Page 115	[REDACTED]
<b>102-55</b>	<b>GRI Content Index</b>	<b>Section:</b> GRI Index – Page 160-171	[REDACTED]
<b>102-56</b>	<b>External Assurance</b>	<b>Section:</b> About the report – Page 115 <b>Section:</b> External Assurance – Page 174-175	[REDACTED]

## Material Topics

### Category: Economic

#### ECONOMIC PERFORMANCE

##### GRI 103: Management Approach 2016

<b>103-1</b>	<b>Explanation of the material topic and its Boundary</b>	<b>Section:</b> Materiality Assessment - Page 134-135	
<b>103-2</b>	<b>The management approach and its components</b>	<b>Section:</b> Economic Performance Management Approach - Page 143, 54	
<b>103-3</b>	<b>Evaluation of management approach</b>	<b>Section:</b> Economic Performance Management Approach - Page 143 <b>Section:</b> Corporate Governance and Compliance 55-56, 62-63	

##### GRI 201: Economic Performance 2016

<b>201-1</b>	<b>Direct economic value generated and distributed</b>	See ICI Pakistan Limited Financial Statements Page F08-F09	
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#### MARKET PRESENCE

##### GRI 103: Management Approach 2016

<b>103-1</b>	<b>Explanation of the material topic and its Boundary</b>	<b>Section:</b> Materiality Assessment - Page 134-135	
<b>103-2</b>	<b>The management approach and its components</b>	<b>Section:</b> Economic Performance Management Approach - Page 143 <b>Section:</b> Corporate Governance and Compliance 54	
<b>103-3</b>	<b>Evaluation of management approach</b>	<b>Section:</b> Economic Performance Management Approach - Page 143 <b>Section:</b> Corporate Governance and Compliance 55-56, 62-63	

##### GRI 202: Market Presence 2016

<b>202-1</b>	<b>Ratios of standard entry level wage by gender compared to local minimum wage</b>	<b>Response:</b> 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.	
<b>202-2</b>	<b>Proportion of senior management hired from the local community</b>	<b>Response:</b> Karachi: 100%, Lahore: Nil, Sheikhpura: 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	<b>Section:</b> Materiality Assessment - Page 116-117	[REDACTED]
103-2	The management approach and its components	<b>Section:</b> Economic Performance Management Approach - Page 130, 76-78	[REDACTED]
103-3	Evaluation of management approach	<b>Section:</b> Economic Performance Management Approach - Page 130 <b>Section:</b> Corporate Governance and Compliance 78-79, 82-83	[REDACTED]

### GRI 203: Indirect Economic Impacts 2016

203-1	Infrastructure investments and services supported	<b>Section:</b> Local community - Page 163-167	[REDACTED]
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## ANTI-COMPETITIVE BEHAVIOR

103-1	Explanation of the material topic and its Boundary	<b>Section:</b> Materiality Assessment - Page 116-117	[REDACTED]
103-2	The management approach and its components	<b>Section:</b> Economic Performance Management Approach - Page 130 <b>Section:</b> Corporate Governance and Compliance 78-80	[REDACTED]
103-3	Evaluation of management approach	<b>Section:</b> Economic Performance Management Approach - Page 130 <b>Section:</b> Corporate Governance and Compliance 78-80, 82-83	[REDACTED]

### GRI 206: Anti-competitive Behavior

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<b>Section:</b> Diversity and Equal Opportunity - Page 150	[REDACTED]
202-2	Proportion of senior management hired from the local community	<b>Response:</b> Karachi: 100%, Lahore: Nil, Sheikhupura: Nil, Khewra: Nil Senior Management – G37 plus excluding EMT; Local: Residence and belonging to the significant location identified	[REDACTED]

## Compliance

103-1	Explanation of the material topic and its Boundary	<b>Section:</b> Materiality Assessment - Page 116-117	[REDACTED]
103-2	The management approach and its components	<b>Section:</b> Economic Performance Management Approach Page 130, <b>Section:</b> Corporate Governance and Compliance 78-81	[REDACTED]
103-3	Evaluation of management approach	<b>Section:</b> Economic Performance Management Approach Page 130 <b>Section:</b> Corporate Governance and Compliance 78-81	[REDACTED]

### GRI 419: Socioeconomic Compliance

419-1	Non-compliance with laws and regulations in the social and economic area	<b>Section:</b> Integrity Management – 131	[REDACTED]
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## Category: Environmental

### ENERGY

#### GRI 103: Management Approach 2016

<b>103-1</b>	<b>Explanation of the material topic and its Boundary</b>	<b>Section:</b> Materiality Assessment - Page 116-117	[REDACTED]
<b>103-2</b>	<b>The management approach and its components</b>	<b>Section:</b> Environmental Performance Management Approach - Page 134	[REDACTED]
<b>103-3</b>	<b>Evaluation of management approach</b>	<b>Section:</b> Environmental Performance Management Approach - Page 134	[REDACTED]

#### GRI 302: Energy 2016

<b>302-1</b>	<b>Energy Consumption within the organization</b>	<b>Section:</b> Energy - Page 137 <b>Response:</b> Standard calorific values of fuels are used for conversion	[REDACTED]
<b>302-3</b>	<b>Energy intensity</b>	<b>Section:</b> Energy - Page 137	[REDACTED]
<b>302-4</b>	<b>Reduction of energy consumption</b>	<b>Section:</b> Energy - Page 137-138	[REDACTED]

### WATER

#### GRI 103: Management Approach 2016

<b>103-1</b>	<b>Explanation of the material topic and its Boundary</b>	<b>Section:</b> Materiality Assessment - Page 116-117	[REDACTED]
<b>103-2</b>	<b>The management approach and its components</b>	<b>Section:</b> Environmental Performance Management Approach - Page 137	[REDACTED]
<b>103-3</b>	<b>Evaluation of management approach</b>	<b>Section:</b> Environmental Performance Management Approach - Page 137	[REDACTED]

#### GRI 303: Water and Effluents 2018

<b>303-1</b>	<b>Interactions with water as a shared resource</b>	<b>Section:</b> Environmental Performance Management Approach - Page 137	[REDACTED]
<b>303-2</b>	<b>Management of water discharge-related impacts</b>	<b>Section:</b> Environmental Performance Management Approach - Page 137	[REDACTED]
<b>303-4</b>	<b>Water discharge</b>	<b>Section:</b> Water - Page 139	[REDACTED]
<b>303-5</b>	<b>Water consumption</b>	<b>Section:</b> Water - Page 139	[REDACTED]

### EMISSIONS

#### GRI 103: Management Approach 2016

<b>103-1</b>	<b>Explanation of the material topic and its Boundary</b>	<b>Section:</b> Materiality Assessment - Page 116-117	[REDACTED]
<b>103-2</b>	<b>The management approach and its components</b>	<b>Section:</b> Environmental Performance Management Approach - Page 137	[REDACTED]
<b>103-3</b>	<b>Evaluation of management approach</b>	<b>Section:</b> Environmental Performance Management Approach - Page 137	[REDACTED]

### GRI 305: Emissions 2016

<b>305-1</b>	<b>Direct (Scope 1) GHG emissions</b>	<b>Section:</b> Emissions - Page 140 <b>Response:</b> 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	[REDACTED]
<b>305-2</b>	<b>Energy indirect (Scope 2) GHG emissions</b>	<b>Section:</b> Emissions - Page 140	[REDACTED]
<b>305-4</b>	<b>GHG emissions intensity</b>	<b>Section:</b> Emissions - Page 140	[REDACTED]
<b>305-5</b>	<b>Reduction of GHG emissions</b>	<b>Section:</b> Emissions – Page 140	[REDACTED]
<b>305-6</b>	<b>Emissions of ozone-depleting substance (ODS)</b>	<b>Response:</b> No chemical classified as an ODS is listed in the Chemical Substance Inventory of ICI Pakistan Limited	[REDACTED]
<b>305-7</b>	<b>Nitrogen oxides (NOx), sulfur oxides (Sox), and other significant air emissions</b>	<b>Section:</b> Emissions - Page 140	[REDACTED]

### EFFLUENTS AND WASTE

### GRI 103: Management Approach 2016

<b>103-1</b>	<b>Explanation of the material topic and its Boundary</b>	<b>Section:</b> Materiality Assessment - Page 116-117	[REDACTED]
<b>103-2</b>	<b>The management approach and its components</b>	<b>Section:</b> Environmental Performance Management Approach - Page 137	[REDACTED]
<b>103-3</b>	<b>Evaluation of management approach</b>	<b>Section:</b> Environmental Performance Management Approach - Page 137	[REDACTED]

### GRI 306: Waste 2020

<b>306-1</b>	<b>Waste generation and significant waste-related impacts</b>	<b>Section:</b> Effluents and Waste - Page 142	[REDACTED]
<b>306-2</b>	<b>Management of significant waste-related impacts</b>	<b>Section:</b> Environmental Performance Management Approach - Page 137 <b>Section:</b> Effluents and Waste - Page 142	[REDACTED]
<b>306-3</b>	<b>Waste generated</b>	<b>Section:</b> Effluents and Waste - Page 142	[REDACTED]
<b>103-3</b>	<b>Evaluation of management approach</b>	<b>Section:</b> Social Performance Management Approach- Page 155-156	

**Category: Social****EMPLOYMENT AND LABOUR RELATIONS****GRI 103: Management Approach 2016**

<b>103-1</b>	<b>Explanation of the material topic and its Boundary</b>	<b>Section:</b> Materiality Assessment - Page 116-117	[REDACTED]
<b>103-2</b>	<b>The management approach and its components</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145	[REDACTED]
<b>103-3</b>	<b>Evaluation of management approach</b>	<b>Section:</b> Effluents and Waste - Page 142	[REDACTED]

**GRI 401: Employment 2016**

<b>401-1</b>	<b>New employee hires and employee turnover</b>	<b>Section:</b> Diversity and Equal Opportunity – Page 151	[REDACTED]
<b>401-2</b>	<b>Benefits provided to full-time employees that are not provided to temporary or part-time employees</b>	<b>Section:</b> Life Insurance, Health Care, Disability Coverage, Parental Leave, Retirement Provision  Significant locations of operation are all ICI Pakistan manufacturing sites, offices and warehouses.	[REDACTED]

**GRI 402: LABOR/MANAGEMENT RELATIONS 2016**

<b>402-1</b>	<b>Minimum notice periods regarding operational change</b>	<b>Response:</b> 4 weeks  Also mentioned in collective agreements	[REDACTED]
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**OCCUPATIONAL HEALTH AND SAFETY****GRI 103: Management Approach 2016**

<b>103-1</b>	<b>Explanation of the material topic and its Boundary</b>	<b>Section:</b> Materiality Assessment - Page 116-117	[REDACTED]
<b>103-2</b>	<b>The management approach and its components</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145	[REDACTED]
<b>103-3</b>	<b>Evaluation of management approach</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145	[REDACTED]

**GRI 403: Occupational Health and Safety 2018**

<b>403-1</b>	<b>Occupational health and safety management system</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145	[REDACTED]
<b>403-2</b>	<b>Hazard identification, risk assessment, and incident investigation</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145	[REDACTED]
<b>403-3</b>	<b>Occupational health services</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145	[REDACTED]

403-4	<b>Worker participation, consultation, and communication on occupational health and safety</b>	<p><b>Response:</b> 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&amp;S department and feedback is recorded.</p> <p>These meetings ensure 100% participation by the workforce</p>	
403-5	<b>Worker training on occupational health and safety</b>	<p><b>Section:</b> Occupational Health &amp; Safety - Page 147</p>	
403-6	<b>Promotion of worker health</b>	<p><b>Section:</b> Social Performance Management Approach- Page 144-145</p>	
403-7	<b>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</b>	<p><b>Response:</b> 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&amp;S Management System and the Company's Occupational Health Policy. Areas at all manufacturing sites have been assessed for health risks and accordingly Health Monitoring Programs have been developed for employees.</p>	
403-9	<b>Work-related injuries</b>	<p><b>Response:</b> Occupational Health &amp; Safety - Page 146</p>	
403-10	<b>Work-related ill health</b>	<p><b>Response:</b> Occupational Health &amp; Safety - Page 146</p>	

## TRAINING AND EDUCATION

### GRI 103: Management Approach 2016

103-1	<b>Explanation of the material topic and its Boundary</b>	<p><b>Section:</b> Materiality Assessment - Page 116-117</p>	
103-2	<b>The management approach and its components</b>	<p><b>Section:</b> Social Performance Management Approach- Page 144-145</p>	

103-3	<b>Evaluation of management approach</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145	
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### GRI 404: Training and Education 2016

404-1	<b>Average hours of training per year per employee</b>	<b>Section:</b> Training and Education – Page 148-149	
404-2	<b>Programs for upgrading employee skills and transition assistance programs</b>	<b>Response:</b> 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.	
404-3	<b>Percentage of employees receiving regular performance and career development reviews</b>	<b>Section:</b> Training & Education - Page 149	

### DIVERSITY AND EQUAL OPPORTUNITY

#### GRI 103: Management Approach 2016

103-1	<b>Explanation of the material topic and its Boundary</b>	<b>Section:</b> Materiality Assessment - Page 116-117	
103-2	<b>The management approach and its components</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145	
103-3	<b>Evaluation of management approach</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145	

#### GRI 405: Diversity and Equal Opportunity 2016

405-1	<b>Diversity of governance bodies and employees</b>	<b>Section:</b> Diversity & equal Opportunity - Page 150	
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### NON-DISCRIMINATION

#### GRI 103: Management Approach 2016

103-1	<b>Explanation of the material topic and its Boundary</b>	<b>Section:</b> Materiality Assessment - Page 116-117	
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<b>103-2</b>	<b>The management approach and its components</b>	<b>Section:</b> Social Performance Management Approach- 144-145	[REDACTED]
<b>103-3</b>	<b>Evaluation of management approach</b>	<b>Section:</b> Social Performance Management Approach- 144-145	[REDACTED]

### **GRI 406: Non-Discrimination 2016**

<b>406-1</b>	<b>Incidents of discrimination and corrective actions taken</b>	<b>Section:</b> Non-discrimination – Page 152	[REDACTED]
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## **CHILD LABOUR**

### **GRI 103: Management Approach 2016**

<b>103-1</b>	<b>Explanation of the material topic and its Boundary</b>	<b>Section:</b> Materiality Assessment - Page 116-117	[REDACTED]
<b>103-2</b>	<b>The management approach and its components</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145	[REDACTED]
<b>103-3</b>	<b>Evaluation of management approach</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145	[REDACTED]

### **GRI 408: Child Labour 2016**

<b>408-1</b>	<b>Operations and suppliers at significant risk for incidents of child labour</b>	<b>Section:</b> Integrity Management – Page 116-117	[REDACTED]
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## **FREEDOM OF ASSOCIATION**

### **GRI 103: Management Approach 2016**

<b>103-1</b>	<b>Explanation of the material topic and its Boundary</b>	<b>Section:</b> Materiality Assessment - Page 134-135	[REDACTED]
<b>103-2</b>	<b>The management approach and its components</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145	[REDACTED]
<b>103-3</b>	<b>Evaluation of management approach</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145	[REDACTED]

### GRI 407: Freedom of Association and Collective Bargaining 2016

<b>407-1</b>	<b>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</b>	<b>Section:</b> Integrity Management – Page 131	 
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### LOCAL COMMUNITIES

### GRI 103: Management Approach 2016

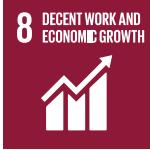
<b>103-1</b>	<b>Explanation of the material topic and its Boundary</b>	<b>Section:</b> Materiality Assessment - Page 116-117	
<b>103-2</b>	<b>The management approach and its components</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145 <b>Section:</b> Local Communities – Page 153	
<b>103-3</b>	<b>Evaluation of management approach</b>	<b>Section:</b> Social Performance Management Approach- Page 144-145 <b>Section:</b> Local Communities – Page 153	

### GRI 413: Local Communities 2016

<b>413-1</b>	<b>Operations with local community engagement, impact assessments, and development programs</b>	<b>Section:</b> Local Communities - Page 154-159	
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# SDGs Index

SDGs		PAGE NO.	GRI STANDARDS DISCLOSURE
	End poverty in all its forms everywhere	163	202-1
	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	F08-F09, 154-159	201-1, 203-1
	Ensure healthy lives and promote well-being for all at all ages	137, 140, 142, 144-145	305-1, 305-2, 305-6, 305-7, 306-2, 403-2, 403-3
	Ensure inclusive and quality education for all and promote lifelong learning	148-149	404-1
	Achieve gender equality and empower all women and girls	F08-F09, 148-149, 150, 151, 152, 154-159,	201-1, 202-1, 203-1, 401-1, 404-1, 404-3, 405-1, 406-1
	Ensure access to water and sanitation for all	137, 139, 142	303-1, 303-2, 303-4, 304-5, 306-2
	Ensure access to affordable, reliable, sustainable and modern energy for all	F08-F09, 137-138 154-159	201-1, 203-1, 302-1, 302-3, 302-4

SDGs	PAGE NO.	GRI STANDARDS DISCLOSURE	
 <b>8</b> DECENT WORK AND ECONOMIC GROWTH	Promote inclusive and sustainable economic growth, employment and decent work for all	F08-F09, 131, 137-138, 139, 144-145, 146, 147, 148-149, 150, 151, 162, 163, 167, 168, 169	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
 <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote sustainable industrialization and foster innovation	F08-F09 154-159	201-1, 203-1
 <b>11</b> SUSTAINABLE CITIES AND COMMUNITIES	Make cities inclusive, safe, resilient and sustainable	154-159	203-1
 <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	137-138, 139, 140, 142, 166	302-1, 302-3, 302-4, 303-1, 303-2, 303-4, 303-5, 305-1, 305-2, 305-6, 305-7, 306-2
 <b>13</b> CLIMATE ACTION	Take urgent action to combat climate change and its impacts	137-138, 140	302-1, 302-3, 302-4, 305-1, 305-2, 305-4
 <b>14</b> LIFE BELOW WATER	Conserve and sustainably use the oceans, seas and marine resources	140	305-1, 305-2, 305-4, 305-5, 305-7
 <b>15</b> LIFE ON LAND	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	140	305-1, 305-2, 305-4, 305-5, 305-7
 <b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote just, peaceful and inclusive societies	6-9, 119, 131 150, 152	102-16, 206-1, 406-1, 408-1, 419-1
 <b>17</b> PARTNERSHIPS FOR THE GOALS	Revitalize the global partnership for sustainable development	122-123	Not Applicable



## Independent Assurance Statement for the ICI Pakistan Limited Sustainability Report 2022

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 2022, which was prepared 'in accordance with the 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 the information and statements contained within it. The Management is responsible for determining the sustainability goals, and 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 for this engagement included:

- A critical review of the Sustainability Report 2022 and respective Content Index to check consistency and adherence to GRI's Universal and Topic-Specific Standards
- Evaluation of the report's adherence to the in accordance: Core option
- A 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 the 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

#### In accordance with GRI Standards: Core option

ICI Pakistan Limited declares the report to be in accordance with GRI Standards: Core option. CSRCP evaluated the quality of the application of GRI Universal and Topic Specific Standards. Based on the evaluation, CSRCP made a series of recommendations to complete the content or adjust the disclosure level in the Content Index, which has 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. The report provides a broad 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 the company identifies and engages with different stakeholders, including stakeholders' key concerns and ICI's response to stakeholders' concerns. The material issues emerging from the stakeholders' engagement were collected and 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 and importance to ICI's business growth and performance 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 with applicable laws and regulations and recommending corrective actions.
- Sustainability management at ICI Pakistan Limited maintains high-level support in the shape of the Sustainability Council, conforming to ICI Pakistan Limited's commitment to addressing sustainability challenges, and stakeholder concerns and promoting sustainable practices in its supply chain.
- The report demonstrates a system for suppliers' evaluation against social, environmental and security aspects and activities supporting safety, health, and environmental practices at supply chain partners.
- ICI Pakistan Limited's absolute environmental impact has increased over the years with reduced intensity-based impact. ICI Pakistan Limited's launch of Terylene to reduce PET waste, using alternative product transportation and packaging to reduce packaging materials and emissions and increasing the share of renewable energy at different manufacturing locations demonstrate ICI Pakistan Limited's sustainability strategy to reduce the environmental impact of its operations.
- ICI Pakistan Limited reiterates its commitment to 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).
- While, in general, the principles are addressed satisfactorily, we can appoint areas of improvement for the next reporting cycle:
  - ICI Pakistan Limited's materiality determination process is informed by different factors including stakeholders' input gathered from engagements held throughout the year. We recommend implementing a report-specific stakeholders' engagement and refreshing the list of material topics considering the continuous expansions and significant changes in global and local sustainability context which can significantly influence the list of material topics.
  - ICI Pakistan Limited's redefined targets for material impact areas this year. We reiterate our recommendation to take into consideration climate science for defining targets for environmental impact areas and align the targets with material sustainability topics in the report.

- ICI Pakistan Limited promotes safety, health, and environmental practices at supply chain partners. We reiterate our recommendation to include aspects of social impact while promoting sustainable management practices in the supply chain and further recommend demonstrating the impact of these practices in future reports.
- The report demonstrates the linkage of the company's various activities with SDGs. We reiterate our recommendation to demonstrate how ICI Pakistan Limited is capitalizing on the opportunities offered by the SDGs and the impact of beneficial products and services on 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 2022 is in all material aspects not fairly stated.

We confirm that the report is aligned with the requirements of the GRI Standards and adequately reports the material topics. The compliance with GRI Standards has been disclosed in more detail in the Content Index which provides an overview of which standards have been fully complied with and which have been partially complied with in the report. In our opinion, ICI Pakistan Limited has appropriate systems for collecting, aggregating, and analyzing 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, the 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

CSRPC operates a strict conflict of interest checks and has confirmed our independence to work on this engagement with ICI Pakistan Limited. The review team members have not provided consulting services and were not involved in the preparation of any part of the report. CSRPC is a consulting firm specializing 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

# Cultivating Growth for All

ICI Pakistan challenges itself to achieve higher benchmarks, every year. This philosophy stems from our brand promise of Cultivating Growth and cascades across hierarchies so that we deliver enduring value for the Company and all our stakeholders.

This section provides a comprehensive record of our financial activities for the fiscal year 2021-2022.





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\*Mobile apps are also available for download for android and ios devices



**ICI PAKISTAN LTD.**

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**ICI Pakistan Limited**  
Financial Statements



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Chartered Accountants  
Progressive Plaza, Beaumont Road  
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Pakistan

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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 unconsolidated statement of financial position as at **30 June 2022**, the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 2022** 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
<b>1. Revenue recognition</b>	
Revenue from sale of Company's products for the year ended 30 June 2022 has increased by approximately 39% as compared to last year. The Company recognizes revenue at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.	<p>Our key audit procedures in this area amongst others included the following;</p> <ul style="list-style-type: none"> <li>- Evaluated the appropriateness of the Company's revenue recognition accounting policy.</li> <li>- Obtained an understanding of management's internal controls over the revenue process and tested effectiveness of controls relevant to such process.</li> <li>- Performed testing of sales transactions on a sample basis to ensure that the related revenues are recorded appropriately at the correct quantity and price when control of goods has been transferred to the customer.</li> </ul>
There is an inherent risk that revenue may be overstated since the Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognised before the control has been transferred.	



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Key audit matter	How our audit addressed the key audit matter
Considering revenue recognition a significant risk area, we have identified this as a key audit matter.	<ul style="list-style-type: none"> <li>- Performed sales cut-off procedures by agreeing sample of transactions occurred on and around the year end to the evidence of deliveries to ensure that sales are recorded in the correct accounting period.</li> <li>- Considered the adequacy of the disclosures in respect of revenues in accordance with the applicable financial reporting standards.</li> </ul>

#### **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.

#### **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.



# Independent Auditors' Report

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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## 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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**.

Date: 02 September, 2022  
Karachi  
UDIN Number: AR2022100789ev1mYuzS

EY Ford Rhodes  
Chartered Accountants

# Unconsolidated Statement of Financial Position

As at June 30, 2022

Amounts in PKR '000

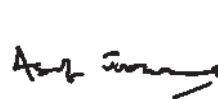
	Note	June 30, 2022	June 30, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	<b>26,867,152</b>	19,379,813
Intangible assets	7	<b>1,665,268</b>	1,678,401
Right-of-use assets	8	<b>163,074</b>	234,202
		<b>28,695,494</b>	21,292,416
Long-term investments	9	<b>4,466,958</b>	3,696,776
Long-term loans	10	<b>335,032</b>	611,439
Long-term deposits and prepayments	11	<b>55,250</b>	39,703
		<b>4,857,240</b>	4,347,918
		<b>33,552,734</b>	25,640,334
<b>Current assets</b>			
Stores, spares and consumables	12	<b>1,140,973</b>	1,094,184
Stock-in-trade	13	<b>16,668,932</b>	11,286,373
Trade debts	14	<b>3,613,548</b>	2,653,804
Loans and advances	15	<b>1,669,938</b>	724,296
Trade deposits and short-term prepayments	16	<b>729,034</b>	493,492
Other receivables	17	<b>2,212,741</b>	1,502,697
Taxation - net		-	174,407
Cash and bank balances	18	<b>352,922</b>	233,978
		<b>26,388,088</b>	18,163,231
<b>Total assets</b>		<b>59,940,822</b>	43,803,565

Amounts in PKR '000

	Note	June 30, 2022	June 30, 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
1,500,000,000 (June 30, 2021: 1,500,000,000) ordinary shares of PKR 10 each		<b>15,000,000</b>	15,000,000
Issued, subscribed and paid-up capital	19	<b>923,591</b>	923,591
Capital reserves	20	<b>309,643</b>	309,643
Revenue reserve - unappropriated profit		<b>25,157,888</b>	22,645,974
<b>Total equity</b>		<b>26,391,122</b>	23,879,208
<b>Non-current liabilities</b>			
Provision for non-management staff gratuity	21	<b>117,304</b>	118,587
Long-term loans	22	<b>4,376,278</b>	3,495,927
Contractors' retention money		<b>198,259</b>	-
Lease liabilities	8	<b>88,182</b>	171,533
Deferred income - Government grant	23	<b>869,805</b>	139,234
Deferred tax liability - net	24	<b>1,730,364</b>	1,363,479
		<b>7,380,192</b>	5,288,760
<b>Current liabilities</b>			
Trade and other payables	25	<b>11,387,131</b>	10,991,460
Accrued mark-up		<b>356,841</b>	122,191
Short-term financing	26	<b>11,325,419</b>	1,799,122
Taxation - net		<b>1,403,118</b>	-
Current portion of long-term loans	22	<b>1,321,942</b>	1,476,690
Current portion of lease liabilities	8	<b>96,117</b>	94,102
Current portion of deferred income - Government grant	23	<b>163,440</b>	52,746
Unclaimed dividend		<b>115,500</b>	99,286
		<b>26,169,508</b>	14,635,597
<b>Total equity and liabilities</b>		<b>59,940,822</b>	43,803,565
<b>Contingencies and commitments</b>		<b>27</b>	

The annexed notes 1 to 50 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

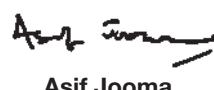
For the year ended June 30, 2022

Amounts in PKR '000

	Note	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>Net turnover</b>	29.1	<b>86,972,178</b>	62,617,966
Cost of sales	29.2	(68,353,133)	(48,269,723)
<b>Gross profit</b>		<b>18,619,045</b>	14,348,243
Selling and distribution expenses	31	(4,990,237)	(4,155,004)
Administration and general expenses	32	(1,875,394)	(1,794,401)
<b>Operating result</b>		<b>11,753,414</b>	8,398,838
Other charges	33	(564,901)	(635,321)
Finance costs	34	(819,834)	(593,661)
Exchange (loss) / gain		(545,028)	55,980
		(1,929,763)	(1,173,002)
Other income	35	<b>375,484</b>	1,002,966
<b>Profit before taxation</b>		<b>10,199,135</b>	8,228,802
Taxation	36	(3,950,548)	(2,269,356)
<b>Profit after taxation</b>		<b>6,248,587</b>	5,959,446
<b>Basic and diluted earnings per share (PKR)</b>	37	<b>67.66</b>	64.52

The annexed notes 1 to 50 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, 2022

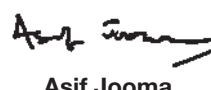
Amounts in PKR '000

	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>Profit after taxation</b>	<b>6,248,587</b>	5,959,446
<b>Other comprehensive loss</b>		
Items that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement of defined benefit plans	(82,977)	(5,570)
Income tax effect	40,668	2,504
	(42,309)	(3,066)
<b>Total comprehensive income for the year</b>	<b>6,206,278</b>	5,956,380

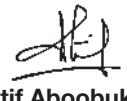
The annexed notes 1 to 50 form an integral part of these unconsolidated financial statements.



**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, 2022

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserve - unappropriated profit	Total
<b>As at July 1, 2020</b>	<b>923,591</b>	<b>309,643</b>	<b>18,998,573</b>	<b>20,231,807</b>
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)
	-	-	<b>(2,308,978)</b>	<b>(2,308,978)</b>
Profit after taxation	-	-	5,959,446	5,959,446
Other comprehensive loss for the year - net of tax	-	-	(3,067)	(3,067)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>5,956,379</b>	<b>5,956,379</b>
<b>As at June 30, 2021</b>	<b>923,591</b>	<b>309,643</b>	<b>22,645,974</b>	<b>23,879,208</b>
Final dividend for the year ended June 30, 2021 @ PKR 20.00 per share	-	-	(1,847,182)	(1,847,182)
Interim dividend for the year ended June 30, 2022 @ PKR 20.00 per share	-	-	(1,847,182)	(1,847,182)
	-	-	<b>(3,694,364)</b>	<b>(3,694,364)</b>
Profit after taxation	-	-	6,248,587	6,248,587
Other comprehensive loss for the year - net of tax	-	-	(42,309)	(42,309)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>6,206,278</b>	<b>6,206,278</b>
<b>As at June 30, 2022</b>	<b>923,591</b>	<b>309,643</b>	<b>25,157,888</b>	<b>26,391,122</b>

The annexed notes 1 to 50 form an integral part of these unconsolidated financial statements.

# Unconsolidated Statement of Cash Flows

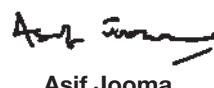
For the year ended June 30, 2022

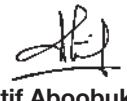
	Amounts in PKR '000	
	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>Cash flows from operating activities</b>		
Cash generated from operations - note 38	5,365,723	10,378,489
Payments for:		
Staff retirement benefit plans - note 21.3.2	(65,848)	(64,565)
Non-management staff gratuity and eligible retired employees' medical scheme	(24,255)	(39,622)
Taxation	(1,965,589)	(616,302)
Interest	(432,855)	(590,840)
<b>Net cash generated from operating activities</b>	<b>2,877,176</b>	<b>9,067,160</b>
<b>Cash flows from investing activities*</b>		
Capital expenditure	(9,349,184)	(2,828,353)
Proceeds from disposal of operating fixed assets	51,436	59,234
Interest received on bank deposits	6,172	12,284
Investment in subsidiary	(770,182)	(510,000)
Dividend from associate	-	300,000
Dividend from subsidiary	-	100,000
<b>Net cash used in investing activities</b>	<b>(10,061,758)</b>	<b>(2,866,835)</b>
<b>Cash flows from financing activities*</b>		
Payment of lease liabilities - note 8	(116,880)	(100,913)
Long-term loans obtained	3,054,045	1,552,267
Long-term loans repaid	(1,481,788)	(3,766,031)
Dividends paid	(3,678,148)	(2,298,014)
<b>Net cash used in financing activities</b>	<b>(2,222,771)</b>	<b>(4,612,691)</b>
Net (decrease) / increase in cash and cash equivalents	(9,407,353)	1,587,634
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(1,565,144)</b>	<b>(3,152,778)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>(10,972,497)</b>	<b>(1,565,144)</b>
<b>Cash and cash equivalents at the end of the year comprise of:</b>		
Cash and bank balances - note 18	352,922	233,978
Short-term financing - note 26	(11,325,419)	(1,799,122)
	<b>(10,972,497)</b>	<b>(1,565,144)</b>

\*No non-cash items are included in these activities.

The annexed notes 1 to 50 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, 2022

## 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; merchandising of general chemicals and manufacturing of master batch. It also acts as an indenting agent and toll manufacturer. The Company's registered office is situated at 5 West Wharf, Karachi.

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

ICI House, 5 West Wharf  
S-33, Hawksbay Road, S.I.T.E

### Purpose

Head office and production plant  
Production plant

### Lahore

ICI House, 63 Mozang Road  
30-km, Sheikhupura Road, Lahore  
45-km, off Multan Road, Lahore

Regional office  
Regional office and production plant  
Production plant

### Khewra

ICI Soda Ash, Tehsil Pind, Dadan Khan,  
District Jhelum

Regional office and production plant

### Haripur

Plot No.32/2A Phase III, Industrial Estate  
Hattar, District Haripur

Production plant

### Islamabad

Islamabad Corporate Center, 2nd floor, H-  
13, Islamabad

Regional office

## 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.

## **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. When significant parts of assets are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. 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. The effect of any adjustment to residual values, useful lives and methods is recognized prospectively as a change of accounting estimate.

Maintenance and normal repairs are charged to unconsolidated statement of profit or loss as and when incurred. Improvements are capitalized 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.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The Company accounts for impairment, if any by reducing its carrying value to the recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the unconsolidated statement of profit or loss in the year the asset is derecognized.

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

## 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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the unconsolidated statement of profit or loss.

## 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.

## **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating 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 initially at transaction price and subsequently measured at amortized cost using the effective interest rate method.

Exchange gains or losses, if any arising in respect of advances, deposits and other receivables in foreign currency are added to their respective carrying amounts and charged to unconsolidated statement of profit or loss.

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

## 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.

#### 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 unconsolidated 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.

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

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 accounting judgements, estimates and assumptions - note 4
- Trade debts note 14

The Company recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade debts, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For all other financial assets, the Company applies the general approach.

The Company considers a financial asset in default when contractual payments are 60 - 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **ii) Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the unconsolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

### **Financial liabilities at amortised cost (loans and borrowings)**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the unconsolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the unconsolidated statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 22.

### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. 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.

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

## 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

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in Pakistan.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred

Deferred tax liability is recognised using the liability method, on all major temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and / or carry-forward of unused tax losses can be utilized.

The carrying amount of all deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the unconsolidated statement of profit or loss except for deferred tax arising on recognition of actuarial loss or gain which is charged to the unconsolidated statement of other comprehensive income.

### 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.

### **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 unconsolidated 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 schemes define the amounts of benefit that an employee will receive on or after retirement subject to a minimum qualifying period of service under the schemes.

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

The schemes are managed in conformity with the provisions of the Trust Deeds. The Company is responsible to make contributions to the funds as prescribed under the Trust Deed and its rules, whereas, the trustees are responsible for the day to day management of the 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.

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.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the effect of the asset ceiling are recognised directly in equity through the unconsolidated statement of other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. All past service costs are recognised in the unconsolidated statement of profit or loss at the earlier of when the amendments or curtailment occurs and when the Company has recognised related retirement or termination benefits. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income in the unconsolidated statement of profit or loss.

## **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**

The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency. Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are recorded at the rates of exchange which approximate those prevailing on the reporting date. Gains and losses on translation are taken to the unconsolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### **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.

### **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.

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

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 based on agreed prices approved by the Board of Directors.

## 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 4.

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**

### **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:

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

## **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, Chemicals and 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.

## **4 Significant accounting judgments, estimates and assumptions**

The preparation of the Company's unconsolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### **4.1 Judgements**

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the unconsolidated financial statements:

#### **4.1.1 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).

#### **4.1.2 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).

### **4.2 Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **4.2.1 Income and sales tax**

The Company takes into account current income and sales tax laws and decisions taken by the appellate authorities. Instances where the Company's view differs from the view taken by the authorities at the assessment stage and where the Company, in consultation with its external counsel, considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities (unless there is a remote possibility of transfer of benefits).

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.

#### **4.2.2 Staff retirement benefits**

The cost of the retirement benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### **4.2.3 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.

#### **4.2.4 Allowance for Expected Credit Losses (ECL) on 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.

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

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 45.

## 4.2.5 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.

## 4.2.6 Leases - Estimating the incremental borrowing rate

Where the Company cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities.

The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) and incorporates applicable spread.

#### **4.2.7 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.

#### **4.2.8 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.

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

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.

## 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
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
Aziz Tabba Foundation	Common directorship
Tabba Kidney Institute	Common directorship
Tabba Heart Institute	Common directorship
National Bank of Pakistan	Common directorship
International Industries	Common directorship
Liaquat National Hospital and Medical College	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
Muhammad Farrukh Rasheed	Key management personnel
Laila Bhattia Bawany	Key management personnel
Eqan Ali Khan	Key management personnel

Amounts in PKR '000

	As at June 30, 2022	As at June 30, 2021
<b>6      Property, plant and equipment</b>		
<b>6.1</b> Following is break-up of property plant and equipment:		
Operating fixed assets - note 6.2	<b>20,269,537</b>	16,347,168
Capital work-in-progress - note 6.6	<b>6,597,615</b>	3,032,645
	<b>26,867,152</b>	19,379,813

**6.2** 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							
<u>Note 6.3 and 6.4</u>				<u>Note 6.3 and 6.4</u>		<u>Note 6.3 and 6.4</u>						
As at June 30, 2022												
<b>Net carrying value basis</b>												
Opening net book value	437,309	-	352,341	642,592	2,785,647	11,750,461	29,229	349,589	16,347,168			
Additions / transfers - note 6.2.1	171,627	-	96,294	183,616	391,330	5,237,252	30,118	239,595	6,349,832			
Disposals at net book value	-	-	-	-	-	(6,431)	(9,501)	(365)	(16,297)			
Depreciation charge - note 6.5	-	-	(30,425)	(61,637)	(204,582)	(1,994,315)	(9,602)	(110,605)	(2,411,166)			
Closing net book value	608,936	-	418,210	764,571	2,972,395	14,986,967	40,244	478,214	20,269,537			
<b>Gross carrying value basis</b>												
Cost	608,936	562,166	697,971	3,375,994	5,215,459	42,729,467	162,310	1,292,295	54,644,598			
Accumulated depreciation	-	(562,166)	(279,761)	(2,611,423)	(2,243,064)	(27,742,500)	(122,066)	(814,081)	(34,375,061)			
Closing net book value	608,936	-	418,210	764,571	2,972,395	14,986,967	40,244	478,214	20,269,537			
<b>Depreciation rate % per annum</b>	-	2 to 4	5 to 25	5 to 33	3 to 33	3 to 50	10 to 33	10 to 50				
As at June 30, 2021												
<b>Net carrying value basis</b>												
Opening net book value	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			
<b>Gross carrying value basis</b>												
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			
<b>Depreciation rate % per annum</b>	-	2 to 4	5 to 25	5 to 25	3 to 33	3 to 50	10 to 33	10 to 50				

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

Amounts in PKR '000

	As at June 30, 2022	As at June 30, 2021
<b>6.2.1</b> 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 6.48% (June 30, 2021 : 7.43% ) amounting to:	<b>161,150</b>	13,288
<b>6.2.2</b> Operating fixed assets include the following major spare parts and stand by equipment having:		
Cost	<b>685,451</b>	591,775
Net book value	<b>118,325</b>	100,556

**6.3 Particulars of immovable asset of the Company are as follows:**

<u>Location</u>	<u>Addresses</u>	<u>Usage of immovable property</u>	<u>Covered Area (sq.ft)</u>
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, Sheikhpura 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

**6.4 Plant and machinery including equipment held with Searle Pakistan Limited for toll manufacturing is as follows:**

	As at June 30, 2022	As at June 30, 2021
Cost	<b>5,886</b>	5,886
Net book value	<b>659</b>	1,020

Amounts in PKR '000

		For the year ended June 30, 2022	For the year ended June 30, 2021
<b>6.5</b>	The depreciation charge for the year has been allocated as follows:		
Cost of sales - note 30		2,327,802	2,381,152
Selling and distribution expenses - note 31		36,147	47,862
Administration and general expenses - note 32		47,217	22,448
		<b>2,411,166</b>	<b>2,451,462</b>

**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, 2022						
Opening balance	225,852	1,408,603	128,215	981,177	288,798	3,032,645
Additions during the year	472,974	8,671,742	94,816	333,092	83	9,572,707
Transferred to operating fixed assets during the year	(574,946)	(5,153,409)	(144,436)	(134,946)	-	(6,007,737)
Closing balance	<b>123,880</b>	<b>4,926,936</b>	<b>78,595</b>	<b>1,179,323</b>	<b>288,881</b>	<b>6,597,615</b>
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	<b>225,852</b>	<b>1,408,603</b>	<b>128,215</b>	<b>981,177</b>	<b>288,798</b>	<b>3,032,645</b>
					As at June 30, 2022	As at June 30, 2021

**6.6.1** This includes interest charged in respect of long-term loans obtained for projects, determined using an average capitalisation rate of 6.48% (June 30, 2021: 7.43%) amounting to:

**322,620**      38,291

**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, 2022							
	Mode of disposal	Cost	Accumulated depreciation	Net book value	Sales proceed	Gain / (loss)	Relationship of buyer with the Company	Particulars of buyers
Bulker	Scrap	12,529	3,028	9,501	12,600	3,099	N/A	Tianjin Simba Truck And Trailer
LT System	Scrap	2,981	1,153	1,828	2,512	684	N/A	Aasa Traders
Boiler	Scrap	3,251	2,140	1,111	252	(859)	N/A	Asian Salvaging Company

For the year ended June 30, 2021

Certain Civil work at boiler area	Scrap	4,000	3,263	737	-	(737)	N/A	Shahid Hanif Ghorri 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

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

Amounts in PKR '000

7 Intangible assets					
As at June 30, 2022					
Net carrying value basis	Brands	Goodwill	Software	Licenses	Total
Opening net book value	1,437,679	206,374	7,552	26,796	1,678,401
Additions / transfers	-	-	919	-	919
Amortisation charge - note 7.1	-	-	(7,851)	(6,201)	(14,052)
Closing net book value	1,437,679	206,374	620	20,595	1,665,268
<b>Gross carrying amount</b>					
Cost	1,437,679	206,374	216,444	241,779	2,102,276
Accumulated amortisation	-	-	(215,824)	(221,184)	(437,008)
Closing net book value	1,437,679	206,374	620	20,595	1,665,268
<b>Amortisation rate % per annum</b>	-	-	20	20 to 50	
As at June 30, 2021					
Net carrying value basis					
Opening net book value	1,437,679	206,374	12,470	33,088	1,689,611
Additions / transfers	-	-	4,062	-	4,062
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
<b>Gross carrying amount</b>					
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
<b>Amortisation rate % per annum</b>	-	-	20	20 to 50	
				<b>For the year ended June 30, 2022</b>	<b>For the year ended June 30, 2021</b>

## 7.1 The amortisation charge for the year has been allocated as follows:

Cost of sales - note 30	2,474	2,689
Selling and distribution expenses - note 31	904	983
Administration and general expenses - note 32	10,674	11,600
	14,052	15,272

## 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, 2022.

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 21.7 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 4 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, 2022	As at June 30, 2021
<b>Net carrying value basis</b>				
Opening balance	4,079	230,123	234,202	318,279
Additions	-	9,527	9,527	-
Depreciation charge - note 8.1	(2,988)	(77,667)	(80,655)	(84,077)
Closing balance	1,091	161,983	163,074	234,202

**Set out below is the carrying amount of lease liabilities and the movement during the year:**

Opening balance	265,635	332,847
Additions	9,527	-
Accretion of interest - note 34	26,017	33,701
Payments	(116,880)	(100,913)
Closing balance	184,299	265,635
Current portion of lease liabilities	96,117	94,102
Non-current lease liabilities	88,182	171,533
	184,299	265,635

	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>The following are the amounts recognised in the unconsolidated statement of profit or loss:</b>		
Depreciation expense of right-of-use assets - note 8.1	80,655	84,077
Accretion of interest on lease liabilities	26,017	33,701
Expenses related to short-term leases - note 8.2	68,744	64,406
	175,416	182,184

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.

	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>8.1 Allocation of depreciation expense</b>		
Cost of sales - note 30	56,009	45,871
Selling and distribution expenses - note 31	10,974	6,052
Administration and general expenses - note 32	13,672	32,154
	80,655	84,077

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

Amounts in PKR '000

	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>8.2 Allocation of short-term leases expense</b>		
Selling and distribution expenses - note 31	<b>68,744</b>	64,406
	<b>68,744</b>	64,406
	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>
<b>9 Long-term investments</b>		
<b>Unquoted - at cost</b>		
Subsidiaries		
- ICI Pakistan PowerGen Limited (wholly owned)		
7,100,000 ordinary shares (June 30, 2021: 7,100,000) of PKR 100 each	<b>710,000</b>	710,000
Provision for impairment loss	<b>(209,524)</b>	(209,524)
	<b>500,476</b>	500,476
- NutriCo Morinaga (Private) Limited (51% holding)		
41,884,746 ordinary shares of PKR 95 each (June 30, 2021: 22,338,000 ordinary shares of PKR 100 each) - note 9.1	<b>3,963,982</b>	2,233,800
Associate		
- NutriCo Pakistan (Private) Limited (40% holding)		
200,000 ordinary shares (June 30, 2021: 200,000 ordinary shares) of PKR 1,000 each	-	960,000
<b>Others</b>		
Equity		
- Arabian Sea Country Club Limited		
250,000 ordinary shares (June 30, 2021: 250,000 ordinary shares) of PKR 10 each	<b>2,500</b>	2,500
	<b>4,466,958</b>	3,696,776

**9.1** The shareholders in the extraordinary general meeting held on June 30, 2021 had authorised the Company to purchase further 55,013 (representing 11%) ordinary shares of its associate, NutriCo Pakistan (Private) Limited (NPPL), having face value of PKR 1,000/- each from the sellers at an aggregate price of PKR 770.182 million. Resultantly, a Share Purchase Agreement (SPA) was signed between the Company and the sellers on July 01, 2021, thereby, increasing the shareholding of the Company to 51% making NPPL a subsidiary. Subsequently, a Scheme of Arrangement (the Scheme) for amalgamation of NPPL with and into another subsidiary of the Company, NutriCo Morinaga (Private) Limited (NMPL) with effect from July 01, 2021 was sanctioned by the Honorable High Court of Sindh on February 15, 2022. By virtue of the approval of the Scheme, the entire undertaking, comprising all the assets, liabilities and obligations, of NPPL stood merged with, transferred to, vested in, and assumed by NMPL as at July 01, 2021. NMPL allotted and issued an aggregate of 38.325 million ordinary shares, having face value of Rs. 100/- each to the shareholders of NPPL (including the Company), credited as fully paid up, at par, in the manner detailed in the Scheme, on the basis of a swap ratio of approximately 76.65 ordinary shares of the Company for every 1 ordinary share of NPPL held by each shareholder of NPPL (including the Company).

**9.2** Investment in subsidiaries and associates have been made in accordance with the requirements of the Act.

**9.3** During the year, the Company executed a Joint Venture and Shareholders Agreement with Tariq Glass Industries Limited ('TGIL') on February 18, 2022 for a joint venture between the two parties, to set up a green field state-of-the-art float glass manufacturing facility, via incorporation of a joint venture company ('JVCO'). The Company will invest in JVCO by subscribing to 51% of its issued and paid up share capital. In this regard, the members/shareholders of the Company in the Extraordinary General Meeting held on March 21, 2022 approved an equity investment of upto PKR 4.6 billion by way of subscription to ordinary shares in JVCO at the time of incorporation and through subsequent subscription to right shares as may be offered by JVCO.

Amounts in PKR '000

	As at June 30, 2022	As at June 30, 2021		
<b>10 Long-term loans</b>				
<b>Considered good - secured</b>				
Due from executives and employees - note 10.1	<b>335,032</b>	611,439		
<b>10.1 Due from executives and employees</b>				
	Motor Vehicle	House building	Total	Total
Due from executives - note 10.2	126,857	19,680	146,537	160,718
Receivable within one year	(27,968)	(16,645)	(44,613)	(65,630)
	98,889	3,035	101,924	95,088
Due from employees - note 10.2			711,325	641,583
Receivable within one year			(478,217)	(125,232)
			233,108	516,351
			<b>335,032</b>	611,439
Outstanding for period:				
- less than three years but over one year			110,592	201,832
- more than three years			224,440	409,607
			<b>335,032</b>	611,439
<b>10.2 Loans for purchase of motor cars and house building</b>	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.			
<b>11 Long-term deposits and prepayments</b>				
Deposits			<b>55,250</b>	39,653
Prepayments			-	50
			<b>55,250</b>	39,703
<b>12 Stores, spares and consumables</b>				
Stores - note 12.1			<b>97,707</b>	116,681
Spares - note 12.1			<b>1,010,455</b>	959,804
Consumables			<b>168,802</b>	142,101
			<b>1,276,964</b>	1,218,586
Provision for slow moving and obsolete stores and spares - note 12.2			(135,991)	(124,402)
			<b>1,140,973</b>	1,094,184
<b>12.1 Include stores and spares in transit amounting to:</b>	<b>73,967</b>	76,623		
<b>12.2 Movement of provision for slow moving and obsolete stores and spares is as follows:</b>				
Opening balance			<b>124,402</b>	133,643
Charge for the year - note 32			<b>11,589</b>	9,213
Write-off during the year			-	(18,454)
Closing balance			<b>135,991</b>	124,402

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

Amounts in PKR '000

	As at June 30, 2022	As at June 30, 2021
<b>13 Stock-in-trade</b>		
Raw and packing material includes in-transit PKR 1,168.159 million (June 30, 2021: PKR 1,815.853 million) - note 13.3	<b>12,135,712</b>	6,643,413
Work-in-process	<b>329,612</b>	201,744
Finished goods include in-transit PKR 278.038 million (June 30, 2021: PKR 182.213 million)	<b>4,329,784</b>	4,605,847
	<b>16,795,108</b>	11,451,004
Provision for slow moving and obsolete stock-in-trade - note 13.1		
- Raw material	(72,859)	(75,360)
- Finished goods	(53,317)	(89,271)
	<b>(126,176)</b>	(164,631)
	<b>16,668,932</b>	11,286,373
<b>13.1 Movement of provision for slow moving and obsolete stock-in-trade is as follows:</b>		
Opening balance	<b>164,631</b>	251,218
Charge for the year - note 32	<b>17,018</b>	94,007
Write-off during the year	<b>(55,473)</b>	(180,594)
Closing balance	<b>126,176</b>	164,631
<b>13.2 Stock amounting to PKR 12.653 million (June 30, 2021: PKR 23.695 million) is measured at net realisable value and expense amounting to PKR 4.685 million (June 30, 2021: expense of PKR 4.564 million) has been recognised in cost of sales.</b>		
<b>13.3 Includes raw and packing materials held with various toll manufacturers:</b>		
Searle Pakistan Limited	<b>110,152</b>	387,062
Nova Med Pharmaceuticals	<b>81,110</b>	39,470
CSH Pharma	<b>39,621</b>	-
Bio Labs - Islamabad	<b>19,926</b>	-
Breeze Pharma Islamabad	-	8,505
Others	<b>15,402</b>	18,401
	<b>266,211</b>	453,438
<b>14 Trade debts</b>		
<b><i>Considered good</i></b>		
- Secured	<b>1,142,162</b>	727,324
- Unsecured		
Due from associated companies - note 14.1 and 14.2	<b>25,269</b>	16,091
Others	<b>2,759,686</b>	2,182,329
	<b>3,927,117</b>	2,925,744
<b><i>Considered doubtful - note 14.3</i></b>		
- Allowance for Expected Credit Loss (ECL) - note 14.3	<b>(160,857)</b>	(184,106)
- Provision for price adjustments and discounts	(313,569)	(271,940)
	<b>(474,426)</b>	(456,046)
	<b>3,613,548</b>	2,653,804

Amounts in PKR '000

	As at June 30, 2022	As at June 30, 2021
<b>14.1</b> The above balances include amounts due from the following related parties which are neither past due nor impaired as of the reporting date:		
<b><i>Unsecured</i></b>		
Yunus Textile Mills Limited	<b>10,082</b>	7,373
Lucky Foods (Private) Limited	<b>5,625</b>	6,367
Lucky Cement Limited	<b>3,626</b>	60
Lucky Textiles Limited	<b>3,428</b>	1,285
Tabba Kidney Institute	<b>1,608</b>	613
Tabba Heart Institute	<b>557</b>	393
Child life foundation	<b>343</b>	-
	<b>25,269</b>	16,091

**14.2** The maximum amount outstanding at any time during the year with reference to month end balances are as follows:

<b><i>Unsecured</i></b>		
Yunus Textile Mills Limited	<b>36,946</b>	10,307
Lucky Textiles Limited	<b>16,654</b>	6,275
Lucky Cement Limited	<b>13,005</b>	5,712
Lucky Foods (Private) Limited	<b>8,027</b>	6,367
Tabba Kidney Institute	<b>1,608</b>	613
Child life foundation	<b>1,354</b>	-
Tabba Heart Institute	<b>954</b>	1,694
	<b>78,548</b>	30,968

**14.3** Movement of Allowance for ECL is as follows

Opening balance	<b>184,106</b>	235,522
Reversal during the year - net - note 45.7	<b>(6,719)</b>	(30,678)
Write - off - note 45.7	<b>(16,530)</b>	(20,738)
Closing balance	<b>160,857</b>	184,106

## 15 Loans and advances

### *Considered good*

Loans due from:		
Executives - note 15.1	<b>44,613</b>	65,630
Other employees	<b>478,217</b>	125,232
	<b>522,830</b>	190,862
Advances to:		
Executives	<b>21,703</b>	17,523
Employees	<b>3,828</b>	3,430
Contractors and suppliers	<b>1,102,832</b>	497,659
Other employees	<b>18,745</b>	14,822
	<b>1,147,108</b>	533,434
	<b>1,669,938</b>	724,296

### *Considered doubtful*

Allowance for ECL - note 45.7	<b>26,265</b>	17,472
	<b>1,696,203</b>	741,768
	<b>(26,265)</b>	(17,472)
	<b>1,669,938</b>	724,296

**15.1** The maximum amount outstanding loans to executives at any time during the year calculated with reference to month end balances are as follows:

**54,177** 79,700

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

	Amounts in PKR '000	
	As at June 30, 2022	As at June 30, 2021
<b>16 Trade deposits and short-term prepayments</b>		
Trade deposits	597,363	257,429
Short-term prepayments	131,671	236,063
	<b>729,034</b>	<b>493,492</b>
<b>17 Other receivables</b>		
<i>Considered good</i>		
Duties, sales tax and octroi refunds due	1,661,704	743,334
Commission and discounts receivable	134,760	142,549
Due from subsidiaries - note 17.1	61,875	1,875
Due from associated companies - note 17.1	-	380,000
Receivable from principal	101,700	151,365
Others	252,702	83,574
	<b>2,212,741</b>	<b>1,502,697</b>
<i>Considered doubtful</i>		
	<b>10,028</b>	<b>9,007</b>
	<b>2,222,769</b>	<b>1,511,704</b>
Allowance for ECL - note 17.3	(10,028)	(9,007)
	<b>2,212,741</b>	<b>1,502,697</b>
<b>17.1</b> Due from related parties which are neither past due nor impaired includes the following:		
<i>Un-secured</i>		
ICI Pakistan PowerGen Limited - Subsidiary	1,875	1,875
NutriCo Morinaga (Private) Limited - Subsidiary	60,000	-
NutriCo Pakistan (Private) Limited - Associate	-	380,000
	<b>61,875</b>	<b>381,875</b>
<b>17.2</b> The maximum amount outstanding at any time during the year with reference to month end balances are as follows:		
<i>Un-secured</i>		
ICI Pakistan PowerGen Limited - Subsidiary	1,875	1,875
NutriCo Morinaga (Private) Limited - Subsidiary	60,000	-
NutriCo Pakistan (Private) Limited - Associate	-	380,000
	<b>61,875</b>	<b>381,875</b>
<b>17.3</b> Movement of allowance for ECL is as follows		
Opening balance	9,007	9,007
Charge for the year	1,021	-
Closing balance	<b>10,028</b>	<b>9,007</b>
<b>18 Cash and bank balances</b>		
Cash at banks:		
- Short-term deposits - note 18.1	127,000	124,000
- Current accounts	208,501	101,241
Cash in hand	17,421	8,737
	<b>352,922</b>	<b>233,978</b>
<b>18.1</b> Represent security deposits from certain distributors that are placed in 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 ranged from 10% to 11.1% (June 30, 2021: 6% to 10%) 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, 2022	As at June 30, 2021	As at June 30, 2022	As at June 30, 2021
<b>(Number of shares)</b>						
<b>83,734,062</b>	83,734,062	Ordinary shares of PKR 10 each fully paid in cash			<b>837,341</b>	837,341
<b>211,925</b>	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)			<b>2,119</b>	2,119
<b>16,786</b>	16,786	Ordinary shares of PKR 10 each issued as fully paid bonus shares			<b>168</b>	168
<b>8,396,277</b>	8,396,277	Ordinary shares issued pursuant to the previous scheme as fully paid for consideration of investment in associate (note 19.2)			<b>83,963</b>	83,963
<b>92,359,050</b>	92,359,050				<b>923,591</b>	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, 2022, the Holding company together with Yunus Textile Mills Limited, Gadoon Textile Mills Limited, Lucky Textile Mills Limited and YB Pakistan Limited held 81.54% (June 30, 2021: 81.54%) while institutions held 8.02% (June 30, 2021: 9.27%) and individuals, Modarabas and Mutual Funds and Others held the balance of 10.44% (June 30, 2021: 9.19%) ordinary shares. Voting rights & other shareholder's rights are in proportion to their shareholding.

**20 Capital reserves**

		As at June 30, 2022	As at June 30, 2021
Share premium - note 20.1		<b>309,057</b>	309,057
Capital receipts - note 20.2		<b>586</b>	586
		<b>309,643</b>	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, 2022

		Amounts in PKR '000	
		As at June 30, 2022	As at June 30, 2021
21	<b>Provision for non-management staff gratuity</b>	117,304	118,587

- 21.1** As stated in note 3.12 to these unconsolidated financial statements, the Company is operating 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, 2022.
- 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**

	2022			2021		
	Funded		Unfunded	Funded		Unfunded
	Pension	Gratuity	Total	Non management gratuity	Pension	Gratuity

The amounts recognised in the unconsolidated statement of profit or loss and unconsolidated statement of other comprehensive income against defined benefit schemes are as follows:

Unconsolidated statement of profit or loss								
Current service cost	5,917	35,831	41,748	4,339	9,585	34,621	44,206	4,679
Interest cost	64,042	57,290	121,332	10,807	61,900	46,775	108,675	8,668
Expected return on plan assets	(71,128)	(59,518)	(130,646)	-	(68,042)	(46,010)	(114,052)	-
Net (reversal) / charge for the year	(1,169)	33,603	32,434	15,146	3,443	35,386	38,829	13,347
Unconsolidated statement of other comprehensive income:								
Loss / (gain) on obligation	15,396	32,464	47,860	(2,975)	57,361	32,865	90,226	12,050
Gain on plan assets	15,894	22,198	38,092	-	(60,943)	(35,763)	(96,706)	-
Net loss / (gain) for the year	31,290	54,662	85,952	(2,975)	(3,582)	(2,898)	(6,480)	12,050

**21.3.2 Movement in the net assets / (liability) recognised in the unconsolidated statement of financial position are as follows:**

Opening balance	74,589	(9,549)	65,040	(118,587)	74,450	(41,626)	32,824	(112,493)
Net charge / (reversal) for the year - note 21.3.1	1,169	(33,603)	(32,434)	(15,146)	(3,443)	(35,386)	(38,829)	(13,347)
Net loss / (gain) for the year - note 21.3.1	(31,290)	(54,662)	(85,952)	2,975	3,582	2,898	6,480	(12,050)
Contributions / payments during the year	-	65,848	65,848	13,454	-	64,565	64,565	19,303
Closing balance	44,468	(31,966)	12,502	(117,304)	74,589	(9,549)	65,040	(118,587)

**21.3.3 The amounts recognised in the statement of financial position are as follows:**

Fair value of plan assets - note 21.3.5	691,405	648,300	1,339,705	-	861,259	639,394	1,500,653	-
Present value of defined benefit obligation - note 21.3.4	(646,937)	(680,266)	(1,327,203)	(117,304)	(786,670)	(648,943)	(1,435,613)	(118,587)
Net asset / (liability)	44,468	(31,966)	12,502	(117,304)	74,589	(9,549)	65,040	(118,587)

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 is as follows:**

Opening balance	786,670	648,943	1,435,613	118,587	842,783	596,754	1,439,537	112,493
Current service cost	5,917	35,831	41,748	4,339	9,585	34,621	44,206	4,679
Interest cost	64,042	57,290	121,332	10,807	61,900	46,775	108,675	8,668
Benefits paid	(225,088)	(94,262)	(319,350)	(13,454)	(184,959)	(62,072)	(247,031)	(19,303)
Actuarial loss / (gain)	15,396	32,464	47,860	(2,975)	57,361	32,865	90,226	12,050
Closing balance	646,937	680,266	1,327,203	117,304	786,670	648,943	1,435,613	118,587

**21.3.5 Movement in the fair value of plan assets is as follows:**

Opening balance	861,259	639,394	1,500,653	-	917,233	555,128	1,472,361	-
Expected return	71,128	59,518	130,646	-	68,042	46,010	114,052	-
Contributions	-	65,848	65,848	-	-	64,565	64,565	-
Benefits paid	(225,088)	(94,262)	(319,350)	-	(184,959)	(62,072)	(247,031)	-
Actuarial (loss) / gain	(15,894)	(22,198)	(38,092)	-	60,943	35,763	96,706	-
Closing balance - note 21.3.3	691,405	648,300	1,339,705	-	861,259	639,394	1,500,653	-

Amounts in PKR '000

21.3.6 Historical information	June 30				
	2022	2021	2020	2019	2018
Present value of defined benefit obligation	1,444,507	1,554,200	1,552,030	1,450,920	1,890,918
Fair value of plan assets	(1,339,705)	(1,500,653)	(1,472,361)	(1,402,917)	(1,806,761)
Net liability	104,802	53,547	79,669	48,003	84,157

	2022	2021
--	------	------

**21.3.7 Major categories / composition of plan assets are as follows:**

Debt instruments	69.49%	71.79%
Equity at market value	28.53%	29.53%
Cash / Others	1.98%	-1.32%

Fair value of plan asset	Pension	Gratuity	Pension	Gratuity
	As at June 30, 2022		As at June 30, 2021	
<b>Investment</b>				
National Savings deposits	394,800	-	348,447	-
Government bonds	60,080	421,246	266,157	415,399
Corporate bonds	-	54,771	-	47,380
Shares	221,105	161,064	264,839	178,340
Cash and term deposits	14,450	11,355	3,482	5,996
Income receivable / (Benefit due)	970	(136)	(21,666)	(7,721)
Total	691,405	648,300	861,259	639,394

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.

	2022	2021
Actual return on plan assets during the year	92,554	210,758

**21.3.8 The principal actuarial assumptions at the reporting date were as follows:**

<b>Discount rate</b>	13.00%	9.50%
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.		
<b>Future salary increases - Management</b>	7.50%	4.25%
<b>Future salary increases - Non-management</b>		
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.	8.50%	5.25%
<b>Future pension increases</b>	7.50%	4.25%
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, 2022 is 7.50%.		

**21.3.9 Impact of changes in assumptions on defined benefit scheme is as follows:**

Assumption	1% Increase	1% Decrease
Discount rate	71,862	(79,713)
Salary increase	(52,063)	47,625
Pension increase	(31,089)	28,352

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's contribution in the fund is as follows:**

	2022	2021
Provident fund - note 21.4	167,149	157,040
Defined contribution superannuation fund - note 21.4	144,511	134,125

**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, 2023 for management staff gratuity PKR 43.484 million.

# Notes to the Unconsolidated Financial Statements

## For the year ended June 30, 2022

Amounts in PKR '000

**21.3.12** The weighted average duration of the defined benefit obligation is 6 years (2021: 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, 2022	As at June 30, 2021
<b>22</b>	<b>Long-term loans</b>	<b>4,376,278</b>	<b>3,495,927</b>
Loans from banking companies / financial institutions:			
	<b><i>Interest based arrangement</i></b>		
	Long-Term Finance Facility (LTFF) - note 22.1	1,592,207	1,621,081
	Renewable energy - note 22.5	91,656	-
	Payroll Finance Scheme - note 22.2	493,412	1,112,012
	Temporary Economic Refinance Facility (TERF) - note 22.3	2,312,024	546,674
	<b><i>Shariah compliant</i></b>		
	Islamic term finance - note 22.4	1,208,921	1,692,850
	<b>Current portion shown under current liabilities</b>	<b>5,698,220</b>	<b>4,972,617</b>
		<b>(1,321,942)</b>	<b>(1,476,690)</b>
		<b>4,376,278</b>	<b>3,495,927</b>

**22.1** The Company has obtained Long Term Finance Facility – LTFF, extended by SBP, for CAPEX requirements of its Soda Ash Division on different dates from various banks. Repayment of loans is to be made in quarterly/semi annual installments in 10 years including 02 years grace period and is secured against charge of PKR 5,542 million (2021: Rs. 5,542 million) over Fixed Assets of the Company. Markup is charged at concessionary SBP LTFF rate plus 0.3% to 1.5% per annum (2021: SBP LTFF rate plus 0.3% to 1.5% per annum). Facility Limit at year end stands at PKR 2,087.85 million (2021: PKR 2,665.82 million).

Amount outstanding against LTFF facility includes PKR 236.5M due to National Bank of Pakistan (Related Party).

**22.2** The Company entered into a loan arrangement with MCB Bank Limited under the State Bank of Pakistan's (SBP) "Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concern". The Company obtained the said loan at subsidized rate in six tranches from May 2020 to September 2020. The term of the loan is 2.5 years from the date of disbursement with a grace period of 6 months, repayable in 8 equal quarterly installments starting from April 2021. Mark-up is payable at the concessional rate ranging from 0.5% to 1% per annum. This loan is secured against the current assets of the Company. This facility is interchangeable with Short Term Running Finance provided by the Bank.

Government grant has been recorded in respect of this facility and there are no unfulfilled conditions or contingencies attached to this grant.

**22.3** The Company has obtained SBP Temporary Economic Refinance Facility - TERF amounting to PKR 500M and PKR 3,500M respectively, from two banks NBP and MCB in various tranches, for the purpose of Plant expansion in Soda Ash and Polyester Division. The repayment is to be made in 16 equal consecutive semi-annual installments in 10 years with grace period of 2 years. The loan is secured against charge of PKR 5,042 million on Fixed Assets of the Company. The markup rate on TERF as per SBP Regulations.

Government grant has been recorded in respect of this facility. There are no unfulfilled conditions or contingencies attached to this grant.

The Company has fully utilized the facility from National Bank of Pakistan (related party).

**22.4** This represents Shariah compliant Long Term loans obtained from UBL. The limits for these Islamic loans stand at PKR 1,209.34 million (2021: PKR 1,881.2 million) while the profit rate on Islamic term finance is 6 months KIBOR + 0.05%. These loans are secured against charge on fixed assets of the Company amounting to PKR 2,400 million. 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 to be made on a semi annual basis.

**22.5** The Company has availed during the year SBP Islamic Financing Facility for Renewable Energy (IFRE) of PKR 91.66 million against the total limit of PKR 96.75 million from Allied Bank Limited (Islamic Banking). Repayment of loan is to be made in semi annual installments in 10 years and is secured against charge over Fixed Assets of the Company. Markup is charged at concessionary SBP rate plus 0.5% per annum.

Amounts in PKR '000

		As at June 30, 2022	As at June 30, 2021
<b>23</b>	<b>Deferred income - Government grant</b>		
Government grant		1,033,245	191,980
Current portion of government grant		(163,440)	(52,746)
		<b>869,805</b>	<b>139,234</b>

Following is the movement in government grant during the year:

Opening balance	191,980	-
Obtained during the year	980,795	242,604
Amortisation of deferred income - government grant	(139,530)	(50,624)
<b>Closing balance</b>	<b>1,033,245</b>	<b>191,980</b>

		As at June 30, 2022		As at June 30, 2021	
		Opening	(Reversal) / Charge	Closing	Opening

<b>24</b>	<b>Deferred tax liability - net</b>				
<b>Deductible temporary differences</b>					
Provisions for retirement benefits, doubtful debts and others					
	(267,330)	(42,271)	(309,601)	(309,061)	41,731
Retirement fund provisions - note 24.1	(118,173)	(40,668)	(158,841)	(115,669)	(2,504)
<b>Taxable temporary differences</b>					
Property, plant and equipment	1,748,982	449,824	2,198,806	1,953,365	(204,383)
	<b>1,363,479</b>	<b>366,885</b>	<b>1,730,364</b>	<b>1,528,635</b>	<b>(165,156)</b>
					<b>1,363,479</b>

24.1 Includes amount PKR 40,668 million (2021 : PKR 2,504 million) routed through unconsolidated statement of other comprehensive income.

		As at June 30, 2022	As at June 30, 2021
<b>25</b>	<b>Trade and other payables</b>		

Trade creditors - note 25.1	3,390,938	2,754,343
Bills payable	1,078,949	2,396,160
Accrued expenses - note 25.4	4,733,011	4,284,463
Technical service fee / royalty - note 25.2	1,036	38,208
Workers' Profit Participation Fund - note 25.3	51,131	66,541
Workers' Welfare Fund	201,813	162,909
Distributors' security deposits - payable on termination of distributorship - note 25.5	125,311	127,320
Contractors' earnest / retention money	19,971	22,567
Contract liabilities (Running account with customers) - note 25.6	1,060,603	692,059
Payable for capital expenditure	574,112	196,307
Others	150,256	250,583
	<b>11,387,131</b>	<b>10,991,460</b>

25.1 This amount includes payable to ICI Pakistan PowerGen Limited, a related party on account of purchase of electricity: 638,931 632,77925.2 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

<b>25.3</b>	<b>Workers' Profit Participation Fund</b>		
Opening balance	66,541	51,659	
Allocation for the year - note 33	312,429	433,208	
	<b>378,970</b>	<b>484,867</b>	
Interest on funds utilised in the Company's businesses at 13.67% (June 30, 2021: 116.25%) per annum	340	2,157	
Payment to the fund	(328,179)	(420,483)	
Closing balance	<b>51,131</b>	<b>66,541</b>	

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 (HCS) 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 HCS 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 10% to 11.1% (June 30, 2021: 6% to 10%) per annum as specified in the respective agreements. These security deposits are non utilizable. Further, the Company has not utilized any such deposit for the purpose of its business during the year.

25.6 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.

# Notes to the Unconsolidated Financial Statements

## For the year ended June 30, 2022

Amounts in PKR '000

	As at June 30, 2022	As at June 30, 2021
<b>26 Short-term financing</b>		
Export refinance facility - note 26.1	741,000	450,000
Short-term running finance - secured - note 26.2 and 26.3	10,584,419	1,349,122
	<b>11,325,419</b>	<b>1,799,122</b>

**26.1** The Company has availed Export Refinance Facility (ERF) of SBP both Part 1 and Part 2, amounting to PKR 741 million (2021: PKR 450 million) as at June 30, 2022 from various banks out of which PKR 300 million was availed from National Bank of Pakistan (related party). It is secured against charge on current assets of the company and carries mark-up at State Bank of Pakistan (SBP) rate + 0.15% to 1.00% per annum (2021: SBP rate + 0.15% to 0.50% per annum). This facility is interchangeable with Short Term Running Finance provided by the Banks.

**26.2** It represents short-term financing facilities wherein, Islamic Facilities have a limit of PKR 9,361 Million (2021: PKR 7,946 Million). These facilities carry mark-up ranging from Plain KIBOR to KIBOR + 0.50 % per annum (2021: KIBOR + 0.02 % to KIBOR + 0.5% per annum). The conventional short-term facilities, have a limit amounting to PKR 7,250 million (2021: PKR 5,950 million). These facilities carry mark-up ranging from KIBOR + 0.05 % to KIBOR + 0.30 % per annum (2021: KIBOR + 0.05 % to KIBOR + 0.30 % per annum). The aforesaid limits are interchangeable with ERF, Payroll Financing and Bank Guarantees as per arrangements with various banks. The facility is secured against charge on current assets of the Company.

**26.3** It includes amount of PKR 97.32 million outstanding from National Bank of Pakistan (related party), against a total limit of PKR 1,000 million, carrying mark-up at the rate of 3 month KIBOR + 0.15 %.

### 27 Contingencies and commitments

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

Local bodies	84,500	76,500
Others	6,192	7,238
	<b>90,692</b>	<b>83,738</b>

### 27.1 Details of material cases

Collectorate of customs - classification issue in PCT heading

The Company imported a series of consignments of Wannate 8019 under PCT Heading 3909.5000. Collectorate of customs raised demand of PKR 3 million on May 12, 2015 and May 21, 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 November 25, 2015, through which it waived the penalty of PKR 0.6 million and fine of PKR 2.9 million originally imposed but two issues classification of goods and benefit of FTA PKR 0.7 million were not allowed / accepted. The Company appealed before the Customs Appellate Tribunal. Through order dated July 9, 2019, the Custom Appellate Tribunal (a) agreed to the classification determined under impugned order dated May 21, 2015, passed by Collector Customs (b) held that the goods being not part of SRO 1125(I)/2011 dated December 31, 2011 do not qualify for cover of zero rating of sales tax. (c) penalty imposed upon the Company is scaled down to PKR 0.2 million in every case involving penalty and penalty imposed upon custom house agent is reduced to PKR 0.025 million (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 the Company. This decision has been challenged before the Sindh High Court (SHC) vide 10 custom references.

Special Customs Reference Applications were filed before the SHC against Order dated July 9, 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 the Company by the SHC through order dated December 22, 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 June 12, 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 strong grounds to defend the case and is hopeful of positive outcome.

The consignment of 8MW Power Generation Project was subject to dispute of HS Code Classification as the Company claimed that the appropriate PCT of entire 8 MW Power Generation Project, including all of its components and necessary machineries. However, the Collectorate of Customs held that each and every component of the Power Generation Project were to be classified independently and withheld the shipments.

A petition was filed by the Company before the SHC against the wrong assessment of the consignment along with the submission of bank guarantees for the differential amount of PKR 601.950 million with the Nazir of High Court in order to release import shipments. Company is confident that it has strong grounds to defend the case.

Land conversion fee issue

The Company 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 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 based on the opinion of advisors 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	<p>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.</p> <p>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.</p>	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	<p>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.</p> <p>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 &amp; exchange of shares and restrict the claim of depreciation relating to PTA assets. Other matters included the disallowance of financial charges and other issues.</p> <p>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. Subsequently, the Tribunal vide order dated June 7, 2021 has decided all the issues involved in AY 2002-03 in the Company's favor.</p> <p>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.</p> <p>With respect to the demand involved, the Company has sought stay from the Honourable Sindh High Court which is valid till the decision of Tribunal.</p>	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]	<p>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.</p> <p>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.</p> <p>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.</p>	Income tax	TY 2010: PKR 79 million.	Hearings of appeals are pending.
TY 2016	<p>Following proceedings were finalized by FBR:</p> <p>(i) Income tax audit was finalized vide order dated December 30, 2019 raising demand on various issues such as disallowance of provisions, exchange loss, BMR credit etc. During the year, the CIR(A) has decided certain issues including BMR credit, exchange loss etc against the Company which has been challenged before the Tribunal.</p> <p>(ii) Monitoring proceedings were 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.</p>	Income tax	(i) PKR 36 million, paid under protest. (ii) PKR 138 million.	(i) Hearing of appeal is pending before Tribunal. (ii) Hearing of the appeal is pending before Tribunal.

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

Amounts in PKR '000

Assessment Year / Tax Year Tax Period	Brief description	Nature of demand	Estimated Financial impact	Authority / Court and status
TY 2017	FBR has finalized assessment proceedings vide order dated February 7, 2022, raising tax demand on certain issues including disallowance of finance cost, write-offs, and BMR credit etc. The Company has filed an appeal before CIR(A) against the order.	Income tax	(i) TY 2017: PKR 240 million	Hearing of both appeals before CIR(A) is pending.
TY 2018	Similar issues have also been decided against the Company in income tax audit finalized vide order dated June 3, 2022 for tax year 2018. An appeal against the order has been filed before the CIR(A).		(ii) TY 2018: PKR 32 million paid under protest	
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	The case has been heard by Tribunal which is reserved for order.
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 being aggrieved, has already filed 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 FBR appeal is pending before Tribunal.  (ii) Hearing of appeal before CIR(A) is pending.
July 2017 to June 2018	Sales tax audit has been finalized by the FBR vide order June 30, 2022, raising demand on various issues including inadmissible sales tax claimed on blacklisted / inactive suppliers, non-levy of further tax on non-active customers and goods used for non-business activity.	Sales tax	PKR 29 million	The Company is in process of filing an appeal before CIR(A).

The management is confident based on the opinion of advisors that all these cases will be decided in favour of the Company.

	As at June 30, 2022	As at June 30, 2021
<b>27.3 Commitments</b>		
<b>27.3.1 Commitments in respect of capital expenditure including various projects :</b>	<b>1,873,196</b>	1,065,385
<b>27.3.2 Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:</b>		
<b>Year</b>		
2021-22	2,123	2,013
2022-23	8,491	6,436
2023-24	9,043	6,608
2024-25	9,630	7,038
2025-26	10,256	5,621
	<b>39,543</b>	27,716
Payable not later than one year	2,123	2,013
Payable later than one year but not later than five years	37,420	25,703
	<b>39,543</b>	27,716
<b>27.3.3 Outstanding letter of credit - unutilized PKR 11,010.930 million (June 30, 2021: 10,564.982 million)</b>	<b>4,860,121</b>	5,624,358
<b>27.3.4 Commitments in respect of post dated cheques</b>	<b>552,082</b>	420,760

Amounts in PKR '000

## 28 Operating segment results

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals & Agri Sciences		Company	
	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021
Sales												
Bangladesh	-	249	2,213,593	617,357	-	-	-	-	-	2,213,593	617,606	
Sri Lanka	-	-	460,886	283,633	-	-	-	-	-	460,886	283,633	
United States	734,575	203,113	-	-	-	-	-	-	-	734,575	203,113	
UAE	-	-	89,713	56,731	-	-	-	-	-	89,713	56,731	
Others	-	54,406	615,808	161,746	23,462	109,836	-	-	-	4,170	639,270	330,158
	734,575	257,768	3,380,000	1,119,467	23,462	109,836	-	-	-	4,170	4,138,037	1,491,241
Inter-segment	-	-	-	-	-	-	-	-	77,847	14,799	77,847	14,799
Local	42,331,779	28,580,555	26,588,761	19,327,709	13,032,544	10,838,050	7,151,967	6,625,863	12,873,788	10,491,161	101,978,839	75,863,338
	43,066,354	28,838,323	29,968,761	20,447,176	13,056,006	10,947,886	7,151,967	6,625,863	12,951,635	10,510,130	106,194,723	77,369,378
Commission / toll income	-	-	-	-	-	-	986	226	176,530	126,225	177,516	126,451
Turnover	43,066,354	28,838,323	29,968,761	20,447,176	13,056,006	10,947,886	7,152,953	6,626,089	13,128,165	10,636,355	106,372,239	77,495,829
Sales tax	(6,115,322)	(4,107,589)	(3,756,158)	(2,706,463)	(43,290)	(43,506)	(52,867)	(9,137)	(1,367,137)	(1,054,444)	(11,334,774)	(7,921,139)
Commission Discounts / price adjustment	-	-	(262,600)	(203,277)	-	-	-	-	-	-	(262,600)	(203,277)
	(275,091)	(433,665)	(885,533)	(828,906)	(4,127,136)	(3,090,145)	(1,483,107)	(1,503,227)	(953,973)	(882,705)	(7,724,840)	(6,738,648)
	(6,390,413)	(4,541,254)	(4,904,291)	(3,738,646)	(4,170,426)	(3,133,651)	(1,535,974)	(1,512,364)	(2,321,110)	(1,937,149)	(19,322,214)	(14,863,064)
Net turnover	36,675,941	24,297,069	25,064,470	16,708,530	8,885,580	7,814,235	5,616,979	5,113,725	10,807,055	8,699,206	87,050,025	62,632,765
Cost of sales - note - 30	(32,097,437)	(20,998,308)	(18,527,524)	(11,563,464)	(5,891,067)	(5,266,224)	(3,983,145)	(3,898,349)	(7,931,807)	(6,558,177)	(68,430,980)	(48,284,522)
Gross profit	4,578,504	3,298,761	6,536,946	5,145,066	2,994,513	2,548,011	1,633,834	1,215,376	2,875,248	2,141,029	18,619,045	14,348,243
Selling and distribution expenses - note 31	(629,196)	(458,435)	(1,024,433)	(678,853)	(1,445,404)	(1,309,793)	(812,588)	(743,939)	(1,078,616)	(963,984)	(4,990,237)	(4,155,004)
Administration and general expenses - note - 32	(142,385)	(124,340)	(1,036,029)	(940,692)	(301,673)	(402,430)	(60,615)	(91,737)	(334,692)	(235,202)	(1,875,394)	(1,794,401)
Operating result	3,806,923	2,715,986	4,476,484	3,525,521	1,247,436	835,788	760,631	379,700	1,461,940	941,843	11,753,414	8,398,838
28.1 Segment assets - note 28.5 and 29.3	15,971,757	9,823,522	36,580,893	25,406,934	7,480,296	5,810,736	5,032,145	4,279,340	11,418,054	9,344,984	55,974,340	40,432,858
28.2 Unallocated assets											3,966,482	3,370,707
											59,940,822	43,803,565
28.3 Segment liabilities - note 28.5 and 29.4	17,906,942	14,723,344	7,675,488	3,341,690	5,344,090	5,563,382	773,209	2,209,108	2,328,549	2,424,499	13,419,098	12,739,161
28.4 Unallocated liabilities											20,130,602	7,185,196
											33,549,700	19,924,357

28.5 Inter unit current account balances of respective businesses have been eliminated from the total.

## 28.6 Depreciation and amortisation - note 6.5, 7.1 and 8.1

605,577 618,213 1,568,677 1,614,857 151,880 143,799 70,411 64,716 109,328 109,226 2,505,873 2,550,811  
46,374 43,932

## 28.6.1 Depreciation and amortisation allocated for which corresponding asset is not allocated

1,319,521 308,653 7,735,983 2,372,994 338,277 115,929 67,273 26,702 86,389 4,075 9,547,443 2,828,353

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, 2022

	Amounts in PKR '000	
	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>29. Reconciliations of reportable segment net turnover, cost of sales, assets and liabilities</b>		
<b>29.1 Net turnover</b>		
Total net turnover for reportable segments - note 28	<b>87,050,025</b>	62,632,765
Elimination of inter-segment net turnover - note 28	(77,847)	(14,799)
<b>Total net turnover</b>	<b>86,972,178</b>	62,617,966
<b>29.2 Cost of sales</b>		
Total cost of sales for reportable segments - note 30	<b>68,430,980</b>	48,284,522
Elimination of inter-segment purchases - note 30	(77,847)	(14,799)
<b>Total cost of sales</b>	<b>68,353,133</b>	48,269,723
	<b>As at June 30, 2022</b>	As at June 30, 2021
<b>29.3 Assets</b>		
Total assets for reportable segments	<b>55,974,340</b>	40,432,858
Taxation recoverable	-	174,407
Long-term investments	<b>3,966,482</b>	3,196,300
<b>Total assets</b>	<b>59,940,822</b>	43,803,565
<b>29.4 Liabilities</b>		
Total liabilities for reportable segments	<b>13,419,098</b>	12,739,161
Short-term financing - note 26	<b>11,325,419</b>	1,799,122
Loans from banking companies / financial institutions - note 22	<b>5,698,220</b>	4,972,617
Contractors' retention money	<b>198,259</b>	-
Accrued mark-up	<b>356,841</b>	122,191
Unclaimed dividends	<b>115,500</b>	99,286
Deferred income - Government grant	<b>1,033,245</b>	191,980
Taxation - net	<b>1,403,118</b>	-
<b>Total liabilities</b>	<b>33,549,700</b>	19,924,357

Amounts in PKR '000

## 30. Cost of Sales

	Polyester	Soda Ash	Pharma	Animal Health	Chemicals & Agri Sciences	Company						
	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>Raw and packing materials consumed</b>												
Opening stock	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
Purchases												
Inter-segment	77,476	12,250	-	-	371	2,549	-	-	-	-	77,847	14,799
Others	29,212,967	18,250,227	9,245,571	3,685,495	3,973,452	3,955,892	1,619,236	1,356,957	5,628,243	4,499,023	49,679,469	31,747,594
	29,290,443	18,262,477	9,245,571	3,685,495	3,973,823	3,958,441	1,619,236	1,356,957	5,628,243	4,499,023	49,757,316	31,762,393
	31,627,772	19,697,497	10,694,901	5,392,808	5,250,567	5,217,781	2,056,127	1,575,931	6,696,002	5,248,530	56,325,369	37,132,547
Closing stock - note 13	(4,432,721)	(2,337,329)	(4,857,548)	(1,449,330)	(970,986)	(1,276,744)	(570,644)	(436,891)	(1,230,954)	(1,067,759)	(12,062,853)	(6,568,053)
Raw material consumed	27,195,051	17,360,168	5,837,353	3,943,478	4,279,581	3,941,037	1,485,483	1,139,040	5,465,048	4,180,771	44,262,516	30,564,494
Salaries, wages and benefits - note 30.1	696,715	675,215	1,276,141	1,217,333	425,111	497,613	75,014	59,953	167,961	183,279	2,640,942	2,633,393
Stores and spares consumed	230,511	245,130	343,422	275,268	129,726	149,949	17,807	19,787	32,563	38,230	754,029	728,364
Conversion fee paid to contract manufacturers	-	-	-	-	335,770	354,185	1,137	3,045	58,530	36,541	395,437	393,771
Oil, gas and electricity	3,008,440	2,233,904	8,560,050	4,247,998	177,815	151,024	8,604	7,341	48,404	38,950	11,803,313	6,679,217
Rent, rates and taxes	1,965	1,714	7,720	1,887	1,393	1,164	783	-	(70)	7	11,791	4,772
Insurance	19,678	22,300	31,578	31,961	4,644	5,046	1,858	1,544	499	418	58,257	61,269
Repairs and maintenance	25,288	22,936	16,809	12,311	4,854	3,947	3,394	4,560	20,540	12,156	70,885	55,910
Depreciation and amortisation charge - note 6.5, 7.1 & 8.1	600,560	613,066	1,525,224	1,574,305	123,259	114,760	51,480	42,688	85,762	84,893	2,386,285	2,429,712
Travelling	77,826	60,705	21,030	9,891	2,986	3,985	1,106	287	2,273	1,019	105,221	75,887
Contracted Services	249,416	226,414	276,456	240,175	7,953	6,900	1,710	956	9,459	11,017	544,994	485,462
General expenses	50,281	52,863	112,469	98,050	21,344	28,284	11,003	8,251	23,674	18,489	218,771	205,937
Opening stock of work-in-process	130,765	223,575	-	-	39,187	21,681	17,796	(7,468)	13,996	12,483	201,744	250,271
Closing stock of work-in-process - note 13	(179,217)	(130,765)	-	-	(61,197)	(39,187)	(58,803)	(17,796)	(30,395)	(13,996)	(329,612)	(201,744)
<b>Cost of goods manufactured</b>	<b>32,107,279</b>	<b>21,607,225</b>	<b>18,008,252</b>	<b>11,652,657</b>	<b>5,492,426</b>	<b>5,240,388</b>	<b>1,618,372</b>	<b>1,262,188</b>	<b>5,898,244</b>	<b>4,604,257</b>	<b>63,124,573</b>	<b>44,366,715</b>
Opening stock of finished goods	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
Transfer upon Amalgamation	-	-	-	-	-	-	-	-	-	-	-	-
Finished goods purchased	(151,940)	(2,461)	-	-	411,397	110,097	2,374,068	2,518,138	2,449,791	2,195,196	5,083,316	4,820,970
	33,268,384	22,311,353	18,568,642	12,123,854	6,381,926	5,797,929	4,406,348	4,339,756	10,099,165	8,322,213	72,724,465	52,895,105
Closing stock of finished goods - note 13	(1,170,947)	(1,313,045)	(41,118)	(560,390)	(476,282)	(478,103)	(438,540)	(413,908)	(2,149,580)	(1,751,130)	(4,276,467)	(4,516,576)
Provision for slow moving and obsolete stocks - note 13.1	-	-	-	-	(14,577)	(53,602)	15,337	(27,499)	(17,778)	(12,906)	(17,018)	(94,007)
	32,097,437	20,998,308	18,527,524	11,563,464	5,891,067	5,266,224	3,983,145	3,898,349	7,931,807	6,558,177	68,430,980	48,284,522

## 30.1 Staff retirement benefits

Salaries, wages and benefits includes amount in respect of staff retirement benefits:

160,862 176,035

# Notes to the Unconsolidated Financial Statements

## For the year ended June 30, 2022

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, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021
Salaries and benefits - note 31.1	79,596	67,484	58,985	59,178	693,719	637,834	367,212	417,652	460,676	429,623	1,660,188	1,611,771
Repairs and maintenance	-	213	702	868	5,553	4,402	2,170	1,664	14,313	9,491	22,738	16,638
Advertising and publicity expenses	19,555	58,937	12,078	10,592	255,429	188,116	85,700	38,204	66,329	67,824	439,091	363,673
Rent, rates and taxes	4	46	472	343	3,789	6,562	8,300	6,593	13,597	7,692	26,162	21,236
Insurance	-	-	407	481	12,036	11,341	8,941	7,532	11,619	10,915	33,003	30,269
Lighting, heating and cooling	-	61	2,574	1,855	6,795	4,176	2,311	1,432	15,230	13,946	26,910	21,470
Depreciation and amortisation charge - note 6.5, 7.1 & 8.1	-	-	-	-	14,573	15,688	16,052	20,940	17,400	18,269	48,025	54,897
Outward freight and handling	237,017	67,577	780,686	424,689	107,158	109,313	174,519	131,907	146,808	133,323	1,446,188	866,809
Travelling expenses	16,215	5,687	4,144	1,002	226,379	180,636	90,138	76,085	100,255	80,344	437,131	343,754
Postage, telegram, telephone and telex	2,212	1,422	2,523	2,365	17,274	18,287	8,841	7,564	20,596	11,644	51,446	41,282
Royalty Note -31.2	240,251	222,199	134,749	152,801	-	-	-	-	-	-	375,000	375,000
Godown expenses	-	-	26,047	27,619	44,886	76,301	26,520	20,568	126,761	106,489	224,214	230,977
General expenses	34,346	34,809	1,066	(2,940)	57,813	57,137	21,884	13,798	85,032	74,424	200,141	177,228
	629,196	458,435	1,024,433	678,853	1,445,404	1,309,793	812,588	743,939	1,078,616	963,984	4,990,237	4,155,004

**31.1 Staff retirement benefits**

Salaries and benefits includes amount in respect of staff retirement benefits: 122,327 110,670

31.2 Royalty amounting to PKR 375,000 million (June 30, 2021: PKR 375,000 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, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021
Salaries and benefits - note 32.1	93,103	80,776	770,085	674,929	152,445	226,703	49,584	44,844	239,469	213,084	1,304,686	1,240,336
Repairs and maintenance	69	430	12,889	10,935	4,847	4,692	931	704	2,020	985	20,756	17,746
Advertising and publicity expenses	76	610	14,008	30,090	758	1,620	258	659	1,464	2,736	16,564	35,715
Rent, rates and taxes	16	33	721	596	(148)	1,501	13	10	64	53	666	2,193
Insurance	52	31	9,750	5,855	2,246	1,254	1,339	618	1,006	643	14,393	8,401
Lighting, heating and cooling	3,303	2,429	9,671	7,820	13,117	10,373	2,992	2,369	6,327	5,776	35,410	28,767
Depreciation and amortisation charge - note 6.5, 7.1 & 8.1	5,017	5,147	43,453	40,552	14,048	13,351	2,879	1,088	6,166	6,064	71,563	66,202
Allowance / (reversal) of allowance for ECL	-	-	-	23,231	4,061	(5,327)	(643)	(6,542)	18,362	(42,310)	21,780	(30,948)
Provision / (reversal) of provision for slow moving and obsolete stock-in-trade note 13.1	-	-	-	-	14,577	53,602	(15,337)	27,499	17,778	12,906	17,018	94,007
Provision for slow moving and obsolete stores and spares - note 12.2	6,479	784	5,110	8,429	-	-	-	-	-	-	11,589	9,213
Travelling expenses	2,286	830	14,399	4,830	7,154	3,411	1,379	962	2,376	1,511	27,594	11,544
Postage, telegram, telephone and telex	834	1,165	7,097	5,447	5,745	3,286	697	591	3,078	2,353	17,451	12,842
General expenses	31,150	32,105	148,846	127,978	82,823	87,964	16,523	18,935	36,582	31,401	315,924	298,383
	142,385	124,340	1,036,029	940,692	301,673	402,430	60,615	91,737	334,692	235,202	1,875,394	1,794,401

**32.1 Staff retirement benefits**

Salaries and benefits includes amounts in respect of staff retirement benefits: 105,263 70,028

			Amounts in PKR '000	
			For the year ended June 30, 2022	For the year ended June 30, 2021
<b>33</b>	<b>Other charges</b>			
	Auditors' remuneration - note 33.1		8,890	7,407
	Donations - note 33.2		62,104	30,056
	Workers' Profit Participation Fund - note 25.3		312,429	433,208
	Workers' Welfare Fund		181,478	162,650
	Others		-	2,000
			<b>564,901</b>	635,321
<b>33.1</b>	<b>Auditors' remuneration</b>			
	Statutory audit fee		3,900	3,465
	Half yearly review		1,825	1,617
	Out of pocket expenses		573	508
	Other certifications		2,592	1,817
			<b>8,890</b>	7,407
<b>33.2</b>	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. Laila Bhatia Bawany and Mr. Atif Aboobukar, Executives of the Company are amongst the Trustees of the Foundation.			
<b>34</b>	<b>Finance costs</b>			
	Mark-up on financing		627,029	470,359
	Interest on Workers' Profit Participation Fund - note 25.3		340	2,157
	Discounting charges on receivables		154,929	77,218
	Accretion of interest on lease liabilities - note 8		26,017	33,701
	Guarantee fee and others		11,519	10,226
			<b>819,834</b>	593,661
<b>35</b>	<b>Other income</b>			
	<i>Income from financial assets</i>			
	Service fee from related party - note 35.1		1,650	1,980
	Deferred income - Government grant		145,701	62,908
			<b>147,351</b>	64,888
	<i>Income from non-financial assets</i>			
	Scrap sales		144,294	89,050
	Gain on disposal of property, plant & equipment		35,139	24,519
	Provisions and accruals no longer required written back		17,695	-
	Dividend from associate		-	680,000
	Dividend from subsidiary		-	100,000
	Sundries		31,005	44,509
			<b>375,484</b>	1,002,966

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

	Amounts in PKR '000	
	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>35.1</b>		
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.		
<b>36. Taxation</b>		
Current	<b>3,543,116</b>	2,432,008
Deferred	<b>407,432</b>	(162,652)
Net tax charged - note 36.1	<b>3,950,548</b>	2,269,356
<b>36.1 Tax reconciliation</b>		
Profit before taxation	<b>10,199,135</b>	8,228,802
Tax @ 29% (2021: 29%)	<b>2,957,749</b>	2,386,353
Effect of change in tax rate	<b>212,759</b>	-
Permanent difference	<b>(25,016)</b>	-
Tax benefit on income covered under Final Tax Regime	<b>(143,194)</b>	(8,006)
Effect of lower rate of dividend income	<b>-</b>	(124,200)
Super tax	<b>916,492</b>	-
Tax effect of items not deductible for tax purposes	<b>18,010</b>	8,497
Others	<b>13,748</b>	6,712
Net tax charged	<b>3,950,548</b>	2,269,356
<b>Average effective tax rate</b>	<b>38.73%</b>	27.58%
<b>37 Basic and diluted earnings per share</b>		
Profit after taxation	<b>6,248,587</b>	5,959,446
	<b>Number of shares</b>	
Weighted average number of ordinary shares outstanding during the year	<b>92,359,050</b>	92,359,050
	<b>PKR</b>	
Basic and diluted earnings per share	<b>67.66</b>	64.52

Amounts in PKR '000

		For the year ended June 30, 2022	For the year ended June 30, 2021
<b>38 Cash flows from operating activities</b>			
Profit before taxation	<b>10,199,135</b>	8,228,802	
Adjustments for:			
Depreciation and amortisation - note 6.5, 7.1 and 8.1	<b>2,505,873</b>	2,550,811	
Gain on disposal of operating fixed assets - note 35	(35,139)	(24,519)	
Provision for staff retirement benefit plan - note 21.3.1	<b>32,434</b>	38,829	
Provision for non-management staff gratuity and eligible retired employees' medical scheme	<b>38,383</b>	35,147	
Deferred income - Government grant	(145,701)	(62,908)	
Dividend from subsidiary - note 35	-	(100,000)	
Dividend from associate - note 35	-	(680,000)	
Interest expense	<b>819,834</b>	593,661	
Allowance for ECL - note 32	<b>21,780</b>	(30,948)	
Provision for slow moving and obsolete stock-in-trade - note 13.1	<b>17,018</b>	94,007	
Provision for slow moving and obsolete stores and spares - note 12.2	<b>11,589</b>	9,213	
Provisions and accruals no longer required written back - note 35	(17,695)	-	
	<b>13,447,511</b>	10,652,095	
Movement in:			
Working capital - note 38.1	(8,342,648)	(171,032)	
Long-term loans	<b>276,407</b>	(100,756)	
Long-term deposits and prepayments	(15,547)	(1,818)	
	<b>5,365,723</b>	10,378,489	

**38.1 Movement in working capital**

<b>(Increase) in current assets</b>			
Stores, spares and consumables		<b>(58,378)</b>	(114,817)
Stock-in-trade		<b>(5,399,577)</b>	(2,052,535)
Trade debts		<b>(981,524)</b>	(333,860)
Loans and advances		<b>(927,946)</b>	(129,116)
Trade deposits and short-term prepayments		<b>(288,038)</b>	(53,221)
Other receivables		<b>(710,044)</b>	(109,636)
		<b>(8,365,507)</b>	(2,793,185)
<b>Increase in current liabilities</b>			
Trade and other payables	<b>22,859</b>	2,622,153	
	<b>(8,342,648)</b>	(171,032)	

**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, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021
Managerial remuneration	<b>77,206</b>	67,158	<b>55,479</b>	45,562	<b>1,087,734</b>	958,045	<b>1,220,419</b>	1,070,765
Gratuity	<b>3,371</b>	3,165	<b>2,380</b>	2,252	<b>48,163</b>	44,678	<b>53,914</b>	50,095
Provident Fund	<b>4,062</b>	3,814	<b>2,868</b>	2,713	<b>85,591</b>	76,374	<b>92,521</b>	82,901
Pension	<b>4,306</b>	4,042	<b>3,040</b>	2,876	<b>87,221</b>	74,973	<b>94,567</b>	81,891
Rent and house maintenance	<b>3,808</b>	3,526	-	-	<b>356,531</b>	315,344	<b>360,339</b>	318,870
Utilities	<b>1,572</b>	1,333	-	-	<b>87,794</b>	77,908	<b>89,366</b>	79,241
Medical and others	<b>326</b>	264	<b>34</b>	-	<b>38,424</b>	43,023	<b>38,784</b>	43,287
Bonus paid	<b>49,266</b>	17,106	<b>26,775</b>	9,242	<b>495,757</b>	177,643	<b>571,798</b>	203,991
	<b>143,917</b>	100,408	<b>90,576</b>	62,645	<b>2,287,215</b>	1,767,988	<b>2,521,708</b>	1,931,041
Number of persons as at the reporting date	1	1	1	1	346	303	348	305

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

			Amounts in PKR '000	
			For the year ended June 30, 2022	For the year ended June 30, 2021
<b>39.1</b>	Remuneration paid to Chairman during the year:		-	-
<b>39.2</b>	During the year, fee paid to six non-executive directors for attending board and other meetings, which is not part of remuneration amounts to:		4,125	5,025
			As at and for the year ended June 30, 2022	As at and for the year ended June 30, 2021
<b>39.3</b>	Total number of employees as at the reporting date		2,182	2,030
	Average number of employees during the year		2,106	2,013
<b>39.4</b>	Total number of factory employees as at the reporting date		771	749
	Average number of factory employees during the year		760	798
<b>39.5</b>	The chief executive, director and certain other executives have been provided with Company maintained cars and housing facilities			
<b>39.6</b>	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.			
<b>40.</b>	<b>Transactions with related parties</b>			
	The related parties comprise the Holding Company and related group companies, associated companies, subsidiary companies, directors of the Company, companies where directors also hold directorship, key employees 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:			
			For the year ended June 30, 2022	For the year ended June 30, 2021
	<b>Relationship with the Company</b>	<b>Nature of transaction</b>		
<b>Holding company:</b>				
<i>Lucky Cement Limited</i>	Purchase of goods, materials and services		91,730	11,407
	Sale of goods and materials		11,527	13,316
	Dividend		2,031,920	1,269,950
<b>Subsidiary companies:</b>				
<i>ICI Pakistan PowerGen Limited</i>	Purchase of electricity		1,891,943	1,402,275
	Provision of services		1,980	1,980
	Dividend income		-	100,000
<i>NutriCo Morinaga (Private) Limited</i>	Sale of goods and material		137	204
	Reimbursement of expenses		67,191	5,292
	Investment in subsidiary		770,182	510,000
<b>Associated companies</b>				
	Purchase of goods, materials and services		570,337	907,776
	Sale of goods and materials		2,428,386	2,009,049
	Dividend received from associate		-	680,000
	Royalty		423,750	423,750
	Dividend paid to associates		980,491	578,905
	Donations paid		28,709	47,820
<b>Others</b>	Staff retirement benefits		376,425	355,699
<b>Key management personnel</b>	Remuneration paid		528,234	391,231
	Post employment benefits		44,427	40,641
	Dividends paid		102,868	53,803
	Director meeting fee		4,125	5,025

Amounts in PKR '000

**41. Plant capacity and annual production**

- in metric tonnes:

	For the year ended June 30, 2022		For the year ended June 30, 2021	
	Annual Name Plate Capacity	Production	Annual Name Plate Capacity	Production
Polyester	122,250	139,099	122,250	137,720
Soda Ash - note 41.1	442,000	443,974	425,000	395,609
Sodium Bicarbonate	54,000	46,217	54,000	45,522

**41.1** Out of total production of 443,974 metric tonnes soda ash, 41,595 metric tonnes was transferred for production of 46,217 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 Sodium bicarbonate against name plate capacity is 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, 2022	As at June 30, 2021
<b>Fixed rate instruments</b>		
Financial assets - note 18	127,000	124,000
Financial liabilities	(2,210,930)	(2,860,413)
	(2,083,930)	(2,736,413)
<b>Variable rate instruments</b>		
Financial liabilities	(12,534,340)	(3,491,972)
	(12,534,340)	(3,491,972)

**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 125.256 million (June 30, 2021: PKR 34.920 million).

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

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, 2022				
Other receivables	-	-	-	-
Cash and bank balances	-	-	108,142	-
	-	-	108,142	-
Trade and other payables	(360,589)	(51,229)	(439,045)	(909)
Gross statement of financial position exposure	(360,589)	(51,229)	(330,903)	(909)

	As at June 30, 2021			
	Average rate	Spot rate		
	For the year ended June 30, 2022	For the year ended June 30, 2021	As at June 30, 2022	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)

Significant exchange rates applied during the year were as follows:

PKR per	PKR	PKR	
EURO	<b>190.75</b>	191.13	<b>213.81</b>
USD	<b>177.43</b>	160.30	<b>204.85</b>
GBP	<b>235.47</b>	215.61	<b>248.48</b>
CNY	<b>27.48</b>	24.21	<b>30.60</b>

### 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 7.436 million (June 30, 2021: PKR 17.003 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2022, 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, 2022 and June 30, 2021 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)
<b>2022</b>					
Pak Rupee	+1%	3,606	512	3,309	9
Pak Rupee	-1%	(3,606)	(512)	(3,309)	(9)
<b>2021</b>					
Pak Rupee	+1%	7,136	393	9,440	34
Pak Rupee	-1%	(7,136)	(393)	(9,440)	(34)

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, 2022	As at June 30, 2021
<b>45.1 Financial assets</b>		
Long-term investments - note 9	2,500	2,500
Long-term loans - note 10	335,032	611,439
Long-term deposits - note 11	55,250	39,653
Trade debts - note 14	3,613,548	2,653,804
Loans and advances - note 15	1,669,938	724,296
Trade deposits - note 16	597,363	257,429
Other receivables - note 17	551,037	759,363
Bank balances - note 18	335,501	225,241
	<b>7,160,169</b>	5,273,725

**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	1,999,290	1,533,106
- Unsecured	5,160,879	4,700,619
	<b>7,160,169</b>	6,233,725

**45.4** The ageing of trade debts and loans and advances at the reporting date is as follows:

<b>Not past due</b>	<b>4,901,534</b>	3,188,464
<b>Past due but not impaired:</b>		
Not more than three months	411,087	219,879
<b>Past due and impaired:</b>		
More than three months and not more than six months	15,740	8,521
More than six months and not more than nine months	49,377	2,520
More than nine months and not more than one year	30,109	27,535
More than one year	62,761	132,759
	<b>569,074</b>	391,214
Allowance for ECL:		
- on trade debts - note 14	(160,857)	(184,106)
- on loans and advances - note 15	(26,265)	(17,472)
	<b>(187,122)</b>	(201,578)
	<b>5,283,486</b>	3,378,100

**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, 2022

Amounts in PKR '000

	As at June 30, 2022	As at June 30, 2021
<b>45.6</b> The maximum exposure to credit risk for past due at the reporting date by type of counterparty was:		
Wholesale customers	<b>265,506</b>	182,524
Retail customers	<b>303,568</b>	208,690
	<b>569,074</b>	391,214
<b>Allowance for ECL:</b>		
- on trade debts - note 14	(160,857)	(184,106)
- on loans and advances - note 15	(26,265)	(17,472)
	<b>(187,122)</b>	<b>(201,578)</b>
	<b>381,952</b>	<b>189,636</b>

**45.7** Movement of allowance for ECL on trade debts and loans and advances

	Trade debts	Loans and advances	Total 2022	Total 2021
Opening	<b>184,106</b>	<b>17,472</b>	<b>201,578</b>	<b>253,264</b>
Reversal / Charge during the year - note 14.3 and 15	(6,719)	9,783	3,064	(30,948)
Written off during the year	(16,530)	(990)	(17,520)	(20,738)
Closing	<b>160,857</b>	<b>26,265</b>	<b>187,122</b>	<b>201,578</b>

**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	<b>829,573</b>	752,887
Glass	<b>579,407</b>	525,847
Paper and Board	<b>142,489</b>	129,317
Life Sciences	<b>793,865</b>	720,480
Paints	<b>127,160</b>	115,405
Banks	<b>352,922</b>	233,978
Others	<b>2,998,114</b>	1,335,742
	<b>5,823,530</b>	<b>3,813,656</b>
<b>Allowance for ECL:</b>		
- trade debts - note 14	(160,857)	(184,106)
- loans and advances - note 15	(26,265)	(17,472)
	<b>(187,122)</b>	<b>(201,578)</b>
	<b>5,636,408</b>	<b>3,612,078</b>

**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, 2022		
<b>Financial liabilities</b>			
Trade creditors - note 25	3,390,938	(3,390,938)	(3,390,938)
Bills payable - note 25	1,078,949	(1,078,949)	(1,078,949)
Accrued mark-up	356,841	(356,841)	(356,841)
Lease liabilities - note 8	184,299	(184,299)	(96,117)
Accrued expenses - note 25	3,934,523	(3,934,523)	(3,934,523)
Technical service fee / royalty - note 25	1,036	(1,036)	(1,036)
Distributors' security deposits - payable on termination of distributorship - note 25	125,311	(137,842)	(137,842)
Contractors' earnest / retention money - note 25	19,971	(19,971)	(19,971)
Unclaimed dividends	115,500	(115,500)	(115,500)
Payable for capital expenditure - note 25	574,112	(574,112)	(574,112)
Others - note 25	150,256	(150,256)	(150,256)
Long-term loans - note 22	5,698,220	(5,698,220)	(1,321,942)
Contractors' retention money	198,259	(198,259)	-
Short-term financing - note 26	11,325,419	(11,325,419)	(11,325,419)
	27,153,634	(27,166,165)	(22,503,446)

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, 2021		
<b>Financial liabilities</b>			
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)
Contractors' retention money	-	-	-
Short-term financing - note 26	1,799,122	(1,799,122)	(1,799,122)
	16,534,142	(16,546,874)	(12,879,414)

# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

Amounts in PKR '000

47	<b>Capital risk management</b>		
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, 2022 and June 30, 2021 is as follows:			
	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>	
Long-term loans - note 22	5,698,220	4,972,617	
Contractors' retention money	198,259	-	
Short-term financing - note 26	11,325,419	1,799,122	
<b>Total debt</b>	<b>17,221,898</b>	6,771,739	
Cash and bank balances - note 18	(352,922)	(233,978)	
<b>Net debt</b>	<b>16,868,976</b>	6,537,761	
Issued, Subscribed and paid up capital	923,591	923,591	
Capital reserves	309,643	309,643	
Revenue reserve - unappropriated profit	25,157,888	22,645,974	
<b>Equity</b>	<b>26,391,122</b>	23,879,208	
<b>Capital</b>	<b>43,260,098</b>	30,416,969	
<b>Gearing ratio (Net debt / (Net debt + Equity))</b>	<b>38.99%</b>	21.49%	

## 48 New standards, amendments to approved accounting standards and new interpretations

#### 48.1 Adoption of amendments to approved accounting standards effective during the year

The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year, except as described below:

## Amendments to approved accounting standards

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Amendments)  
IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of the above amendments to the approved accounting standards did not have any material effect on the Company's unconsolidated financial statements.

## 48.2 Standards, amendments and improvements to approved accounting standards that are not yet effective

The following standards, amendments and improvements to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Amendments			
IFRS 3	Reference to the Conceptual Framework (Amendments)		January 01, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)		January 01, 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)		January 01, 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)		January 01, 2023
IAS 1	Disclosure of Accounting Policies (Amendments)		January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)		January 01, 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)		January 01, 2023

Amendments	Effective date (annual periods beginning on or after)
IFRS 10 / IAS 28      Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised

**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	January 01, 2022
IAS 41	Agriculture – Taxation in fair value measurements	January 01, 2022
IFRS 16	Leases: Lease incentives	January 01, 2022

Further, 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	IASB effective date (annual periods beginning on or after)
IFRS 1      First-time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 17      Insurance Contracts	January 01, 2023

The Company expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Company's unconsolidated financial statements in the period of initial application.

**49 Subsequent events**

- 49.1** The Directors in their meeting held on August 1, 2022 have recommended a final dividend of PKR 15.00 per share (June 30, 2021: PKR 20.00 per share) in respect of year ended June 30, 2022. 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, 2022 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.
- 49.2** Subsequent to the year end, the Company received a conditional offer from Morinaga Milk Industry Co. Ltd, Japan (Morinaga Milk) to acquire an aggregate of approximately 33.3% of the issued and paid-up capital of the Company's subsidiary NutriCo Morinaga (Private) Limited (NMPL) from the existing shareholders of NMPL at an aggregate price of USD 56.6 million (USD 2.07 per share). Following the year end, the Board of Directors of the Company have given an in principle approval to move forward with the proposed sale of 26.5% of its shareholding in NMPL to Morinaga Milk subject to valuation of NMPL, and finalization of definitive agreements between the parties, to be presented to the Board of Directors for formal / final approval, if deemed fit by the Board. If the proposed sale is materialized, the shareholding of the Company in NMPL will be diluted from its existing shareholding to 24.5% resulting in NMPL becoming the associate of the Company.
- 49.3** Subsequent to the year end, the Company has made a public announcement of intention to acquire approximately 75.01% shareholding of Lotte Chemical Pakistan Limited. However, no significant development in the transaction has been made upto the authorisation of the unconsolidated financial statements.

**50 General**

**50.1 Date of authorisation**

These financial statements were authorised for issue in the Board of Directors meeting held on August 01, 2022.

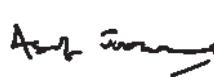
- 50.2** Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.

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



**Muhammad Sohail Tabba**

Chairman / Director



**Asif Jooma**

Chief Executive



**Atif Aboobukar**

Chief Financial Officer

# Comparison of Results for Ten Years

As at December 31 / June 30

	12 months				
	January - December				
	2012-13 Restated	2013-14	2014-15		
<b>Statement of Financial Position</b>					
Equity	9,788,989	11,237,427	12,717,080		
Revaluation Reserves	698,536	639,372	576,458		
<b>Total Equity and Revaluation Reserve</b>	<b>10,487,525</b>	<b>11,876,799</b>	<b>13,293,538</b>		
Non Current Liability	3,067,815	3,486,365	2,762,532		
Current Liability	7,389,365	7,574,254	10,613,713		
<b>Total Equity and Liabilities</b>	<b>20,944,705</b>	<b>22,937,418</b>	<b>26,669,783</b>		
Non Current Assets	11,330,538	12,500,614	15,843,044		
Current Assets	9,614,167	10,436,804	10,826,739		
<b>Total Assets</b>	<b>20,944,705</b>	<b>22,937,418</b>	<b>26,669,783</b>		
<b>Statement of Profit or Loss</b>					
Turnover	39,627,119	42,698,659	42,593,948		
Net Turnover	36,267,761	38,233,477	37,515,328		
Cost of Sales	32,193,170	33,581,636	31,725,574		
Gross profit	4,074,592	4,651,841	5,789,754		
Operating Result	1,986,737	2,225,934	3,044,107		
Profit before taxation	1,749,207	1,980,964	2,703,494		
Profit after taxation	1,158,701	1,702,216	2,125,708		
<b>Summary of Cash Flows</b>					
Cash generated from / (used in) operation	(164,272)	4,818,897	5,015,304		
Net cash generated from / (used in) operating activities	(971,364)	3,806,585	3,748,417		
Net cash used in investing activities	(940,727)	(2,400,932)	(4,372,472)		
Net cash generated from / (used in) financing activities	1,453,483	933,274	(1,554,652)		
<b>Cash and cash equivalents at December 31 / June 30</b>	<b>(1,924,200)</b>	<b>414,727</b>	<b>(1,763,980)</b>		

Amounts in PKR '000

12 months							
July - June							
	2015-16	2016-17	2017-18	2018-19 Restated	2019-20 Restated	2020-21	2021-22
14,416,528	16,183,900	17,411,939	18,608,940	20,231,807	23,879,208	26,391,122	
829,645	743,948	669,495	-	-	-	-	
15,246,173	16,927,848	18,081,434	18,608,940	20,231,807	23,879,208	26,391,122	
5,174,242	6,243,246	10,248,010	8,539,214	8,024,059	5,288,760	7,380,192	
10,167,615	12,984,767	14,818,685	16,366,077	13,253,245	14,635,597	26,169,508	
<b>30,588,030</b>	<b>36,155,861</b>	<b>43,148,129</b>	<b>43,514,231</b>	<b>41,509,111</b>	<b>43,803,565</b>	<b>59,940,822</b>	
18,909,694	22,996,164	25,881,937	24,938,990	24,650,897	25,640,334	33,552,734	
11,678,336	13,159,697	17,266,192	18,575,241	16,858,214	18,163,231	26,388,088	
<b>30,588,030</b>	<b>36,155,861</b>	<b>43,148,129</b>	<b>43,514,231</b>	<b>41,509,111</b>	<b>43,803,565</b>	<b>59,940,822</b>	
42,689,368	47,548,639	55,591,275	65,383,089	64,781,546	77,481,030	106,294,392	
36,954,437	41,363,695	49,107,580	58,328,849	53,598,537	62,617,966	86,972,178	
30,475,911	33,598,220	40,553,323	48,877,125	43,042,158	48,269,723	68,353,133	
6,478,526	7,765,475	8,554,257	9,451,724	10,556,379	14,348,243	18,619,045	
3,478,707	4,043,576	4,397,841	4,935,414	5,669,239	8,398,838	11,753,414	
3,498,266	4,394,370	3,650,402	3,180,506	4,329,883	8,228,802	10,199,135	
2,843,186	3,296,091	3,059,704	2,304,912	3,095,858	5,959,446	6,248,587	
4,788,015	5,569,176	358,766	7,034,995	9,984,563	10,378,489	5,365,723	
3,680,106	4,824,855	(1,401,590)	4,528,566	7,547,855	9,067,160	2,877,176	
(4,138,316)	(4,930,518)	(5,752,562)	(2,267,022)	(1,007,464)	(2,866,835)	(10,061,758)	
404,044	(52,889)	1,993,226	(1,942,919)	(2,616,564)	(4,612,691)	(2,222,771)	
(1,818,146)	(1,976,698)	(7,137,624)	(6,818,999)	(3,152,778)	(1,565,144)	(10,972,497)	

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ICI PAKISTAN LTD.

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ICI Pakistan Limited  
and its Subsidiary Companies  
Consolidated Financial Statements

# Report of the Directors

for the year Ended June 30, 2022 (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, 2022. The ICI Pakistan Group comprises ICI Pakistan Limited and its subsidiaries: ICI Pakistan PowerGen Limited (PowerGen) and NutriCo Morinaga (Private) Limited (NutriCo Morinaga).

The Director's report, giving a commentary on the performance of ICI Pakistan Limited for the year ended June 30, 2022, has been presented separately.

Net Turnover of PowerGen for the year ended stood at PKR 1,686 million, which is 37% higher as compared to the SPLY. This was primarily driven by higher selling prices on account of higher HFO prices. Operating Profit declined by 67% against the SPLY due to higher selling and administrative expenses.

On August 3, 2021, the Company completed the acquisition of an additional 11% shareholding in NutriCo Pakistan (Private) Limited (NutriCo Pakistan), taking its total shareholding to 51% and making NutriCo Pakistan a subsidiary of the Company. The consolidated financial statements include a one-off net positive impact of PKR 1,847 million, resulting from the remeasurement of the previously held equity interest in NutriCo Pakistan.

Following the acquisition, a Scheme of Arrangement under Sections 279 to 283 and 285 of the Companies Act, 2017 was filed before the Honourable High Court of Sindh for the merger of NutriCo Pakistan with and into NutriCo Morinaga, which was sanctioned on February 15, 2022. Pursuant to the Scheme of Arrangement, the entire undertaking of NutriCo Pakistan stands merged with and into NutriCo Morinaga with effect from the start of business on July 1, 2021.

Net Turnover of NutriCo Morinaga (post-merger with NutriCo Pakistan effective July 01, 2021) for the year at PKR 13,895 million and Operating Result at PKR 1,916 million, is substantially higher than the SPLY. The improved performance was predominantly driven by higher gross margins and higher volumes.

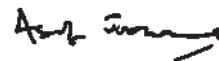
On a consolidated basis (including the results of the Company's subsidiaries: PowerGen, and NutriCo Morinaga), Net Turnover for the year under review was PKR 100,867 million, a 56% increase over the SPLY. The Operating Result at PKR 13,825 million is higher by 72% in comparison to the SPLY.

On a consolidated basis, PAT for the year under review at PKR 8,860 million is 69% higher than the SPLY. PAT and EPS attributable to the owners of the holding company at PKR 8,466 million and PKR 91.66 is 52% higher than the SPLY. This performance was achieved through enhanced efficiencies across all businesses, recovering consumer demand, acquisition of an additional shareholding in NutriCo Pakistan (now merged with and into NutriCo Morinaga) allowing for consolidation of results, and the aforementioned one-off net positive impact resulting from the remeasurement of the previously held equity interest of NutriCo Pakistan. Under the Finance Act 2022, an additional tax of 10% was imposed during the current year, in the form of a 4% Poverty Alleviation Tax and 6% Super Tax which will be applied retrospectively. Excluding this imposed additional tax, the PAT for the year was PKR 10,288 million, which is 97% above the previous year's performance.

Adjusting for the one-off gain of PKR 1,847 million as a consequence of the remeasurement of previously held equity interest, as explained above, PAT for the year under review would have been PKR 7,013 million, 34% higher versus the SPLY. PAT and EPS attributable to the owners of the holding company would have been PKR 6,618 million and PKR 71.66, higher by 19% as compared to the SPLY.



**Muhammad Sohail Tabba**  
Chairman



**Asif Jooma**  
Chief Executive

Dated: August 01, 2022

Karachi



EY Ford Rhodes  
Chartered Accountants  
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Pakistan

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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 2022**, 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 2022**, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

Key audit matter	How our audit addressed the key audit matter
<b>1. Revenue recognition</b>	
Revenue from sale of Group's products for the year ended 30 June 2022 has increased by approximately 56% as compared to last year. The Group recognizes revenue at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.	Our key audit procedures in this area amongst others included the following: <ul style="list-style-type: none"> <li>- Evaluated the appropriateness of the Group's revenue recognition accounting policy.</li> <li>- Obtained an understanding of management's internal controls over the revenue process and tested effectiveness of controls relevant to such process.</li> <li>- Performed testing of sales transactions on a sample basis to ensure that the related revenues are recorded appropriately at the correct quantity and price when control of goods has been transferred to the customer.</li> <li>- Performed sales cut-off procedures by agreeing sample of transactions occurred on and around the year end to the evidence of deliveries to ensure that sales are recorded in the correct accounting period.</li> <li>- Considered the adequacy of the disclosures in respect of revenues in accordance with the applicable financial reporting standards.</li> </ul>
There is an inherent risk that revenue may be overstated since the Group focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognised before the control has been transferred.	
Considering revenue recognition a significant risk area, we have identified this as a key audit matter.	



# Independent Auditors' Report

Key audit matter	How our audit addressed the key audit matter
<b>2. Acquisition of controlling interest in Nutrico Pakistan (Private) Limited</b>	
<p>As disclosed in note 2.4 to the accompanying consolidated financial statements, the Group has purchased additional 11% percent shareholding in Nutrico Pakistan (Private) Limited [NPPL] Resultantly, the Group's shareholding in NPPL increased from 40 percent to 51 percent at the acquisition date i.e. 01 July 2021.</p> <p>The said acquisition has been accounted for as a business combination under International Financial Reporting Standard (IFRS) 3 'Business Combinations' and resultantly, the Group has recognized a goodwill of PKR 689.146 million and additional distribution rights of PKR 4,693.063 million, in addition to the carrying value of the net assets acquired.</p> <p>Since this is a significant transaction, and the accounting treatment is complex, we consider this a key audit matter for our audit.</p>	<p>Our key audit procedures in this area amongst others included the following;</p> <ul style="list-style-type: none"> <li>- Read the share purchase agreement, relevant minutes of the meetings of those charged with governance and notice issued to the shareholders of the Group in relation to the acquisition to obtain an understanding of the transaction and assessed whether appropriate accounting treatment has been applied;</li> <li>- Reviewed the application of "acquisition method" accounting based on the requirements of IFRS 3. In this respect, we checked the purchase price allocation and assessed reasonableness of the methodologies and assumptions used for the valuation of acquired assets and liabilities including the intangibles recognised as part of the transaction.</li> <li>- Involved internal specialist to assist us in reviewing the valuation methodology and assumptions used by the management's expert. Further, we have also assessed the competence and relevant experience of the expert engaged by the management.</li> <li>- Considered the adequacy of the disclosures in accordance with the applicable financial reporting standards.</li> </ul>

## 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 consolidated 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.



Building a better  
working world

### **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  
Chartered Accountants

Date: 02 September, 2022

Karachi

UDIN Number: AR202210078YByQTGN4v

# Consolidated Statement of Financial Position

As at June 30, 2022

		Amounts in PKR '000	
	Note	June 30, 2022	June 30, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6	<b>32,296,855</b>	24,846,104
Intangible assets and goodwill	7	<b>9,440,221</b>	1,706,646
Right-of-use assets	8	<b>163,074</b>	234,202
		<b>41,900,150</b>	26,786,952
Long-term investments	9	2,500	955,841
Long-term loans	10	360,011	638,764
Long-term deposits and prepayments	11	55,445	39,863
		<b>417,956</b>	1,634,468
		<b>42,318,106</b>	28,421,420
<b>Current assets</b>			
Stores, spares and consumables	12	1,235,634	1,157,256
Stock-in-trade	13	19,685,162	12,527,312
Trade debts	14	4,820,447	2,833,963
Loans and advances	15	1,844,931	747,801
Trade deposits and short-term prepayments	16	793,520	497,034
Other receivables	17	3,738,493	2,828,549
Taxation - net		-	453,889
Cash and bank balances	18	693,356	274,730
		<b>32,811,543</b>	21,320,534
<b>Total assets</b>		<b>75,129,649</b>	49,741,954

			Amounts in PKR '000
	Note	June 30, 2022	June 30, 2021
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
1,500,000,000 (June 30, 2021: 1,500,000,000) ordinary shares of PKR 10 each		<b>15,000,000</b>	15,000,000
Issued, subscribed and paid-up capital	19	<b>923,591</b>	923,591
Capital reserves	20	<b>309,643</b>	309,643
Revenue reserve - unappropriated profit		<b>27,229,297</b>	22,500,442
<b>Attributable to the equity holders of the Holding Company</b>		<b>28,462,531</b>	23,733,676
Non-controlling interests		<b>4,828,721</b>	1,665,538
<b>Total equity</b>		<b>33,291,252</b>	25,399,214
<b>Non-current liabilities</b>			
Provision for non-management staff gratuity	21	<b>118,869</b>	120,797
Long-term loans	22	<b>6,044,640</b>	5,621,809
Lease liabilities	8	<b>88,182</b>	171,533
Deferred Income - Government grant	23	<b>870,055</b>	139,484
Deferred tax liability - net	24	<b>2,812,745</b>	961,832
Contractor's retention money		<b>198,259</b>	-
		<b>10,132,750</b>	7,015,455
<b>Current liabilities</b>			
Taxation - net		<b>1,085,812</b>	-
Trade and other payables	25	<b>14,317,974</b>	11,228,570
Accrued mark-up		<b>441,018</b>	177,821
Short-term financing	26	<b>13,705,104</b>	3,737,149
Current portion of long-term loans	22	<b>1,779,682</b>	1,936,611
Current portion of lease liabilities	8	<b>96,117</b>	94,102
Current portion of deferred income - Government grant	23	<b>164,440</b>	53,746
Unclaimed dividend		<b>115,500</b>	99,286
		<b>31,705,647</b>	17,327,285
<b>Total equity and liabilities</b>		<b>75,129,649</b>	49,741,954

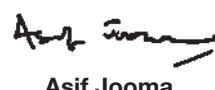
**Contingencies and commitments**

27

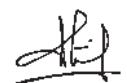
The annexed notes 1 to 50 form an integral part of these consolidated financial statements.



**Muhammad Sohail Tabba**  
Chairman / Director



**Asif Jooma**  
Chief Executive



**Atif Aboobukar**  
Chief Financial Officer

# Consolidated Statement of Profit or Loss

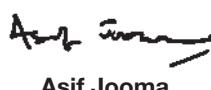
For the year ended June 30, 2022

Amounts in PKR '000

	Note	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>Net turnover</b>	29.1	<b>100,866,828</b>	64,766,213
Cost of sales	29.2	(78,912,457)	(50,184,434)
<b>Gross profit</b>		<b>21,954,371</b>	14,581,779
Selling and distribution expenses	31	(5,914,262)	(4,588,476)
Administration and general expenses	32	(2,215,105)	(1,948,595)
<b>Operating result</b>		<b>13,825,004</b>	8,044,708
Other charges	33	(580,690)	(650,916)
Finance costs	34	(1,242,885)	(928,767)
Exchange (loss) / gain		(761,413)	37,175
		(2,584,988)	(1,542,508)
Other income	35	<b>405,472</b>	231,921
Gain on remeasurement of previously held equity interest at acquisition date	2.4	<b>1,847,321</b>	-
Share of profit from an associate	9	-	526,554
<b>Profit before taxation</b>		<b>13,492,809</b>	7,260,675
Taxation	36	(4,632,787)	(2,031,904)
<b>Profit after taxation</b>		<b>8,860,022</b>	5,228,771
<b>Attributable to:</b>			
Equity holders of the Holding Company		<b>8,465,529</b>	5,569,408
Non-controlling interests		<b>394,493</b>	(340,637)
		<b>8,860,022</b>	5,228,771
<b>Basic and diluted earnings per share (PKR)</b>	37	<b>91.66</b>	60.30

The annexed notes 1 to 50 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

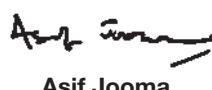
For the year ended June 30, 2022

	Amounts in PKR '000	
	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>Profit after taxation</b>	<b>8,860,022</b>	5,228,771
<b>Other comprehensive loss</b>		
Items that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement of defined benefit plans	(82,977)	(5,571)
Income tax effect	40,667	2,504
	(42,310)	(3,067)
<b>Total comprehensive income for the year</b>	<b>8,817,712</b>	5,225,704
<b>Attributable to:</b>		
Equity holders of the Holding Company	8,423,219	5,566,341
Non-controlling interests	394,493	(340,637)
	<b>8,817,712</b>	5,225,704

The annexed notes 1 to 50 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, 2022

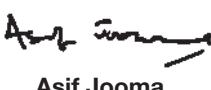
Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserve - unappropriated profit	Total reserves	Non- controlling interests	Total equity
<b>As at July 1, 2020</b>	<b>923,591</b>	<b>309,643</b>	<b>19,243,079</b>	<b>19,552,722</b>	<b>1,516,175</b>	<b>21,992,488</b>
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 after tax	-	-	5,569,408	5,569,408	-	5,569,408
Other comprehensive loss for the year - net of tax	-	-	(3,067)	(3,067)	-	(3,067)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>5,566,341</b>	<b>5,566,341</b>	<b>-</b>	<b>5,566,341</b>
<b>As at June 30, 2021</b>	<b>923,591</b>	<b>309,643</b>	<b>22,500,442</b>	<b>22,810,085</b>	<b>1,665,538</b>	<b>25,399,214</b>
Final dividend for the year ended June 30, 2021 @ PKR 20.00 per share	-	-	(1,847,182)	(1,847,182)	-	(1,847,182)
Interim dividend for the year ended June 30, 2022 @ PKR 20.00 per share	-	-	(1,847,182)	(1,847,182)	-	(1,847,182)
	-	-	(3,694,364)	(3,694,364)	-	(3,694,364)
Non-controlling interest arising on step acquisition including issuance of shares	-	-	-	-	2,768,690	2,768,690
Profit attributable to non-controlling interest for the year	-	-	-	-	394,493	394,493
	-	-	-	-	3,163,183	3,163,183
Profit after tax	-	-	8,465,529	8,465,529	-	8,465,529
Other comprehensive loss for the year - net of tax	-	-	(42,310)	(42,310)	-	(42,310)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>8,423,219</b>	<b>8,423,219</b>	<b>-</b>	<b>8,423,219</b>
<b>As at June 30, 2022</b>	<b>923,591</b>	<b>309,643</b>	<b>27,229,297</b>	<b>27,538,940</b>	<b>4,828,721</b>	<b>33,291,252</b>

The annexed notes 1 to 50 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, 2022

Amounts in PKR '000

	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>Cash flows from operating activities</b>		
Cash generated from operations - note 38	6,527,200	9,415,815
Payments for :		
Staff retirement benefit plans - note 21.3.2	(66,110)	(64,792)
Non-management staff gratuity and eligible retired employees' medical scheme	(24,900)	(39,622)
Taxation	(2,486,621)	(789,057)
Interest	(824,391)	(940,789)
<b>Net cash generated from operating activities</b>	<b>3,125,178</b>	<b>7,581,555</b>
<b>Cash flows from investing activities*</b>		
Capital expenditure	(9,709,550)	(2,881,089)
Proceeds from disposal of operating fixed assets	57,533	59,234
Interest received on bank deposits	29,499	17,277
Acquisition of additional interest in NutriCo Pakistan (Private) Limited	(770,182)	-
Cash acquired as a result of step acquisition	289,159	-
Dividend received from associate	-	300,000
<b>Net cash used in investing activities</b>	<b>(10,103,541)</b>	<b>(2,504,578)</b>
<b>Cash flows from financing activities*</b>		
Issuance of shares to non-controlling interests	-	490,000
Long-term loans obtained	3,252,303	1,550,149
Long-term loans repaid	(1,942,739)	(3,831,505)
Payment of lease liability - note 8	(116,880)	(100,913)
Dividends paid	(3,763,650)	(2,298,014)
<b>Net cash used in financing activities</b>	<b>(2,570,966)</b>	<b>(4,190,283)</b>
Net (decrease) / increase in cash and cash equivalents	(9,549,329)	886,694
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(3,462,419)</b>	<b>(4,349,113)</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>(13,011,748)</b>	<b>(3,462,419)</b>

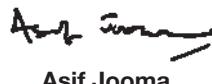
#### Cash and cash equivalents at the end of the year comprise of:

Cash and bank balances - note 18	693,356	274,730
Short-term financing - note 26	(13,705,104)	(3,737,149)
	<b>(13,011,748)</b>	<b>(3,462,419)</b>

\*No non-cash items are included in these activities.

The annexed notes 1 to 50 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, 2022

### 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 ("NutriCo Morinaga").
- NutriCo International (Private) Limited ("NutriCo International").

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 March 06, 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 was incorporated which is a subsidiary of the Holding Company. NutriCo Morinaga is incorporated in Pakistan as a private limited company. Holding Company has 51% ownership in NutriCo Morinaga. NutriCo Morinaga is engaged in manufacturing of infant and grown up formula.

The shareholders of the Holding Company in the extraordinary general meeting held on June 30, 2021 had authorised the Holding Company to purchase further 55,013 (representing 11%) ordinary shares of its associate, NutriCo Pakistan (Private) Limited (NPPL), having face value of PKR 1,000/- each from the sellers at an aggregate price of PKR 770.182 million. Resultantly, a Share Purchase Agreement (SPA) was signed between the Holding Company and the sellers on July 01, 2021, thereby, increasing the shareholding of the Holding Company to 51% making NPPL a subsidiary. Subsequently, a Scheme of Arrangement (the Scheme) for amalgamation of NPPL with and into NutriCo Morinaga with effect from July 01, 2021 was sanctioned by the Honorable High Court of Sindh on February 15, 2022. By virtue of the approval of the Scheme, the entire undertaking, comprising all the assets, liabilities and obligations, of NPPL stood merged with, transferred to, vested in, and assumed by NutriCo Morinaga as at July 01, 2021. NutriCo Morinaga allotted and issued an aggregate of 38.325 million ordinary shares, having face value of Rs. 100/- each to the shareholders of NPPL (including the Holding Company), credited as fully paid up, at par, in the manner detailed in the Scheme, on the basis of a swap ratio of approximately 76.65 ordinary shares of NutriCo Morinaga for every 1 ordinary share of NPPL held by each shareholder of NPPL (including the Holding Company).

NutriCo International was incorporated in Pakistan on January 7, 2016 under the repealed Companies Ordinance, 1984 and is a wholly owned subsidiary of NutriCo Morinaga. All transactions of the Company are undertaken under three-way merchanting law of State Bank of Pakistan (SBP).

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
34-E/1, block 6, P.E.C.H.S	Trading office
S-56/A, S.I.T.E	Warehouse

#### Lahore

ICI House, 63 Mozang road	Regional office
30-Km, Sheikhupura road, Lahore	Regional office and production plant
45-Km, off Multan road, Lahore	Production plant

#### Khewra

ICI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	Regional office and production plant
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**Haripur**

Plot No.32/2A Phase III, Industrial Estate Hattar, District H; Production plant

**Islamabad**

Islamabad Corporate Center, 2nd Floor, H-13, Islamabad Regional office

**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.

**2.3 Basis of consolidation**

Subsidiaries are those entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement(s) with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes. Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

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.

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.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

## 2.4 Business combinations

On July 01, 2021, the Group acquired additional interest of 11% of the voting shares of NPPL, a non-listed company based in Pakistan and specialising in the trading of infant and growing up formula, in exchange for cash.

The Group has elected to measure non-controlling interest in NPPL at the proportionate share in acquiree net identifiable assets. The fair value of the identifiable assets acquired and liabilities assumed of NPPL as at the date of acquisition were:

	Amounts in PKR '000
	Fair values recognised on acquisition
<b>Assets</b>	
Property and equipment	199,928
Intangible assets (carrying value: PKR 2,400.813 million)	7,060,356
Stock-in-trade	1,272,874
Trade debts	537,486
Advances	10,379
Deposits, prepayments and other receivables	203,816
Taxation - net	116,992
Cash and bank balances	289,159
<b>Total Assets</b>	<b>9,690,990</b>
<b>Liabilities</b>	
Deferred tax liability - net	1,402,141
Trade and other payables	2,638,461
	<b>4,040,602</b>
<b>Total identifiable net assets at fair value</b>	<b>5,650,388</b>
Purchase consideration transferred at acquisition date	770,182
Fair value of previously held equity interest at the acquisition date	2,800,662
Proportionate share of non-controlling interest of fair value of total identifiable net assets	2,768,690
	<b>6,339,534</b>
<b>Goodwill arising on step acquisition</b>	<b>689,146</b>

### Net cash outflow on acquisition is as follows:

Cash paid on acquisition	(770,182)
Cash acquired in subsidiary	289,159
	<b>(481,023)</b>

## 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. When significant parts of assets are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. 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.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

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. The effect of any adjustment to residual values, useful lives and methods is recognised prospectively as a change of accounting estimate.

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.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The Group accounts for impairment, if any by reducing its carrying value to the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated statement of profit or loss in the year the asset is derecognised.

## 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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

## 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.

### 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.

### **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating 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 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.

# Notes to the Consolidated Financial Statements

## For the year ended June 30, 2022

### 3.5 Advances, deposits, prepayments and other receivables excluding financial assets

These are stated initially at transaction price and subsequently measured at amortized cost using the effective interest rate method.

Exchange gains or losses, if any arising in respect of advances, deposits and other receivables in foreign currency are added to their respective carrying amounts and charged to consolidated statement of profit or loss.

### 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.

##### 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.

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 at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes derivative instruments 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.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

## Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions note 4
- 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.

### **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**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in Pakistan.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred**

Deferred tax liability is recognised using the liability method, on all major temporary differences at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and / or carry-forward of unused tax losses can be utilized.

The carrying amount of all deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the consolidated statement of profit or loss except for deferred tax arising on recognition of actuarial loss or gain which is charged to the consolidated statement of other comprehensive income.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

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 schemes define the amounts of benefit that an employee will receive on or after retirement subject to a minimum qualifying period of service under the schemes. The schemes are managed in conformity with the provisions of the Trust Deeds. The Group is responsible to make contributions to the funds as prescribed under the Trust Deed and its rules, whereas, the trustees are responsible for the day to day management of the 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".

An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method.

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.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the effect of the asset ceiling are recognised directly in equity through the consolidated statement of other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. All past service costs are recognised in the consolidated statement of profit or loss at the earlier of when the amendments or curtailment occurs and when the Group has recognised related retirement or termination benefits. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income in the consolidated statement of profit or loss.

#### **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**

The financial statements are presented in Pak Rupee, which is the Group's functional and presentation currency. Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are recorded at the rates of exchange which approximate those prevailing on the reporting date. Gains and losses on translation are taken to the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### **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.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

## 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 six reportable segments, namely Polyester, Soda Ash, Animal Health, Pharma, Chemicals and Agri Sciences and NutriCo Morinaga. 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. Transfer prices between operating segment are based on agreed prices approved by the board of directors.

## 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 4.

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.

### **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**

#### **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.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

## 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 , NutriCo Morinaga 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.

There are no sale transactions for NutriCo International.

## 4 Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### 4.1 Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

#### 4.1.1 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).

#### 4.1.2 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).

#### 4.2 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### 4.2.1 Income and sales tax

The Group takes into account current income and sales tax laws and decisions taken by the appellate authorities. Instances where the Group's view differs from the view taken by the authorities at the assessment stage and where the Group, in consultation with its external counsel, considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities (unless there is a remote possibility of transfer of benefits).

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.

#### 4.2.2 Staff retirement benefits

The cost of the retirement benefit plan and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These includes the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### 4.2.3 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.

#### 4.2.4 Allowance for Expected Credit Losses (ECL) on financial assets

The Group uses a provision matrix to calculate ECLs for trade debts and other receivables. The provision rates are based on days past due for Groupings of various customer segments that have similar loss patterns.

Considering the nature of the financial assets, the Group has applied the simplified approach as per IFRS 9 for trade debts and has calculated ECL based on life-time ECL. The Group has applied general approach for all other assets.

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 45.

#### 4.2.5 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.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

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.

## 4.2.6 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 Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) and incorporates applicable spread.

## 4.2.7 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.

## 4.2.8 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.

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.

## 5 Details of related parties of the Group

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
Arabian Sea Country Club Limited	Equity investment
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
Unibrands (Private) limited	Group company & common directorship
Lucky Foods (Private) Limited	Group company & common directorship
ICI Pakistan Management Staff Provident Fund	Common directorship
ICI Pakistan Management Staff Gratuity Fund	Common directorship
ICI Pakistan Management Staff Defined Contribution Superannuation Fund	Common directorship
ICI Pakistan Non-Management Staff Provident Fund	Common directorship
ICI Pakistan Management Staff Pension Fund	Common directorship
ICI Pakistan Foundation	Common directorship
Morinaga Milk Industry Co., Limited	Common directorship
Lahore University of Management Sciences	Common directorship
Aziz Tabba Foundation	Common directorship
Tabba Kidney Institute	Common directorship
Tabba Heart Institute	Common directorship
National Bank of Pakistan	Common directorship
International Industries	Common directorship
Liaquat National Hospital and Medical College	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
Muhammad Farrukh Rasheed	Key management personnel
Laila Bhattia Bawany	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, 2022

										Amounts in PKR '000	
										As at June 30, 2022	As at June 30, 2021
6 Property, plant and equipment											
6.1 Following is break-up of property plant and equipment:											
Operating fixed assets - note 6.2										25,652,445	21,806,452
Capital work-in-progress - note 6.6										6,644,410	3,039,652
										32,296,855	24,846,104
6.2 Following is a statement of operating fixed assets:											
Land		Lime beds on freehold land		Buildings		Plant and machinery		Rolling stock and vehicles		Furniture and equipment	Total
Freehold	Lease hold	On freehold land	On freehold land	On leasehold land	On leasehold land						
										<u>Note 6.3 and 6.4</u>	<u>Note 6.3 and 6.4</u>
										<u>Note 6.3 and 6.4</u>	
										As at June 30, 2022	
<b>Net carrying value basis</b>											
Opening net book value - as restated	790,799	-	352,342	2,535,779	2,785,646	14,903,639	29,542	408,705	21,806,452		
Additions / transfers - note 6.2.1	210,502	-	96,294	187,538	391,330	5,265,032	58,777	247,326	6,456,799		
Acquisition of subsidiary - note 2.4	-	102,656	-	-	14,632	-	73,316	9,324	199,928		
Disposals at net book value	-	-	-	-	-	(6,431)	(15,013)	(365)	(21,809)		
Depreciation charge - note 6.5	-	(1,075)	(30,425)	(163,827)	(205,806)	(2,243,649)	(16,402)	(127,741)	(2,788,925)		
Closing net book value	1,001,301	101,581	418,211	2,559,490	2,985,802	17,918,591	130,220	537,249	25,652,445		
<b>Gross carrying value basis</b>											
Cost	1,001,301	664,823	697,970	5,493,349	5,230,091	47,197,402	256,917	1,384,203	61,926,056		
Accumulated depreciation	-	(563,242)	(279,759)	(2,933,859)	(2,244,289)	(29,278,811)	(126,697)	(846,954)	(36,273,611)		
Closing net book value	1,001,301	101,581	418,211	2,559,490	2,985,802	17,918,591	130,220	537,249	25,652,445		
<b>Depreciation rate % per annum</b>											
	-	2 to 4	5 to 25	5 to 50	3 to 33	3 to 50	10 to 33	10 to 50			
										As at June 30, 2021	
<b>Net carrying value basis</b>											
Opening net book value	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		
<b>Gross carrying value basis</b>											
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	3 to 50	10 to 33	10 to 50			
										<u>As at June 30, 2022</u>	<u>As at June 30, 2021</u>
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 6.48% (June 30, 2021: 7.43%) amounting to:										161,150	13,288

Amounts in PKR '000

	As at June 30, 2022	As at June 30, 2021
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**6.2.2** Operating fixed assets include the following major spare parts and stand by equipment having:

Cost	689,122	595,446
Net book value	118,325	364,943

**6.3 Particulars of immovable assets of the Group**

<u>Location</u>	<u>Addresses</u>	<u>Usage of immovable property</u>	<u>Covered Area (sq.ft.)</u>
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
	S.I.T.E Area - Karachi	Warehouse - Morinaga	55,321
Lahore	ICI House 63 Mozang Road, Lahore	Regional office	28,454
	30-Km, Sheikhupura Road, Lahore	Production plant - Polyester	1,928,910
	30-Km, Sheikhupura Road, Lahore	Production plant - Powergen	20,298
	30-Km, Sheikhupura Road, Lahore	Production plant - Morinaga	211,702
	30-Km, Sheikhupura Road, Lahore	Land - Morinaga	1,096,841
Khewra	45-Km, Off Multan Road, Lahore	Production plant	14,601
	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, 2022	As at June 30, 2021

**6.4** Plant and machinery including equipment held with Searle Pakistan Limited for toll manufacturing is as follows:

Cost	5,886	5,886
Net book value	659	1,020

For the year ended June 30, 2022 For the year ended June 30, 2021

**6.5** The depreciation charge for the year has been allocated as follows:

Cost of sales - note 30	2,696,110	2,745,472
Selling and distribution expenses - note 31	45,049	47,766
Administration and general expenses - note 32	47,766	21,319
	2,788,925	2,814,557

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

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, 2022						
Opening balance	225,852	1,411,280	132,545	981,177	288,798	3,039,652
Additions during the year	475,213	8,735,843	100,793	333,092	2,479	9,647,420
Transferred to operating fixed assets during the year	(574,946)	(5,188,334)	(144,436)	(134,946)	-	(6,042,662)
Closing balance	126,119	4,958,789	88,902	1,179,323	291,277	6,644,410
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, 2022						As at June 30, 2021

**6.6.1** This includes interest charged in respect of long-term loans obtained for projects, determined using an average capitalisation rate of 6.48% (June 30, 2021: 7.43%) amounting to:

322,620

38,291

**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, 2022							
	Mode of disposal	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / Loss	Relationship of buyer with the Group
<b>Bulker</b>	Scrap	12,529	3,028	9,501	12,600	3,099	N/A
<b>LT System</b>	Scrap	2,981	1,153	1,828	2,512	684	N/A
<b>Boiler</b>	Scrap	3,251	2,140	1,111	252	(859)	N/A
<b>Suzuki Alto (BRA-826)</b>	Negotiation	1,308	168	1,140	1,290	150	N/A
<b>Suzuki Mehran (LEA-18A-4732)</b>	As per policy	840	233	607	662	55	N/A
<b>Suzuki Mehran (AKV-513)</b>	As per policy	840	227	613	646	33	(Employee)
<b>Suzuki Cultus (BJK-935)</b>	As per policy	1,129	461	668	756	88	(Employee)
<b>Suzuki Cultus (BNR-028)</b>	As per policy	1,421	414	1,007	1,072	65	(Employee)
<b>Suzuki Cultus (LED-19-5406)</b>	As per policy	880	231	649	663	14	(Employee)
For the year ended June 30, 2021							
Certain Civil work at boiler area	Scrap	4,000	3,263	737	-	(737)	N/A
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
Chilling unit for carbonating tower cooling water	Scrap	18,029	15,429	2,600	3,491	891	N/A
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

Certain Civil work at boiler area	Scrap	4,000	3,263	737	-	(737)	N/A	Shahid Hanif Ghor Mandibahudin
Certain portions of offices at CFB area	Scrap	791	236	555	154	(401)	N/A	Muhammad Rizwan
Bulker 1 for bulk transportation of Soda Ash	Scrap	4,176	800	3,376	3,800	424	N/A	Sher Ali Rawalpindi
Chilling unit for carbonating tower cooling water	Scrap	18,029	15,429	2,600	3,491	891	N/A	Tariq Mehmood
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	

Amounts in PKR '000

7 Intangible assets						
Net carrying value basis	As at June 30, 2022					
	Goodwill	Distribution Rights	Brands	Software	Licenses	Total
Opening net book value	206,374	-	1,437,679	35,798	26,795	1,706,646
Additions / transfers	-	-	-	919	-	919
Acquisition of subsidiary - 2.4	689,146	7,059,543	-	813	-	7,749,502
Amortisation charge - note 7.1	-	-	-	(10,645)	(6,201)	(16,846)
Closing net book value - note 7.2 & 7.3	895,520	7,059,543	1,437,679	26,885	20,594	9,440,221
<b>Gross carrying amount</b>						
Cost	895,520	7,059,543	1,437,679	246,989	241,779	9,881,510
Accumulated amortisation	-	-	-	(220,104)	(221,185)	(441,289)
Closing net book value	895,520	7,059,543	1,437,679	26,885	20,594	9,440,221
<b>Amortisation rate % per annum</b>	-		-	20	20 to 50	
As at June 30, 2021						
Net carrying value basis	206,374	-	1,437,679	27,294	33,088	1,704,435
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
<b>Gross carrying amount</b>						
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
<b>Amortisation rate % per annum</b>	-		-	20	20 to 50	
					For the year ended June 30, 2022	For the year ended June 30, 2021

#### 7.1 The amortisation charge for the year has been allocated as follows:

Cost of sales - note 30	2,823	2,951
Selling and distribution expenses - note 31	1,032	1,079
Administration and general expenses - note 32	12,178	12,729
	16,033	16,759

#### 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, 2022.

##### 7.2.1 Pharma Business

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, 2022.

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 21.7 percent for goodwill and intangibles with indefinite useful lives for impairment testing of goodwill and intangibles. 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 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.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

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.

### 7.2.2 NutriCo Morinaga Business

Goodwill and intangible acquired through business combination have been allocated and monitored at the Group level. The Group performed its impairment test annually at year end (i.e. June 30, 2022). The Group calculated the recoverable amount of its cash generating unit (CGU) to which goodwill and intangible relates based on the fair value less costs to sell using inputs other than quoted prices that are observable for the asset, using the Level 2 input of the fair value hierarchy, as prescribed under "Impairment of Assets" (IAS-36), which was higher than the carrying value. As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of PKR 689.146 million and intangible of PKR 7,059.543 million is allocated.

### 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, 2022	As at June 30, 2021
<b>Net carrying value basis</b>				
Opening balance	4,079	230,123	234,202	318,279
Additions	-	9,527	9,527	-
Depreciation charged note 8.1	(2,988)	(77,667)	(80,655)	(84,077)
Closing balance	1,091	161,983	163,074	234,202

**Set out below is the carrying amount of lease liability and the movement during the year:**

Opening balance	265,635	332,847
Additions	9,527	-
Accretion of interest- Note 34	26,017	33,701
Payments	(116,880)	(100,913)
Closing balance	184,299	265,635
Current portion of lease liabilities	96,117	94,102
Non-current lease liability	88,182	171,533
	184,299	265,635

Amounts in PKR '000

	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>The following are the amounts recognised in the consolidated statement of profit or loss:</b>		
Depreciation expense of right-of-use asset - note 8.1	80,655	84,077
Accretion of interest on lease liabilities	26,017	33,701
Expenses related to short-term leases - note 8.2	68,744	64,406
	<b>175,416</b>	<b>182,184</b>

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.

#### 8.1 Allocation of depreciation expense

Cost of sales - note 30	56,009	45,871
Selling and distribution expenses - note 31	10,974	6,052
Administration and general expenses - note 32	13,672	32,154
	<b>80,655</b>	<b>84,077</b>

#### 8.2 Allocation of short-term leases expense

Selling and distribution expenses - note 31	86,199	64,406
	<b>86,199</b>	<b>64,406</b>

	As at June 30, 2022	As at June 30, 2021
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#### 9 Long-term investments

##### *Unquoted*

Associate		
- NutriCo Pakistan (Private) Limited ( 2021: 40% holding)		
200,000 ordinary shares (June 30, 2021: 200,000 ordinary shares) of		
PKR 1,000 each and premium of PKR 3,800 per share	960,000	960,000
Opening post acquisition (loss) / profits	(6,659)	146,787
Share of profit for the year	-	526,554
Dividend received	-	(680,000)
	(6,659)	(6,659)
Derecognition of investment on becoming subsidiary at acquisition date	(953,341)	-
Carrying value of Associate	-	953,341

##### *Others*

Equity		
-Arabian Sea Country Club Limited		
250,000 ordinary shares (June 30, 2021: 250,000 ordinary shares) of PKR 10 each	2,500	2,500
	<b>2,500</b>	<b>955,841</b>

**9.1** During the year, the Company executed a Joint Venture and Shareholders Agreement with Tariq Glass Industries Limited ('TGIL') on February 18, 2022 for a joint venture between the two parties, to set up a green field state-of-the-art float glass manufacturing facility, via incorporation of a joint venture company ('JVCO'). The Company will invest in JVCO by subscribing to 51% of its issued and paid up share capital. In this regard, the members/shareholders of the Company in the Extraordinary General Meeting held on March 21, 2022 approved an equity investment of upto PKR 4.6 billion by way of subscription to ordinary shares in JVCO at the time of incorporation and through subsequent subscription to right shares as may be offered by JVCO.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

Amounts in PKR '000

	As at June 30, 2022	As at June 30, 2021		
<b>10 Long-term loans</b>				
<b>Considered good - secured</b>				
Due from executives and employees - note 10.1	360,011	638,764		
<b>10.1 Due from executives and employees</b>				
	Motor vehicle	House building	Total	Total
Due from executives - note 10.2	149,868	19,680	169,548	171,905
Receivable within one year	(38,166)	(16,645)	(54,811)	(67,590)
	111,702	3,035	114,737	104,315
Due from employees - note 10.2			727,701	663,350
Receivable within one year			(482,427)	(128,901)
			245,274	534,449
			360,011	638,764
Outstanding for period:				
- less than three years but over one year			118,837	210,852
- more than three years			241,174	427,912
			360,011	638,764
<b>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.</b>				
<b>11 Long-term deposits and prepayments</b>				
	55,445	39,813		
Deposits				
Prepayments		50		
	55,445	39,863		
<b>12 Stores, spares and consumables</b>				
	147,193	125,361		
Stores - note 12.1				
Spares - note 12.1	1,069,500	1,022,232		
Consumables				
	177,639	154,765		
	1,394,332	1,302,358		
Provision for slow moving and obsolete stores and spares - note 12.2				
	(158,698)	(145,102)		
	1,235,634	1,157,256		
<b>12.1 Include stores and spares in transit amounting to:</b>	81,511	76,623		
<b>12.2 Movement of provision for slow moving and obsolete stores and spares is as follows:</b>				
	145,102	154,343		
Opening balance				
Charge for the year - note 32	13,596	9,213		
Write-off during the year				
	-	(18,454)		
Closing balance	158,698	145,102		

Amounts in PKR '000

	As at June 30, 2022	As at June 30, 2021
<b>13 Stock-in-trade</b>		
Raw and packing material include in-transit PKR 1,168.59 million (June 30, 2021: PKR 1,815.853 million) - note 13.3		
Work-in-process	12,487,477	7,271,714
Finished goods include in-transit PKR 1,584.996 million (June 30, 2021: PKR 182.213 million)	329,612	201,744
	6,994,249	5,218,485
	19,811,338	12,691,943
Provision for slow moving and obsolete stock-in-trade - note 13.1		
- Raw materials	(72,859)	(75,360)
- Finished goods	(53,317)	(89,271)
	(126,176)	(164,631)
	19,685,162	12,527,312
<b>13.1 Movement of provision for slow moving and obsolete stock-in-trade is as follows</b>		
Opening balance	164,631	251,218
Charge for the year - note 32	17,018	94,007
Write-off during the year	(55,473)	(180,594)
Closing balance	126,176	164,631
<b>13.2 Stock amounting to PKR 12.653 million (June 30, 2021: PKR 23.695 million) is measured at net realisable value and expense amounting to PKR 4.685 million (June 30, 2021: expense of PKR 4.564 million) has been recognised in cost of sales.</b>		
<b>13.3 Includes raw and packing materials held with various toll manufacturers:</b>		
Searle Pakistan Limited	110,152	387,062
Nova Med Pharmaceuticals	81,110	39,470
CSH Pharma	39,621	-
Bio Labs - Islamabad	19,926	-
Breeze Pharma Islamabad	-	8,505
Others	15,402	18,401
	266,211	453,438
<b>14 Trade debts</b>		
<b><i>Considered good</i></b>		
- Secured	2,349,163	907,506
- Unsecured		
Due from associated companies - note 14.1 and 14.2	25,269	16,091
Others	2,759,584	2,182,306
	5,134,016	3,105,903
<b><i>Considered doubtful</i></b>		
Allowance for Expected credit loss (ECL) - note 14.3	(160,857)	(184,106)
Provision for price adjustments and discounts	(313,569)	(271,940)
	(474,426)	(456,046)
	4,820,447	2,833,963

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

Amounts in PKR '000

	As at June 30, 2022	As at June 30, 2021
<b>14.1</b> The above balances include amounts due from the following related parties which are neither past due nor impaired as of the reporting date:		

***Unsecured***

Yunus Textile Mills Limited	<b>10,082</b>	7,373
Lucky Foods (Private) Limited	<b>5,625</b>	6,367
Lucky Cement Limited	<b>3,626</b>	60
Lucky Textiles Limited	<b>3,428</b>	1,285
Tabba Kidney Institute	<b>1,608</b>	613
Tabba Heart Institute	<b>557</b>	393
Child Life Foundation	<b>343</b>	-
	<b>25,269</b>	16,091

**14.2** The maximum amount outstanding at any time during the year with reference to month end balances are as follows:

***Unsecured***

Yunus Textile Mills Limited	<b>36,946</b>	10,307
Lucky Textiles Limited	<b>16,654</b>	6,275
Lucky Cement Limited	<b>13,005</b>	5,712
Lucky Foods (Private) Limited	<b>8,027</b>	6,367
Tabba Kidney Institute	<b>1,608</b>	613
Child Life Foundation	<b>1,354</b>	-
Tabba Heart Institute	<b>954</b>	1,694
	<b>78,548</b>	30,968

**14.3** Movement of allowance for ECL is as follows:

Opening balance	<b>184,106</b>	235,521
Reversal during the year - note 45.6	<b>(6,719)</b>	(30,678)
Write - off - note 45.6	<b>(16,530)</b>	(20,737)
Closing balance	<b>160,857</b>	184,106

**15 Loans and advances**

***Considered good***

Loans due from:		
Executives - note 15.1	<b>54,811</b>	67,590
Other employees	<b>482,427</b>	128,901
	<b>537,238</b>	196,491

Advances to:

Executives	<b>21,703</b>	17,523
Other employees	<b>20,929</b>	3,430
Contractors and suppliers	<b>1,236,368</b>	515,556
Others	<b>28,693</b>	14,801
	<b>1,307,693</b>	551,310
	<b>1,844,931</b>	747,801

***Considered doubtful***

Allowance for ECL - note 45.7	<b>26,265</b>	17,472
	<b>1,871,196</b>	765,273
	<b>(26,265)</b>	(17,472)
	<b>1,844,931</b>	747,801

**15.1** The maximum amount outstanding loans to executives at any time during the year calculated with reference to month end balances are as follows.

**54,177** 79,700

**15.2** Includes advances given to Morinaga Milk Industry Co Ltd amounting to Rs. 23.73 million (June 30, 2021: Rs. 1.57 million). The maximum aggregate amount by reference to month end balances amounting to Rs. 23.73 million (June 30, 2021: Rs.127.90 million) was outstanding during the year.

Amounts in PKR '000

	As at June 30, 2022	As at June 30, 2021
<b>16 Trade deposits and short-term prepayments</b>		
Trade deposits	648,807	258,349
Short-term prepayments	144,713	238,685
	<b>793,520</b>	497,034
<b>17 Other receivables</b>		
<i>Considered good</i>		
Duties, sales tax and octroi refunds due	3,115,928	2,022,051
Commission and discounts receivable	134,760	142,549
Due from Associate - note 17.1	-	380,000
Receivable from principal	101,700	151,365
Others	386,105	132,584
	<b>3,738,493</b>	2,828,549
<i>Considered doubtful</i>		
	<b>57,261</b>	9,007
	<b>3,795,754</b>	2,837,556
Allowance for ECL - note 17.3	(57,261)	(9,007)
	<b>3,738,493</b>	2,828,549
<b>17.1</b> Due from related parties which are neither past due nor impaired includes the following:		
<i>Un-secured</i>		
NutriCo Pakistan (Private) Limited	-	380,000
<b>17.2</b> The maximum amount outstanding at any time during the year calculated by reference to month end balances are as follows.		
<i>Un-secured</i>		
NutriCo Pakistan (Private) Limited	-	380,000
<b>17.3</b> Movement of allowance for ECL is as follows:		
Opening balance	9,007	9,007
Charge for the year	48,254	-
Closing balance	<b>57,261</b>	9,007
<b>18 Cash and bank balances</b>		
Cash at bank:		
- Short-term deposits - note 18.1	127,000	124,000
- Current accounts	466,929	101,241
- Saving accounts - note 18.2	81,535	40,589
Cash in hand	17,892	8,900
	<b>693,356</b>	274,730
<b>18.1</b> Represent security deposits from certain distributors that are placed in 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 ranged from 10% to 11.1% (June 30, 2021: 6% to 10%) and these term deposits are readily encashable without any penalty.		
<b>18.2</b> Includes cash at bank, held in accounts with National Bank of Pakistan amounting to Rs.0.1 million (June 30, 2021:Rs.0.01 million), a related party, due to common directorship of a director.		
<b>18.3</b> These carry interest at the rates ranging from 5.25% to 6.5% (June 30, 2021: 5% to 7%) per annum.		

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

Amounts in PKR '000

19 Issued, subscribed and paid-up capital				
As at June 30, 2022	As at June 30, 2021		As at June 30, 2022	As at June 30, 2021
(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
<b>92,359,050</b>	<b>92,359,050</b>		<b>923,591</b>	<b>923,591</b>

- 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, 2022, the Holding Company together with Yunus Textile Mills Limited, Gadoon Textile Mills Limited, Lucky Textile Mills Limited and YB Pakistan Limited held 81.54% (June 30, 2021: 81.54%) while institutions held 8.02% (June 30, 2021: 9.27%) and individuals, Modarabas and Mutual Funds and Others held the balance of 10.44% (June 30, 2021: 9.19%) ordinary shares. Voting rights & other shareholder's rights are in proportion to their shareholding.

	As at June 30, 2022	As at June 30, 2021
<b>20 Capital reserves</b>		
Share premium - note 20.1	309,057	309,057
Capital receipts - note 20.2	586	586
	<b>309,643</b>	<b>309,643</b>

- 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, 2022	As at June 30, 2021
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<b>21</b>	<b>Provisions for non-management staff gratuity</b>	<b>118,869</b>	<b>120,797</b>
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**21.1** As stated in note 3.12 to these consolidated financial statements, the Group is operating 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, 2022.

**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**

	2022			2021				
	Funded			Unfunded		Funded		
	Pension	Gratuity	Total	Non - management gratuity	Pension	Gratuity	Total	Non - management gratuity
<b>21.3.1 The amounts recognised in the consolidated statement of profit or loss and consolidated statement of other comprehensive income account against defined benefit schemes are as follows:</b>								
<b>Consolidated statement of profit or loss</b>								
Current service cost	5,917	36,091	42,008	4,340	9,585	34,849	44,434	4,680
Interest cost	64,042	57,290	121,332	10,806	61,900	46,775	108,675	8,667
Expected return on plan assets	(71,128)	(59,518)	(130,646)	-	(68,042)	(46,010)	(114,052)	-
Net charge / (reversal) for the year	(1,169)	33,863	32,694	15,146	3,443	35,614	39,057	13,347
<b>Consolidated statement of other comprehensive income:</b>								
Loss / (gain) on obligation	15,396	31,097	46,493	(2,975)	57,361	32,865	90,226	12,050
Gain on plan assets	15,894	23,522	39,416	-	(60,943)	(35,763)	(96,706)	-
Net loss / (gain) for the year	31,290	54,619	85,909	(2,975)	(3,582)	(2,898)	(6,480)	12,050

**21.3.2 Movement in the net assets / (liability) recognised in the consolidated statement of financial position are as follows:**

Opening balance	74,589	(9,594)	64,995	(120,797)	74,450	(41,670)	32,780	(114,703)
Net (reversal) / charge for the year - note 21.3.1	1,169	(33,863)	(32,694)	(15,146)	(3,443)	(35,614)	(39,057)	(13,347)
Net (loss) / gain for the year - note 21.3.1	(31,290)	(54,619)	(85,909)	2,975	3,582	2,898	6,480	(12,050)
Contributions / payments during the year	-	66,110	66,110	14,099	-	64,792	64,792	19,303
Closing balance	44,468	(31,966)	12,502	(118,869)	74,589	(9,594)	64,995	(120,797)

**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	691,405	648,300	1,339,705	-	861,259	640,718	1,501,977	-
Present value of defined benefit obligation - note 21.3.4	(646,937)	(680,266)	(1,327,203)	(118,869)	(786,670)	(650,312)	(1,436,982)	(120,797)
Net asset / (liability)	44,468	(31,966)	12,502	(118,869)	74,589	(9,594)	64,995	(120,797)

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 is as follows:**

Opening balance	786,670	650,312	1,436,982	120,797	842,783	598,123	1,440,906	114,703
Current service cost	5,917	36,091	42,008	4,340	9,585	34,849	44,434	4,680
Interest cost	64,042	57,290	121,332	10,806	61,900	46,775	108,675	8,667
Benefits paid	(225,088)	(94,524)	(319,612)	(14,099)	(184,959)	(62,300)	(247,259)	(19,303)
Actuarial loss / (gain)	15,396	31,097	46,493	(2,975)	57,361	32,865	90,226	12,050
Closing balance	646,937	680,266	1,327,203	118,869	786,670	650,312	1,436,982	120,797

**21.3.5 Movement in the fair value of plan assets is as follows:**

Opening balance	861,259	640,718	1,501,977	-	917,233	556,453	1,473,686	-
Expected return	71,128	59,518	130,646	-	68,042	46,010	114,052	-
Contributions	-	66,110	66,110	-	-	64,792	64,792	-
Benefits paid	(225,088)	(94,524)	(319,612)	-	(184,959)	(62,300)	(247,259)	-
Actuarial (loss) / gain	(15,394)	(23,522)	(39,416)	-	60,943	35,763	96,706	-
Closing balance - note 21.3.7	691,405	648,300	1,339,705	-	861,259	640,718	1,501,977	-

# Notes to the Consolidated Financial Statements

## For the year ended June 30, 2022

Amounts in PKR '000

21.3.6 Historical information	June 30				
	2022	2021	2020	2019	2018
Present value of defined benefit obligation	1,446,072	1,557,779	1,555,609	1,471,266	1,918,610
Fair value of plan assets	(1,339,705)	(1,501,977)	(1,473,686)	(1,404,191)	(1,807,832)
Net (asset) / liability	106,367	55,802	81,923	67,075	110,778

21.3.7 Major categories / composition of plan assets are as follows:	2022	2021
Debt instruments	69.49%	71.73%
Equity at market value	28.53%	29.51%
Cash / Others	1.99%	-1.24%

Fair value of plan asset	Pension	Gratuity	Pension	Gratuity
	As at June 30, 2022		As at June 30, 2021	
<b>Investment</b>				
National savings deposits	394,800	-	348,447	-
Government bonds	60,080	421,246	266,157	415,399
Corporate bonds	-	54,771	-	47,380
Shares	221,105	161,064	264,839	178,340
Cash and term deposits	14,450	11,355	3,482	7,320
Income receivable / (Benefit due)	970	(136)	(21,666)	(7,721)
Total	691,405	648,300	861,259	640,718

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:	91,230	210,758
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### 21.3.8 The principal actuarial assumptions at the reporting date were as follows:

<b>Discount rate</b>	13.00%	9.50%
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.		
<b>Future salary increases - Management</b>	7.50%	4.25%
<b>Future salary increases - Non - Management</b>		
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.	8.50%	5.25%
<b>Future pension increases</b>	7.50%	4.25%
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, 2022 is 7.50%.		

### 21.3.9 Impact of changes in assumptions on defined benefit obligation is as follows:

Assumption	1% Increase	1% Decrease
Discount rate	71,862	(79,713)
Salary increase	(52,063)	47,625
Pension increase	(31,089)	28,352

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.

21.3.10 During the year, the Group's contribution in fund is as follows:	As at June	As at June 30,
	30, 2022	2021
Provident fund - note 21.4	167,149	157,040
Defined contribution superannuation fund - note 21.4	144,511	134,125

Amounts in PKR '000

**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, 2023 for management staff gratuity PKR 43.484 million.

The weighted average duration of the defined benefit obligation is 6 years (2021: 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, 2022	As at June 30, 2021
<b>22 Long-term loans</b>	<b>6,044,640</b>	<b>5,621,809</b>
Loans from banking companies / financial institutions		
<i>Interest based arrangement</i>		
Long-Term Finance Facility (LTFF) - note 22.1	1,592,207	1,621,081
Renewable energy - note 22.5	91,656	-
Payroll Finance Scheme - note 22.2	493,412	1,133,248
Temporary Economic Refinance Facility (TERF) - note 22.3	2,312,024	546,674
<i>Shariah compliant</i>		
Islamic term finance - note 22.4	3,335,023	4,257,417
	7,824,322	7,558,420
<b>Current portion shown under current liabilities</b>	<b>(1,779,682)</b>	<b>(1,936,611)</b>
	<b>6,044,640</b>	<b>5,621,809</b>

**22.1** The Group has obtained Long Term Finance Facility – LTFF, extended by SBP, for CAPEX requirements of its Soda Ash Division on different dates from various banks. Repayment of loans is to be made in quarterly/semi annual installments in 10 years including 02 years grace period and is secured against charge of PKR 5,542 million (2021: Rs. 5,542 million) over Fixed Assets of the Group. Markup is charged at concessionary SBP LTFF rate plus 0.3% to 1.5% per annum (2021: SBP LTFF rate plus 0.3% to 1.5% per annum). Facility Limit at year end stands at PKR 2,087.85 million (2021: PKR 2,665.82 million).

Amount outstanding against LTFF facility includes PKR 236.5M due to National Bank of Pakistan (Related Party).

**22.2** The Group entered into a loan arrangement with MCB Bank Limited under the State Bank of Pakistan's (SBP) "Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concern". The Group obtained the said loan at subsidized rate in six tranches from May 2020 to September 2020. The term of the loan is 2.5 years from the date of disbursement with a grace period of 6 months, repayable in 8 equal quarterly installments starting from April 2021. Mark-up is payable at the concessionary rate ranging from 0.5% to 1% per annum. This loan is secured against the current assets of the Group. This facility is interchangeable with Short Term Running Finance provided by the Bank.

Government grant has been recorded in respect of this facility and there are no unfulfilled conditions or contingencies attached to this grant.

**22.3** The Group has obtained SBP Temporary Economic Refinance Facility - TERF amounting to PKR 500M and PKR 3,500M respectively, from two banks NBP and MCB in various tranches, for the purpose of Plant expansion in Soda Ash and Polyester Division. The repayment is to be made in 16 equal consecutive semi-annual installments in 10 years with grace period of 2 years. The loan is secured against charge of PKR 5,042 million on Fixed Assets of the Group. The markup rate on TERF as per SBP Regulations.

Government grant has been recorded in respect of this facility. There are no unfulfilled conditions or contingencies attached to this grant.

The Group has fully utilized the facility from National Bank of Pakistan (related party).

**22.4** This represents Shariah compliant Long Term loans obtained from various banks by the Group. Profit rate on Islamic term finance ranges from Relevant KIBOR + 0.05% to Relevant KIBOR + 1.15%. Tenure of these loans ranges upto 7 years and are repayable in quarterly/semi annual installments. These loans are secured against charge on fixed assets of the Group.

**22.5** The Group has availed during the year SBP Islamic Financing Facility for Renewable Energy (IFRE) of PKR 91.66 million against the total limit of PKR 96.75 million from Allied Bank Limited (Islamic Banking). Repayment of loan is to be made in semi annual installments in 10 years and is secured against charge over Fixed Assets of the Group. Markup is charged at concessionary SBP rate plus 0.5% per annum.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

		As at June 30, 2022	As at June 30, 2021
<b>23</b>	<b>Deferred income - Government grant</b>		
Government grant		1,034,495	193,230
Current portion of government grant		(164,440)	(53,746)
		<b>870,055</b>	<b>139,484</b>

Following is the movement in government grant during the year:

Opening balance	193,230	-
Obtained during the year	980,795	243,854
Amortisation of deferred income - government grant	(139,530)	(50,624)
<b>Closing balance</b>	<b>1,034,495</b>	<b>193,230</b>

	As at June 30, 2022				As at June 30, 2021		
	Opening	Charge / (Reversal)	Acquisition of subsidiary - note 2.4	Closing	Opening	Charge / (Reversal)	Closing
<b>24</b>							
<b>Deferred tax liability - net</b>							
<b>Deductible temporary differences</b>							
Provisions for retirement benefits, doubtful debts and others	(262,915)	(42,271)	-	(305,186)	(304,646)	41,731	(262,915)
Retirement fund provisions - note 24.1	(118,216)	(40,668)	-	(158,884)	(115,712)	(2,504)	(118,216)
Business Loss	(833,551)	(202,318)	-	(1,035,869)	(511,641)	(321,910)	(833,551)
Minimum Tax	-	(34,513)	-	(34,513)	-	-	-
<b>Taxable temporary differences</b>							
Property, plant and equipment	2,176,514	582,160	50,874	2,809,548	2,329,446	(152,932)	2,176,514
Intangible assets	-	186,381	1,351,267	1,537,649	-	-	-
	<b>961,832</b>	<b>448,771</b>	<b>1,402,141</b>	<b>2,812,745</b>	<b>1,397,447</b>	<b>(435,615)</b>	<b>961,832</b>

**24.1** Includes amount PKR 40.668 million (2021 : PKR 2,504 million) routed through consolidated statement of other comprehensive income.

		As at June 30, 2022	As at June 30, 2021
<b>25</b>	<b>Trade and other payables</b>		
Trade creditors		3,327,113	2,262,564
Bills payable		3,479,911	2,396,197
Accrued expenses - note 25.1		4,995,981	4,606,328
Technical service fee / royalty - note 25.2		1,036	38,208
Workers' Profit Participation Fund - note 25.3		58,369	66,115
Workers' Welfare Fund		236,914	176,273
Distributors' security deposits - payable on termination of distributorship - note 25.4		125,311	127,320
Contractors' earnest / retention money		25,142	81,233
Contract liability (running account with customers) - note 25.5		1,273,968	703,553
Payable for capital expenditure		575,382	198,408
Due to associates - note 25.6		-	306,095
Others		218,847	266,276
		<b>14,317,974</b>	<b>11,228,570</b>

**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

<b>25.2</b>	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
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<b>25.3</b>	<b>Workers' Profit Participation Fund</b>		
Opening balance		66,115	52,726
Allocation for the year - note 33		320,094	444,713
		<b>386,209</b>	<b>497,439</b>
Interest on funds utilised in the Holding Company's businesses at 13.67% (June 30, 2021: 116.25%) per annum		340	2,157
Payment to the fund		(328,180)	(433,481)
<b>Closing balance</b>		<b>58,369</b>	<b>66,115</b>

Amounts in PKR '000

- 25.4** Interest on security deposits from certain distributors that are placed with various separate bank account is payable at ranging from 10% to 11% (June 30, 2021: 6% to 10%) per annum as specified in the respective agreements. These security deposits are non utilizable. Further, the Company has not utilized any such deposit for the purpose of its business during the year.
- 25.5** During the year, contract liabilities as at June 30, 2022 have been recognised as revenue. Contract liabilities as at the year end will be recognised as revenue during next financial year.
- 25.6** Includes amount due to NutriCo Pakistan (Private) Limited and Morinaga Milk Industry Co Ltd amounting to Rs. Nil ( June 30, 2021: Rs112.7 million) and Rs. Nil (June 30, 2021: Rs 193.30 million) respectively.

	As at June 30, 2022	As at June 30, 2021
<b>26</b> <b>Short-term financing</b>		
Export refinance facility - note 26.1	741,000	450,000
Short-term running finance - secured - note 26.2 and 26.3	12,964,104	3,287,149
	<b>13,705,104</b>	<b>3,737,149</b>

- 26.1** The Group has availed Export Refinance Facility (ERF) of SBP both Part 1 and Part 2, amounting to PKR 741 million (2021: PKR 450 million) as at June 30, 2022 from various banks out of which PKR 300 million was availed from National Bank of Pakistan (related party). It is secured against charge on current assets of the Group and carries mark-up at State Bank of Pakistan (SBP) rate + 0.15% to 1.00% per annum (2021: SBP rate + 0.15% to 0.50% per annum). This facility is interchangeable with Short Term Running Finance provided by the Banks.
- 26.2** It represents short-term financing facilities wherein, Islamic Facilities have a limit of PKR 13,211 Million (2021: PKR 10,346 Million). These facilities carry mark-up ranging from Plain KIBOR to KIBOR + 1.25% per annum (2021: KIBOR + 0.02 % to KIBOR + 1.25% per annum. The conventional short-term facilities, have a limit amounting to PKR 7,250 million (2021: PKR 5,950 million). These facilities carry mark-up ranging from KIBOR + 0.05 % to KIBOR + 0.30 % per annum (2021: KIBOR + 0.05 % to KIBOR + 0.30 % per annum). The aforesaid limits are interchangeable with ERF, Payroll Financing and Bank Guarantees as per arrangements with various banks. The facility is secured against charge on current assets of the Group.
- 26.3** It includes amount of PKR 97.32 million outstanding from National Bank of Pakistan (related party), against a total limit of PKR 1,000 million, carrying mark-up at the rate of 3 month KIBOR + 0.15 %.

## 27 Contingencies and commitments

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

Local bodies	84,500	76,500
Others	6,192	7,238
	<b>90,692</b>	<b>83,738</b>

## 27.1 Details of material cases

Collectorate of customs - classification issue in PCT heading

The 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 May 12, 2015 and May 21, 2015, against the Holding Company on the ground that the Holding Company is classifying its imported product Wannate 8019 in wrong PCT Heading. The Holding Company filed 12 appeals at the Customs Appellate Tribunal. The Collector of Customs (Appeals) at Karachi issued an order on November 25, 2015, through which it waived the penalty of PKR 0.6 million and fine of PKR 2.9 million originally imposed but two issues classification of goods and benefit of FTA PKR 0.7 million were not allowed / accepted. The Holding Company appealed before the Customs Appellate Tribunal. Through order dated July 9, 2019, the Custom Appellate Tribunal (a) agreed to the classification determined under impugned order dated May 21, 2015, passed by Collector Customs (b) held that the goods being not part of SRO 1125(I)/2011 dated December 31, 2011 do not qualify for cover of zero rating of sales tax. (c) penalty imposed upon the Holding Company is scaled down to PKR 0.2 million in every case involving penalty and penalty imposed upon custom house agent is reduced to PKR 0.025 million (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 the Holding Company. This decision has been challenged before the Sindh High Court (SHC) vide 10 custom references.

Special Customs Reference Applications were filed before the SHC against Order dated July 9, 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 favor of the Holding Company by the SHC through order dated December 22, 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. The 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 June 12, 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. The 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.

The consignment of 8MW Power Generation Project was subject to dispute of HS Code Classification as the Company claimed that the appropriate PCT of entire 8 MW Power Generation Project, including all of its components and necessary machineries. However, the Collectorate of Customs held that each and every component of the Power Generation Project were to be classified independently and withheld the shipments.

A petition was filed by the Holding Company before the SHC against the wrong assessment of the consignment along with the submission of bank guarantees for the differential amount of PKR 601.950 million with the Nazir of High Court in order to release import shipments. The Holding Company is confident that it has strong grounds to defend the case.

# Notes to the Consolidated Financial Statements

## For the year ended June 30, 2022

### Land conversion fee issue

The Holding Company 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 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.

### Sindh Infrastructure Development and Maintenance Cess

The Government of Sindh through Sindh Finance Act, 1994 imposed infrastructure fee for development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. NutriCo Morinaga has contested the levy along with other companies in the High Court of Sindh which was instituted on May 26, 2011. Through the interim order passed on May 31, 2011, the High Court has ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. On the directive of the Directorate of Excise and Taxation (Taxes-II), up to June 30, 2022, the management has provided bank guarantees amounting to Rs. 175 million (June 30, 2021: Rs.165 million) with the Excise and Taxation Department. Subsequently, there were two bunch of cases on the issue of SIDC, decided by Honorable High Court of Sindh in two trenches; one on June 04, 2021 and another on June 10, 2021 but in terms of same judgment dated June 04, 2021 and Constitutional Petition of NutriCo Morinaga was disposed of with the later part on October 04, 2021. The Honorable Supreme Court of Pakistan, in first round of cases, was pleased to grant interim relief vide Orders dated September 01, 2021 and November 11, 2021, while suspending the operation of impugned Judgment dated June 04, 2021.

NutriCo Morinaga has filed CPLA on November 17, 2021, which is under process for fixation as the petitions filed in second round have been clubbed with first round cases. The management believes that the matter will ultimately be decided in the NutriCo Morinaga's favor.

The Group based on the opinion of advisors is confident that the above cases would be decided in Group's favor. Accordingly, no provision in this respect has been made in these consolidated financial statements.

### 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	<p>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.</p> <p>In first appeal, the Commissioner (Appeals) [CIR(A)] decided all the issues in the Holding Company's favor except the matter of restriction of cost of capitalization.</p>	Income tax	PKR 79 million	Currently appeals of the Holding Company and FBR are pending before the Tribunal.
AY 2002-03 and spillover effect in TYs 2003 to 2010	<p>After the disposal of the Holding Company's petition by the Honorable Supreme Court of Pakistan, the assessment proceedings were finalized vide Order dated May 15, 2017.</p> <p>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 &amp; exchange of shares and restrict the claim of depreciation relating to PTA assets. Other matters included the disallowance of financial charges and other issues.</p> <p>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. Subsequently, the Tribunal vide order dated June 7, 2021 has decided all the issues involved in AY 2002-03 in the Holding Company's favor.</p> <p>The appeals for Tax Years 2003 to 2010 are still pending before Tribunal. Since these involve a consequential matter, the Holding Company is confident that these will also be favorably resolved.</p> <p>With respect to the demand involved, the Holding Company has sought stay from the Honorable Sindh High Court which is valid till the decision of Tribunal.</p>	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.

Assessment Year / Tax Year / Tax Period	Brief description	Nature of demand	Estimated Financial impact	Authority / Court and status
TYs 2003 to 2010 [Regular assessments & audits]	<p>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.</p> <p>The CIR(A) had allowed all the issues in the Holding Company's favor except for one issue in TY 2010 which has been challenged before Tribunal.</p> <p>FBR also challenged the CIR(A) order in the Tribunal which has been decided against the Holding 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.</p>	Income tax	TY 2010: PKR 79 million.	Hearings of appeals are pending.
TY 2016	<p>Following proceedings were finalized by FBR:</p> <p>(i) Income tax audit was finalized vide order dated December 30, 2019 raising demand on various issues such as disallowance of provisions, exchange loss, BMR credit etc. During the year, the CIR(A) has decided certain issues including BMR credit, exchange loss etc. against the Holding Company which has been challenged before the Tribunal.</p> <p>(ii) Monitoring proceedings were 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.</p>	Income tax	<p>(i) PKR 36 million, paid under protest.</p> <p>(ii) PKR 138 million.</p>	<p>(i) Hearing of appeal is pending before Tribunal.</p> <p>(ii) Hearing of the appeal is pending before Tribunal.</p>
TY 2017  TY 2018	<p>FBR has finalized assessment proceedings vide order dated February 7, 2022, raising tax demand on certain issues including disallowance of finance cost, write-offs, and BMR credit etc. The Holding Company has filed an appeal before CIR(A) against the order.</p> <p>Similar issues have also been decided against the Holding Company in income tax audit finalized vide order dated June 3, 2022 for tax year 2018. An appeal against the order has been filed before the CIR(A).</p>	Income tax	<p>(i) TY 2017: PKR 240 million</p> <p>(ii) TY 2018: PKR 32 million paid under protest</p>	Hearing of both appeals before CIR(A) is pending.
July 2012 to June 2013	<p>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.</p> <p>Appeal filed with CIR(A) was decided against the Holding Company which has been challenged before the Tribunal.</p>	Sales tax	PKR 952 million	The case has been heard by Tribunal which is reserved for order.
July 2014 to June 2015  &  July 2016 to June 2017	<p>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.</p> <p>Similar issues for July 2016 to June 2017 have been decided against the Holding Company vide order dated June 29, 2021. The Holding Company being aggrieved, has already filed an appeal before CIR(A).</p>	Sales tax	<p>(i) July 2014 to June 2015: PKR 26 million, paid under protest</p> <p>(ii) July 2016 to June 2017: PKR 29 million</p>	<p>(i) Hearing of FBR appeal is pending before Tribunal.</p> <p>(ii) Hearing of appeal before CIR(A) is pending.</p>
July 2017 to June 2018	Sales tax audit has been finalized by the FBR vide order June 30, 2022, raising demand on various issues including inadmissible sales tax claimed on blacklisted / inactive suppliers, non-levy of further tax on non-active customers and goods used for non-business activity.	Sales tax	PKR 29 million	The Holding Company is in process of filing an appeal before CIR(A).

# Notes to the Consolidated Financial Statements

## For the year ended June 30, 2022

### Tax Year 2015

On the receipt of order under section 161/205 of the Income Tax Ordinance, 2001 dated January 30, 2018, NutriCo Morinaga has filed an appeal before the Commissioner Inland Revenue (CIR A-IV) Karachi who disposed off the appeal vide his appellate order under section 129 of the Income Tax Ordinance, 2001 dated June 08, 2018. The issues were remanded back for reverification of facts and NutriCo Morinaga was requested to furnish the details of the listed expenses to Commissioner Inland Revenue. The Authorized representative of NutriCo Morinaga has made the compliance and reassessment u/s 161/124 of the Income Tax Ordinance, 2001 was completed. Subsequently, a notice under section 138 of Income Tax Ordinance, 2001 demanding Rs. 39.75 million was issued against which NutriCo Morinaga has filed a second appeal before the Commissioner Inland Revenue (CIR A-IV) which was heard on February 10, 2021. Appellate order of CIR(A) dated December 24, 2021, deleted Rs. 6.64 million, set aside Rs. 8.69 million related to default surcharge and penalty while remanded back an amount of Rs. 24.41 million.

The Commissioner Inland Revenue, Large Taxpayer Unit-II, Karachi selected the case of NutriCo Morinaga for Tax Year 2015 for audit under Section 214D of the Ordinance which NutriCo Morinaga contested on various legal grounds. However, the Assessing Officer passed impugned order creating a demand of Rs.201.22 million on the grounds that the audit was not initiated under Section 214D instead it was selected by Commissioner under Section 177 of the Ordinance. The impugned Order did not commensurate with the original audit selection / intimation letter which was issued under Section 214D. The Office of the Commissioner Inland Revenue carried on the proceedings and passed an order on June 25, 2021, raising demand on NutriCo Morinaga for amount Rs. 201.22 million. NutriCo Morinaga has filed an appeal before the Commissioner Inland Revenue Appeals -IV Karachi which is pending fixation.

### Tax Year 2017

NutriCo Morinaga has filed an appeal before the Commissioner Inland Revenue - Appeals IV versus Assistant/Deputy Commissioner Inland Revenue against the demand of Rs. 32.93 million (including surcharge of Rs. 3.53 million for the short payment of Super tax created in the impugned order dated March 5, 2018. CIR(A) vide appellate order dated June 09, 2018 has maintained the levy on the basis of decision of superior courts. NutriCo Morinaga feels that the order is unjust and based on gross misapplication of law. NutriCo Morinaga approached Appellate Tribunal Inland Revenue which is pending fixation. Interim stay obtained vide Suit No. 678 of 2018 has been withdrawn on August 27, 2018 in the light of Supreme Court order dated June 27, 2018. Subsequently, another stay in Constitution Petition (CP No. D-1270 of 2019) dated February 25, 2019 has been obtained from the Honorable High Court of Sindh in respect of demand raised through the said order till the disposal of appeal by ATIR.

The Assessing Officer created a demand of Rs. 68.44 million vide Order u/s 161(1A)/205/182 of the Ordinance dated September 30, 2019. NutriCo Morinaga being aggrieved preferred any appeal before the Commissioner Inland Revenue Appeals-IV, Karachi, which the Commissioner Inland Revenue Appeals-IV, Karachi remanded back to the Assessing Officer for re-adjudication. NutriCo Morinaga made compliance and resubmitted the explanations and evidences before the Assessing Officer. On May 27, 2021, the office of Commissioner of the Inland Revenue passed an order creating a demand of Rs. 88.78 million (including Rs.32.57 million of additional tax and penalty). Feeling aggrieved, NutriCo Morinaga proceeded to file an appeal, however, due to technical issues on IRIS portal of FBR, online appeal was not filed. The issue was notified to Chief Commissioner and the respective office of Commissioner Inland Revenue. A fresh order was then issued on July 2, 2021 to facilitate NutriCo Morinaga for submission of Appeal against the said order before the Inland Commissioner Inland Revenue (Appeal-IV) Karachi. NutriCo Morinaga has filed an appeal before the Commissioner Inland Revenue Appeals -IV Karachi which is pending fixation.

### Tax Year 2018

The Assessing Officer created a demand of Rs. 40.89 million vide order under section 161/205 of the Income Tax Ordinance, 2001 dated December 16, 2020. Feeling aggrieved, NutriCo Morinaga approached Commissioner Inland Revenue Appeals -IV Karachi for decision. On June 30, 2021, NutriCo Morinaga received an order from the office Commissioner Inland Revenue Appeals - IV deleting demand of Rs. 13.33 million in favor of NutriCo Morinaga, whereas, an amount of Rs. 23.79 million has been remanded back to the office of Commissioner for re-adjudication. An amount of Rs. 0.79 million confirmed by Commissioner Appeals has been contested at Appellate Tribunal Inland Revenue.

The management of the Group based on the opinion of advisors is confident that all these cases will be decided in favor of the Group. Accordingly, no provision in this respect has been made in these consolidated financial statements.

	As at June 30, 2022	As at June 30, 2021
<b>27.3 Commitments</b>		
<b>27.3.1 Commitments in respect of capital expenditure including various projects</b>	<b>1,950,771</b>	1,098,252
<b>27.3.2 Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:</b>		
Year		
2021-22	2,123	2,013
2022-23	8,491	6,436
2023-24	9,043	6,608
2024-25	9,630	7,038
2025-26	10,256	5,621
	<b>39,543</b>	<b>27,716</b>
Payable not later than one year	2,123	2,013
Payable later than one year but not later than five years	37,420	25,703
	<b>39,543</b>	<b>27,716</b>
<b>27.3.3 Outstanding letter of credit: Unutilized PKR 9,392.174 million (June 30, 2021: PKR 10,945.968 million)</b>	<b>10,392,915</b>	5,743,335
<b>27.3.4 The above amount includes facility limit of 1,000 million (June 30, 2021: 1,000 million) from National Bank of Pakistan (related party) outstanding balance of PKR 394.39 million (June 30, 2021: 678.800)</b>		
<b>27.3.5 Commitments in respect of post dated cheques;</b>	<b>552,082</b>	420,760

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	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended													
		June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021												
Sales																									
Bangladesh		-	249	2,213,593	617,257	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	617,606			
Sri Lanka		-	460,886	283,633	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	460,886	283,633		
United States		734,575	203,113	-	89,713	56,731	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	734,575	203,113		
UAE		-	54,406	615,808	161,746	23,462	109,836	-	-	-	-	-	-	-	-	-	-	-	-	-	-	89,713	56,731		
Others		734,575	257,768	3,380,000	1,119,467	23,462	109,836	-	-	-	-	-	-	-	-	-	-	-	-	-	-	639,270	330,158		
Inter-segment		42,331,779	28,580,556	26,588,761	19,327,709	13,032,544	10,838,050	7,151,967	6,625,963	12,873,783	10,491,161	14,618,157	2,148,248	-	-	-	-	-	-	-	-	-	1,246,516	1,187,883	
Local		43,086,354	28,838,323	29,968,761	20,447,176	13,056,006	10,947,886	7,151,967	6,625,963	12,981,635	10,510,130	14,618,157	2,148,248	-	-	-	-	-	-	-	-	-	117,229,985	117,229,977	
Commission / Toll income		-	-	-	-	-	-	-	-	-	986	126,225	176,530	-	-	-	-	-	-	-	-	-	80,056,734		
Turnover		43,086,354	28,838,323	29,968,761	20,447,176	13,056,006	10,947,886	7,152,963	6,626,089	13,128,165	10,636,555	14,618,157	2,148,248	-	-	-	-	-	-	-	-	-	128,451		
Sales tax		(6,115,322)	(4,107,589)	(3,796,158)	(2,706,463)	(203,277)	(43,290)	(52,867)	(43,506)	(1,054,444)	(1,367,137)	(1,150,227)	(723,500)	-	-	-	-	-	-	-	-	-	(6,130,531)	(203,277)	
Commission		(275,091)	(433,685)	(885,533)	(828,906)	(4,127,136)	(3,080,145)	(1,483,107)	(1,503,227)	(953,973)	(882,705)	(723,500)	-	-	-	-	-	-	-	-	-	-	(6,448,340)	(6,735,648)	
Discounts / price adjustment		(6,390,413)	(4,541,254)	(4,904,291)	(3,738,846)	(4,170,426)	(3,133,661)	(1,535,974)	(1,512,364)	(2,321,110)	(1,937,149)	(1,152,364)	(2,321,110)	-	-	-	-	-	-	-	-	-	8,085,185		
Net turnover		36,675,941	24,297,069	25,064,470	16,708,530	8,895,580	7,814,235	5,616,979	5,113,725	10,867,055	8,699,206	13,894,657	2,148,248	-	-	-	-	-	-	-	-	-	66,012,729		
Cost of sales - note 30		(32,097,437)	(20,986,306)	(18,527,524)	(11,563,654)	(5,591,007)	(5,266,224)	(5,891,007)	(5,591,007)	(7,931,907)	(6,556,177)	(10,764,550)	(2,147,177)	(3,130,407)	(1,071)	(203,509)	(230,725)	(1,462,837)	(1,462,837)	(1,000,991)	(2,215,105)	(2,215,105)	(1,948,595)	(14,580,039)	
Gross profit		4,578,504	3,298,761	6,556,946	5,145,066	2,984,513	2,548,011	1,633,834	1,215,376	2,875,248	2,141,029	3,130,407	-	-	-	-	-	-	-	-	-	-	2,195,961		
Selling and distribution expenses - note 31		(629,196)	(458,435)	(1,024,433)	(678,853)	(1,445,404)	(1,309,793)	(812,688)	(743,939)	(1,078,616)	(91,737)	(334,892)	(235,202)	(290,106)	(152,967)	(433,472)	(924,025)	(963,984)	(941,843)	(1,916,276)	(585,368)	(153,904)	(6,914,262)	(4,588,476)	
Administration and general expenses - note 32		(142,385)	(124,340)	(1,036,029)	(940,692)	(301,673)	(402,430)	(60,615)	(60,615)	(91,737)	(379,700)	(1,461,940)	(941,843)	(1,916,276)	(235,202)	(290,106)	(152,967)	(49,605)	(49,605)	(1,227)	(2,215,105)	(2,215,105)	(1,948,595)	(8,042,988)	
Operating result		3,806,923	2,715,986	4,476,484	3,525,521	1,247,436	835,768	760,631	-	-	-	-	-	-	-	-	-	-	-	-	-	229,498	13,823,594		
28.1 Segment assets - note 28.5 and 29.3		15,971,757	9,823,522	36,580,893	25,406,934	7,480,296	5,810,736	5,032,162	4,279,340	11,418,255	9,344,984	13,799,380	8,137,016	907,757	898,804	75,127,149	48,332,224								
28.2 Unallocated assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500	1,409,730		
28.3 Segment liabilities - note 28.5 and 29.4		17,907,421	14,723,344	7,675,381	3,341,690	5,343,936	5,563,382	773,209	2,209,108	2,328,549	2,424,499	2,992,347	410,257	124,559	59,426	17,632,146	15,249	15,249	15,451	2,885,613	2,885,613	2,915,393			
28.4 Unallocated liabilities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,206,252	11,765,906		
28.5 Inter-unit current account balances of respective businesses have been eliminated from the total.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,183,398	24,342,740		
28.6 Depreciation and amortisation charge - note 6.5, 7.1 and 8.1		605,577	618,213	1,568,677	1,614,857	151,880	143,799	70,411	64,716	109,228	364,491	349,131	-	-	-	-	-	-	-	-	-	-	75,125,649	49,741,954	
28.6.1 Depreciation and amortisation allocated for which corresponding asset is not allocated		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
28.7 Capital expenditure		1,319,521	308,653	7,735,983	2,372,994	338,277	115,929	67,273	26,702	86,389	4,074	119,657	32,022	42,450	20,718	9,709,550	2,881,092								
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.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

\* Comparatives in NutriCo Morinaga business does not include NutriCo Pakistan for June 2021 as NutriCo Morinaga became a subsidiary and subsequently amalgamated in NutriCo Morinaga w.e.f 01 July 2021.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

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, 2022.

	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>29 Reconciliations of reportable segment net turnover, cost of sales, assets and liabilities</b>		
<b>29.1 Net turnover</b>		
Total net turnover for reportable segments - note 28	102,631,028	66,012,729
Elimination of inter-segment net turnover - note 28	(77,847)	(14,799)
Elimination of inter-group net turnover from the subsidiary	(1,686,353)	(1,231,717)
 Total net turnover	 100,866,828	 64,766,213
<b>29.2 Cost of sales</b>		
Total cost of sales for reportable segments - note 28	80,678,067	51,432,690
Elimination of inter-segment purchases - note 28	(77,847)	(14,799)
Elimination of inter-group purchases from the subsidiary	(1,687,763)	(1,233,457)
Total cost of sales	78,912,457	50,184,434
 As at June 30, 2022		As at June 30, 2021
<b>29.3 Assets</b>		
Total assets for reportable segments	75,127,149	48,332,224
Taxation - net	-	453,889
Long-term investments - note 9	2,500	955,841
Total assets	75,129,649	49,741,954
<b>29.4 Liabilities</b>		
Total liabilities for reportable segments	17,632,146	12,576,834
Short-term financing - note 26	13,705,104	3,737,149
Loans from banking companies / financial institutions - note 22	7,824,322	7,558,420
Accrued mark-up	441,018	177,821
Unclaimed dividend	115,500	99,286
Deferred Income - Government grant	1,034,495	193,230
Taxation - net	1,085,812	-
Contractors' retention money	198,259	-
Total liabilities	41,838,397	24,342,740

Amounts in PKR '000

### 30.1 Staff retirement benefits

Salaries, wages and benefits include amounts in respect of staff retirement benefits:

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

Amounts in PKR '000												
31	Selling and distribution expenses						Chemicals & Agri Sciences					
	Polyester	Ash	Soda Ash	Pharma	Animal Health	Others	Polyester	Ash	Soda Ash	Pharma	Animal Health	Others
	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021
Salaries and benefits -note 31.1	79,596	67,484	58,985	59,178	693,719	637,834	367,212	417,652	460,676	429,623	173,925	3,067
Repairs and maintenance	-	213	702	888	5,553	4,402	2,170	1,664	14,313	9,491	-	-
Advertising and publicity expenses	19,555	58,937	12,078	10,582	255,429	188,116	38,204	66,329	67,824	516,939	320,168	-
Rent, rates and taxes	4	46	472	343	3,789	6,562	8,300	6,593	13,597	7,692	-	-
Insurance	-	-	407	481	12,036	11,341	8,941	7,532	11,619	10,915	-	44
Lighting, heating and cooling	-	61	2,574	1,855	6,795	4,176	2,311	1,432	15,230	13,946	-	-
Depreciation and amortisation charge - note 6.5, 7.1 and 8.1	-	-	-	-	14,573	15,688	16,052	20,940	17,400	18,269	9,030	-
Outward freight and handling	237,017	67,577	780,686	424,689	107,158	174,519	131,907	146,808	133,323	68,188	28,777	-
Travelling expenses	16,215	5,687	4,144	1,002	226,379	180,636	90,138	76,085	100,255	80,344	53,550	-
Postage, telegram, telephone and telex	2,212	1,422	2,523	2,365	17,274	18,287	8,841	7,564	20,596	11,644	-	-
Royalty - note 31.2	240,251	222,199	134,749	152,801	-	-	-	-	-	102,296	79,480	5
Godown expenses	-	-	26,047	27,619	44,886	76,301	28,520	20,568	126,761	106,489	-	-
General expenses	34,346	34,809	1,066	(2,940)	57,813	57,137	13,798	21,884	85,032	74,424	97	-
	629,196	458,435	1,024,433	678,853	1,445,404	1,309,793	812,588	743,939	1,078,616	963,934	924,025	433,472
												-
<b>31.1 Staff retirement benefits</b>												
Salaries and benefits includes amount in respect of staff retirement benefits.												
<b>31.2 Royalty amounting to PKR 375,000 million (June 30, 2021: 375,000 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 102,296 million (June 30, 2021: 79,480 million) is charged by "Morinaga".</b>												
32	Administration and general expenses						Chemicals & Agri Sciences					
	Polyester	Ash	Soda Ash	Pharma	Animal Health	Others	Polyester	Ash	Soda Ash	Pharma	Animal Health	Others
	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021
Salaries and benefits - note 32.1	93,103	80,776	770,085	674,929	152,445	226,703	49,584	44,844	239,469	213,034	76,385	40,903
Repairs and maintenance	69	430	12,889	10,935	4,847	4,692	931	704	2,020	985	4,935	2,302
Advertising and publicity expenses	76	610	14,008	30,090	758	1,620	258	1,464	2,736	-	-	-
Rent, rates and taxes	16	33	721	586	(148)	1,501	13	64	53	17,803	1,256	-
Insurance	52	31	9,750	5,855	2,246	1,254	1,339	618	1,006	643	7,173	2,052
Lighting, heating and cooling	3,303	2,429	9,671	7,820	13,117	10,373	2,992	2,369	6,327	5,776	-	-
Depreciation and amortisation charge - note 6.5, 7.1 and 8.1	5,017	5,147	43,453	40,552	14,048	13,351	2,879	1,088	6,166	6,064	2,053	-
Allowance / (reversal) of allowance for ECL on trade debts/Loans and advances / Other receivable	-	-	-	-	23,231	4,061	(5,327)	(643)	18,362	(42,310)	-	-
Provision / (reversal) of provision for slow moving and obsolete stock-in-trade - note 13.1	-	-	-	-	14,577	53,602	(15,337)	27,499	17,778	12,906	-	-
Provision / (reversal) for slow moving and obsolete stores and spares - note 12.2	6,479	784	5,110	8,429	-	-	-	-	-	-	2,007	-
Travelling expenses	2,286	930	14,399	4,830	7,154	3,411	1,379	962	2,376	1,511	6,846	3,266
Postage, telegram, telephone and General expenses	834	1,165	7,097	5,447	5,745	3,286	697	3,078	2,353	699	396	-
	31,150	32,105	148,846	127,978	82,823	87,964	16,523	18,935	36,582	31,401	174,212	102,692
	142,385	124,340	1,036,029	940,692	301,673	402,430	60,615	91,737	334,692	255,202	280,106	152,967
												-
<b>32.1 Staff retirement benefits</b>												
Salaries and benefits includes amount in respect of staff retirement benefits.												

105,263

70,538

Amounts in PKR '000												
31	Selling and distribution expenses						Chemicals & Agri Sciences					
	Polyester	Ash	Soda Ash	Pharma	Animal Health	Others	Polyester	Ash	Soda Ash	Pharma	Animal Health	Others
	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021
Salaries and benefits -note 31.1	79,596	67,484	58,985	59,178	693,719	637,834	367,212	417,652	460,676	429,623	173,925	3,067
Repairs and maintenance	-	213	702	888	5,553	4,402	2,170	1,664	14,313	9,491	-	-
Advertising and publicity expenses	19,555	58,937	12,078	10,582	255,429	188,116	38,204	66,329	67,824	516,939	320,168	-
Rent, rates and taxes	4	46	472	343	3,789	6,562	8,300	6,593	13,597	7,692	-	-
Insurance	-	-	407	481	12,036	11,341	8,941	7,532	11,619	10,915	-	44
Lighting, heating and cooling	-	61	2,574	1,855	6,795	4,176	2,311	1,432	15,230	13,946	-	-
Depreciation and amortisation charge - note 6.5, 7.1 and 8.1	-	-	-	-	14,573	15,688	16,052	20,940	17,400	18,269	9,030	-
Outward freight and handling	237,017	67,577	780,686	424,689	107,158	174,519	131,907	146,808	133,323	68,188	28,777	-
Travelling expenses	16,215	5,687	4,144	1,002	226,379	180,636	90,138	76,085	100,255	80,344	53,550	-
Postage, telegram, telephone and telex	2,212	1,422	2,523	2,365	17,274	18,287	8,841	7,564	20,596	11,644	-	-
Royalty - note 31.2	240,251	222,199	134,749	152,801	-	-	-	-	-	102,296	79,480	5
Godown expenses	-	-	26,047	27,619	44,886	76,301	28,520	20,568	126,761	106,489	-	-
General expenses	34,346	34,809	1,066	(2,940)	57,813	57,137	13,798	21,884	85,032	74,424	97	-
	629,196	458,435	1,024,433	678,853	1,445,404	1,309,793	812,588	743,939	1,078,616	963,934	924,025	433,472
												-
<b>31.1 Staff retirement benefits</b>												
Salaries and benefits includes amount in respect of staff retirement benefits.												
<b>31.2 Royalty amounting to PKR 375,000 million (June 30, 2021: 375,000 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 102,296 million (June 30, 2021: 79,480 million) is charged by "Morinaga".</b>												
32	Administration and general expenses						Chemicals & Agri Sciences					
	Polyester	Ash	Soda Ash	Pharma	Animal Health	Others	Polyester	Ash	Soda Ash	Pharma	Animal Health	Others
	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021	For the year ended June 30, 2022	For the year ended June 30, 2021
Salaries and benefits - note 32.1	93,103	80,776	770,085	674,929	152,445	226,703	49,584	44,844	239,469	213,034	76,385	40,903
Repairs and maintenance	69	430	12,889	10,935	4,847	4,692	931	704	2,020	985	4,935	2,302
Advertising and publicity expenses	76	610	14,008	30,090	758	1,620	258	1,464	2,736	-	-	-
Rent, rates and taxes	16	33	721	586	(148)	1,501	13	64	53	17,803	1,256	-
Insurance	52	31	9,750	5,855	2,246	1,254	1,339	618	1,006	643	7,173	2,052
Lighting, heating and cooling	3,303	2,429	9,671	7,820	13,117	10,373	2,992	2,369	6,327	5,776	-	35,410
Depreciation and amortisation charge - note 6.5, 7.1 and 8.1	5,017	5,147	43,453	40,552	14,048	13,351	2,879	1,088	6,166	6,064	2,053	-
Allowance / (reversal) of allowance for ECL on trade debts/Loans and advances / Other receivable	-	-	-	-	23,231	4,061	(5,327)	(643)	18,362	(42,310)	-	-
Provision / (reversal) of provision for slow moving and obsolete stock-in-trade	-	-	-	-	14,577	53,602	(15,337)	27,499	17,778	12,906	-	-
Provision / (reversal) for slow moving and obsolete stores and spares - note 12.2	6,479	784	5,110	8,429	-	-	-	-	-	-	2,007	-
Travelling expenses	2,286	930	14,399	4,830	7,154	3,411	1,379	962	2,376	1,511	6,846	3,266
Postage, telegram, telephone and General expenses	834	1,165	7,097	5,447	5,745	3,286	697	3,078	2,353	699	396	-
	31,150	32,105	148,846	127,978	82,823	87,964	16,523	18,935	36,582	31,401	174,212	102,692
	142,385	124,340	1,036,029	940,692	301,673	402,430	60,615	91,737	334,692	255,202	280,106	152,967
			</td									

Amounts in PKR '000

	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>33 Other charges</b>		
Auditors' remuneration - note 33.1	10,714	9,012
Donations - note 33.2	62,104	30,056
Workers' profit participation fund - note 25.3	320,094	444,713
Workers' welfare fund	181,493	162,705
Others	6,285	4,430
	<b>580,690</b>	<b>650,916</b>
<b>33.1 Auditors' remuneration</b>		
Statutory audit fee	5,957	4,807
Half yearly review	1,825	1,617
Out of pocket expenses	778	642
Other certifications	2,154	1,946
	<b>10,714</b>	<b>9,012</b>
<b>33.2</b> 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. Laila Bhatia Bawany and Mr. Atif Aboobukar, Executives of the Company are amongst the Trustees of the Foundation.		
<b>34 Finance costs</b>		
Mark-up on financing	1,050,351	802,454
Interest on workers' profit participation fund - note 25.3	340	2,157
Discounting charges on receivables	154,659	78,563
Accretion of interest on lease liabilities- note 8	26,017	33,701
Guarantee fee and others	11,518	11,892
	<b>1,242,885</b>	<b>928,767</b>
<b>35 Other income</b>		
<b>Income from financial assets</b>		
Profit on interest bearing short-term and call deposits	23,328	4,993
Deferred income - Government grant	145,701	62,908
	<b>169,029</b>	<b>67,901</b>
<b>Income from non-financial assets</b>		
Scrap sales	136,411	94,992
Sales from scrap raw materials	10,767	-
Gain on disposal of property, plant & equipment	35,725	24,519
Provisions and accruals no longer required written back	17,695	
Sundries	35,845	44,509
	<b>405,472</b>	<b>231,921</b>

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

	Amounts in PKR '000	
	For the year ended June 30, 2022	For the year ended June 30, 2021
<b>36 Taxation</b>		
Current	4,143,348	2,465,015
Deferred	489,439	(433,111)
Net tax charged - note 36.1	<b>4,632,787</b>	2,031,904
<b>36.1 Tax reconciliation</b>		
Profit before tax	<b>13,492,809</b>	7,260,675
Tax @ 29% (June 30, 2021: 29%)	3,375,702	2,105,596
Effect of exempt income	(42,158)	(63,675)
Effect of share of profit from associate	-	(51,013)
Effect of change in tax rate	286,701	-
Permanent difference	(25,016)	-
Super tax	960,511	-
Tax benefit on income covered under final tax regime	(141,119)	(7,774)
Tax effect of items not deductible for tax purposes	18,010	-
Others	200,157	48,770
Net tax charged	<b>4,632,787</b>	2,031,904
<b>Average effective tax rate</b>	<b>34.34%</b>	27.99%
<b>37 Basic and diluted earnings per share</b>		
Profit after taxation	<b>8,465,529</b>	5,569,408
	<b>Number of shares</b>	
Weighted average number of ordinary shares outstanding during the year	<b>92,359,050</b>	92,359,050
	<b>PKR</b>	
Basic and diluted earnings per share (EPS)	<b>91.66</b>	60.30

			Amounts in PKR '000	
			For the year ended June 30, 2022	For the year ended June 30, 2021
<b>38</b>	<b>Cash flows from operating activities</b>			
	Profit before taxation		13,492,809	7,260,675
	Adjustments for:			
	Depreciation and amortization - note 6.5, 7.1 and 8.1		2,903,068	2,915,393
	Gain on disposal of operating fixed assets - note 35		(35,725)	(24,519)
	Provision for staff retirement benefit plan - note 21.3.1		32,694	39,057
	Provisions for non-management staff gratuity and eligible retired employees' medical scheme		38,383	35,147
	Interest on short-term bank deposits		(23,328)	(4,993)
	Deferred income - Government grant		(145,701)	(62,908)
	Gain on remeasurement of existing interest in NutriCo Pakistan		(1,847,321)	-
	Share of profit from associate		-	(526,554)
	Interest expense		1,242,885	928,767
	Allowance for ECL		51,315	(30,948)
	Provision for slow moving and obsolete stock-in-trade - note 13.1		17,018	94,007
	Provision for slow moving and obsolete stores and spares - note 12.2		13,596	9,213
	Provisions and accruals no longer required written back - 35		(17,695)	-
			15,721,997	10,632,337
	Movement in:			
	Working capital - note 38.1		(9,457,568)	(1,106,064)
	Long-term loans		278,353	(108,640)
	Long-term deposits and prepayments		(15,582)	(1,818)
			6,527,200	9,415,815
<b>38.1</b>	<b>Movement in working capital</b>			
	<b>(Increase) / Decrease in current assets</b>			
	Stores, spares and consumables		(91,974)	(112,988)
	Stock-in-trade		(5,947,044)	(2,396,559)
	Trade debts		(1,476,929)	(416,899)
	Loans and advances		(1,068,386)	(110,729)
	Trade deposits and short-term prepayments		(351,840)	(50,944)
	Other receivables		(773,406)	(471,222)
			(9,709,579)	(3,559,341)
	<b>Increase in current liabilities</b>			
	Trade and other payables		252,011	2,453,277
			(9,457,568)	(1,106,064)

### 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, 2022	For the year ended June 30, 2021						
Managerial remuneration	77,206	67,158	55,479	45,562	1,087,734	966,481	1,220,419	1,079,201
Gratuity	3,371	3,165	2,380	2,252	48,163	44,678	53,914	50,095
Provident Fund	4,062	3,814	2,868	2,713	85,591	76,374	92,521	82,901
Pension	4,306	4,042	3,040	2,876	87,221	74,973	94,567	81,891
Rent and house maintenance	3,808	3,526	-	-	356,531	315,344	360,339	318,870
Utilities	1,572	1,333	-	-	735,012	810,562	736,584	811,895
Medical and others	326	264	34	-	1,000,580	683,204	1,000,940	683,468
Bonus paid	49,266	17,106	26,775	9,242	495,757	177,643	571,798	203,991
	143,917	100,408	90,576	62,645	3,896,589	3,149,259	4,131,082	3,312,312
Number of persons as at the reporting date	1	1	1	1	389	311	391	313

### 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:

4,125 5,025

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

Amounts in PKR '000

		As at and for the year ended June 30, 2022	As at and for the year ended June 30, 2021
<b>39.3</b>	Total number of employees as at the reporting date	2,198	2,050
	Average number of employees during the year	2,124	2,049
<b>39.4</b>	Total number of factory employees as at the reporting date	785	762
	Average number of factory employees during the year	774	824
<b>39.5</b>	The chief executive, director and certain other executives have been provided with Company maintained cars and housing facilities.		
<b>39.6</b>	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:

		For the year ended June 30, 2022	For the year ended June 30, 2021
<b>Relationship with the Group</b>	<b>Nature of transaction</b>		
<b>Parent Company</b>	Purchase of goods, materials and services	91,730	11,407
<i>Lucky Cement Limited</i>	Sale of goods and materials	11,527	13,316
	Dividend	2,031,920	1,269,950
<b>Associated companies</b>	Purchase of goods, materials and services	6,199,654	2,254,632
	Sale of goods and materials	2,428,386	2,009,049
	Dividend received from associate	-	680,000
	Reimbursement of expenses	132,539	145,226
	Dividend paid to associates	980,491	578,905
	Royalty	423,750	423,750
	Donations paid	28,709	47,820
	Investment in subsidiary	770,182	-
<b>Others</b>	Staff retirement benefits	377,509	356,660
<b>Key management personnel</b>	Remuneration paid	545,023	391,231
	Post employment benefits	55,347	40,641
	Dividends paid	102,868	53,803
	Director meeting fee	4,125	5,025

## 41 Plant capacity and annual production

- in metric tonnes except PowerGen which is in thousands of Megawatt hours:

	For the year ended June 30, 2022	For the year ended June 30, 2021
	Annual Name Plate Capacity	Annual Name Plate Capacity
Polyester	122,250	122,250
Soda Ash - note 41.1 & 41.2	442,000	425,000
Morinaga - note 41.2	12,000	12,000
Sodium Bicarbonate - note 41.1 & 41.2	54,000	54,000
PowerGen - note 41.3	122,640	122,640

**41.1** Out of total production of 443,974 metric tonnes soda ash, 41,595 metric tonnes was transferred for production of 46,217 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.

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:

	<b>Carrying Amount</b>	
	<b>As at June 30, 2022</b>	<b>As at June 30, 2021</b>
<b>Fixed rate instruments</b>		
Financial assets - note 18	208,535	164,589
Financial liabilities	(2,026,631)	(2,616,014)
	(1,818,096)	(2,451,425)
<b>Variable rate instruments</b>		
Financial liabilities	(17,131,783)	(7,994,566)

**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 167.252 million (June 30, 2021: PKR 80.158 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.

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

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, 2022					
Other receivables	-	-	-	-	-
Cash and bank balances	-	-	108,142	-	-
	-	-	108,142	-	-
Trade and other payables	(360,589)	(51,389)	(439,045)	(909)	(23,155)
Gross statement of financial position exposure	(360,589)	(51,389)	(330,903)	(909)	(23,155)
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)

Significant exchange rates applied during the year were as follows:

	Average rate		Spot rate	
	For the year ended June 30, 2022	For the year ended June 30, 2021	As at June 30, 2022	As at June 30, 2021
<b>PKR per</b>				
EURO	190.75	191.13	213.81	187.27
USD	177.43	160.30	204.85	157.54
GBP	235.47	215.61	248.48	217.98
CNY	27.48	24.21	30.60	24.39
JPY	1.51	1.51	1.50	1.43

## 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 7,669 million (June 30, 2021: PKR 17,852 million). The following table demonstrates the sensitivity to the change in exchange rates. As at June 30, 2022, 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, 2022 and June 30, 2021 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)
<b>2022</b>						
Pak Rupee	+1%	3,606	514	3,309	9	232
Pak Rupee	-1%	(3,606)	(514)	(3,309)	(9)	(232)
<b>2021</b>						
Pak Rupee	+1%	7,136	395	9,440	34	848
Pak Rupee	-1%	(7,136)	(395)	(9,440)	(34)	(848)

## 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.

Amounts in PKR '000

As at June 30, 2022	As at June 30, 2021
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The Group's gross maximum exposure to credit risk at the reporting date is as follows:

**45.1 Financial assets**

Long-term investment - note 9	2,500	2,500
Long-term loans - note 10	360,011	638,764
Long-term deposits - note 11	55,445	39,813
Trade debts - note 14	4,820,447	2,833,963
Loans and advances - note 15	1,844,931	747,801
Trade deposits - note 16	648,807	258,349
Other receivables - note 17	622,565	806,498
Bank balances - note 18	675,464	265,830
	<b>9,030,170</b>	<b>5,593,518</b>

**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 / JCR-VIS.

**45.3 Financial assets**

- Secured	3,289,044	1,763,714
- Unsecured	5,741,126	3,829,804
	<b>9,030,170</b>	<b>5,593,518</b>

**45.4** The ageing of trade debts and loans and advances at the reporting date is as follows:

**Not past due**

<b>6,283,426</b>	3,392,128
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**Past due but not impaired:**

Not more than three months

411,087	219,879
15,740	8,521
49,377	2,520
30,109	27,535
62,761	132,759
<b>569,074</b>	<b>391,214</b>

**Past due and Impaired:**

More than three months and not more than six months  
More than six months and not more than nine months  
More than nine months and not more than one year  
More than one year

**Allowance for ECL:**

- on trade debts - note 14  
- on loans and advances - note 15

(160,857)	(184,106)
(26,265)	(17,472)
<b>(187,122)</b>	<b>(201,578)</b>
<b>6,665,378</b>	<b>3,581,764</b>

**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	265,506	182,524
Retail customers	303,568	208,690
	<b>569,074</b>	<b>391,214</b>

**Allowance for ECL:**

- on trade debts - note 14  
- on loans and advances - note 15

(160,857)	(184,106)
(26,265)	(17,472)
<b>(187,122)</b>	<b>(201,578)</b>
<b>381,952</b>	<b>189,636</b>

**45.6 Movement of allowance for ECL on trade debts, loans and advances**

	Trade debts	Loans and advances	Total	Total
Opening	184,106	17,472	201,578	253,263
Reversal during the year - note 14.3 and 15	(6,719)	9,780	3,061	(30,948)
Written off during the year	(16,530)	(987)	(17,517)	(20,737)
Closing	<b>160,857</b>	<b>26,265</b>	<b>187,122</b>	<b>201,578</b>

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

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, 2022	As at June 30, 2021
Textile and chemicals	829,573	752,887
Glass	579,407	525,847
Paper and board	142,489	129,317
Life Sciences	793,865	720,480
Paints	127,160	115,405
Banks	352,922	274,730
Others	5,034,009	1,811,346
	7,859,425	4,330,012
<b>Allowance for ECL:</b>		
- trade debts - note 14	(160,857)	(184,106)
- loans and advances - note 15	(26,265)	(17,472)
	(187,122)	(201,578)
	7,672,303	4,128,434

**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, 2022		
<b>Financial liabilities</b>			
Trade creditors - note 25	3,327,113	(3,327,113)	(3,327,113)
Bills payable - note 25	3,479,911	(3,479,911)	(3,479,911)
Accrued mark-up	441,018	(441,018)	(441,018)
Accrued expenses - note 25	4,197,493	(4,197,493)	(4,197,493)
Technical service fee / Royalty - note 25	1,036	(1,036)	(1,036)
Distributors' security deposits - payable on termination of distributorship - note 25	125,311	(137,842)	(137,842)
Contractors' earnest / retention money - note 25	25,142	(25,142)	(25,142)
Unclaimed dividends	115,500	(115,500)	(115,500)
Payable for capital expenditure - note 25	575,382	(575,382)	(575,382)
Others - note 25	218,847	(218,847)	(218,847)
Long-term loans - note 22	7,824,322	(7,824,322)	(6,044,640)
Lease liabilities - note 8	184,299	(184,299)	96,117
Contractors' retention money	198,259	(198,259)	-
Short-term financing - note 26	13,705,104	(13,705,104)	(13,705,104)
	34,418,737	(34,431,269)	(32,172,912)

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, 2021		
<b>Financial liabilities</b>			
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	3,811,668	(3,811,668)	(3,811,668)
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 loan - 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)
	21,020,185	(21,032,917)	(18,736,569)

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, 2022 and June 30, 2021 is as follows:

	As at June 30, 2022	As at June 30, 2021
Long-term loans - note 22	7,824,322	7,558,420
Contractors' retention money	198,259	-
Short-term financing - note 26	13,705,104	3,737,149
<b>Total debt</b>	<b>21,727,685</b>	11,295,569
Cash and bank balances - note 18	(693,356)	(274,730)
<b>Net debt</b>	<b>21,034,329</b>	11,020,839
Issued, Subscribed and paid up capital	923,591	923,591
Capital reserves	309,643	309,643
Revenue reserve - unappropriated profit	27,229,297	22,500,442
<b>Equity</b>	<b>28,462,531</b>	23,733,676
<b>Capital</b>	<b>49,496,860</b>	34,754,515
<b>Gearing ratio (Net debt / (Net debt + Equity))</b>	<b>42.50%</b>	31.71%

**48 New standards, amendments to approved accounting standards and new interpretations****48.1 Adoption of amendments to approved accounting standards effective during the year**

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year, except as described below:

**Amendments to approved accounting standards**

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Amendments)  
IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments)

The adoption of the above amendments to the approved accounting standards did not have any material effect on the Group's consolidated financial statements.'

**48.2 Standards, amendments and improvements to approved accounting standards that are not yet effective**

The following standards, amendments and improvements to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

	Amendments	Effective date (annual periods beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 01, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 01, 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	January 01, 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	January 01, 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	January 01, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 01, 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 01, 2023
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised

**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	January 01, 2022
IAS 41	Agriculture – Taxation in fair value measurements	January 01, 2022
IFRS 16	Leases: Lease incentives	January 01, 2022

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

Further, 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	IASB effective date (annual periods beginning on or after)
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IFRS 1	First-time Adoption of International Financial Reporting Standards	January 01, 2004
IFRS 17	Insurance Contracts	January 01, 2023

The Group expects that above standards, amendments and improvements to approved accounting standards will not have any material impact on the Group's consolidated financial statements in the period of initial application.

## 49 Subsequent event

- 49.1** The Directors in their meeting held on August 1, 2022 have recommended a final dividend of PKR 15.00 per share (June 30, 2021: PKR 20.00 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, 2022 do not include the effect of the final dividend which will be accounted for in the year in which it is approved.
- 49.2** Subsequent to the year end, the Holding Company received a conditional offer from Morinaga Milk Industry Co. Ltd, Japan (Morinaga) to acquire an aggregate of approximately 33.3% of the issued and paid-up capital of the Holding Company's subsidiary NutriCo Morinaga from the existing shareholders of NutriCo Morinaga at an aggregate price of USD 56.6 million (USD 2.07 per share). Following the year end, the Board of Directors of the Holding Company has given an in principle approval to move forward with the proposed sale of 26.5% of its shareholding in NutriCo Morinaga to Morinaga subject to valuation of NutriCo Morinaga, and finalization of definitive agreements between the parties, to be presented to the Board of Directors for formal / final approval, if deemed fit by the Board. If the proposed sale is materialized, the shareholding of the Holding Company in NutriCo Morinaga will be diluted from its existing shareholding to 24.5% resulting in NutriCo Morinaga becoming the associate of the Holding Company.
- 49.3** Subsequent to the year end, the Holding Company has made a public announcement of intention to acquire approximately 75.01% shareholding of Lotte Chemical Pakistan Limited. However, no significant development in the transaction has been made upto the authorisation of the consolidated financial statements.

## 50 General

### 50.1 Date of authorisation

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on August 01, 2022.

- 50.2** Corresponding figures have also been rearranged and reclassified, wherever necessary, for better presentation. However, there has been no material reclassification to report.
- 50.3** Figures have been rounded off to the nearest thousand rupees except as stated otherwise.

**Muhammad Sohail Tabba**

Chairman / Director

**Asif Jooma**

Chief Executive

**Atif Aboobukar**

Chief Financial Officer

# Pattern of Shareholding

as at June 30, 2022

NO OF SHAREHOLDERS	CATEGORIES		NO. OF SHARES
	FROM	TO	
5,940	1	100	192,972
2,255	101	500	536,182
513	501	1,000	374,900
522	1,001	5,000	1,142,668
85	5,001	10,000	631,162
38	10,001	15,000	476,161
11	15,001	20,000	192,668
11	20,001	25,000	244,588
10	25,001	30,000	271,133
5	30,001	35,000	164,135
2	35,001	40,000	71,762
3	40,001	45,000	125,964
3	45,001	50,000	144,768
2	80,001	85,000	168,300
1	95,001	100,000	100,000
1	105,001	110,000	109,320
1	115,001	120,000	119,687
2	125,001	130,000	256,277
1	130,001	135,000	132,400
1	140,001	145,000	145,000
1	155,001	160,000	160,000
1	215,001	220,000	219,695
1	245,001	250,000	250,000
1	305,001	310,000	307,281
1	370,001	375,000	373,950
1	400,001	405,000	400,850
1	545,001	550,000	550,000
1	825,001	830,000	828,885
1	830,001	835,000	832,750
1	1,015,001	1,020,000	1,018,030
1	2,225,001	2,230,000	2,229,188
1	2,550,001	2,555,000	2,552,920
1	2,740,001	2,745,000	2,743,200
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
<b>9,424</b>			<b>92,359,050</b>

S. NO.	Categories of Shareholders	No. of Shareholder	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	3	2,567,470	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	24	2,009,188	2.18
5	Insurance Companies	18	5,398,298	5.84
6	Modarabas and Mutual Funds	26	1,415,218	1.53
7	Share holders holding 5% or more	4	74,292,254	80.44
8	General Public :			
	a. local	9,151	4,192,541	4.54
	b. Foreign	-	-	-
9	Others	197	1,466,051	1.59
<b>Total (excluding shareholders holding 5% or more)</b>		<b>9,424</b>	<b>92,359,050</b>	<b>100</b>

# Pattern of Shareholding

as at June 30, 2022

## Directors, Chief Executive Officer, and their spouse and minor children

SNO.	FOLIO	NAME	HOLDING	PERCENTAGE
1	01826-143586	SYED MUHAMMAD SHABBAR ZAIDI	50	0.00
2	03277-75816	KHAWAJA IQBAL HASSAN	14,500	0.02
3	03277-84403	ASIF JOOMA	2,552,920	2.76
			<b>2,567,470</b>	<b>2.78</b>

## Associated Companies, Undertakings and related Parties

SNO.	FOLIO	NAME	HOLDING	PERCENTAGE
1	03277-55740	YUNUS TEXTILE MILLS LIMITED	11,088,257	12.01
2	03277-56881	GADOON TEXTILE MILLS LIMITED	6,654,867	7.21
3	03277-80142	YB PAKISTAN LIMITED	1,018,030	1.10
4	03277-81888	LUCKY TEXTILE MILLS LIMITED	5,751,130	6.23
5	03277-86250	LUCKY CEMENT LIMITED	50,798,000	55.00
			<b>75,310,284</b>	<b>81.54</b>

## Banks, Development Financial Institutions, Non Banking Financial Institutions

SNO.	FOLIO	NAME	HOLDING	PERCENTAGE
1	8912	INDUSTRIAL DEVELOPMENT BANK LIMITED	198	0.00
2	8927	UNITED BANK LIMITED	78	0.00
3	87001	NATIONAL BANK OF PAKISTAN	7,808	0.01
4	87002	INDUSTRIAL DEVELOPMENT BANK LIMITED	787	0.00
5	87066	CRESCENT INVESTMENT BANK LIMITED	1,525	0.00
6	87134	FIDELITY INVESTMENT BANK LIMITED	7	0.00
7	87180	ALLIED BANK OF PAKISTAN LTD	226	0.00
8	87193	STANDARD CHARTERED BANK (PAKISTAN) LIMITED.	73	0.00
9	87230	STANDARD CHARTERED BANK (PAKISTAN) LIMITED.	1	0.00
10	87250	ISLAMIC INVESTMENT BANK LTD	36	0.00
11	87251	NATIONAL BANK OF PAKISTAN	5	0.00
12	87267	PACIFIC LEASING COMPANY LTD	73	0.00
13	92001	PAKISTAN KUWAIT INVESTMENT COMPANY (PRIVATE) LIMITED.	226	0.00
14	92002	PAK-LIBYA HOLDING COMPANY(PVT)LTD	475	0.00
15	02246-42	HABIB BANK LIMITED-TREASURY DIVISION	42,364	0.05
16	02618-20	HABIB METROPOLITAN BANK LIMITED	126,448	0.14
17	02832-32	MEEZAN BANK LIMITED	219,695	0.24
18	03525-100145	ESCORTS INVESTMENT BANK LIMITED	1,346	0.00
19	03889-28	NATIONAL BANK OF PAKISTAN	59	0.00
20	03889-44	NATIONAL BANK OF PAKISTAN	832,750	0.90
21	04127-28	MCB BANK LIMITED - TREASURY	400,850	0.43
22	04127-77	MCB BANK LIMITED - TREASURY	8	0.00
23	05132-26	ASKARI BANK LIMITED	373,950	0.40
24	09332-28	FIRST CREDIT & INVESTMENT BANK LIMITED	200	0.00
			<b>2,009,188</b>	<b>2.18</b>

## Insurance Companies

SNO.	FOLIO	NAME	HOLDING	PERCENTAGE
1	8938	STATE LIFE INSURANCE CORPORATION OF PAKISTAN	243	0.00
2	87103	PAKISTAN GUARANTEE INSURANCE CO LTD	186	0.00
3	87157	ORIENT INSURANCE CO LTD	7	0.00
4	87258	DELTA INSURANCE COMPANY LIMITED	365	0.00
5	01388-1912	NATIONAL GENERAL INSURANCE CO. LTD	7	0.00
6	02139-29	PREMIER INSURANCE LIMITED	73	0.00
7	02683-23	STATE LIFE INSURANCE CORP. OF PAKISTAN	2,229,188	2.41
8	03277-2184	EFU GENERAL INSURANCE LIMITED	15,000	0.02
9	03277-4255	PAKISTAN REINSURANCE COMPANY LIMITED	307,281	0.33
10	03277-7330	RELIANCE INSURANCE COMPANY LTD.	26,659	0.03
11	03277-8372	GHAF LIMITED	12,039	0.01
12	03277-90405	DAWOOD FAMILY TAKAFUL LIMITED	25,150	0.03
13	03277-90406	DAWOOD FAMILY TAKAFUL LIMITED	24,800	0.03
14	03277-90408	DAWOOD FAMILY TAKAFUL LIMITED	2,450	0.00
15	07450-1792	DAWOOD FAMILY TAKAFUL LIMITED	8,200	0.01
16	13748-501	ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF	2,900	0.00
17	18044-22	ADAMJEE LIFE ASSURANCE COMPANY LIMITED	550	0.00
18	18093-27	JUBILEE LIFE INSURANCE COMPANY LIMITED	2,743,200	2.97
			<b>5,398,298</b>	<b>5.84</b>

**Modarabas and Mutual Funds**

SNO.	FOLIO	NAME	HOLDING	PERCENTAGE
1	87169	GOLDEN ARROW SELECTED STOCKS FUND	7	0.00
2	87185	DOMINION STOCK FUND LIMITED	168	0.00
3	87196	FIRST FIDELITY LEASING MODARABA	36	0.00
4	87219	CONFIDENCE MUTUAL FUND LTD	7	0.00
5	87268	MODARABA AL MALI	73	0.00
6	87272	SAFEWAY MUTUAL FUND LIMITED	256	0.00
7	05991-23	CDC - TRUSTEE MEEZAN BALANCED FUND	29,616	0.03
8	06130-25	CDC - TRUSTEE JS ISLAMIC FUND	15,600	0.02
9	06213-25	CDC - TRUSTEE UNIT TRUST OF PAKISTAN	14,750	0.02
10	06411-21	CDC - TRUSTEE AKD INDEX TRACKER FUND	3,438	0.00
11	07062-23	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	129,829	0.14
12	07070-22	CDC - TRUSTEE MEEZAN ISLAMIC FUND	828,885	0.90
13	07377-26	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	100	0.00
14	07450-521	B.R.R. GUARDIAN MODARABA	8,547	0.01
15	09456-24	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	67	0.00
16	09480-21	CDC - TRUSTEE NBP STOCK FUND	132,400	0.14
17	10397-29	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	109,320	0.12
18	10801-27	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND	30,050	0.03
19	12120-28	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	33,569	0.04
20	12195-21	CDC - TRUSTEE ABL STOCK FUND	200	0.00
21	14373-27	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	50	0.00
22	15388-25	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	50	0.00
23	15974-23	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	46,800	0.05
24	16402-20	CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	3,300	0.00
25	16501-27	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	12,400	0.01
26	17210-22	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	15,700	0.02
			<b>1,415,218</b>	<b>1.53</b>

**Shareholders Holding 5% or More**

			HOLDING	PERCENTAGE
1	03277-81888	LUCKY TEXTILE MILLS LIMITED	5,751,130	6.23
2	03277-86250	LUCKY CEMENT LIMITED	50,798,000	55.00
3	03277-55740	YUNUS TEXTILE MILLS LIMITED	11,088,257	12.01
4	03277-56881	GADOON TEXTILE MILLS LIMITED	6,654,867	7.21
			<b>74,292,254</b>	<b>80.44</b>
<b>General Public</b>				<b>4,192,541</b>
<b>Others</b>				<b>1,466,051</b>
<b>Total (excluding shareholders holding 5% or more)</b>				<b>92,359,050</b>
				<b>100</b>

# Notice of 71<sup>st</sup> Annual General Meeting

Notice is hereby given that the 71st Annual General Meeting ("AGM") of ICI Pakistan Limited (the "Company") will be held on Tuesday, September 27, 2022 at 10:00 a.m. at ICI House, 5 West Wharf, Karachi and through video-conferencing.

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, 2022, along with the Directors' and Auditors' Reports thereon.

In accordance with Section 223(7) of the Companies Act, 2017, the financial statements of the Company have been uploaded on the Company's website which can be downloaded from the following link and QR enabled code:

<https://www.ici.com.pk/investor-relations/financial-reports/>



2. To declare and approve final cash dividend at 150% i.e. PKR 15/- per ordinary share of PKR 10/- each for the year ended June 30, 2022, as recommended by the Board of Directors. The dividend will be payable to the Members whose names appear in the Register of the Members as on September 20, 2022.
3. To appoint auditors of the Company for the financial year 2022-23 and to fix their remuneration. The Board of Directors, on the recommendation of the Board Audit Committee of the Company, has proposed re-appointment of EY Ford Rhodes, Chartered Accountants as auditors, for the year ending June 30, 2023.

## **SPECIAL BUSINESS:**

4. To consider and if deemed fit, approve by way of special resolution, a change of the name of the Company from "ICI Pakistan Limited" to "Lucky Core Industries Limited", in accordance with Section 12 of the Companies Act, 2017, and in that connection to pass the following resolutions (with or without modification):

**"RESOLVED THAT** the name of the Company be changed from "ICI Pakistan Limited" to "Lucky Core Industries Limited".

**FURTHER RESOLVED THAT** the Memorandum of Association and Articles of Association of the Company be amended, as required, to give effect to the aforementioned resolution and for this purpose to change the name of the Company wherever appearing in these documents from "ICI Pakistan Limited" to "Lucky Core Industries Limited".

**FURTHER RESOLVED THAT** representatives of the Company, as authorized by the Board of Directors, be and are hereby jointly and/or severally authorized to prepare, finalize, execute and file all necessary documents, and take all necessary steps and to do all such acts, deeds and things for and on behalf of, and in the name of the Company, as may be necessary or required as they may think fit for or in connection with or incidental for the purposes of the abovementioned resolutions, as well as carry out any other act or step which may be ancillary and/or incidental to, and necessary to fully achieve the objects of the aforesaid resolutions, including without limitation, the submission of all necessary applications and documents, and obtaining all required approvals and permissions.

**FURTHER RESOLVED THAT** all actions taken by the authorized representatives of the Company and/or the Board of Directors of the Company in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

5. To consider and if deemed fit, approve the sale of 21,763,125 ordinary shares (having a face value of PKR 100/- per ordinary share) of NutriCo Morinaga (Private) Limited ("NMPL") (constituting approximately 26.5% of the issued and paid up share capital of NMPL), currently a subsidiary of the Company, to Morinaga Milk Industry Co. Ltd. (Japan), in accordance with Section 183(3)(b) of the Companies Act, 2017, and in that connection to pass the following resolutions as ordinary resolutions (with or without modification):

**"RESOLVED THAT** the Company is authorized to sell / divest 21,763,125 ordinary shares of NutriCo Morinaga (Private) Limited ("NMPL"), constituting approximately 26.5% of the issued and paid up share capital of NMPL, at

a rate of approximately USD 2.07/- (United States Dollars Two and Seven Cents only) per share, amounting in the aggregate to USD 45,082,657/- (United States Dollars Forty-Five Million Eighty-Two Thousand Six Hundred and Fifty-Seven only) to Morinaga Milk Industry Co. Ltd.

**FURTHER RESOLVED THAT** the representatives of the Company, as authorized by the Board of Directors, be and are hereby, jointly and / or severally, authorized to prepare, negotiate, finalize and execute all necessary documents, and take all necessary steps and to do all such acts deeds and things for and on behalf of, and in the name of the Company, as may be necessary or required as they may think fit for or in connection with or incidental for the purposes of the above-mentioned resolution, as well as carry out any other act, deed, matter or step which may be ancillary and / or incidental to the above and necessary to fully achieve the objects of the aforesaid resolution and / or the proposed arrangement.

**FURTHER RESOLVED THAT** all actions taken by the authorized representatives and / or the Board of Directors of the Company in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects.”

6. To consider and if deemed fit, ratify and approve (as the case may be), by way of special resolution, the following resolutions with respect to the related party transactions in terms of Sections 207 and 208 of the Companies Act, 2017 (to the extent applicable) (with or without modification):

**“RESOLVED THAT** the related parties transactions, in which some or a majority of the Directors are interested, carried out by the Company with different related parties, including Lucky Cement Limited, Yunus Textile Mills Limited, Gadoon Textile Mills Limited, YB Pakistan Limited, Lucky Textile Mills Limited, Lucky Holdings Limited, Lucky Motors Corporation Limited, Lucky Foods (Private) Limited, ICI Pakistan PowerGen Limited, Tabba Heart Institute, Tabba Kidney Institute, NutriCo Morinaga (Private) Limited, Aziz Tabba Foundation, Global Commodities Limited and other such related parties to the aggregate extent of PKR 9,674,707,000/- (Pak Rupees Nine Billion Six Hundred and Seventy Four Million Seven Hundred and Seven Thousand Only) during the year ended June 30, 2022 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 and materials, sales of various chemicals, soda ash, electricity, purchase of cement, availing or rendering of services, payment of royalty, donations, fees or dividends with different related parties in which some or a majority of the Directors are / may be interested including but not limited to Lucky Cement Limited, Yunus Textile Mills Limited, Gadoon Textile Mills Limited, YB Pakistan Limited, Lucky Textile Mills Limited, Lucky Holdings Limited, Lucky Motors Corporation Limited, Lucky Foods (Private) Limited, ICI Pakistan PowerGen Limited, Tabba Heart Institute, Tabba Kidney Institute, NutriCo Morinaga (Private) Limited, Aziz Tabba Foundation, Global Commodities Limited and other such related parties to the aggregate extent of approximately PKR 9,000,000,000/- (Pak Rupees Nine Billion only) during the financial year ending June 30, 2023. The Members have noted that for the aforesaid transactions some or a majority of the Directors may be interested. Notwithstanding the same, the Members hereby grant an advance authorization to the Board Audit Committee and the Board of Directors of the Company to review and approve all related party transactions as noted above based on the recommendation of the Board Audit Committee.

**FURTHER RESOLVED THAT** the related party transactions as aforesaid for the period ending June 30, 2023 would subsequently be presented to the Members 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 Businesses, as required under Section 134(3) of the Companies Act, 2017.

By Order of the Board



**Laila Bhatia Bawany**  
Company Secretary

## Notes:

### 1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from September 21, 2022 to September 27, 2022 (both days inclusive). Share transfers received in order at the office of our Share Registrar, FAMCO Associates (Private) Limited, 8-F, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, by the close of business on **September 20, 2022**, will be considered as being in time, to entitle the transferees to the final cash dividend and to attend and vote at the AGM.

### 2. Participation in the AGM via physical presence or through video conferencing:

Members whose names appear in the Register of Members as of September 20, 2022, are entitled to attend and vote at the AGM. A Member entitled to attend and vote at the AGM 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 AGM 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](mailto:generalmeetings@ici.com.pk) or at the registered address of the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited not less than forty-eight (48) hours before the time of AGM, excluding public holidays.

Members are requested to submit a copy of their Computerized National Identity Card (CNIC) at the registered address to our Shares Registrar, FAMCO Associates (Private) Limited.

- To attend the AGM through video-conferencing facility, the Members are requested to register themselves by providing the following information through email at [generalmeetings@ici.com.pk](mailto:generalmeetings@ici.com.pk) at least forty-eight (48) hours before the AGM.

Names of Shareholder	CNIC / NTN No.	Folio No. / CDC IAS A/C No.	Cell No.	Email Address

- Members will be registered, after necessary verification as per the above requirement and will be provided a video-link by the Company via email.
- The login facility will remain open from 09:45 a.m. till the end of AGM.
- Members can also share their comments / suggestions on the agenda of AGM by email at [generalmeetings@ici.com.pk](mailto:generalmeetings@ici.com.pk)

### 3. 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 No. 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

#### a. for attending the AGM:

- In case of individuals, the investor account holder or sub-account holder and / or the person whose securities are in group account where registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original CNIC or valid passport at the time of attending the AGM.
- In case of corporate entity, the Board of Directors' resolution / Power of Attorney with specimen signature of the nominee shall be produced at the time of the AGM.

#### b. for appointing Proxies:

- 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.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Copies of CNIC or the valid passport of the beneficial owners and the proxy shall be furnished along with the proxy form.
- The proxy shall produce his original CNIC or original valid passport at the time of the Meeting.
- 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.

### 4. Electronic Transmission of Annual Report 2022:

In compliance with section 223(6) of the Companies Act, 2017, the Company has electronically transmitted the Annual Report 2022 through email to shareholders whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited. However, in cases, where email addresses are not available with the Company's Share Registrar, printed copies of the notices of AGM along-with the QR enabled code/weblink to download the Annual Report 2022 (containing the financial statements), have been dispatched.

Notwithstanding the above, the Company will provide hard copies of the Annual Report 2022, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request. Further, Members are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited if the Member holds shares in physical form or, to the Member's respective Participant/Investor Account Services, if shares are held in book entry form.

#### **5. Submission of CNIC / NTN (Mandatory):**

Pursuant to the directives of the SECP, the dividends of shareholders whose valid 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, M/s. FAMCO Associates (Private) Limited. In the absence of a Member's valid CNIC, the Company will be constrained to withhold the dividend of the Members.

#### **6. 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 (if not already provided) the information mentioned in the Form placed at the Company's website <http://www.ici.com.pk> to the brokers / CDC for shares held in the electronic form or to the Company's Shares Registrar, for shares held in physical form. In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to shareholders.

#### **7. 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, M/s. FAMCO Associates (Private) Limited before the close of business on September 20, 2022, 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

#### **8. 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.

#### **9. 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](http://www.ici.com.pk). These are unclaimed dividend / shares which have remained unclaimed or unpaid for a period of three (3) 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, M/s. FAMCO Associates (Private) Limited for receipt of dividend / shares.

#### **10. Conversion of Physical Shares into the Book Entry Form:**

The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.

The shareholders of ICI Pakistan Limited having physical folios / share certificates are requested to convert their shares from physical form into book-entry form as soon as possible. The shareholders may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc. For further information and assistance, the shareholders may contact our Share Registrar, M/s. FAMCO Associates (Private) Limited.

**STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017 PERTAINING TO THE SPECIAL BUSINESSES**

**Agenda Item no. 4**

This Statement sets out the material facts pertaining to Special Business Item Number 4 as described in the Notice of the 71st Annual General Meeting (“AGM”) of ICI Pakistan Limited (the “Company”).

1. To consider, approve and adopt the resolutions for changing the name of the Company from “ICI Pakistan Limited” to “Lucky Core Industries Limited”.
2. To consider, approve and adopt the resolution for altering and amending the Memorandum and the Articles of Association of the Company to reflect the change as mentioned above.

The decision to change the name of the Company from “ICI Pakistan Limited” to “Lucky Core Industries Limited” was taken primarily to align the Company’s name with its holding company, Lucky Cement Limited, which is a part of the Yunus Brothers Group (YBG). The proposed name draws on the strength of the Lucky brand, a leading, progressive, and diversified Pakistani conglomerate.

The proposed name embodies the Company’s central role in delivering enduring value for its stakeholders and improving lives across the socio-economic fabric of Pakistan. The Company’s portfolio spans a broad range of products that are at the ‘core’ of almost every sector of the economy. From textiles and glass to healthcare, food and agriculture, the application of the Company’s products positions it at the centre of its stakeholders’ daily life. Accordingly, it is confirmed that the proposed name is not incommensurate with the business of the Company.

The name change is intended to take effect towards the end of the calendar year 2022.

**Agenda Item no. 5**

This Statement sets out the material facts pertaining to Special Business Item Number 5 as described in the Notice of the 71st AGM of the Company.

The Company seeks the approval from its Members, by passing of the ordinary resolutions as stipulated in the notice of the AGM, for the sale of 21,763,125 ordinary shares (each share having a face value of PKR 100/-) of its shareholding in its subsidiary i.e. NutriCo Morinaga (Private) Limited (“NMPL”), constituting approximately 26.5% of the issued and paid up share capital of NMPL (the “Sale Shares”) to Morinaga Milk Industry Co. Ltd (“Morinaga Milk”) (the “Transaction”), in accordance with Section 183(3)(b) of the Companies Act, 2017.

By way of background, NMPL was a joint venture between the Company, Morinaga Milk and Unibrands (Private) Limited to locally manufacture and distribute nutritional formula products. NMPL was recently merged with NutriCo Pakistan (Private) Limited, which was involved in the import and distribution of select products of Morinaga Milk. The Company currently holds 41,884,746 ordinary shares of NMPL, constituting 51% of the issued and paid up share capital of NMPL, making it a subsidiary of the Company. The Company seeks to sell the Sale Shares to Morinaga Milk, and continue to hold approximately 24.5% of the share capital upon the completion of the proposed Transaction. Upon completion of the proposed Transaction, Morinaga Milk will hold 51% of the issued and paid up share capital of NMPL.

It may be noted that a valuation of NMPL has been carried out by an independent valuer i.e. M/s Yousaf Adil, Chartered Accountants and various valuation techniques were applied, pursuant to which value ranges were provided.

Details of the proposed Transaction are as follows:

Name of the subsidiary	NutriCo Morinaga (Private) Limited (“NMPL”)
Cost and book value of investment in subsidiary	PKR 3,964 Million in respect of the 51% shareholding held by the Company as at June 30, 2022.
Total market value of subsidiary based on value of the shares of the subsidiary company	A valuation of NMPL was carried out by Yousaf Adil, Chartered Accountants wherein various valuation techniques were used to ascertain the total market value of the shares of NMPL as at June 30, 2022.  Pursuant to the same, the range of the total market value of the entire NMPL is between PKR 14.2 Billion to PKR 20.6 Billion (i.e. between approximately PKR 173/- and PKR 251/- per ordinary share of NMPL).
Net worth of subsidiary as per latest audited financial statements and subsequent interim financial statements, if available	Net worth of NMPL as per the audited consolidated financial statement of NMPL as at June 30, 2022 is PKR 6,546 Million.
Total consideration for disposal of investment in subsidiary, basis of determination of the consideration and its utilization	Total consideration for disposal of the Sale Shares shall be the Pak Rupees equivalent of USD 45,082,657/- (United States Dollars Forty-Five Million Eighty-Two Thousand Six Hundred and Fifty-Seven only) (based on the exchange rate prevailing on the date of closing / conclusion).

	<p>The consideration was determined after taking into account multiple factors such as:</p> <ul style="list-style-type: none"> <li>- Future cash flows of NMPL</li> <li>- Local and global benchmark valuation multiples for similar businesses</li> <li>- Control premium</li> <li>- Valuation conducted by Yousuf Adil Chartered Accountants</li> </ul> <p>The consideration will support future growth projects of the Company and in the interim will reduce debt which will result in a reduction in finance cost.</p>
Quantitative and qualitative benefits expected to accrue to the Members	<p>The Transaction will result in a realized gain of approximately between PKR 7.4 Billion and PKR 8.3 Billion (assuming the exchange rate ranging between PKR 210/ USD and PKR 230/ USD respectively on the date of closing/ conclusion).</p> <p>Realization of sales proceeds will support future growth projects of the Company and in the interim will reduce debt, which will result in reduction in finance cost.</p> <p>The offer from Morinaga Milk to enhance its existing shareholding in NMPL is a testament to Morinaga Milk's confidence in the Pakistan market. As the owner of the 'Morinaga' brand, know-how to manufacture the products, along with superior research and development facilities, Morinaga Milk is well equipped to further accelerate the growth of NMPL. Consequently, the Company anticipates that the said Transaction will result in an enhanced value of the remaining 24.5% shareholding of the Company in NMPL in the long run, which will further benefit the Company as a shareholder of NMPL.</p>

#### Agenda Item no. 6

This Statement sets out the material facts pertaining to Special Business Item Number 6 as described in the Notice of the 71st AGM of the Company.

The Company carries out transactions with its related parties in accordance with its policies and the applicable laws and regulations. Certain related party transactions in which a majority of the Directors are interested, require Members' approval under Sections 207 and 208 (to the extent applicable) of the Companies Act, 2017, read with Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

As majority/some of the Directors of the Company were/may have been interested in certain transactions, due to their shareholding or common directorships in related entities, and to promote transparency, an approval from the Members was sought during the 70th AGM of the Company, held on September 29, 2021, where the Members authorized the Board of Directors, to approve such related party transactions conducted by the Company during the financial year ended June 30, 2022. All the related party transactions have been disclosed in Note 40 to the unconsolidated financial statements for the year ended June 30, 2022.

Party-wise details of such related party transactions that were entered during the year ended June 30, 2022 and the nature of the transactions that may be (but not limited to) entered into during the year ending June 30, 2023, include:

S. No.	Name of Related Party	Nature of Transaction
1	Lucky Cement Limited	Purchase and sale of goods, material and services and Dividend
2	Yunus Textile Mills Limited	Sale of goods, material and services, sample of products and Dividend
3	Gadoon Textile Mills Limited	Sale of goods, material and services and Dividend
4	YB Pakistan Limited	Dividend
5	Lucky Textile Mills Limited	Sale of goods, material and services, sample of products and Dividend
6	Lucky Holdings Limited	Royalty
7	Lucky Motors Corporation Limited	Purchase of goods, material and services and sample of products
8	Lucky Foods (Private) Limited	Sale of goods, material and services
9	ICI Pakistan PowerGen Limited	Purchase and sale of goods, material and services
10	Tabba Heart Institute	Sale of goods and training
11	Tabba Kidney Institute	Sale of goods and training

12	NutriCo Morinaga (Private) Limited	Sale of goods, material and services, reimbursement of expenses and investment in subsidiary i.e. NutriCo Pakistan (Private) Limited which was merged into NutriCo Morinaga (Private) Limited
13	Aziz Tabba Foundation	Trainings
14	Global Commodities Limited	Purchase of goods, material and services

All related party transactions are in accordance with the Company's policies and are compliant with all legal requirements. These are primarily transactions conducted in the ordinary course of business on an arms' 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.

Accordingly, the Members are requested to ratify and confirm the transactions with related parties in which some/majority of the Directors are interested as disclosed in the financial statements of the Company for the year ended June 30, 2022.

The Company will be conducting transactions with its related parties during the financial year ending June 30, 2023. As some or a majority of the Directors of the Company may be interested in certain transactions due to their shareholding or common directorships in related entities, an approval from the Members is being sought to authorize the Company to conduct such related party transactions and further to authorize and grant power to the Board of Directors, based on the recommendation of the Board Audit Committee, to approve related party transactions to be conducted by the Company during the financial year ending June 30, 2023 (irrespective of composition of the Board of Directors). The related party transactions as aforesaid for the year ending June 30, 2023 shall be deemed to have been approved by the Members.

The Members 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, 2023. The Company will present the actual figures for subsequent ratification and confirmation by the Members, at the next AGM.

Based on the aforesaid the Members are requested to pass the Special Resolution (with or without modification) as stated in the Notice.

The Directors who are/may be interested are as follows:

- |                              |                              |
|------------------------------|------------------------------|
| 1. Mr. Muhammad Sohail Tabba | 4. Mr. Asif Jooma            |
| 2. Mr. Muhammad Ali Tabba    | 5. Mrs. Amina A. Aziz Bawany |
| 3. Mr. Jawed Yunus Tabba     | 6. Mr. Muhammad Abid Ganatra |

# Annexure

# 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 27, 2022 at 10:00 a.m. and at any adjournment thereof.

As witness my / our hand / seal this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

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 registered address of Company's share registrar or through email at [generalmeetings@ici.com.pk](mailto:generalmeetings@ici.com.pk) not less than 48 hours before the time of holding the AGM, excluding public holidays. 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.
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.
- 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.

The Company Secretary  
ICI Pakistan Limited  
ICI House  
5 West Wharf  
Karachi-74000

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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 (Private.) 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]

The Company Secretary  
ICI Pakistan Limited  
ICI House  
5 West Wharf  
Karachi-74000

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## Standard Request Form Circulation of Annual Financial Statement

### The Company Secretary

ICI Pakistan Limited  
ICI House, 5 West Wharf,  
Karachi 74000

Subject: **Circulation of Annual Audited Financial Statements via Email**

In compliance with section 223(6) of the Companies Act, 2017, the Company will be circulating its Annual Financial Statements (together with the Auditor's Report, Director's Report, and Chairman's Review Report) to its Members through Email. **In this regard, we request you to provide the following information.**

#### **Receipt of financial statements through Email:**

Name of the Member/ Shareholder \_\_\_\_\_  
CNIC /SNIC # \_\_\_\_\_  
Folio / Shareholder Number/CDC Account No. \_\_\_\_\_  
Email Address \_\_\_\_\_

Further, shareholders who wish to receive a hardcopy of Annual Audited Financial Statements should fill the form below and send the same to the Company's address or at the registered address of the Company's Share Registrar.

#### **Receipt of hard copy of financial statements:**

Name of the Member/ Shareholder \_\_\_\_\_  
CNIC / SNIC # \_\_\_\_\_  
Folio / Shareholder Number/CDC Account No. \_\_\_\_\_  
Mailing Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I/We hereby confirm that the above-mentioned information is correct and in case of any change therein, I/we will immediately intimate the Company's Share Registrar. I/we further confirm that the transmission of the Company's Annual Audited Financial Statements through my/our above address would be taken as compliance with Section 223(6) of the Companies Act, 2017.

---

Shareholder's signature

The Company Secretary  
ICI Pakistan Limited  
ICI House  
5 West Wharf  
Karachi-74000

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## فارم برائے پرائسی / نیابت نامہ

میں / ہم \_\_\_\_\_ (نام) کو جس / جن کا تعلق \_\_\_\_\_

(شہر) سے ہے آئی آئی پاکستان لینڈ کے ممبر کی چیزیت سے \_\_\_\_\_ (شیئرز کی تعداد) شیئرز کی تحویل رکھتا / رکھتی ہوں۔

میں / ہم \_\_\_\_\_ (نام) کو یا ان کی عدم حاضری کی صورت میں \_\_\_\_\_ کو جس / جن کا تعلق \_\_\_\_\_

\_\_\_\_\_ سے ہے، کو 27 ستمبر 2022 عج 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 پرائسی مقرر کرتا / کرتی / کرتے ہیں۔

مہر بطور گواہی \_\_\_\_\_ (دن) \_\_\_\_\_ (ماہ) 2022ء

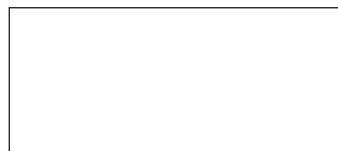
ذکورہ کی جانب سے دستخط کئے گئے  
ان گواہان کی موجودگی میں:

\_\_\_\_\_ ۲ \_\_\_\_\_

ا\_\_\_\_\_

دستخط کمپنی میں رجسٹرڈ دستخط کے نمونے کے مطابق ہونے چاہئیں۔

فولیو / سی ڈی سی اکاؤنٹ نمبر



### اہم نکات:

1- پرائسی فارم کی اسکین شدہ کاپی، کمل کرنے اور دستخط کرنے کے بعد اجلاس کے وقت سے کم از کم 48 گھنٹے قبل (چھٹیوں کے علاوہ) کمپنی کے ای میل ایڈریس پر موصول ہونا لازم ہے۔ اس کے علاوہ سالانہ اجلاس عام میں ویڈیونک کے ذریعے شرکت کے لیے اجلاس کی اطلاع میں بتائی گئی معلومات فراہم کرنا ہوں گی۔

2- کمپنی کے ممبر کے علاوہ کوئی بھی فرد پر اسی کے طور پر کام نہیں کر سکتا۔

3- اگر کوئی ممبر ایک سے زائد پرائسی منتخب کرتا ہے یا پرائسی کے دستاویز ایک سے زائد جمع کرتا ہے تو ایسے دستاویزات غیر فعال ہوں گے۔

سی ڈی سی اکاؤنٹ ہولڈر / کارپوریٹ اداروں کے لیے:

ذکورہ بالا کے علاوہ درج ذیل ہدایات بھی پوری کرنی ہوں گی:

(I) پرائسی فارم پر 2 افراد کی گواہی موجود ہو، جن کے نام، ایڈریس اور سی این آئی سی (کمپیوٹرائزڈ قومی شناختی کارڈ) نمبر فارم پر درج ہوں۔

(II) یونیٹشل مالکان کے سی این آئی سی پیاسپورٹ کی اسکین شدہ کاپیاں اور پرائسی ای میل کے ذریعے پرائسی فارم کے ساتھ جمع کرنے ہوں گے۔

(III) کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پار آف اٹارنی دستخط کے نمونے کے ساتھ جمع کرنے ہوں گی۔

**The Company Secretary  
ICI Pakistan Limited  
ICI House  
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نمبر	متعلقہ پارٹی کا نام	ٹرانزیکشن کی نوعیت
11	ٹبہ کٹنی انسٹیٹیوٹ	گذر کی فروخت اور تربیت
12	نیوٹری کومورنگا (پرائیویٹ) لمیڈ	گذر، میٹریل کی فروخت اور سروسز اور اخراجات کی ادائیگی اور انویسٹمنٹ
13	عزیز بہ فاؤنڈیشن	ٹریننگز
14	گلوبل کو میڈیز لمیڈ	گذر، میٹریل کی خریداری اور سروسز

تمام متعلقہ پارٹی ٹرانزیکشن کمپنی پالیسیوں کے مطابق ہیں اور تمام قانونی تقاضوں کی تعمیل کرتی ہیں۔ یہ ٹرانزیکشنز نیادی طور پر عمومی کاروباری امور کے لیے (Arms Length) پر انجام دی گئیں۔ متعلقہ پارٹی ٹرانزیکشنز سے متعلق کمپنی کی پالیسی کے تحت، بورڈ آوٹ کمیٹی کی جانب سے تمام متعلقہ پارٹیوں کی ٹرانزیکشنز کا جائزہ لیا جاتا رہتا ہے جس کی صدارت ایک آزاد ڈائریکٹر کرتے ہیں۔ بورڈ آوٹ کمیٹی کے جائزے کے بعد ان ٹرانزیکشنز کو بورڈ آف ڈائریکٹر کے سامنے منظوری کے لیے پیش کیا جاتا ہے۔

چنانچہ ممبران سے گزارش کی جاتی ہے متعلقہ پارٹی ٹرانزیکشنز جس میں کچھ ڈائریکٹرز یا ان کی اکثریت دلچسپی رکھتی ہے جیسا کہ 30 جون 2022 کو ختم شدہ سال کے مالیاتی گوشواروں میں درج ہیں کی تصدیق اور تو شیق کریں۔

کمپنی 30 جون 2023 کو ختم ہونے والے مالی سال کے دوران متعلقہ پارٹیوں کے ساتھ ٹرانزیکشنز زیان کی اکثریت متعلقہ اداروں میں شیئر ہو لڈنگ یا ڈائریکٹر شپ کی وجہ سے کچھ ٹرانزیکشنز میں دلچسپی رکھ سکتے ہیں، اس لئے کمپنی 30 جون 2023 کو ختم ہونے والے مالی سال کے دوران انجام دی جانے والی متعلقہ پارٹی ٹرانزیکشنز کو منظور کرنے کے لیے، ممبران سے بورڈ آف ڈائریکٹر (بورڈ آوٹ کمیٹی کی شفارش پر) کو اختیار دینے کی منظوری چاہتی ہے۔ (بورڈ آف ڈائریکٹر کی تشکیل سے قطع نظر)۔ 30 جون 2023 کو ختم ہونے والے مالی سال کے لیے مذکورہ بالا متعلقہ پارٹی ٹرانزیکشنز کو ممبران کی جانب سے منظور سمجھا جائے گا۔

مبرز کو مطلع کیا جاتا ہے کہ سالانہ اجلاس عام کی اطلاع میں واضح کردہ خصوصی قرارداد میں، کمپنی نے 30 جون 2023 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 ہو لڈر رز کی جانب سے اس کی تو شیق اور تصدیق کے لیے اصل اعداد و شمار پیش کرے گی۔

مذکورہ بالا کی نیاد پر ممبرز سے درخواست کی جاتی ہے کہ نوٹس میں درج خصوصی قرارداد (ترمیم کے ساتھ یا بغیر ترمیم کے) کو منظور کریں۔

اس معاملے کے متعلقہ / مکملہ ڈائریکٹر زیہ ہیں / ہو سکتے ہیں:

1. جناب محمد سعید بہ
  2. جناب محمد علی بہ
  3. جناب جاوید یونس بہ
4. جناب آصف جمع
  5. مسز آمینہ اے عزیز بادوی
  6. جناب محمد عبدالگناہ

<p>ٹرانزیکشن سے شیئر پر 7.4 بیلین روپے اور 3.8 بیلین روپے کے درمیان Realised Gain حاصل ہو گا۔</p> <p>فروخت کے زریع حاصل ہونے والی نقدی سے کمپنی کی مستقبل میں ترقی کرنے والے پروڈکٹس کو فائدہ ہو گا اور عبوری طور پر قرضہ میں کمی واقع ہو گی، جبکہ فناں کے اخراجات میں کمی بھی ہو گی۔</p> <p>مورینا گاہلک کی جانب سے NMPL میں موجودہ شیئر ہو لڈنگ کو بڑھانے کی پیش کش، مورینا گاہلک کے پاکستانی مارکیٹ پر اعتماد کا واضح ثبوت ہے۔ ”مورینا“ برائٹ کے مالک کی چیزیت میں وہ جانتے ہیں کہ پروڈکٹs کو اس طرح تیار کیا جاتا ہے، اس کے ساتھ ریسرچ اور مینو فلچر نگ کی اعلیٰ و معیاری سہولیات کی بدولت، مورینا گاہلک NMPL کی ترقی میں اضافہ کرنے کے لیے بھرپور صلاحیتوں کی حامل ہے۔ تینجا، کمپنی کو توقع ہے کہ طویل مدتی بینادوں پر NMPL میں کمپنی کی باقی 24.5 فیصد شیئر ہو لڈنگ کی تدری میں بیش بہاءضافہ ہو گا جس سے NMPL کے شیئر ہو لڈر کی چیزیت میں کمپنی کو مزید فائدہ ہو گا۔</p>	<p>ممبران کو حاصل ہونے والے مقداری اور معیاری فوائد</p>
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لجدہ آئندہ نمبر 6  
یہ اسٹیمینٹ آئی سی آئی پاکستان لمینڈ (کمپنی) کے 71 ویں سالانہ اجلاس عام کے اطلاع میں درج خصوصی کاروبار کے آئندہ نمبر 6 سے متعلق حقائق پر منی ہے۔

کمپنی اپنی پالیسیوں، لاگو قوانین اور ریگو لیشنز کے مطابق اپنی متعلقہ پارٹیوں کے ساتھ لین دین (ٹرانزیکشنز) کرتی ہے۔ کمپنیز ایکٹ 2017 کے سیکشن 207 اور 208 کے مطابق (جس حد تک نافذ ہو) اور لسٹڈ کمپنیز (کوڈ آف کار پوریٹ گورننس) ریگو لیشن 2019 کی ریگو لیشن نمبر 15 کے تحت ایسی متعلقہ پارٹی ٹرانزیکشنز جس میں ڈائریکٹر کی اکٹیت و پیپری رکھتی ہو ان کے لیے شیئر ہو لڈر کی منظوری درکار ہوتی ہے۔

چونکہ کمپنی کے کچھ ڈائریکٹریز یا ان کی اکٹیت متعلقہ اداروں میں شیئر ہو لڈنگ یا ڈائریکٹری شپ کی وجہ سے مختلف ٹرانزیکشنز میں دلچسپی رکھتے تھے، اور شفافیت کو فروغ دینے کے پیش نظر، کمپنی کے 70 ویں سالانہ اجلاس منعقدہ 29 ستمبر 2021 میں ممبران سے منظوری طلب کی گئی، جس میں ممبران نے کمپنی کے یورڈ آف ڈائریکٹر کو 30 جون 2022 کو ختم شدہ مالی سال کے دوران متعلقہ پارٹی ٹرانزیکشنز کو منظور کرنے کا جائز بنا یا۔ تمام متعلقہ پارٹی ٹرانزیکشنز کو 30 جون 2022 کو ختم شدہ مالی سال کے نوٹ 40 میں واضح کیا گیا ہے۔

30 جون 2022 کو ختم شدہ مالی سال کے دوران درج ہونے والی متعلقہ پارٹی ٹرانزیکشنز کی نویت (لیکن محدود نہیں) جو 30 جون 2023 کو ختم ہونے والے سال کے دوران بھی درج کی جا سکتی ہے، ذیل میں شامل ہے:

ٹرانزیکشن کی نویت	متعلقہ پارٹی کا نام	نمبر
گذر، میزیل کی خرید و فروخت اور سرو سزا اور ڈیویڈنڈ	کلی سیمٹ لمینڈ	1
گذر، میزیل کی فروخت اور سرو سزا اور ڈیویڈنڈ	یونیکسٹاکل ملز لمینڈ	2
گذر، میزیل کی فروخت اور سرو سزا اور ڈیویڈنڈ	گردون ٹیکسٹاکل ملز لمینڈ	3
ڈیویڈنڈ	YB پاکستان لمینڈ	4
گذر، میزیل کی فروخت اور سرو سزا اور ڈیویڈنڈ	کلی ٹیکسٹاکل ملز لمینڈ	5
رائلی	کلی ہو لڈنگ لمینڈ	6
گذر، میزیل کی خرید اور اسرو سزا اور پروڈکٹس کا نمونہ	کلی موڑز کار پوریشن لمینڈ	7
گذر، میزیل کی فروخت اور سرو سزا	کلی فوڈز (پرائیویٹ) لمینڈ	8
گذر، میزیل کی خرید و فروخت اور سرو سزا	آئی سی آئی پاکستان پاور جن لمینڈ	9
گذر کی فروخت اور تربیت	ٹیکسٹ اسٹیٹیوٹ	10

لہجہ ۱۰۰ نمبر کمپنی کے سیکشن (b) (3) کی تعمیل میں، کمپنی کے موجودہ ذیلی ادارے نیوٹریکو مورینا گا (پرائیویٹ) لیمیٹڈ (NMPL) کے (100) روپے فی عبوری شیئر کی مقدار کھٹے والے 21,763,125 عبوری شیئرز (NMPL) کے تقریباً 5.6 فیصد جاری کردہ اور ادا شدہ شیئر کیپیٹل پر مشتمل (مورینا گا ملک) کمپنی لیمیٹڈ ("مورینا گا ملک") کو فروخت (ٹرانزیکشن) کرنے کے لیے سالانہ اجلاس عام کی اطلاع میں درج عمومی قراردادوں کو پاس کرنے سے متعلق ممبران سے منظوری لینے کی خواہاں ہے۔

کمپنیز ایکٹ 2017 کے سیکشن (b) (3) کی تعمیل میں، کمپنی کے موجودہ ذیلی ادارے نیوٹریکو مورینا گا (پرائیویٹ) لیمیٹڈ (NMPL) کے (100) روپے فی عبوری شیئر کی مقدار کھٹے والے 21,763,125 عبوری شیئرز (NMPL) کے تقریباً 5.6 فیصد جاری کردہ اور ادا شدہ شیئر کیپیٹل پر مشتمل (مورینا گا ملک) کمپنی لیمیٹڈ ("مورینا گا ملک") کو فروخت (ٹرانزیکشن) کرنے کے لیے سالانہ اجلاس عام کی اطلاع میں درج عمومی قراردادوں کو پاس کرنے سے متعلق ممبران سے منظوری لینے کی خواہاں ہے۔

پس منظر کے حوالے سے NMPL، کمپنی، مورینا گا ملک اور یونی بر انڈر (پرائیویٹ) لیمیٹڈ میں شتر اک علی (جو اسٹ ویچر) تھا جس کے تحت غذا بھیت بھری پر ووڈ کش کی مقامی طور پر تیاری اور ڈسٹری بیوشن کی جاتی رہی ہے۔ NMPL حال ہی میں نیوٹریکو پاکستان (پرائیویٹ) لیمیٹڈ میں ضم ہوئی جو کہ مورینا گا ملک کی منتخب پر ووڈ کش کی امپورٹ اور ڈسٹری بیوشن کے کام انجام دے رہی تھی۔ کمپنی اس وقت نیوٹریکو مورینا گا پرائیویٹ لیمیٹڈ کے 41,884,746 فیصد پر مشتمل جاری شدہ شیئر کیپیٹل ہونے سے کمپنی کا ذیلی ادارہ بنتی ہے۔ کمپنی مورینا گا ملک کے شیئرز فروخت کرنے کی خواہاں ہے اور مجوزہ ٹرانزیکشن کی تکمیل پر تقریباً 5.6 فیصد بقیر شیئر کیپیٹل اپنے پاس رکھے گی۔ مجوزہ ٹرانزیکشن کی تکمیل پر مورینا گا ملک NMPL کا 5.6 فیصد جاری شدہ شیئر کیپیٹل حاصل کر لے گا۔

توجه ہے کہ NMPL کی قیمت ایک آزاد تجھیز کار میسر یوسف عادل، چارٹرڈ اکاؤنٹنٹس سے لگوائی گئی جس میں تجھیز کے مختلف تکمیک اپنائے گئے جس کے مطابق مختلف تجھیز فراہم کئے گئے۔

مجموعہ ٹرانزیکشن کی تفصیلات درج ذیل ہے:

ذیلی ادارے کا نام	ذیلی ادارے نیوٹریکو مورینا گا پرائیویٹ لیمیٹڈ (NMPL)
ذیلی ادارے میں سرمایہ کاری کی قیمت اور بک ویلیو	ذیلی ادارے میں سرمایہ کاری کی قیمت اور بک ویلیو
ذیلی کمپنی کے شیئرز کی قدر کی بنیاد پر ذیلی ادارے کی کل مارکیٹ ویلیو	کمپنی کی 5.6 فیصد شیئر ہولڈنگ کے حوالے سے 3.964 ملین پاکستانی روپے ہے (30 جون 2022 کو)۔
ذیلی کمپنی کے شیئرز کی قدر کی بنیاد پر ذیلی ادارے کی کل مارکیٹ ویلیو	NMPL کی قیمت کا تجھیز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کی جانب سے لگایا جس میں NMPL کے شیئرز کی کل مارکیٹ ویلیو (30 جون 2022 کو) کو حاصل کرنے کے لیے مختلف تکمیک استعمال کئے۔
ذیلی ادارے سے سرمایہ کاری نکلنے کے لیے کل زیر غور معاوضہ، زیر غور معاوضہ اور اس کے استعمال کے تفصیل کی بنیاد پر۔	جس کے پیش نظر، NMPL کے ٹوٹ مارکیٹ ویلیو کا تجھیز 14.2 ملین روپے سے 20.6 ملین روپے کے درمیان لگایا گیا (تقریباً 173 روپے سے 251 روپے فی عبوری شیئر کے درمیان)
تازہ ترین آڈٹ شدہ مالیاتی گوشواروں اور متعلقہ عبوری مالیاتی گوشواروں کے مطابق ذیلی ادارے کی مجموعی قدر، اگر موجود ہیں۔	30 جون 2022 کے آڈٹ شدہ مشترکہ مالیاتی گوشواروں کے مطابق NMPL کی مجموعی قدر 6,546 ملین روپے ہے۔
ذیلی ادارے سے سرمایہ کاری نکلنے کے لیے کل زیر غور معاوضہ، زیر غور معاوضہ اور اس کے استعمال کے تفصیل کی بنیاد پر۔	فروخت والے شیئرز کے نکلنے کے لیے کل زیر غور معاوضہ پاکستانی روپے کے مساوی تقریباً 45,082,657 امریکی ڈالر (امریکی ڈالر پیسٹا لیس ملین یا اسی ہزار چھ سو اور تاوان امریکی ڈالر زصرف) ہونے چاہئیں (کلوز نگ / آخری دن پر لا گوا یعنی ریٹ کی بنیاد پر) زیر غور معاوضہ کا تعین مختلف عوامل کو پیش نظر رکھتے ہوئے کیا گیا جیسا کہ NMPL کے مستقبل کے کیش فلووز۔
-	- مساوی بزنسز کے لیے مقامی اور عالمی تینچ مارکس کے مطابق قدر
-	- کنٹرول پر یکیم
-	- ویلیو سے متعلق یوسف عادل چارٹرڈ اکاؤنٹنٹ کی آزاد رپورٹ
زیر غور معاوضہ کمپنی کے مستقبل کی ترقی والے پروجیکٹس میں معاون ثابت ہو گا اور عبوری مدت میں کمپنی کے قرض کو کم کرے گا جس سے فانس کے اخراجات میں کمی آئے گی۔	

## 8۔ اکم میکس / زکوہ کی کٹوتی سے استثنی

ممبر ان جو اکم میکس کی کٹوتی سے استثنی کے خواہ شمند ہیں یا وہ جو رعایتی قیمت پر کٹوتی کے اہل ہیں ان سے گزارش کی جاتی ہے کہ وہ میکس سے استثنی کا موثر سرٹیکٹ یا ضروری دستاویزی ہے جو کٹوتی سے استثنی کا موثر حلف نامہ جمع کرائیں۔

## 9۔ کمپنیز ایکٹ 2017 کے سیکشن 244 کے تحت غیر دعویٰ شدہ ڈیویڈنڈ / شیئرز

غیر دعویٰ شدہ ڈیویڈنڈ / شیئرز کی تازہ ترین لسٹ کمپنی کی ویب سائٹ <https://www.ici.com.pk> پر 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 فارم پر شیئرز ہولڈرز کی جانب سے دعویٰ داخل کیا جاسکتا ہے۔ کلیم فارم لازمی طور پر کمپنی کے شیئر جسٹر ار، میسرز فیمکو ایسوی ایش (پرائیویٹ) لمیٹڈ کے پاس ڈیویڈنڈ / شیئرز کی وصولی کے لیے جمع کرائے جاسکتے ہیں۔

## 10۔ فریکل شیئرز کی بک اٹری فارم میں تبدیلی

سیکورٹریز ایڈا ٹپچینگ کمیشن آف پاکستان نے اپنے خط 640-639-2016/ Misc/ ED/ CSD/ بتاریخ 26 مارچ 2021 میں لمیٹڈ کمپنیز کو عنديہ دیا ہے کہ کمپنیز ایکٹ 2017 کے سیکشن 72 کے مطابق اپنے فریکل شیئرز کو بک اٹری فارم میں تبدیل کریں۔

آئی سی آئی پاکستان لمیٹڈ کے فریکل فولیوز / شیئر سرٹیکٹ رکھنے والے شیئرز کو بک اٹری فارم میں تبدیل کرائیں۔ اس ضمن میں شیئرز ہولڈرز اپنے بروکر، سی ڈی سی پار ٹیسپٹ یا سی ڈی سی اونیسٹر اکاؤنٹ سروس پر وائیڈر سے سی ڈی بس اکاؤنٹ کھولنے اور فریکل شیئرز کو بک اٹری فارم میں تبدیل کرانے کے لیے مدد لے سکتے ہیں۔ اس سے شیئرز ہولڈرز کو شیئرز کی محفوظ حوالگی سیست کی طریقوں سے سہولت ہو گی جبکہ ڈیلیکٹ شیئرز وغیرہ کے اجراء کے لیے مطلوبہ لوازمات سے بھی محفوظ ہیں گے۔ مزید معلومات اور معاونت کے لیے، شیئر ہولڈرز ہمارے شیئر جسٹر ار میسرز فیمکو ایسوی ایش (پرائیویٹ) لمیٹڈ سے رابطہ کیا جاسکتا ہے۔

## کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت اہم حقائق پر مبنی اسٹیٹمنٹ

## لجدۂ آئنہم نمبر 4

یہ اسٹیٹمنٹ آئی سی آئی پاکستان لمیٹڈ (کمپنی) کے 71 ویں سالانہ اجلاس عام کے اطلاع میں درج خصوصی کاروبار کے آئنہم نمبر 4 سے متعلق حقائق پر مبنی ہے۔

1۔ کمپنی کا نام ”آئی سی آئی پاکستان لمیٹڈ“ سے ”کلی کور ائنڈسٹریز لمیٹڈ“ کے نام میں تبدیل کرنے کی قراردادوں پر غور و خوص کرنا، منظوری دینا اور اختیار کرنا؛

2۔ مذکورہ بالا تبدیلی پر عمل سے متعلق کمپنی کے میمورنٹم اور آرٹیکلز آف ایسوی ایشن میں ترمیم اور تبدیلی کی قرارداد پر غور و خوص کرنا، منظوری دینا اور اختیار کرنا؛

کمپنی کا نام ”آئی سی آئی پاکستان لمیٹڈ“ سے ”کلی کور ائنڈسٹریز لمیٹڈ“ میں تبدیل کرنے کا فیصلہ بنیادی طور پر کمپنی کے نام کو ہولڈنگ کمپنی کی سیئنٹ لمیٹڈ سے مطابقت دکھانے کے لیے کیا گیا، جو کہ یونیورس برادرز گروپ (YBG) کا ایک حصہ ہے۔ مذکورہ نام کی برانڈ کی طاقت کو نمایاں کرتا ہے، جو کہ ایک معروف، ترقی پسند اور پاکستان کا بہت بڑا صنعتی گروپ ہے۔

مذکورہ نام سے اسٹیک ہولڈرز کی قدر میں اضافہ کرنے اور پاکستان کے سماجی و معاشری دھارے میں لوگوں کی زندگیوں کو خوشحالی سے بدلنے کی سماکھ رکھنے والی کمپنی کے بنیادی کردار کی عکاسی ہوتی ہے۔ کمپنی کے پورٹ فولیوز میں پروڈکٹس کی ایسی و سیچ رتبہ شامل ہے جو میکٹ کے ہر شعبے کا احاطہ کرتی ہیں۔ میکٹ اسٹریٹ سے لے کر گلاس تک، اور طبی سہولیات، خوراک اور زراعت تک، کمپنی کی پروڈکٹس کا استعمال اسٹیک ہولڈرز کی روزمرہ ضروریات میں مرکزی چیزیں رکھتا ہے۔ اسی طرح، یہ کبھی طے شدہ ہے کہ مذکورہ مذکورہ نام کمپنی کے کاروبار کے ساتھ منابع رکھتا ہے۔

نام کی تبدیلی سال 2022 کے اختتام تک موثر ہونے کی خواہش ہے۔

- (IV) پر اکسی اپنا اصل سی این آئی سی ایف ایوال پاسپورٹ اجلاس کے وقت ہمراہ لائیں۔
- (V) کارپوریٹ ادارے کی صورت میں پر اکسی فارم کے ساتھ بورڈ آف ڈائریکٹریز کی قرارداد / پاور آف اثار نی منتخب فرد کے دستخط کے نمونہ کے ساتھ کمپنی کو فراہم کرنے ہوں گے (اگر پہلے فراہم نہ کیا گیا ہو)۔

4 سالانہ رپورٹ 2022 کی ایکٹر ائک تر سیل کمپنیز ایکٹ 2017 کے سیکشن (6) کی تعمیل میں کمپنی نے ان شیئر ہولڈرز کو سالانہ رپورٹ 2022 کی ای میل کے ذریعے ایکٹر ائک تر سیل انجام دی ہے جن کے ای میل ایڈریس کمپنی کے شیئر جسٹر ایسیز فیکٹو ایسی ایش (پر ایویٹ) لمیڈٹ کے پاس موجود ہیں۔ تاہم ایسے کیس جن میں کمپنی کے شیئر جسٹر ایس کے پاس ای میل ایڈریس موجود نہیں ہیں انہیں سالانہ اجلاس عام کی اطلاع کے نوٹس کی پر نٹ شدہ کلیپیاں بثول سالانہ رپورٹ 2022 (جس میں مالیاتی گوشوارے درج ہیں) ڈاؤن لوڈ کرنے کے لیے QR کا حامل کوڈ / ویب لینک بھی بھیج دیئے گئے ہیں۔

اس کے باوجود کمپنی سالانہ رپورٹ 2022 کی ہارڈ کاپی، کسی بھی ممبر کی جانب سے درخواست بھیج پر، ان کے رجسٹر ایڈریس پر ایسی درخواست موصول ہونے کے ایک ہفتے کے اندر مفت میں فراہم کرے گی۔ مزید برال فریکل فارم میں شیئر رکھنے والے ممبر ان سے گزارش کی جاتی ہے کہ براد مہر بانی اپنا موثرائی میل ایڈریس (اپنے موثر CNIC کی کاپی کے ہمراہ) کمپنی کے شیئر جسٹر ایسیز فیکٹو ایسی ایش (پر ایویٹ) لمیڈٹ کو فراہم کریں جبکہ بک اٹھری فارم میں شیئر رکھنے والے ممبر ان اپنے متعلق پارٹیپنٹ / انویٹر اکاؤنٹ سروسرز کو فراہم کریں۔

5 CNIC/NTN جمع کرنا (لازی) میں اسی پی کی روشنی میں، ان شیئر ہولڈرز کے ڈیویڈنڈ جنہوں نے شیئر جسٹر اکے 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 شیئر ہولڈر اپنے موثری این آئی سی کی فوٹو کاپی (اگر پہلے فراہم نہیں کی) کمپنی کے شیئر جسٹر ایسیز فیکٹو ایسی ایش (پر ایویٹ) لمیڈٹ کے پاس جمع کرائیں۔ ممبر کے موثری این آئی سی کی غیر موجودگی میں، کمپنی ممبر ان کے ڈیویڈنڈ روکنے کے لیے مجبور ہو گی۔

6 ڈیویڈنڈ مینٹیٹ (لازی) کمپنیز ایکٹ 2017 کے سیکشن 242 اور کمپنیز ریگولیٹیشن 2017 (ڈیویڈنڈ کی تقسیم) کے ریگولیشن 4 کی تعمیل میں، کسی بھی لسٹ کمپنی کے لیے لازم ہے اپنے شیئر ہولڈر ز کو نقد منافع منقسمہ کی ادائیگی صرف اس کے فراہم کردہ بینک اکاؤنٹ میں ایکٹر ائک اکاؤنٹ سے ہی انجام دے۔ مذکورہ بالا قانون کی تعمیل میں، اپنے بینک اکاؤنٹ میں برادرست منافع منقسمہ موصول کرنے کے لیے، آپ سے گزارش کی جاتی ہے کہ کمپنی کی ویب سائٹ <http://ici.com.pk> پر موجود فارم میں درج معلومات (اگر پہلے فراہم نہیں کی) فراہم کریں، ایکٹر ائک فارم میں شیئر رکھنے والے اپنے بروکر ز / سی ایسی کو فراہم کریں جبکہ فریکل فارم میں شیئر رکھنے والے کمپنی کے شیئر جسٹر اکے فراہم کریں۔ معلومات موصول نہ ہونے کی صورت میں کمپنی شیئر ہولڈر ز کو منافع منقسمہ کی ادائیگی روکنے پر مجبور ہو گی۔

7 ودھولڈنگ ٹکس کا نفاذ ائکٹ ٹکس آرڈیننس 2001 کے سیکشن 150 کی تعمیل میں شیئر ز کے منافع منقسمہ کی آمدنی پر ودھولڈنگ ٹکس نافذ ہو گی۔ ڈیویڈنڈ پر ودھولڈنگ ٹکس کا نفاذ شیئر ہولڈر ز کے ڈیکٹیو، اور نان ایکٹیو اسٹیٹیس کی بنیاد پر 15 فیصد اور 30 فیصد کے حساب سے ہو گا۔ ایکٹیو سے مراد وہ فرد ہے جس کا نام ایف بی آر کے ای پورٹل (<http://www.fbr.gov.pk>) پر ایکٹیو ٹکس ہیبر سائٹ میں موجود ہو اور نان ایکٹیو سے مراد وہ فرد ہے جس کا نام ایکٹیو ٹکس پیور لسٹ میں موجود ہو گا۔

مزید برال، ایف بی آر کی جانب سے موصول ہونے والی وضاحت کے مطابق، جو اکاؤنٹ کی صورت میں ودھولڈنگ ٹکس کا نفاذ پر نسل شیئر ہولڈر اور جو اکاؤنٹ ہولڈر پر ان کے شیئر ہولڈنگ تناسب کی بنیاد پر ایکٹیو اور نان ایکٹیو اسٹیٹیس پر علیحدہ سے ہو گا۔

جو اکاؤنٹ شیئر ہولڈر ز کی صورت میں شیئر رکھنے والے تمام شیئر ہولڈر سے گزارش کی جاتی ہے کہ وہ پر نسل شیئر ہولڈر اور جو اکاؤنٹ شیئر ہولڈر کے اپنے شیئر ہولڈنگ تناسب کی معلومات ہمارے شیئر جسٹر ایسیز فیکٹو ایسی ایش (پر ایویٹ) لمیڈٹ کے پاس ذیل میں درج طریقہ کار کے تھت 20 ستمبر 2022 کو کار و بار بند ہونے سے قبل تک فراہم کریں:

و دھولڈنگ	ٹکس کا نفاذ	پر نسل شیئر ہولڈر / جو اکاؤنٹ	شیئر ہولڈنگ تناسب %	نمبر CNIC (کاپی منسلک کریں)	فولیو / اکاؤنٹ نمبر	ٹکس شیئر ز کا نام

نوٹ:

## 1- شیئر ٹرانسفر بکس کی بندش:

کمپنی کے شیئر ٹرانسفر بکس 21 ستمبر 2022 تا 27 ستمبر 2022 (دونوں دن شامل ہیں) تک بند رہیں گی۔ ہمارے شیئر جسٹر ار زیسر فیمکو ایسوی ایٹس (پرائیوریٹ) لمیڈ، F-8، نرسری، بلاک 6، پی ای سی ایچ بیس، شاہراہ فیصل، کراچی کے آفس میں 20 ستمبر 2022 کو کاروبار کے اختتام تک وصول ہونے والی مستقلیوں کو حقیقی نقد منافع مفہوم کی منتقلی کے حقدار اور سالانہ اجلاس میں شرکت اور ووٹ دینے کے لیے بروقت تصور کیا جائے گا۔

## 2- بذات خود یا ویڈیو کا نفر نسگ کے ذریعے اجلاس میں شرکت:

20 ستمبر 2022 کو ممبران کے جسٹر 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 (پرائی) مقرر کرنے کا حق حاصل ہو گا۔ پرائی کے لیے کمپنی کا ممبر ہونا لازمی ہے۔

ممبران کو اجلاس کے لیے موثر پرائی دستاویز اس اطلاع کے ساتھ بھجوائے جا رہے ہیں۔ پرائی دستاویز کی مزید کالیبیاں کمپنی کے جسٹر آفس سے کام کے عمومی اوقات میں حاصل کی جاسکتی ہیں۔ پرائی فارم کمپنی کی ویب سائٹ <http://www.ici.com.pk> سے بھی ڈاؤن لوڈ کرنے جاسکتے ہیں۔ پرائی دستاویز اور پار آف اٹارٹی یا دیگر کوئی مختار نامہ (اگر کوئی ہو) جس پر دستخط ہیں یا وہ تصدیق شدہ ہے، یا ایسے کسی پاور یا مختار نامے کی تصدیق شدہ کا پی فعال صورت میں ہی، سالانہ اجلاس عام سے کم از کم 48 گھنٹے قبل (چھٹیوں کے علاوہ) [generalmeetings@ici.com.pk](mailto:generalmeetings@ici.com.pk) پر ای میل کرنے جاسکتے ہیں۔

ممبران سے گزارش کی جاتی ہے کہ وہ اپنے کپیو ٹرائز تو می شناختی کارڈ (CNIC) کی کالی ہمارے شیئر جسٹر فیمکو ایسوی ایٹس (پرائیوریٹ) لمیڈ کے جسٹر ڈائیٹریس پر جمع کرائیں۔

(الف) ویڈیو کا نفر نسگ کی سہولت کے ذریعے سالانہ اجلاس عام میں شرکت کے لیے، ممبران سے گزارش کی جاتی ہے کہ اجلاس سے کم از کم 48 گھنٹے قبل [generalmeetings@ici.com.pk](mailto:generalmeetings@ici.com.pk) پر درج ذیل معلومات فراہم کر کے اپنے آپ کو جسٹر کریں:

شیئر ہولڈر کا نام	کی این آئی سی / این ٹین این نمبر	فولیو نمبر / اسی ڈی سی 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 09:45 سے سالانہ اجلاس عام کے اختتام تک جاری رہے گی۔

(د) ممبران سالانہ اجلاس عام کے لیے جذبہ سے متعلق اپنی آراء اور تجاذب [generalmeetings@ici.com.pk](mailto:generalmeetings@ici.com.pk) پر ای میل کر سکتے ہیں۔

## 3- سینٹرل ڈپاٹری کمپنی آف پاکستان لمیڈ (CDC) کے اولویٹر اکاؤنٹ ہولڈر کے لیے ہدایات

سی ڈی سی انویٹر اکاؤنٹ ہولڈر کو سیکور ٹیزینڈا ٹیکنچ کمیشن آف پاکستان کی جانب سے جاری کردہ سرکیولر نمبر 1 بتارنخ 26 جنوری 2000 کے مطابق درج ذیل ہدایات پر عمل کرنا ہاگا:

## (الف) اجلاس میں شرکت کے لیے:

(I) افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر یا وہ فرد جس کی سیکور ٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ ہو چکی ہیں، سالانہ اجلاس کے وقت اصل سی این آئی سی یا پا سپورٹ دکھا کر اپنی شناخت کی تصدیق کر والیں۔

(II) کارپوریٹ ادارے کی صورت میں یو ڈ آن ڈائریکٹریز کی قرارداد / پار آف اٹارٹی منتخب فرد کے دستخط کے نمونہ کے ساتھ اجلاس کے وقت پیش کرنا ہو گا۔

## (ب) پرائی کے تقریر کے لیے:

(I) افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ فرد جس کی سیکور ٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق اپ لوڈ ہو چکی ہیں، مندرجہ بالا ہدایات کے مطابق پرائی فارم پر جمع کرائیں۔

(II) پرائی فارم کے لیے 2 گواہ ضروری ہیں، جن کے نام ایڈریس اور سی این آئی سی نمبر فارم پر درج ہوں۔

(III) مینفیشل مالکان اور پرائی کے سی این آئی سی یا پا سپورٹ کی تصدیق شدہ کالیبیاں پرائی فارم کے ساتھ جمع کرنا ہوں گی۔

مزید قرار پایا کہ بورڈ آف ڈائریکٹرز کی جانب سے مجاز کردہ کمپنی کے نمائندگان انفرادی یا اجتماعی طور پر ضروری دستاویزات کو تیار کرنے، حتیٰ شکل دینے اور درج کرنے، تمام ضروری اقدامات اٹھانے اور انجام تک پہنچانے اور امور انجام دینے یا کمپنی یا اعمال اختیار کرنے کے بھی مجاز ہوں گے اور کمپنی کے نام سے یا کمپنی کی جانب سے اس سلسلے میں مذکورہ بالا قراردادوں کے مقاصد کو حاصل کرنے کے لیے وہ جو مناسب سمجھ کے یا اس سلسلے میں واقع ہوں گے، اس کے علاوہ کسی دیگر اتفاقی یا معاونت والے عمل یا اقدام کے لیے آزاد ہوں گے، اور جو منورہ بالا قراردادوں کے مکمل حصول کے لیے ضروری ہوں گے انہیں بورا کرنے کے مجاز ہوں گے۔

مزید قرار پایا کہ کمپنی کے مجاز نمائندگان اور / یا بورڈ آف ڈائریکٹرز کی جانب سے اس سلسلے میں اٹھائے جانے والے تمام اقدامات یا نہ کوہرہ بالا قراردادوں سے متعلق کسی دیگر اقدام کو بھی ہر اعتبار سے مظہور شدہ، توثیق شدہ اور تصدیق شدہ یہیت دی جاتی ہے۔

6- کمپنیز ایکٹ 2017 کے سیکشن 207 اور 208 کے پیش نظر (جہاں تک لا گوہو) متعلقہ پارٹی ٹرانزیکشنز کے حوالے سے درج ذیل قراردادوں پر خصوصی قرارداد کے ذریعے (تریم پا بغیر تریم) غور و خوب کرنا اور مناسب سمجھنے پر تو شیق اور منظوری دینا:

”قرار پایا کہ متعلقہ پارٹی ٹرانزیکشن جس میں کچھ ڈائریکٹریز یا ان کی اکٹیویٹ دلچسپی رکھتی ہے، جو کمپنی نے مختلف متعلقہ پارٹیوں کے ساتھ انجام دیں یا بھول کی سینئٹ لمیڈ، یونس میکسٹاکل مزلمیڈ، گدوں میکسٹاکل مزلمیڈ، YB پاکستان لمیڈ، کی میکسٹاکل مزلمیڈ، کی ہولڈنگ لمیڈ، کی موڑ زکار پوریشن لمیڈ، کی فوڈز (پرائیویٹ) لمیڈ، آئی سی آئی پاکستان پاپر جن لمیڈ، طبہ بارٹ اسٹیٹیوٹ، طبہ کلٹن اسٹیٹیوٹ، یونیورسٹی کو مورینا (پرائیویٹ) لمیڈ، عزیز مسٹر فاؤنڈیشن، گلوبل کومپیوٹر لمیڈ اور دیگر اس طرح کی متعلقہ پارٹیز کے ساتھ مجموعی طور پر 9,674,707,000 روپے (نولین، چھ سو چھ سو سو میلین، سات سو سات ہزار روپے) تک 30 جون 2022 کو ختم شدہ سال کے دوران، جس طرح مذکورہ مدت کے لیے مالیاتی گوشواروں میں درج کیا گیا ہے، اس کی تویثیں اور تصدیق کی جاتی ہے۔

مزید قرار پایا کہ 30 جون 2023 کو ختم ہونے والی مدت کے لیے مذکورہ بالا متعلقہ پارٹی ٹرانزیکشن بعد ازاں آئندہ سالانہ اجلاس عام میں شیئر ہولڈر رکو ٹویشیٹ اور تصدیق کے لیے پیش کی جائیں گے۔

کمپنی ایکٹ 2017 کے سیکشن (3) 134 کے تحت مذکورہ مالا خصوصی قراردادی مشتمل اصل حقوق یہ ہیں اسٹیٹمنٹ اس نوٹس کے ساتھ مسلک کی جا رہی ہے۔

حسب الحکم بورڈ

~~1496~~

## لیلیا بھائیہ باوانی کمپنی سیکریٹری

2022 جمادی 6

کاری

## 71 ویں سالانہ اجلاسِ عام کی اطلاع

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ آئی سی آئی پاکستان لیٹڈ ("کمپنی") کا 71 ویں سالانہ اجلاسِ عام بروز منگل، 27 ستمبر 2022 کو صبح 10 بجے، آئی سی آئی ہاؤس، 5 ویسٹ وہارف، کراچی اور ویڈیو کانفرنسنگ کے ذریعے منعقد کیا جائے گا۔

ہدایات برائے شرکت درج ذیل نوٹس میں فراہم کی جا رہی ہیں۔ جبکہ سالانہ اجلاسِ عام کے انعقاد سے متعلق کورم کی شرائط کا جائزہ لیا جائے گا اور قانونی تقاضوں کی تعمیل یقینی بنائی جائے گی۔

سالانہ اجلاسِ عام درج ذیل کاروبار کی انجام دہی کے لیے منعقد کیا جا رہا ہے:

عمومی کاروبار

1- 30 جون 2022 کو ختم شدہ سال کے لیے کمپنی کے آٹھ شدہ سالانہ مالیاتی گوشواروں بیشواں ڈائریکٹرز اور آئی ٹیزرز کی رپورٹ کی وصولی، غور و خوص اور عمل درآمد کو یقینی بنانا۔

کمپنیز ایکٹ 2017 کے سیکشن (7) 2023 کی تعمیل میں، کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کرنے جا چکے ہیں جنہیں درج ذیل لٹک کے ذریعے ڈاؤن لوڈ کیا جاسکتا ہے:



<https://www.ici.com.pk/investor-relation/financial-reports>

2- ڈائریکٹرز کی تجویز کے مطابق، 30 جون 2022 کو ختم شدہ سال کے لیے 10 روپے کے ہر عمومی شیئر کا حقیقی نقد منافع مقدمہ 15 روپے بحسب 150 فیصد کا اعلان اور منظوری دینا، منافع مقدمہ کی ادائیگی ان ممبرز کو ہو گی جن کے نام 20 ستمبر 2022 کو ممبران کے رجسٹر میں درج ہوں گے۔

3- مالی سال 2022-2023 کے لیے، کمپنی کے آئی ٹیزرز کی تعیناتی اور ان کے مشاہرے کا تعین۔ بورڈ آف ڈائریکٹرز نے کمپنی کی آٹھ کمیٹی کی تجویز پر EY نورڈر ہوڈز، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2023 میں ختم ہونے والے مالی سال کے آئی ٹیزرز کے طور پر دوبارہ تعیناتی کی تجویز دی ہے۔

خصوصی کاروبار

4- کمپنیز ایکٹ 2017 کے سیکشن 12 کے تحت، کمپنی کا نام "آئی سی آئی پاکستان لیٹڈ" سے "لکی کور انڈسٹریز لیٹڈ" میں تبدیل کرنے کے لیے خصوصی قرارداد پر (ترمیم یا بغیر ترمیم) غور و خوص اور مناسب سمجھنے پر منظوری دینا:

"قرار پایا کہ کمپنی کا نام "آئی سی آئی پاکستان لیٹڈ" سے "لکی کور انڈسٹریز لیٹڈ" میں تبدیل کیا جاتا ہے۔

مزید قرار پایا کہ کمپنی کے میمورنڈم آف ایسوسی ایشن اور آر ٹیکلز آف ایسوسی ایشن میں ترمیم کی جائے، جیسا مطلوب ہو، تاکہ مذکورہ بالا قرارداد موثر ہو سکے اور اس مقصد کے حاصل کرنے کے لئے ان دستاویزات میں کمپنی کا نام "آئی سی آئی پاکستان لیٹڈ" سے تبدیل کر کے "لکی کور انڈسٹریز لیٹڈ" لکھا جائے۔

مزید قرار پایا کہ بورڈ آف ڈائریکٹرز کی جانب سے مجاز کردہ کمپنی کے نمائندگان انفرادی یا اجتماعی طور پر ضروری دستاویزات کو تیار کرنے، تمام ضروری اقدامات اٹھانے اور انجام تک پہنچانے اور امور انجام دینے یا لیکی یجیزیں یا افعال اختیار کرنے کے بھی مجاز ہوں گے اور کمپنی کے نام سے یا کمپنی کی جانب سے اس سلسلے میں جو مذکورہ بالا قراردادوں کے مقاصد کو حاصل کرنے کے لیے وہ جو مناسب سمجھے گے اس سلسلے میں واقع ہوں گے، اس کے علاوہ کسی دیگر اتفاقی یا معاہدات والے عمل یا اقدام کے لیے آزاد ہوں گے، اور جو مذکورہ بالا قراردادوں کے مکمل حصوں کے لیے ضروری ہوں گے بیشواں اس کے کسی قید کے بغیر تمام ضروری درخواستوں اور دستاویزات کو جمع کرنے اور مطلوبہ منظوریاں اور اجائزت نامے حاصل کرنے کے بھی مجاز ہوں گے۔

مزید قرار پایا کہ کمپنی کے مجاز نمائندگان اور / یا بورڈ آف ڈائریکٹرز کی جانب سے اس سلسلے میں اٹھائے جانے والے تمام اقدامات یا مذکورہ بالا قراردادوں سے متعلق کسی دیگر اقدام کو بھی ہر اقتدار سے منظور شدہ، تو شیئن شدہ اور تصدیق شدہ یونیٹس دی جاتی ہے۔

5- کمپنیز ایکٹ 2017 کے سیکشن (b) (3) کی تعمیل میں، کمپنی کے موجودہ ذیلی ادارے نیوٹرکو مورینا گا (پرائیویٹ) لیٹڈ (NMPL) کے (100) روپے فی عوری شیئر کمپنی کی مقدار رکھنے والے (125,125,125,21,763) امریکی ڈالر (امریکی ڈالر اور سات سینٹ صرف) فی شیئر کے ریٹ پر مورینا گا ملک انڈسٹری لیٹڈ کو فروخت کرنے کی مجاز ہے، اس فروخت کی مجموعی رقم قریباً 45 امریکی ڈالر (45 میں 82 ہزار چھ سوا اور 57 امریکی ڈالر صرف) تھی ہے۔

"قرار پایا کہ کمپنی نیوٹرکو مورینا گا (پرائیویٹ) لیٹڈ (NMPL) کے قریباً 26 فیصد جاری کردہ اور ادا شدہ شیئر کیپیٹل پر مشتمل ہے، اس کو قریباً 2.07 امریکی ڈالر (امریکی ڈالر اور سات سینٹ صرف) فی شیئر کے ریٹ پر مورینا گا ملک انڈسٹری لیٹڈ کو فروخت کرنے کی مجاز ہے، اس فروخت کی مجموعی رقم قریباً 45,082,657 امریکی ڈالر (45 میں 82 ہزار چھ سوا اور 57 امریکی ڈالر صرف) تھی ہے۔

## ڈائریکٹر زرپورٹ

برائے سال ختم شدہ 30 جون 2022 (مشترک)

سال کے لیے نیوٹری مورینا گا (نیوٹری کو پاکستان کے یکم جولائی 2021 کو انضام کے بعد) کا مجموعی کاروبار 13,895 ملین روپے اور کاروباری منافع 1,916 ملین روپے بتا ہے جو گزشتہ سال کی اسی مدت کے مقابلے میں واضح طور پر زیادہ ہے۔ کارکردگی میں بہتری مجموعی منافع میں اضافے اور زیادہ مقدار کے سبب حاصل ہوئی۔

مجموعی بنیادوں پر (کمپنی کے ذیلی اداروں پاور جن اور نیوٹری کو مورینا گا کے نتائج کے ساتھ)، زیر جائزہ سال کے لیے مجموعی کاروبار 100,867 ملین روپے ہوا جو گزشتہ سال کی اسی مدت کے مقابلے میں 56 فیصد زائد ہے۔ جبکہ 13,825 ملین روپے کا کاروباری منافع گزشتہ سال کی اسی مدت کے مقابلے میں 72 فیصد زائد ہا۔

مشترکہ بنیادوں پر، سال کے لیے بعد از ٹیکس منافع 8,860 ملین روپے بتا ہے جو گزشتہ سال کی اسی مدت کے مقابلے میں 69 فیصد زائد ہے۔ نتیجے میں ہولڈنگ کمپنی کے مالکان کے لیے بعد از ٹیکس منافع 8,466 ملین روپے اور فنی شیئرمنافع 91.66 روپے بتا ہے جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 52 فیصد زائد ہے۔ کاروباری نتائج میں اضافے کی وجہ تمام بنسنگز کی کاروباری مہارت، صارف کی طلب میں بحالی، نیوٹری کو پاکستان میں اضافی شیئر ہولڈنگ کے حصول (جو اب نیوٹری کو مورینا گا میں ضم ہو چکی ہے) حصول سے نتائج کیجا ہونے اور مذکورہ بالاون آف نیٹ ثبت تاثر شامل ہے، جو کہ نیوٹری کو پاکستان میں سابقہ ایکوئی انٹریسٹ پر نظر ثانی سے حاصل ہوا۔ جاری سال کے دوران فناں ایکٹ 2022 کے تحت، 10 فیصد اضافی ٹیکس لے گو ہوئے ہیں، جس میں پاورٹی ایلیویشن ٹیکس 4 فیصد اور پر ٹیکس کے نام پر 6 فیصد ٹیکس شامل ہیں۔ نافذ ہونے والے مذکورہ ٹیکس کے علاوہ سال کے لیے بعد از ٹیکس منافع 10,288 ملین روپے بتا ہے جو گزشتہ سال کی اسی مدت کے مقابلے میں 97 فیصد زائد ہے۔

مذکورہ بالا وضاحت کے مطابق، سابقہ ایکوئی پر نظر ثانی کے سبب 1,847 ملین روپے کاون آف گین ایڈ جسٹ ہونے کے بعد، زیر جائزہ مدت کے لئے بعد از ٹیکس منافع 7,013 ملین روپے ہوتا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 34 فیصد زائد ہوتا اور اسی طرح ہولڈنگ کمپنی کے مالکان کیلئے بعد از ٹیکس منافع 6,186 ملین روپے ہوتا اور ہر ایک شیئر پر منافع 71.66 روپے ہوتا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 19 فیصد زائد ہوتا۔

ڈائریکٹر زرپورٹ آئی سی آئی پاکستان کے آٹوٹ شدہ گروپ رزلس برائے سال ختم شدہ 30 جون 2022 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ آئی سی آئی پاکستان گروپ، آئی سی آئی پاکستان، آئی سی آئی پاکستان پاور جن (پاور جن) اور نیوٹریکو مورینا گا (پرائیویٹ) لمیٹڈ کے نام سے ذیلی اداروں پر مشتمل ہے۔

سال ختم شدہ 30 جون 2022 کیلئے آئی سی آئی پاکستان کی کارکردگی کی وضاحت پر مشتمل ڈائریکٹر زرپورٹ علیحدہ سے پیش کی جا چکی ہے۔

پاور جن کا مجموعی کاروبار سال ختم شدہ 30 جون 2022 کے لئے 1,686 ملین روپے بتا ہے جو گزشتہ سال کے مقابلے میں 37 فیصد زائد ہے۔ اس کی بنیادی وجہ HFO کی قیمتوں میں اضافے کی وجہ سے قیمت فروخت میں اضافہ تھا۔

فروخت اور انتظامی اخراجات میں اضافے کی بدولت گزشتہ سال کے مقابلے میں کاروباری منافع 67 فیصد کم رہا۔

3 اگست 2021 کو کمپنی نے نیوٹری کو پاکستان (پرائیویٹ) لمیٹڈ میں 11 فیصد اضافی شیئر ہولڈنگ کا حصول مکمل کیا جس کے نتیجے میں شیئر ہولڈنگ کا نتاسب 51 فیصد ہو گیا اور نیوٹری کو پاکستان کمپنی کا ذیلی ادارہ بن گئی۔

مشترکہ مالیاتی گوشواروں میں 1,847 ملین روپے کاون آن نیٹ ثبت تاثر شامل ہے جو نیوٹری کو پاکستان کے سابقہ ایکوئی انٹریسٹ پر نظر ثانی کے نتیجے میں حاصل ہوا۔

حصول کے بعد مذکورہ، کمپنیز ایکٹ 2017 کے سیکشن 279 سے 283 اور 285 کے تحت انتظام کی اسکیم نیوٹری کو پاکستان کے نیوٹری کو مورینا گا میں انضام کے لیے عزت ماب ہائی کورٹ آف سندھ میں داخل کی گئی جس کی منظوری 15 فروری 2022 کو دی جا چکی ہے۔ انتظام کی اسکیم کے تحت، نیوٹری کو پاکستان کی مکمل انڈر ٹینگ کیم جولائی 2021 سے کاروباری دن کے آغاز پر نیوٹریکو مورینا گا میں ضم شدہ شمار کی جائے گی۔

مسمندہ  
آصف جعہ  
چیف ایگزیکٹو



محمد شہjalal مبہ  
چیئرمین

بتاریخ 11 اگست 2022  
کراچی۔

### بورڈ کا جائزہ

لسٹڈ کپنیوں 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 ایگر یکمیو ڈائرنیکٹر، آزاد ڈائرنیکٹر زاور ان کی سب کمیوں کی کارکردگی کا جائزہ بھی شامل ہے۔ بورڈ آف ڈائرنیکٹر ز اس بات پر یقین رکھتا ہے کہ جائزہ لیتے رہنا اس بات کو سمجھنے کے لیے ناگزیر ہے کہ ڈائرنیکٹر ز نے اپنے لیے متعین کردہ مقاصد اور اہداف کے مقابلے میں کس قدر موثر کارکردگی دکھائی ہے۔ نتائج کی بنیاد پر، بہتری کے موقع کی نشاندہی اور درست ایکشن پلان تیار کئے جاتے ہیں۔

### ڈائرنیکٹر ز کی ٹریننگ

زیادہ تر ڈائرنیکٹر، کوڈ آف کارپوریٹ گورننس (CCG) کے شق نمبر 19 کے مطابق ڈائرنیکٹر ز کے ٹریننگ پروگرام کے استثنی کے لئے مطلوب تجربہ اور تعلیم کی حامل ہیں۔ تمام ڈائرنیکٹر ز کارپوریٹ باؤنیز کے ڈائرنیکٹر ز 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 93-84 تک دی گئی ہے۔

### پیٹر ان آف شیئر ہولڈنگ

کمپنیز ایکٹ 2017 کے سیکلشن 227(2) کی تعمیل میں کمپنی میں شیئر رکھنے کے طریقہ کار برائے سال ختم شدہ 30 جون، 2022 اس رپورٹ کے ساتھ منسلک ہے۔

مسمنہ سے  
آصف جمعہ  
چیف ایگزیکٹو



محمد سعید الحبیب  
چیئرمین

بتارخ 11 اگست 2022  
کراچی۔

## بورڈ کی تشکیل

CCG کے لوازمات کے مطابق، کمپنی اپنے بورڈ میں آزاد، نان ایگزیکٹو ڈائریکٹرز کے ساتھ صنفی مساوات کو برقرار کرتے ہوئے خواتین کی نمائندگی کے لیے بھی پر عزم ہے۔

موجودہ بورڈ کی تشکیل اس طرح ہے:

### ڈائریکٹرز کی کل تعداد:

(الف) مرد: 7

(ب) خواتین: 1

## ڈائریکٹرز کی حاضری

زیر جائزہ سال کے دوران، سات (07) بورڈ میئنگز، چار (04) آڈٹ کمیٹی میئنگز اور دو (02) ہیومن ریسورس اینڈ ریزوریشن کمیٹی (HR&RC) کی میئنگ کا اہتمام کیا گیا۔ ہر ڈائریکٹر / ممبر / کمپنی سیکریٹری، متعلقہ بورڈ / سب کمیٹی کی حاضری درج ذیل ہے:

ڈائریکٹر کا نام			
بورڈ آف ڈائریکٹرز	آڈٹ کمیٹی	ہیومن ریسورس اینڈ	ڈائریکٹر کا نام
میئنگز	میئنگز	ریزوریشن کمیٹی میئنگز	اوہ سیکریٹری
2	-	7	جناب محمد سہیل بہ
2	3	6	جناب محمد علی بہ
2	3	7	جناب جاوید یونس بہ
-	-	2	مزایمنہ اے عزیز بادواني
2	-	7	جناب آصف جعہ
2	4	7	خواجہ اقبال حسن
-	-	7	جناب محمد عابد گناڑا
-	4	6	سید محمد شہر زیدی

## ڈائریکٹرز کا مشاہرہ

بورڈ کی منظوری سے ڈائریکٹرز کے مشاہرہ سے متعلق ایک پالیسی مرتب کر دی گئی ہے۔ اس پالیسی میں کمینیز ایکٹ 2017 اور کوڈ آف کارپوریٹ گورننس کی تعمیل میں ڈائریکٹرز کا مشاہرہ شفاف اندراز 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 بعد از یہ میں مشاہرہ دا 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۔

## تشکیل:

آزاد ڈائریکٹرز:	2	سید محمد شہر زیدی	خواجہ اقبال حسن
نان ایگزیکٹو ڈائریکٹرز:	4	محمد علی بہ	محمد سہیل بہ
جاوید یوسف بہ		مس ایمنہ اے عزیز بادواني	
ایگزیکٹو ڈائریکٹرز:	2	آصف جعہ	محمد عابد گناڑا

## بورڈ کی کمیٹیاں

آڈٹ کمیٹی	سید محمد شہر زیدی	چیئرمین
خواجہ اقبال حسن	محمد علی بہ	مبر
محمد سہیل بہ	محمد علی بہ	مبر
جاوید یونس بہ	جاوید یونس بہ	مبر

ائچ آرینڈری ہیوزریشن کمیٹی	خواجہ اقبال حسن	چیئرمین
محمد سہیل بہ	محمد سہیل بہ	مبر
محمد علی بہ	محمد علی بہ	مبر
جاوید یونس بہ	جاوید یونس بہ	مبر
آصف جعہ	آصف جعہ	مبر

## بیننگ کمیٹی

آصف جعہ	چیئرمین
محمد عابد گناڑا	مبر
خواجہ اقبال حسن	مبر

- مالیاتی گوشواروں کی تیاری پاکستان میں لا گو ائر نیشنل فانشل رپورٹنگ اسٹیمڈ روڈ (IFRS) کے معیاروں کے مطابق کی گئی ہے اور اس سے کسی طرح کے انحراف کو باقاعدہ واضح کیا گیا ہے۔
- انٹر نیشنل کنٹرول کا سسٹم اپنے ڈیزائن میں میں بہترین ہے اور اس پر بہترین انداز میں عمل درآمد اور نگرانی کی جاتی ہے۔
- کمپنی کے استحکام اور آگے بڑھنے کی صلاحیت پر کسی بھی شک و شبہ کی کوئی گنجائش نہیں۔
- کارپوریٹ گورننس پر بہترین انداز میں عمل درآمد سے کسی طرح کا بھی انحراف دیکھنے میں نہیں آیا۔
- انتظام اور مالیات سے متعلق گزشتہ 10 سال کی اہم معلومات صفحہ نمبر 28-29 پر درج کی گئی ہے۔
- بقاہی نیکسائز اور محاصل کی معلومات فانشل اسٹیمڈ نیشنل کے نوٹس میں دی گئی ہیں۔
- 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 آئٹ کمیٹی اور بورڈ آف ڈائریکٹرز کی جانب سے منظوری یا تو شیق شدہ ہیں۔

مزید برائی، عالمی اور مقامی سطح پر ترقی کی سرت روی کے نصانات، مہنگائی کے دباؤ، قرضہ جات پر زائد اخراجات، مقامی کاروباری صور تحال کی غیر یقینی کے ساتھ معاشی طور پر انحصار ہے جانے والے سخت اقدامات سے کاروباری طلب اور قلیل سے وسط مدتی منافع جات کے لیے خطرے کا باعث بننے ہوئے ہیں۔ تاہم آئی سی آئی پاکستان بھر پور انداز میں ان مفہومی اثرات کو کم کرنے اور شاندار نتائج کی فراہمی، اپنی پروڈکٹس میں توسعہ اور نئے موقع ملاش کرنے کے لیے پر عزم ہے۔

### اظہار تشکر

کمپنی کے یہ نتائج بھر پور اہلیت رکھنے والے باصلاحیت ملازمین کی انتہک محنت اور لگن کے ساتھ شیئر ہولڈرز کے کمپنی پر اعتماد کا نتیجہ ہیں۔

### آئی ٹریز

موجودہ آئی ٹریز میسرز ارنسٹ اینڈ بینک فورڈروڈز، چارٹرڈ اکاؤنٹنٹس نے 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کے مالیاتی گوشواروں کا آڈٹ کی ہے۔ اہلیت کی بنیاد پر 30 جون 2023 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 بینک فورڈروڈز، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے باضابطہ آئی ٹریز کے طور پر منظوری دی ہے، یہ انتخاب کمپنی کے 30 جون 2023 کو ختم ہونے والے آئندہ سال کے لیے ہو گا، تقریباً کمپنی کے آئندہ سالانہ اجلاس عام میں شیئر ہولڈرز کی منظوری سے مشروط ہے۔

### متعلقہ پارٹی ٹرانزیکشنز

دوران سال، کمپنی نے اپنے متعلقہ پارٹی ٹیوں کے ساتھ لین دین انجام دی۔ ان ٹرانزیکشنز کی تفصیل اس رپورٹ کے ساتھ منسلک ان کنسالیڈیٹڈ فانشل اسٹیمڈ 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۔ ڈائریکٹر زور درج نہیں کے بیان پر خوش ہیں:

- کمپنی انتظامیہ کی جانب سے تیار کئے گئے مالیاتی گوشواروں میں معاملات کی واضح صورت، اس کے انتظامی نتائج، کیش فلوز اور ایکوئیٹ کی تبدیلیوں کو واضح انداز میں پیش کیا گیا ہے۔
- کمپنی کے اکاؤنٹ بکس درست انداز میں برقرار رکھے گئے ہیں۔
- مالیاتی گوشواروں اور اکاؤنٹ ٹیکنیکس کی تیاری مناسب اور ممتاز انداز میں متعلقہ اکاؤنٹ پالیسیز کے تحت کی گئی ہے۔

	2021 جون 30	2022 جون 30
	(میں روپے)	(میں روپے)
1. آئی سی آئی پاکستان مینجنمنٹ اسٹاف ڈیفائنس کنٹرول بیوشن فنڈ	1,243.44	1,359.97
2. آئی سی آئی پاکستان مینجنمنٹ اسٹاف پر اویڈنٹ فنڈ	1,290.54	1,306.72
3. آئی سی آئی پاکستان مینجنمنٹ اسٹاف پر اویڈنٹ فنڈ	880.20	688.76
4. آئی سی آئی پاکستان مینجنمنٹ اسٹاف گریجویٹ فنڈ	646.51	639.28
5. آئی سی آئی پاکستان نان مینجنمنٹ اسٹاف پر اویڈنٹ فنڈ	571.40	555.93
	4,632.10	4,550.65

پاورٹی ایلیویشن ٹیکس اور 6 فیصد پر ٹیکس عائد ہونے سے ٹیکس ریٹ بھی گزشتہ سال کی اسی مدت کے مقابلے میں بڑھ گیا۔

اس کے علاوہ، سال کی دیگر آمدنی گزشتہ سال کے مقابلے میں 63 فیصد کم ہے جس کی وجہ سال آئی سی آئی پاکستان پاور جن لیئڈ اور نیوٹری کو مورینا گا (پرائیوٹ) لیئڈ کی جانب سے منافع مقصہ کی آمدنی نہ ملنا ہے۔

سال کے لیے بعد از ٹکس منافع (PAT) اور ہر ایک شیئر پر منافع (EPS) بالترتیب 6,249 ملین روپے اور 67.66 روپے بتا ہے جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 5 فیصد زائد ہے۔

### مستقبل پر نظر

وابائی صورتحال کے بعد بحال ہونے والی عالمی معیشت پر روس اور یوکرین کی جنگ نے شدید منفی اثرات مرتب کر رکھے ہیں۔ نتیجے میں، اجناس کی عالمی مارکیٹوں میں تاریخی اضافہ دیکھا جا رہا ہے۔ اس غیر معمولی مہنگائی اور تو نانی کے مسائل کے اثرات سے پوری دنیا متاثر ہے جس سے عالمی اقتصادی جائزہ کی غیر یقینی اور سادابازاری کے خطرات بڑھ رہے ہیں۔ عالمی طور پر بڑی معیشتیں میں اقتصادی سختی کے اقدامات سے طلب بڑھنے سے ہونے والی مہنگائی پر قابو پانے میں مدد ملے گی جس سے معاشری سرگرمیوں میں کمی واقع ہو گی۔

عالمی مارکیٹوں کے اتار چڑھاؤ کے نتیجے میں پاکستانی معیشت پر بھی اثرات مرتب ہوئے جس سے مقامی طور پر اتار چڑھاؤ کی کیفیت کی اضافہ دیکھی جاسکتی ہیں۔ مالی سال 2021-22 کے لیے تقریباً 6 فیصد پر پہنچنے والی موثر بھی ڈی پی کو مالیاتی اور کرنٹ اکاؤنٹ خارروں کی بدولت ماند پڑ گئی۔ اس صورتحال کے ساتھ غیر یقینی سیاسی حالات اور عالمی نیوں اور اجناس کی قیمتیوں میں مہنگائی کے سیلاں نے زر مبادلہ کے ذخیرے پر بھی شدید دباؤ پیدا کیا ہے۔ تجھیتاً، امریکی ڈالر کے مقابلے میں پاکستانی روپیہ اپنی قدر کھو رہا ہے اور مہنگائی میں اضافہ ناگزیر ہے۔ طویل مدت سے جاری معاشری کمزوری اور ترقی کی سست رفتار سے دیرپا بھائی کو خطرات لاحق ہیں۔ حالات پر قابو پانے کے لیے اسٹیٹ بیک آف پاکستان نے ستمبر 2021 سے پالیسی ریٹ میں 800bps تک کا اضافہ کر دیا ہے۔ اس کے ساتھ امپورٹس کو ختم کرنے کے لیے مختلف اقدامات بھی اٹھائے جا رہے ہیں۔

خارجی محاذ پر زیادہ ضروری معاشری استحکام فراہم کرنے کے لیے آئی ایف پرو گرام کی بھائی متوuch ہے، تاہم معاشری طور پر اٹھائے جانے والے اقدامات پاکستان میں کارپوریٹ سیکٹر پر مزید بوجھ ڈالیں گے اور نتیجے میں شیئر ہو لڈر کے منافع پر اثرات مرتب ہوں گے۔

خارجی محاذ پر، روس اور یوکرین کی جنگ اور نتیجے میں اجناس کی عالمی قیمتیوں میں اضافے سے مقامی اندھسٹری کی ترقی پر منفی اثرات مرتب ہوئے۔ امریکی ڈالر کے مقابلے میں پاکستانی روپے پر دباؤ، پالیسی ریٹ میں کئی بار اضافے اور فناں ایکٹ 2022 کے ذریعے متعارف کروائے جانے والے اضافی ٹیکسز سے سال کے باقی ماندہ مدت میں صنعتی اور صارفین کی طلب میں منفی اثرات مرتب ہوں گے۔

مزید برائی، مذکورہ بالا عوامل کے ساتھ سپلائی چین میں تعطل سے مقامی کاروباری ماحول پر منفی اثرات کے ساتھ بڑنس کے منافع پر اثر پڑے گا۔ تاہم بڑنس ان اثرات کو کم کرتے ہوئے اپنے نئے اور موجودہ صارفین کی قدر کو مستحکم کرنے کے لیے پر عزم ہے۔ اس کے لیے کاروباری مہارت اور جدت کا حصول جاری رکھنے کے ساتھ شاندار کاروباری تناجی حاصل کرنے پر بھرپور توجہ دی جائی ہے۔

### فناں

کمپنی کی بیلنس شیٹ اپنے مضبوط اٹاٹوں کی بنیاد پر 30 جون 2022 کو کرنٹ ریشو 59.9 (2021: 1.01 1.24) اور کوینک ریشو (0.33 2021: 0.40) بلین روپے (8.43 2021: 43.8) کی بدولت مستحکم پوزیشن میں تھی۔

زیر جائزہ سال کا مجموعی کاروبار 86,972 ملین روپے رہا جو گزشتہ سال کے مقابلے میں 39 فیصد زائد ہے۔ اس کی وجہ ہمارے تماں بڑنس کی آمدنی میں اضافہ واقع ہوا ہے۔

زیر جائزہ سال کا مجموعی منافع گزشتہ سال کے مقابلے میں 30 فیصد زائد ہے۔ اس کی وجہ میونو فیکچر ٹنگ صلاحیتوں کا بہتر حصول، منافع کی موثر یینجینٹ اور آمدنی میں اضافہ ہے۔

اس سال سیلز اور ڈسٹری بیوشن کے اخراجات گزشتہ سال کے اسی عرصے کے مقابلے میں 20 فیصد زیادہ ہیں جبکہ انتظامی اور عمومی اخراجات برائے سال گزشتہ سال کے مقابلے میں 5 فیصد زیادہ رہے۔ سیلز اور ڈسٹری بیوشن کے اخراجات میں اضافہ کی بنیادی وجہ سیلز میں اضافہ، آؤٹ ورڈ فریٹ (خصوصاً ایکسپورٹ آرڈرز) میں اضافہ اور دیگر اخراجات میں مہنگائی کے اثرات ہیں۔

کاروباری منافع میں اضافہ سودی اخراجات کے سبب جزوی طور پر متاثر ہوا کیونکہ دوران سال ورکنگ کیپٹل میں زیادہ سرمایہ کاری اور پالیسی ریٹ میں 6.75 فیصد تک اضافے کی بدولت سودی اخراجات بڑھ گئے۔ نتیجے میں گزشتہ سال کی اسی مدت کے مقابلے میں 38 فیصد زائد سودی اخراجات برداشت کرنے پڑے۔ اس کے علاوہ، دوران سال گزشتہ سال کی اسی مہرتوں کے مقابلے میں 56 ملین آپنے چیخ منافع کے مقابلے میں 545 ملین روپے کے ایکسپیجن نقصان سے بھی کمپنی کے منافع پر منفی اثرات پڑے۔ دوسری جانب فناں ایکٹ 2022 میں نافذ ہونے والے 4 فیصد

علاوه، پولیٹری بائیولو جیکل پورٹ فولیو بیشول CAVAC ویکسین کی شاندار کارکردگی سے بزنس کی ترقی میں زبردست اضافہ ہوا۔

مقامی طور پر تیار کردہ پورٹ فولیو کو فروغ دینے کی سوچ سے، بزنس نے گزشتہ سال کی اسی مدت کے مقابلے میں ساتھ کی پیداوار اور مقدار کے لحاظ سے یہ میں 23 فیصد اضافہ حاصل کیا۔ اس کے علاوہ، بزنس نے مارکیٹ میں اپنی رسائی کو مزید بڑھانے کے لیے مقامی طور پر تیار کردہ فارمرز چوائس پورٹ فولیو میں 6 نئی پروڈکٹس کا اضافہ کیا۔

علاوہ ازیں، مقامی کرنی کی نادری، بے مثال مہنگائی اور عالمی طور پر سپائی چین میں تعلل سے بزنس کو مسائل کا سامنا رہے گا۔ تاہم مقامی مارکیٹ کی ضروریات کو پورا کرتے ہوئے، یروپی مسائل کے باوجود، بزنس لا یو اسٹاک اور پوٹری کے شعبوں کی ضروریات کو پورا کرنے والی پروڈکٹس کی فراہمی سے پائیدار ترقی جاری رکھنے کے لیے پر عزم ہے۔

## کیمیکلز اینڈ ایگری سائنسز بزنس

مجموعی کاروبار (میلین روپے)

جون 2021 8,699

جون 2022 10,807

آپرینگ رزلٹ (میلین روپے)

جون 2021 942

جون 2022 1,462

کیمیکل اور ایگری سائنسز بزنس نے زیر جائزہ سال کے دوران 10,807 میلین روپے کا مجموعی کاروبار کیا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 24 فیصد زائد ہے۔ سال کے لیے بزنس کا کاروباری منافع 1,462 میلین روپے ریکارڈ کیا گیا جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 55 فیصد زائد ہے۔ نتائج میں شاندار اضافہ کاروباری مہارتوں کے موثر استعمال اور منافع کی الہیت کو برقرار رکھنے سے حاصل ہوئے۔

کیمیکل کے شعبے کو تمام شعبہ جات کی میتو نیکچر نگ انڈسٹری میں مسلسل ترقی کے سب طلب میں اضافے سے فائدہ ہوا۔ سال کے زیادہ تر حصے میں بہتر موسیٰ حالات نے ایگری سائنسز کے شعبے کی ترقی میں اضافہ کیا۔ ماسٹر نیچر کا شعبہ بھی گزشتہ سال کی اسی مدت کے مقابلے میں مقدار کے لحاظ سے 23 فیصد اضافہ حاصل کرنے میں کامیاب رہا۔

مذکورہ بالامسائل کے باوجود، انڈسٹری نے مارکیٹ میں زندگی بچانے والی ادویات کی فراہمی جاری رکھی ہوئی ہے لیکن ان مسائل سے آنے والے ہمینوں میں مارکیٹ کی ترقی میں مجموعی طور پر کمی واقع ہو گی کیونکہ کاروباری اخراجات واضح طور پر بڑھتے جا رہے ہیں جنہیں اگر قیمتیوں میں مناسب اضافے کی صورت میں سہارانہ دیا گیا تو مارکیٹ کو زندگی بچانے والی ادویات کی فراہمی میں تعطیل واقع ہو سکتا ہے۔ تبیہتاً، یہ میں اضافہ اور مجموعی منافع میں آئندہ سال کے دوران کی کی توقع ہے۔

مزید برال، معاشی طور پر غیر نیئی کی صورتحال کے پیش نظر، آئی سی آئی پاکستان کا فارماسیوٹیکلز بزنس اپنے اخراجات پر قابو پانے کی کوششوں سے مارکیٹ میں مسائل کی پوزیشن برقرار رکھتے ہوئے اعلیٰ معیاری پروڈکٹس کی فراہمی جاری رکھے گا تاکہ پاکستانی مارکیٹ کی بڑھتی ہوئی ضروریات کو پورا کیا جائے۔

## پنسل، سیلٹھ بزنس

مجموعی کاروبار (میلین روپے)

جون 2021 5,114

جون 2022 5,617

آپرینگ رزلٹ (میلین روپے)

جون 2021 380

جون 2022 761

دوران سال میں الاقوامی سپائی چین کے مسائل اور بھری چہزوں کی کمی کے بڑے مسائل کا سامنا رہا جن کی بدولت خامہاں کی بروقت دستیابی متاثر ہوئی۔ تاہم بزنس نے انویٹری کی موثر میں بھیست، پروڈکٹ مکس اور اخراجات پر قابو پا کر ان مسائل کے اثرات کو کم کیا۔ مقامی طور پر جانوروں کے چارے کی تیاری میں استعمال ہونے والے اجزاء کی قیمتیوں میں تیزی سے اضافہ کرنا ناگزیر ہوا جس کی بدولت کسان دو دھ کی بڑھی ہوئی قیمتیوں کے باوجود اس سرمایہ کاری سے گھر اتادیکھا گیا۔ تبیہتاً، کسانوں کو سستے اور کم غذائیت والے تبادل چارے کی طرف توجہ کرتے دیکھا گیا جس سے مویشی کی خوراک میں کمی پیدا ہوئے گی۔

مذکورہ بالامسائل کے باوجود، بزنس نے گزشتہ سال کے مقابلے میں 10 فیصد اضافے کے ساتھ 5,617 میلین روپے کا مجموعی کاروبار کیا جبکہ گزشتہ سال کی اسی مدت کے مقابلے میں 100 فیصد ترقی کے ساتھ 761 میلین روپے کا کاروباری منافع حاصل کیا۔

بزنس کی کارکردگی کو لا یو اسٹاک اور پوٹری کے شعبوں میں مقامی طور پر تیار کردہ فارمرز چوائس پورٹ فولیو پر توجہ مرکوز کرتے ہوئے مزید بہتری لائی گئی۔ اس کے

درآمدات کے محاذ پر، بزنس نئی عالمی مارکیٹس میں اپنی جگہ بنانے اور تجارتی تعلقات قائم کرنے کے لیے پر عزم ہے تاکہ اپنی میونو فیکچر نگ صلاحیتوں کے ذریعے تو سعی پرو چیٹس کی اضافی پیداوار کے لیے عالمی سوڈاہش مارکیٹ میں موقع سے فائدہ اٹھا سکے۔

## فارماسیوٹیکلز بزنس

مجموعی کاروبار (میلین روپے)

7,814 2021 جون

8,886 2022 جون

آپرینگ رزلٹ (میلین روپے)

836 2021 جون

1,247 2022 جون

آئی اسی آئی پاکستان لمیٹڈ کے فارماسیوٹیکلز بزنس نے اپنی ترقی کا سفر جاری رکھتے ہوئے کئی مسائل پر قابو پایا اور زیر جائزہ سال کے لیے مجموعی کاروبار اور کاروباری منافع بالترتیب 8,886 میلین روپے اور 1,247 میلین روپے حاصل کیا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں بالترتیب 14 فیصد اور 49 فیصد زائد ہے۔ اس اضافے میں بہتر پروڈکٹس سیلز کس کے ساتھ کمی نمایاں نئی پروڈکٹس کے آغاز، پلانٹ کی موثر صلاحیتوں اور اخراجات پر قابو پانے کے اقدامات نے اہم کردار ادا کیا۔

فارماسیوٹیکلز انڈسٹری نے COVID-19 کی متعلقہ ادویات کی طلب میں زبردست اضافے کے نتیجے میں آگے بڑھنے کی رفتار تیز رکھی ہے۔ تاہم قریبی مدت کے جائزے میں بڑھتی ہوئی اجنباس کی قیمتیں، پاکستانی روپے کی ناقدری اور نتیجے میں پروڈکشن کے اخراجات میں ہونے والے اضافے سے تشویش ضرور ہے کیونکہ باہر سے آنے والا اور مقامی پیکنیکنگ کا ساز و سامان اور خصوصی طور پر تو انی کے اخراجات میں بے مثال اضافے جیسے عوامل ایسی صورتحال کی عکاسی کر رہے ہیں۔ اخراجات کے اضافے نے پروڈکٹس کے منافع پر منفی اثر ڈالا۔ اس سے بزنس کے لئے منتخب پروڈکٹس کی تیاری مشکل ہوئی۔ یہ بزنس کو پورٹ فولیو کی ترتیب پر غور کرنے پر مجبور کر رہا ہے۔ اس کے علاوہ، فارماسیوٹیکل سیکٹر کے لیے سیلز ٹکس میں ہونے والی حالیہ تبدیلیوں سے انڈسٹری کی مرايضوں کو مناسب قیمتیوں پر ادویات کی فراہمی متاثر ہو گی۔

ایکسپورٹ مارکیٹ میں اضافہ بنیادی طور پر ایشیا پیسٹف اور MENA کے علاقوں میں بزنس کی تو سعی کوششوں کے ساتھ کنٹیزز کی کمی کے موقع پر سامان کی بریک بلک مودومنٹ کو بروئے کار لاتے ہوئے حاصل کیا گی۔ اسی سے ہی مختلف حالات میں بزنس کی مستعدی اور صلاحیتوں کو بروئے کار لانے کا ثبوت ملتا ہے۔ مقامی اعتبار سے، سال کی پہلی ششماہی کے دوران تعمیری صنعت کو مراعات کے اعلان کے بعد فلوٹ گلاس سیکٹر کو فائدہ پہنچنے سے مارکیٹ پوزیشن میں اضافہ واقع ہوا۔ اسی طرح، وہائی صورتحال سے بھالی کے بعد جاری سال کے دوران تعلیمی اداروں کے باقاعدہ فعال ہونے کے نتیجے میں پیپر کے شعبے کی سیلز بڑھ گئی جبکہ پاکستانی روپے کی ناقدری سے باہر سے کاغذ کی خریداری میں کمی واقع ہوئی۔

زیر جائزہ سال کے دوران، بزنس نے 25,064 میلین روپے کا مجموعی کاروبار اور 4,476 میلین روپے کا کاروباری منافع کیا۔ اسی طرح گزشتہ سال کی اسی مدت کے مقابلے میں بالترتیب 50 فیصد اضافہ حاصل ہوا۔ اس اضافے میں سیلز کی مقدار میں اضافے، میونو فیکچر نگ صلاحیتوں اور فروخت کی بڑھتی ہوئی قیمتیوں نے اہم کردار ادا کیا کیونکہ خام مال، تو انی اور دیگر اخراجات میں اضافے سے فروخت کی قیمتیوں میں بھی اضافہ کیا گیا۔

بزنس کو کوئی، کوک اور RLNG کی قیمتیوں میں بے مثال اضافے کے نتیجے میں تو انی کے بڑھتے ہوئے اخراجات کے سبب مسائل کا سامنا ہے۔ دوران سال ان کی قیمتیوں میں ریکارڈ اضافہ دیکھا گیا۔ دوسری جانب، روس اور یوکرین کے درمیان جاری جنگ کے سبب تو انی کے اخراجات اور اجنباس کی بڑھتی ہوئی قیمتیوں نے منفی اثرات مرتب کر رکھے ہیں۔ اسی کے پیش نظر، سوڈاہش کی قیمتیوں میں تیزی رہے گی۔ بہاں تک کہ عالمی طور پر اجنباس کی قیمتیوں میں درستگی واقع ہو۔ بھری فریٹس اور لاجسٹس میں بھی عالمی سپلائی چین کی مجموعی صورتحال میں خلل کے سبب مسائل کا سامنا ہے۔

جون 2022 میں، بزنس نے کھیوڑا کی میونو فیکچر نگ سائٹ پر 75,000 ٹن پر اینم (TPA) تو سعی پروجیکٹ کا کامیابی کے ساتھ آغاز کیا۔ یہ تو سعی 135,000 ٹن سالانہ کے تو سعی پروجیکٹ کا حصہ ہے۔ 75,000 ٹن سالانہ کی تو سعی کے بعد، سوڈاہش پلانٹ کی کل تنصیب شدہ صلاحیت 500,000 ٹن سالانہ بنتی ہے۔ 60,000 ٹن سالانہ کے آخری پروجیکٹ پر کام جاری ہے اور مالی سال 2022-23 میں مکمل ہونے کی توقع ہے۔

علاوہ ازیں، مقامی طلب میں ملا جلا رجحان رہنے کی توقع ہے کیونکہ روپے کی بہت زیادہ ناقدری اور مہنگائی کے دباؤ سے مقامی معیشت متاثر ہو رہی ہے۔ اس سے پوری ویلیو چین خصوصاً بازار سیکنٹ پر منفی اثرات مرتب ہوں گے۔ مقامی سوڈاہش مارکیٹ کی ترقی کے لیے گلاس کا شعبہ اہم ہو گا جبکہ کاغذ کے شعبے کو بھی روپے کی ناقدری کے سبب امپورٹ میں کمی سے فائدہ ہونے کے امکانات ہیں۔

## کاروباری جائزہ پولیسٹر بزنس (PSF)

اور بحری فریٹس کے اخراجات بڑھ جانے کے نتیجے میں امپورٹ آفز اور ڈاؤن اسٹریم طلب میں اضافے نے کردار ادا کیا۔

سال کے لیے بزنس کا کاروباری منافع گزشتہ سال کی اسی مدت کے مقابلے میں 40 فیصد اضافے کے ساتھ 3,807 ملین روپے رہا۔ منافع بخش علاقوائی صورتحال اور صلاحیتوں میں بہتری کی بدولت دوران سال منافع بہتر رہا۔ البتہ، عالمی طور پر اجناس کی قیمتیوں میں تیزی کے ساتھ پاکستانی روپے پر جاری دباؤ کے نتیجے میں بڑھ جانے والے تو انائی کے اخراجات نے اس منافع پر منفی اثرات مرتب کئے۔

مزید برائی، صارفین کو پاییدار اور قابل قدر شاندار پروڈکٹس کی فراہمی جاری رکھنے کے نظر یے کے پیش نظر، بزنس نے 2022 کی آخری سہ ماہی کے دوران ری سائیکل شدہ پولیسٹر اسٹیبل فابرکی تیاری کے لیے 100 فیصد PET ری سائیکل شدہ چپ کا TPD 48 پروڈکشن کا حامل یونٹ لگانے میں کامیابی حاصل کی۔ اس اضافے سے بزنس کو مقامی اور عالمی صارفین کی ضروریات کی طلب کو پورا کرنے میں ڈاؤن اسٹریم ٹیکسٹائل ائٹھسٹری کی معاونت میں مدد ملے گی۔

علاوہ ازیں ہبیٹر و کمیکل مارکیٹس میں عالمی کساد بازاری کے خوف سے بہتری کی امید پڑے۔ کپاس کی قیمتیوں میں پہلے ہی استحکام آچکا ہے اور پولیسٹر میں بھی بہتری کی توقع ہے۔ یورپ، امریکہ ایشیائی ممالک کے سب سے بڑے خریدار ہیں وہاں ٹیکسٹائل کی طلب میں سست روی دیکھی جا رہی ہے کیونکہ کھانے اور تو انائی کے اخراجات صارف پر بھاری پڑ رہے ہیں۔

### سوڈاہش بزنس

مجموعی کاروبار (ملین روپے)



آپرینگ رزلٹ (ملین روپے)



وہائی صورتحال سے نکلنے کے بعد سوڈاہش کی مارکیٹ کے زیادہ تر شعبہ جات کی ڈاؤن اسٹریم طلب میں بجائی کے سبب گزشتہ سال کی اسی مدت کے مقابلے میں مقدار اور منافع میں ترقی دیکھی گئی۔ مالی سال 2021-22 میں بزنس کی کل سیلبر کی مقدار میں گزشتہ سال کی اسی مدت کے مقابلے میں 16 فیصد اضافہ دیکھا گیا جس میں مقامی اور ایکسپورٹ سیلز گزشتہ سال کی اسی مدت کے مقابلے میں باہر تیب 9 فیصد اور 87 فیصد بڑھ گئیں۔

مجموعی کاروبار (ملین روپے)



آپرینگ رزلٹ (ملین روپے)



مالی سال 2021-2022 میں، روس اور یوکرین کی جنگ کے نتیجے میں تو انائی کی قیمتیوں میں تیزی سے اضافہ ہوا۔ تو انائی کے بھر ان اور اوپیک پلس کی جانب سے طے شدہ آؤٹ پٹ کو برقرار رکھنے کے فیصلے نے کروڑ آکل کی قیمتیں بڑھا دیں، نتیجے میں قیمتیں 13 سال کی بلند سطح پر پہنچ کر گزشتہ سال کے مقابلے میں اوسط 66 فیصد بڑھ گئیں۔ کروڑ آکل کی قیمتیوں میں اضافے سے پیرازلیکن (PX) اور پیپر ٹری فٹھلک ایڈ (PTA) کی اوسط قیمتیوں میں گزشتہ سال کی اسی مدت کے مقابلے میں بالترتیب 52 فیصد اور 48 فیصد اضافہ ہو گیا۔ البتہ مونو ایتھا ملین گلائیکول (MEG) مارکیٹ کے لیے کوئلے پر چلنے والے پلامٹس کے آغاز سے کچھ اثرات مرتب ہوئے بہر حال MEG کی اوسط قیمت گزشتہ سال کی اسی مدت کے مقابلے میں 21 فیصد بڑھ گئی۔ اس کے علاوہ، امریکی ڈالر کے مقابلے میں روپے کی 30 فیصد ناقدری سے بزنس کے اخراجات میں مزید اضافہ واقع ہو گیا۔

فیڈ اسٹاک کی قیمتیوں میں اضافے سے مقامی پی ایف کی قیمتیں گزشتہ سال کی اسی مدت کے مقابلے میں 43 فیصد بڑھ گئیں۔ تو انائی کے اخراجات تیزی سے بڑھتے رہے، کوئلے، گیس اور فرنیں آکل کی قیمتیوں میں بالترتیب 65 فیصد اور 64 فیصد اضافہ واقع ہوا۔ تنتیا گزشتہ سال کی اسی مدت کے مقابلے میں تو انائی کے اخراجات 41 فیصد بڑھ گئے۔

کپاس کے حوالے سے، عالمی طور پر پیداوار میں کی اور مشکل دستیابی کے نتیجے میں کپاس کی قیمتیوں میں تیزی کا رجحان رہا۔ کپاس کی عالمی اور مقامی قیمتیوں میں گزشتہ سال کی اسی مدت کے مقابلے میں بالترتیب 54 فیصد اور 70 فیصد اضافہ ہو گیا۔ سال بھر بلینڈ اکنائکس نے پولیسٹر بلینڈس کو فائدہ پہنچایا۔

سال کے لیے پولیسٹر بزنس کا مجموعی کاروبار گزشتہ سال کی اسی مدت کے مقابلے میں 51 فیصد اضافے کے ساتھ 36,676 ملین روپے رہا جس میں فیڈ اسٹاک کی قیمتیوں

شروع کی جہاں ملازمین کے ایک ایڈوکر اور ان کے ساتھیوں کی جانب سے تعریفی کارڈز اور پاؤ نشنس کے ذریعے تحسین کے احوال کو فروغ ملتا ہے۔ آئی سی آئی پاکستان اس بات پر بھرپور یقین رکھتی ہے کہ تحسین پر بنی کوششیں انتہائی ناگزیر ہیں، اسی لیے کمپنی کے اعزازات اور تحسین کے پیش و سبق تروک فورس کی ضروریات کو سامنے رکھتے ہوئے مرتب کردہ ہیں اور انڈسٹری کے مطابق ایک بینچ مارک کی تیشیت رکھتے ہیں۔

### رسک مینجنمنٹ

خطرات پر قابو پانہ کمپنی کی دیر پا ترقی اور تعمیر کے بینادی اصولوں میں سے ایک ہے۔ کمپنی میں بورڈ آف ڈائریکٹرز کو خطرات پر قابو پانے کے نظام کی نگرانی اور اندر وی فنظام کے طریقوں کی مجموعی ذمہ داری سونپی گئی ہے۔ کمپنی میں خطرات سے نہیں کے امور ہمارے اثنائی جات کے تحفظ اور کاروباری تسلیل کو لاحق مکملہ خطرات پر قابو پانے کے عین مطابق مرتب کردہ ہیں۔ کاروباری، انتظامی، مالیاتی اور یا عملدرآمد کے مقاصد میں مکملہ 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 بلا قطع جاری رہیں۔

آئی سی آئی پاکستان اختیارات کے حوالے سے ایک صاف و شفاف اور واضح انتظامی نظام کی حامل ہے۔ کمپنی کی سینٹر مینجنمنٹ عمل درآمد کے امور چلانے، خطرات پر نظر رکھنے اور مختلف ضابطوں کے اثر کو جانچنے کی ذمہ دار ہے۔

کمپنی ایک مضبوط انٹرپرائز رسک مینجنمنٹ (ERM) فریم ورک رکھتی ہے جو ادارے کو لاحق خطرات کی نشاندہی اور ان سے بروقت نہر آزمہ ہونا یقینی بناتا ہے۔ نشاندہی کردہ تمام خطرات کو ان کے اثرات کے پیش نظر ترجیحی بینادوں پر حل کرنے کے اقدامات کئے جاتے ہیں۔

خطرات پر قابو پانہ ایک ہمہ وقتی ضرورت ہے۔ اس لئے خطرات، ان کے حل اور / یا درست اقدامات پر مشتمل اس سالانہ عمل میں یہ عبوری اپڈیٹ شامل ہیں۔

خطرات پر قابو پانے کی سوچ، اہم خطرات اور کمپنی کی جانب سے استعمال کئے جانے والے ٹولز سے متعلق مزید معلومات کے لیے سالانہ رپورٹ کا صفحہ نمبر 86 ملاحظہ کریں۔

اپنے ٹیلنٹ پول کی بہتری کے لیے، ملازمین کو کمپنی کے وسیع بزنس پورٹ فویز میں فناشل اور کراس فناشل شعبہ جات میں مزید بہتر ملازمت کے موقع فراہم کرتے ہوئے آگے بڑھنے کی حوصلہ افزائی کی جاتی ہے۔ بزنس کے درمیان صلاحیتوں کی ترویج کے لئے ٹیلنٹ مارکیٹ پلیس پر ویکٹ شروع کیا گیا تاکہ ملازمین کو مختلف بزنس پروجیکٹس میں کام کا موقع ملے۔

آئی سی آئی پاکستان لمینڈ میں جانشینی کی منسوبہ بندی کا ایک زبردست فورم موجود ہے جو فیصلے، معاونت اور مداخلت کی صلاحیتوں پر مشتمل اپنے ٹیلنٹ پول سے ابھرتے ہوئے باصلاحیت افراد کا جائزہ لیتا ہے۔ جس کی کرشل، ٹیلنٹیکل، فانس، آئی ٹی اور ایچ آر، کارپوریٹ کمپنیں اور لیگل کے شعبہ جات میں باصلاحیت گروپس کے ذریعے رہنمائی کی جاتی ہے۔ اس ضمن میں مستقل بینادوں پر اجلاس اور نگرانی جاری رکھتی ہے اور جانشینی کی اہلیت پر تبادلہ خیال کیا جاتا ہے۔

### المیت

آئی سی آئی پاکستان اپنے ملازمین کی تربیت اور ترقی کی اہمیت کو قدر کی نگاہ سے دیکھتی ہے۔ ادارے میں تربیت اور ترقی کو مزید بہتر کرنے کے لیے 2019 میں آئی سی آئی ترنیتی ایڈمی قائم کی گئی۔ ملازمین کی صلاحیتوں کو ابھارنے کے لیے گزشتہ صرف ایک سال میں مختلف قسم کے تربیتی اقدامات اٹھائے گئے۔ ان میں فاصلاتی تربیت جیسا کہ گھریٹسٹ تربیت، مستقبل کے رہنمایتار کرنے کا پروگرام، تدریکے کے لیے ٹھہر جائیں اور آگے بڑھنے کے لیے مطالعہ کرنے جیسے پلیٹ فارم مہیا کئے گئے۔ دوران سال جھوٹی چھوٹی تربیتوں کا اہتمام کیا گیا جس میں ٹیلنٹیکل اسٹریم، کرشل، فانس اور ایچ آر کی صلاحیتوں سے متعلق ترنیتی پروگرام شامل تھے۔ اس ضمن میں 124 ترنیتی سیشن منعقد کئے گئے۔ تیجتاً، لامتناہی موقع کو تلاش کرنے کے لیے مزید مستعد، پر جوش، باختیار اور جوابدہ ورک فورس تیار ہے۔

### اعزازات، تحسین اور تندرستی

دوران سال، کمپنی نے کام کی جگہ پر تندرستی کو برقرار رکھنے کا منظم پروگرام جاری رکھا جس سے ملازمین کی صحت اور یقینی بنانے میں بھرپور مدد ملی۔ ذہنی صحت، چھاتی کے کینس اور زندگی گزارنے کی بہترین عادات اپنائنے سے متعلق مختلف آگئی ورکشاپس منعقد کی گئیں۔ تندرستی کے سیفروں نے اس مقصد میں اہم کردار ادا کیا اور پورے ادارے کو متعلقہ سرگرمیوں میں شرکت کو یقینی بنایا۔ وہابی صور تھال کے بعد، کمپنی نے بال مشافہ تقاریب کا اہتمام کیا تاکہ ملازمین کو ایک بار پھر عام حالتوں کا عادی بنایا جائے۔

ادارے کی مستعدی کو برقرار رکھنے کے لیے ٹینکنالوجی اور ڈیجیٹلائزیشن، بہت ضروری ہے اور اسی سے کمپنی کے وسیع تروک فورس کی ضروریات کو پورا کیا جاسکتا ہے۔ اس سال کمپنی نے اپنے ملازمین کی کاؤشوں کو سراہنے کے لیے "PRAISE" ایپلی کیشن

## انتظامی ماحول

آئی سی آئی پاکستان لمیڈیا میں کمپنی کی اہم اقدار اور اپنے ضابط اخلاق کی پیروی کے ذریعے ثابت اور مشترکہ کام کے ماحول کو پروان چڑھانا کی کوششیں چاری رہتی ہیں۔ اس سال بھی پورے ادارے میں ضابط اخلاق سے متعلق آگئی اور تعمیل کی کمیں انعام دی گئی۔ علاوہ ازیں وابی صورت حال سے سبق لیتے ہوئے کام کے اوقات میں نرمی سے متعلق تبدیلیاں کی گئیں۔ اس کے نتیجے میں آئی سی آئی پاکستان لمیڈیا اپنی پیروی اور جدت میں اضافہ اور انتظامی ماحول کو مزید تقویت ملی دوسری جانب ملازمین کی صحت، ترقی، ترویج اور مصروفیت پر توجہ دینے میں مدد ملی۔

کمپنی نے PSHRM اور انگلیج کنسٹلینٹ کی جانب سے میونیکپریٹ / انھیسٹریٹ کمپنی میں "کام کا بہترین ماحول رکھنے والی کمپنی" کا ایوارڈ جیتا۔ جس میں 10 کے اسکیل پر 8.04 کے موڈ اسکور کے ساتھ، ایک پلاٹی انھیسٹ سے متعلق ماہانہ سروے سے بھی نشانہ ہی ہوئی کہ کمپنی نے اپنے ورک فورس کو بہترین انداز میں مصروف رکھتے ہوئے مارکیٹ میں پسندیدہ آجر کا مرتبہ برقرار رکھا ہوا ہے۔

کمپنی کی جانب سے اپنے ملازمین کی قدر شناسی کے پیش نظر، مصروفیات پر مشتمل مختلف سیشن اور سرگرمیاں انعام دی گئیں تاکہ ملازمین کو کام سے باہر نکل کر ایک دوسرے کے ساتھ تبادلہ خیال اور رابطے قائم کرنے کا موقع میر ہو۔

کمپنی متنوع ورک فورس کی صلاحیتوں کی قدر کرتی ہے اور اپنے نظریہ اور مقصد کے عین مطابق یہاں موقعاً فراہم کرنے والے ادارے کی قدر کو پہچانتی ہے۔ اسی کے پیش نظر، دوران سال زبردست کارکردگی کا حامل ٹیلینٹ پول تیار کرنے کے لیے تنوع پذیری، بامقصود اجتماعیت، اور تمام ملازمین کو با اختیار بنانے سے متعلق مختلف اقدامات اور ترقیتی سیشن انعام دیئے گئے۔

## ہمارا ٹیلینٹ

زیر جائزہ سال کے دوران، کمپنی نے اپنے ٹیلینٹ کے معیار کو برقرار رکھنے کے لیے نمایاں مقامی یونیورسٹیوں سے منج گریجویٹس کو ایک منظم گریجویٹ ریکروٹ ڈرائیور کے ذریعے کمرشل، فانس اور ٹینکنیکل شعبوں میں بھرتی کیا۔ مزید برالا، گریجویٹ ریکروٹ ڈرائیور اور ائرنر نشپ پروگرام کے لیے کمپنی نے ایک آسٹریلیوی ادارے رویلین کے ساتھ شرکت داری کی جو امیدواروں کی ذہنی صلاحیتوں پر مبنی ڈیٹا پروفائل تیار کرتی ہے۔ مذکورہ ٹیلینٹ کے ذریعے انٹری یوں پوزیشنز کیلئے سب سے بہتر امیدواروں کا انتخاب آسان ہوا۔ دوران سال 12 گریجویٹس کی بھرتی عمل میں آئی جگہ 400 سے زائد تجربہ کار ملازمین نے کمپنی میں ملازمت اختیار کی۔

## سماج پر سرمایہ کاری (کارپوریٹ سوشل ریلیسا نسلیٹی)

افراد کی زندگیوں میں بہتری لانے کے کمپنی کے مشن کے طور پر، آئی سی آئی پاکستان لمیڈیا پر قریبی علاقوں کی فلاج میں سرمایہ کاری پر توجہ دیتا ہے۔ کمپنی کے (سی پیس آر) سے متعلق لیجند اپر آئی سی آئی پاکستان فاؤنڈیشن (دی فاؤنڈیشن) کے زیر انتظام عمل درآمد کیا جاتا ہے۔

یہ ایک رجسٹرڈ ٹرست ہے جو پاکستان سینٹر فار ٹکنیکرالی (PCP) کی جانب سے سرٹیفائیڈ ہے اور اس کا انتظام فاؤنڈیشن کا بورڈ آف ٹرستیڈ چلاتا ہے۔ فاؤنڈیشن نے تعلیم، صحت، خواتین کو با اختیار بنانے، کمیونٹی اور ماحول کی بہتری کے میدان میں فلاجی سرمایہ کاری کے لیے سماجی و اقتصادی ترقی میں امداد جاری رکھی ہوئی ہیں۔ مذکورہ فلاجی سرمایہ کاریاں کارپوریٹ سماجی ذمہ داری کے شرکت داروں جیسا کہ لیٹن رحمت اللہ بنیوں و لینٹ ٹرست (LRBT)، میری ایڈیلیڈ پیپروں سینٹر، کاروان حیات، چانکلڈ لاکف فاؤنڈیشن، دی سٹیزن فاؤنڈیشن (TCF)، آبرو ویلفیر آر گنائزیشن اور ٹیبا کلڈنی انسٹیٹیوٹ کے ساتھ مل کر کی جاتی ہیں۔ اس سال کمپنی نے اپنے سی پیس آر ایجمنٹ اکے تحت 59.2 ملین روپے کے عطیات خرچ کئے۔

علاوہ ازیں، کمپنی کی جانب سے بھی براہ راست مختلف کمیونٹی سرگرمیوں میں امداد جاری رہتی ہے۔

ہمارے سی پیس آر اور کمیونٹی میں سرمایہ کاری کے اقدامات سے متعلق مزید معلومات کے لیے سالانہ رپورٹ کا صفحہ نمبر 153-159 ملاحظہ کریں۔

## ہیومن ریسورسز

آئی سی آئی پاکستان اس بات پر مکمل یقین رکھتی ہے کہ کمپنی کی کامیابی میں اس کے باصلاحیت ملازمین کا اہم کردار ہے۔ اسی کے پیش نظر، زیر جائزہ سال کے دوران، کمپنی نے کام کے ایسے ماحول کے لیے کوششیں جاری رکھیں جہاں اس کے ملازمین کو اپنی قدر، ترقی، اختیار، تحسین کا احسان ہوا اور ایک ٹیم، کئی موقعاً کے ماحول میں تحفظ حاصل کریں۔ Covid-19 کے بعد کئی مسائل کے باوجود، کمپنی کے ملازمین نے بھرپور صلاحیت اور پہلے سے بڑھ کر لگن سے ذریعے اسٹیک ہولڈرز کی قدر میں اضافہ کرنے والے نتائج فراہم کئے۔ اپنی سربراہی ٹیم کی قیادت میں، آئی سی آئی پاکستان لمیڈیا اپنے ملازمین کی مہارتوں میں بہتری لانے اور نئی مہارتوں کی تربیت کے ذریعے ان کی صلاحیتوں میں تکمیر لانے پر کار بند ہے تاکہ مکتمم ترقی کا حصول یقینی بنایا جائے۔

مزید بر ای، HSE&S کی اہمیت کو پوچا گر کرنے کے لیے کارپوریٹ HSE&S کی جانب سے تقریباً تمام بزرگی کا ایک تفصیلی HSE&S مینجنمنٹ آٹھ کیا گیا۔ آٹھ کے اس عمل میں تربیت یافتہ عملے کو ذمہ داری دی گئی اور متعلقہ بزرگی کے ساتھ مفصل رپورٹس کا تبادلہ کیا گیا۔

پاکستان میں کورونا وائرس کے خطرات کے تسلسل میں، آئی سی آئی پاکستان لمیڈن نے پینڈمک و اچ کمیٹی (PWC) قائم کی تاکہ صورتحال کا بغور جائزہ لیا جاتا ہے۔ جس میں صورتحال کا جنوبی جائزہ لے کر COVID-19 کے اثرات کو کم سے کم کرنے، ملازمین اور ان کے خاندان اور کمپنی کے بزرگی پر پڑنے والے مکمل مقنی اثرات سے تحفظ کے ضروری اقدامات اٹھائے۔

دوران سال تمام سائنس پر ہیلٹھ اسیمنٹ پر فارمنس انڈیکس (HAPI) اور ہائی جین پر فارمنس انڈیکس (HYPI) کے ذریعے ملازمین کی صحت کے جائزے اور ماحول کے مضر اثرات کا شکار ہونے کی جانچ کا عمل جاری رہا۔ زیر جائزہ سال 2021-22 میں کوئی بھی آئیوپیشل مرض رپورٹ نہیں ہوا۔

کمپنی نے ایکٹر انک پر فارمنس مینجنمنٹ (EPM) کے زبردست فریم ورک ہیلٹھ، سیفیٹی، انوارمنٹ اور انرجی سے متعلق KPIs (کارکردگی سے متعلق اہم اشارے) کی رپورٹنگ کا استعمال جاری رکھا۔ اس کی بدولت تمام بزرگی کے اندراب کارکردگی سے متعلق رپورٹس کا جائزہ لیا جاتا ہے۔ سال کے دوران کمپنی نے اپنے تمام بزرگی میں سٹیشن ایبلٹی پلائز پر عمل درآمد سے توائی کے استعمال، کچھ میں کمی، پانی کے استعمال اور نیشنل انوارمنٹ کو الٹی اسٹینڈرڈر (NEQS) کی تعمیل پر توجہ مرکوز رکھی۔ کمپنی میں نئے پروجیکٹس بیمول سوڈاہش تو سعی پروجیکٹ پر عمل درآمد جاری رہی۔

آئی سی آئی پاکستان میں ایک گورنگ بادی سٹیشن ایبلٹی سے متعلق متعین اہداف اور کارکردگی کا جائزہ لیتی ہے۔ سٹیشن ایبلٹی ایجمنٹ کے تحت، کمپنی اقوام متحده کے سٹیشن ایبلٹی ڈیوپمنٹ گواز (SDG) پر تعمیل کی رپورٹنگ جاری رکھے ہوئے ہے اور اپنے ملازمین میں اپنے اہم قدم STEP کی بنیاد پر ان اہداف کو فروغ دینے کے لیے کاربنڈ ہے۔

زیر جائزہ سال کے دوران، آئی سی آئی پاکستان لمیڈن سٹیشن ایبلٹی کی رپورٹ کو ICMA اور ICAP کی جانب سے "بہترین سٹیشن ایبلٹی رپورٹ" کے ایوارڈ سے نواز گیا اور کمپنی کے سوڈاہش بزرگی نے ہیلٹھ ایند سیفیٹی مینجنمنٹ سسٹم کے جائزے کے بعد رٹش سیفیٹی کو نسل کی جانب سے "انر نیشنل سیفیٹی ایوارڈ" حاصل کیا۔

HSE&S اور سٹیشن ایبلٹی کی کارکردگی سے متعلق مزید معلومات کے لیے سالانہ رپورٹ کا صفحہ نمبر 110 ملاحظہ کریں۔

## ڈیوپمنٹ (منافع منقسمہ)

کمپنی کی آمدی کے پیش نظر، بورڈ آف ڈائریکٹر زنے سال ختم شدہ 30 جون، 2022، کے لئے حقیقی نقد منافع منقسمہ ہر 10 روپے کے شیئر پر 15 روپے فی شیئر یعنی 150 فیصد کے حساب سے دینے کی تجویز دی ہے اور اس کی ادائیگی آنے والے سالانہ اجلاس عام میں شیئر ہولڈر زکی منظوری سے مشروط ہے۔ اس کے علاوہ، عورتی منافع منقسمہ 20 روپے فی شیئر کے حساب سے پہلے ہی دیا جا چکا ہے۔ اس طرح 30 جون، 2022، کو ختم شدہ سال کے لیے مجموعی منافع منقسمہ 35 روپے فی شیئر بتا ہے۔

ہیلٹھ، سیفیٹی، انوارمنٹ اور سیکیورٹی (HSE&S) کو ترجیحی بنیادوں پر تعمیل میں لانا آئی سی آئی پاکستان لمیڈن کے تمام آپریشنز کا مرکزی نقطہ ہے۔ ہیلٹھ اور سیفیٹی کے اعلیٰ معیاروں پر عمل درآمد کو کمپنی کی حodos میں موجود اسٹیک ہولڈر اور ارڈر کی کیو نیز میں یقینی بنایا جاتا ہے۔ زیر جائزہ سال کے دوران، کمپنی نے موجودہ ریگو لیٹری فریم ورکس کی افادیت کا جائزہ جاری رکھا اور بزرگی کے اندر خطرات اور ماحولیاتی اثرات پر تابوپانے کی حکمت عملی پر توجہ مرکوز رہی۔

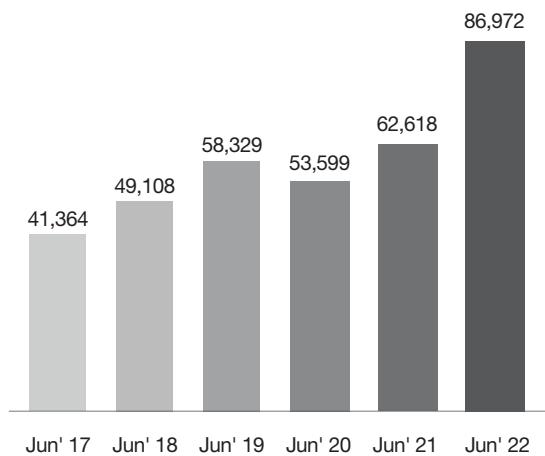
آئی سی آئی پاکستان لمیڈن نے اپنی انتظامی کیوں کیش، ملازمین کے آگہی سے متعلق اقدامات اور اپنی پالیسیوں اور میونٹلز کے ذریعے خانہ بیوی سوچ کو پروان چڑھانے پر توجہ مرکوز رکھی۔ نتیجے میں کمپنی نے زیر جائزہ مدت کے دوران زبردست خانہ بیوی کارکردگی فراہم کرنے میں کامیابی حاصل کی۔ مجموعی طور پر، 30 جون، 2022، کے مطابق، کمپنی نے 39.2 ملین محفوظ میں آورز کا سٹگ میں عبور کر لیا ہے جس میں سوڈاہش نے 27.7، کمیکلز و ایگری سائنسز نے 4.95، فارماسیوٹیکلز نے 1.76، پنچل ہیلٹھ بزرگ نے 0.08 اور پولیسٹر بزرگ نے 2.69 ملین میں آورز بغیر کسی قابل ذکر حادثے کے پورے کے ہیں جبکہ کارپوریٹ آفیسز نے بھی 2.06 ملین محفوظ میں آورز کا مکمل کئے ہیں۔

سال 2021-22 کے دوران، تین عدد قابل ذکر حادثات کا سامنا ہا۔ ان کی تفییش کی گئی اور ایکش پلان مرتب کرنے کے ساتھ ہر ایک پر عمل درآمد کو یقینی بنایا تاکہ دوبارہ ایسا نہ ہو۔

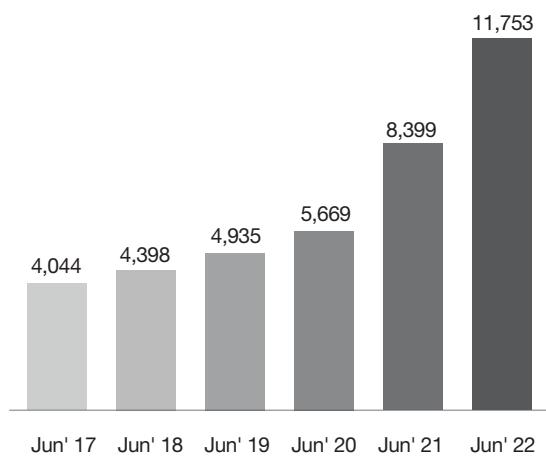
سٹیشن ایبلٹی اور اس کی کارکردگی کے اعتبار سے رہنماییت میں، ایگریکلشیو مینجنمنٹ ٹیم (EMT) مستقل بنیادوں پر سٹیشن ایبلٹی اور اس کی کارکردگی پر تبادلہ خیال کے لیے اجلاس بیانی رہتی ہے جس میں HSE&S کے میدان میں عالمی پیش رفت کے مطابق اہم طریقہ کارکا جائزہ لیا جاتا ہے۔ علاوہ ازیں، زیر جائزہ مدت کے دوران، شدید ماحولیاتی اثرات سے متعلق ٹریننگ کورس ماڈیو لز کا جائزہ لیتے ہوئے کارپوریٹ HSE&S امور پر تمام بزرگی کے تعاون سے انتظامی ضروریات کو پورا کیا گیا اور مختلف ٹریننگز انجام دی گئیں۔

## مالیاتی کارکردگی پر ایک نظر

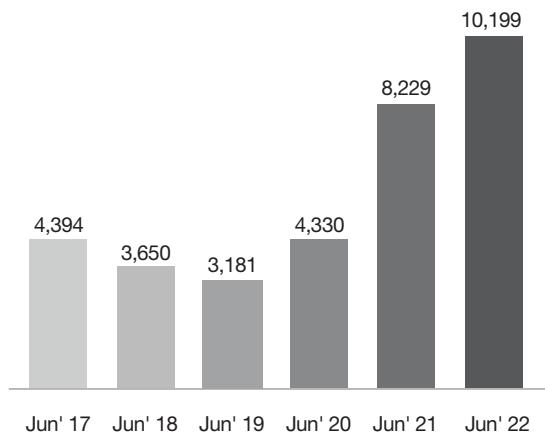
### مجموعی کاروبار (روپے ملین میں)



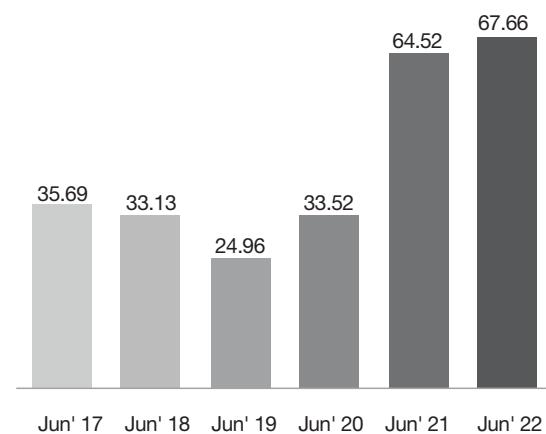
### آپریٹنگ رزلٹ (روپے ملین میں)



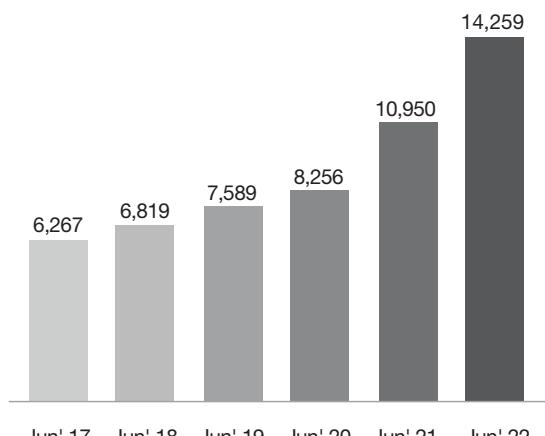
### قبل از ٹکس منافع (روپے ملین میں)



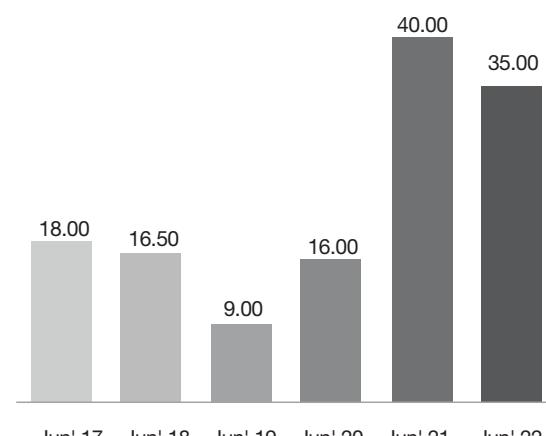
### فی شیر منافع (روپے)



### اپنڈا (روپے ملین میں)



### منافع منقسمہ (روپے فی شیر)



## مالیاتی کارکردگی

اضافہ (کی) کا تناسب	جنون 2021	جنون 2022	پاکستانی روپے میں میں
39%	62,618	86,972	مجموعی کاروبار
30%	14,348	18,619	مجموعی منافع
40%	8,399	11,753	آپریشنگ رزلٹ
24%	8,229	10,199	قبل از ٹکس منافع
5%	5,959	6,249	بعد از ٹکس منافع
5%	64.52	67.66	فی شیئر منافع (روپے)

### قبل از ٹکس منافع (میں روپے)



### مجموعی کاروبار (میں روپے)



### فی شیئر منافع (روپے)



### بعد از ٹکس منافع (میں روپے)



سیکشن 279 سے 283 اور 285 کے تحت ایک اینجمنٹ کی اسکیم سندھ ہائی کورٹ میں دائر کی گئی تاکہ نیوٹری کو پاکستان کو نیوٹری کو موریناگا (پرائیویٹ) لمیڈ میں ختم کیا جائے، جس کی منظوری قابل احترام ہائی کورٹ آف سندھ کی جانب سے 15 فروری، 2022، کو دی جا چکی ہے۔ انتظام کی اسکیم کے مطابق، نیوٹری کو پاکستان کی مکمل انٹرٹیکنگ میک جولائی، 2021، کو کاروبار شروع ہوتے ہی نیوٹری کو موریناگا میں ختم ہو چکی ہے۔

مزید بار، آئی سی آئی پاکستان لمیڈ کو موریناگا مک مانڈسٹری کمپنی لمیڈ، جاپان (موریناگا مک) کی جانب سے مشروط آفر موصول ہوئی ہے نیوٹری کو موریناگا کے موجودہ شیئر ہوولدز رز سے ترقی بآ 33.3 فیصد کا جاری شدہ اور اداشہ شیئر کمپیل کے حصوں کی۔ سال ختم ہونے کے بعد کمپنی کے بڑا آف ڈائریکٹریز، نیوٹری کو موریناگا کا 26.5 فیصد جاری شدہ اور اداشہ شیئر کمپیل بجتنے کی اصولی طور پر منظوری دے چکے جو کہ نیوٹری کو موریناگا کی ولیویشن اور حصی معہدے پر منحصر ہے جو کہ کمپنی کے بورڈ کو حصی منظوری کے لئے پیش کیا جائیگا۔ جوزہ ٹرانزیکشن کی تکمیل پر کمپنی نیوٹری کو موریناگا کا 24.5 فیصد شیئر کمپیل اپنے پاس رکھے گی۔

گروپ کی مجموعی کارکردگی سے متعلق ڈائریکٹریز کی رپورٹ سالانہ رپورٹ کے صفحہ نمبر F157 ملاحظہ کریں۔

ترقی اور توسعہ کمپنی کے تو سمجھ مقاصد کے پیش نظر، بورڈ آف ڈائریکٹریز نے 10 فروری، 2022، کو کمپنی اور طارق گلاس انڈسٹریز لمیڈ کے مابین جو ائٹ ویچر کی منظوری دی جس کے تحت فلوٹ گلاس کی مینو ٹیچر نگ کے لیے جدید ترین، گرین فیلڈ فیسٹی (ماحوال دوست عمارت) قائم کی جائے گی۔ مذکورہ نئی سہولت روزانہ 1,000 میٹر کٹ ٹن پیداوار کی حامل ہو گی اور یہ دو مراحل میں مکمل کی جائے گی۔ ہر فیز میں 500 میٹر کٹ ٹن روزانہ پیداوار کی صلاحیت ہو گی۔ اس حوالے سے کمپنی نے 18 فروری، 2022، (کو جو ائٹ ویچر منعقد کیا اور طارق گلاس انڈسٹریز لمیڈ کا شیئر ہوولدز رز کے ساتھ معاہدہ کرایا ہے)۔

مارچ 2022 کو منعقدہ غیر معمولی اجلاس عام میں کمپنی کے ممبر ان نے کمپنی کو جوزہ ہوائیک ویچر میں 4.6 ملین روپے تک کی ایکوئٹی اونیسٹنٹ کے لیے اپنی منظوری دی ہے۔ اس جو ائٹ ویچر میں کمپنی کی شیئر ہوولدز نگ 51 فیصد ہو گی۔ اس پروجیکٹ کا پہلا فیزیلی سال 2024-25 کے دوران فعال ہونے کی توقع کی جا رہی ہے۔

علاوہ ازیں، کمپنی نے 3 اگسٹ، 2021، کو نیوٹری کو پاکستان (پرائیویٹ) لمیڈ میں 11 فیصد شیئر ہوولدز نگ کا حصول مکمل کر لیا، جس کے بعد نیوٹری کو پاکستان میں ٹوٹل شیئر ہوولدز نگ 51 فیصد بن جاتی ہے۔ مذکورہ حصول کے بعد، کمپنی ایک 2017 کے

گزشتہ سال کے مقابلے میں 49 فیصد زائد کاروباری منافع حاصل کیا۔ کیمیکلز اور ایگری سائنسز بزنس نے گزشتہ سال کے مقابلے میں اپنے کاروباری منافع میں 55 فیصد اضافہ حاصل کیا۔ ایگری سائنسز کے شعبے میں صارفین کی جانب سے طلب میں تیزی سے بھالی کے ساتھ منافع حاصل کرنے کی حکمت عملی اور تجارتی مہارت نے اس کار کردار میں اہم کردار ادا کیا۔ بتمل، ہیلٹھ بزنس نے گزشتہ سال کی اسی مدت کے مقابلے میں کاروباری منافع میں غیر معمولی کار کردار میں 100 فیصد اضافہ کیا جس میں زیادہ منافع والے پورٹ فولیو پر توجہ دینے، نقد اور دھارے کے امتحان میں بہتری اور اخراجات کے کثرول پر سختی سے عمل در آمد اہم کردار ادا کیا۔ اس کے علاوہ لائیو اسٹاک اور پولٹری کے شعبوں میں مقامی طور پر تیار کردہ فارمرز چوائس پورٹ فولیو میں واضح ترقی حاصل کی گئی، خصوصاً پولٹری کے بائیو جیکل پورٹ فولیو نے کاروباری ترقی میں اہم کردار ادا کیا۔

دوران سال، عالمی طور پر اجتناس کی قیمتیوں میں غیر یقینی سے تمام بزنس کو خطرات کا سامنا رہا۔ اس کے علاوہ روس اور یوکرین کے درمیان جنگ نے مہنگائی کے درجہ میں اضافہ کر دیا تھے میں اجتناس کی قیمتیوں میں تاریخی مہنگائی دیکھی گئی اور تو ناتانی کے اخراجات بلند ترین سطح پر رہے۔ مذکورہ مہنگائی میں مشکلات، مہنگائی کی شرح میں اضافے، سیاسی غیر یقینی، اور مقامی کرنی کی تدریمیں کمی جیسے عوامل سال بھر کے دوران اہم مسائل رہے۔

30 جون 2022 کو ختم شدہ سال کے لیے بعد از ٹیکس منافع 6,249 ملین روپے ہے جو گزشتہ سال کی اسی مدت کے مقابلے میں 5 فیصد زائد ہے۔ زیر جائزہ مدت کے لیے ہر ایک شیئر پر منافع 67.66 روپے رہا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 5 فیصد زائد ہے۔ فناں ایکٹ 2022 کے تحت، حالیہ سال میں 10 فیصد اضافی ٹیکس عائد کیا گیا جس میں 4 فیصد پاورٹی ایلوویشن ٹیکس اور 6 فیصد سپر ٹیکس شامل ہے۔ کمپنی کا خیال ہے کہ سابقہ اثر کے ساتھ ٹیکس کا اطلاق منصفانہ اصولوں کے خلاف ہے۔ نافذ کئے جانیوالے اس اضافی ٹیکس کے اثرات کو چھوڑ کر، سال کے لیے بعد از ٹیکس منافع 7,373 ملین اور ہر ایک شیئر پر منافع 79.83 روپے بتائے ہے جو گزشتہ سال کے مقابلے میں 24 فیصد زائد ہے۔ یہ اضافہ بنیادی طور پر تمام بزنس کی سیلز میں اضافہ کے ساتھ کاروباری مہارت کے سبب حاصل ہوا۔ تیجتھا کاروباری منافع میں 40 فیصد اضافہ واقع ہوا۔ مذکورہ کاروباری منافع زائد سودی اخراجات، ایک چینچن نقصانات اور جاری سال میں لا گو ہونے والے اضافی ٹیکس سے جزوی طور پر متاثر ہوا۔ سال کے لیے سودی اخراجات گزشتہ سال کی اسی مدت کے مقابلے میں 820 ملین کے ساتھ 38 فیصد زائد ہیں کیونکہ سپلائی چین میں خلل کی بدولت اسٹاک ختم ہونے کے خوف سے زائد انفسٹری لیوں برقرار رکھنے اور ناقابل بیان مہنگائی کے سبب جاری سرمایہ کی ضروریات کو پورا کرنا ناگزیر تھا۔ بینک دولت پاکستان کی جانب سے مانیٹری پالیسی پر ضابطے کے پیش نظر پالیسی ریٹ میں 6.75 فیصد تک اضافے کے سبب سودی اخراجات بڑھ گئے۔ دوسری جانب، دوران سال 545 ملین روپے کا ایک چینچن نقصان گزشتہ سال کے مقابلے میں 1074 فیصد زائد ہے جو کہ دوران سال امر کی ڈالر کے مقابلے میں روپے کی 30 فیصد ناقداری کی نشاندہی کرتا ہے۔ جبکہ اضافی ٹیکس کے مذکورہ بالا نفاذ کے سبب ٹیکس کی شرح میں بھی اضافہ ہوا ہے۔

ڈائریکٹر زرپورٹ کمپنیز ایکٹ، 2017، کے سیکشن 227 اور لسٹڈ کمپنیز (کوڈ آف کار پورٹ گورنمنٹ) ریگولیشنز، 2019، کی تعمیل میں تیار کی گئی ہے اور 27 ستمبر، 2022، کو منعقد ہونے والے کمپنی کے 71 ویس سالانہ اجلاس عام میں ممبر ان کو پیش کی جائے گی۔

**اقتصادی جائزہ اور مالیاتی کارکردگی**  
زیر جائزہ سال کا مجموعی کاروبار 86,972 ملین روپے رہا جو کہ گزشتہ سال کے مجموعی کاروبار 62,618 ملین روپے کے مقابلے میں 39 فیصد زائد ہے۔ مجموعی کاروبار میں اضافے کی وجہ تکمیل بزنس کی آمدنی میں اضافہ واقع ہوتا ہے۔ وباً صورتحال سے بھالی کی طرف گامز من عالمی معیشت اور فائدہ مند مدارکیت صورتحال کے ساتھ حکومت کی جانب سے مختلف مراعات نے معاشر سرگرمیوں میں بہتری لانے میں اہم کردار ادا کیا جس سے تمام شعبہ جات کی کارکردگی بہتر رہی۔

پولیسٹر بزنس کے مجموعی کاروبار ٹیکساتک کے شعبے میں زبردست طلب، فائدہ مندرجہ مقابلی اور مقامی حالات کے تیجے میں گزشتہ سال کی اسی مدت کے مقابلے میں 51 فیصد زائد رہا۔ سوڈاہمش بزنس کے مجموعی کاروبار میں ایکسپورٹ مارکیٹ کی توسعہ پر توجہ مرکوز رکھنے اور مقامی طور پر بہتری کے تیجے میں سیلز کی مقدار میں اضافے کی بدولت 50 فیصد اضافہ واقع ہوا۔ فارماسیوٹیکلز بزنس کے مجموعی کاروبار میں 14 فیصد اضافہ ہوا جس میں نئی پروڈکٹس کے آغاز اور مارکیٹ کی کھپت میں اضافے نے اہم کردار ادا کیا۔ کیمیکلز اور ایگری سائنسز بزنس کے مجموعی کاروبار میں صارفین کی جانب سے طلب کی زبردست بھالی کے سبب گزشتہ سال کی اسی مدت کے مقابلے میں 24 فیصد اضافہ ہوا جس میں کیمیکلز کے شعبے کی طلب میں زبردست اضافے اور مینو ٹیکچر نگ کی صنعت کے بہترین امتحان اور ایگری سائنسز کے شعبے کی بہترین کارکردگی نے اہم کردار ادا کیا۔ بتمل، ہیلٹھ بزنس کے مجموعی کاروبار میں 10 فیصد اضافہ ہوا جس میں بزنس کی جانب سے لائیو اسٹاک اور پولٹری کے شعبے میں اپنے مقامی تیار کردہ پورٹ فولیو فارمرز چوائس پر بھر پور توجہ دینے سے اہم نتائج حاصل ہوئے۔

سال کا کاروباری منافع تمام بزنس کی زبردست کارکردگی کی بدولت گزشتہ سال کے مقابلے میں 40 فیصد اضافے کے ساتھ 11,753 ملین روپے رہا۔ پولیسٹر بزنس نے گزشتہ سال کی اسی مدت کے مقابلے میں شاندار کارکردگی کے ساتھ اپنے کاروباری منافع میں 40 فیصد ترقی حاصل کی جو سیلز میں شاندار اضافے اور منافع بخش علاقائی صورتحال اور وباً صورتحال کے بعد ٹیکساتک کے شعبے کی بھالی کے سبب زبردست یونٹ مارکیٹ کی بدولت ہے۔ سوڈاہمش بزنس نے گزشتہ سال کے مقابلے میں 27 فیصد زائد کاروباری منافع حاصل کیا جو کہ خاص طور پر ایکسپورٹس بڑھنے اور منافع بخش مینو ٹیکچر نگ صلاحیتوں کی بدولت ہے۔ فارماسیوٹیکلز بزنس نے زبردست سیلز اور نئی پروڈکٹ کے آغاز، بہتر سیلز، مینو ٹیکچر نگ صلاحیتوں کے تیجے میں

# Glossary

ACF	Ayesha Chundrigar Foundation	HoDs	Heads of Departments	PBC	Pakistan Business Council
AGM	Annual General Meeting	HR&R	Human Resource and Remuneration	PCP	Pakistan Centre for Philanthropy
AGPs	Antibiotic Growth Promoters	HSE&S	Health, Safety, Environment and Security	PCRWR	Pakistan Council of Research in Water Resources
APCMA	All Pakistan Cement Manufacturing Association	HYPI	Hygiene Performance Index	PHA	Periodic Hazard Assessment
ATF	Aziz Tabba Foundation	HYPI	Hygiene Performance Index	PKR	Pakistani Rupee
BET	Business Executive Teams	IASB	International Accounting Standard Board (IASB)	PSF	Polyester Staple Fibre
BOI	Board of Investment	IBR	Incremental Borrowing Rate	PSHRM	Pakistan Society of Human Resource Management
CAA	Civil Aviation Authority	ICAP	Institute of Chartered Accountants of Pakistan	PSX	Pakistan Stock Exchange
CAGR	Compound Annual Growth Rate	ICMAP	Institute of Cost and Management Accountants Pakistan	PTA	Pure Terephthalic Acid
CCG	Code of Corporate Governance	IFAC	International Federation of Accountants	PTC	Pakistan Textile Council
CDC	Central Depository Company of Pakistan Limited	IFAS	Islamic Financial Accounting Standards	PU	Polyurethanes
CDP	Core Development Programme	IFRE	Islamic Finance Facility for Renewable Energy	PWC	Pandemic Watch Committee
CERT	Community Emergency Response Team	IFRS	International Financial Reporting Standards	PX	Paraxylene
CGU	Cash Generating Unit	IIRC	International Integrated Reporting Council	RLCC	Ra'ana Liaquat Craftsmen Colony
CLF	Child Life Foundation	IMF	International Monetary Fund	RLNG	Re-Gasified Liquefied Natural Gas
CMGHS	Community Managed Girls High School	ISA	International Standards on Auditing	RSB	Refined Sodium Bicarbonate
CNIC	Computerised National Identity Card	IT	Information Technology	SBP	State Bank of Pakistan
CO2	Carbon Dioxide	JV	Joint Venture Company	SC	Specialty Chemicals
CODM	Chief Operating Decision Maker	KPI	Key Performance Indicators	SCP	Supreme Court of Pakistan
CSR	Corporate Social Responsibility	KSBL	Karachi School of Business and Leadership	SECP	Securities and Exchange Commission of Pakistan
CSRPC	Corporate Social Responsibility Centre Pakistan	LEPCL	Lucky Electric Power Company Limited	SGDs	Sustainable Development Goals
CTC	Chemicals Technical Centre	LMC	Lucky Motors Corporation	SIUT	Sindh Institute of Urology & Transplantation
D&I	Diversity and Inclusion	LRBT	Layton Rahmatullah Benevolent Trust	SLG	Secretary Local Government Community
DBN	Debottleneck	LSA	Light Soda Ash	SOPs	Standard Operating Procedures
DRAP	Drug Regulatory Authority of Pakistan	LSD	Lumpy Skin Disease	SPA	Share Purchase Agreement
ECL	Expected Credit Loss	LSS	Lean Six Sigma	SPLY	Same Period Last Year
EIR	Effective Interest Rate	LTFF	Long-Term Finance Facility	SPPI	Solely Payments of Principal and Interest
EMT	Executive Management Team	LUMS	Lahore University of Management Sciences	STEP	Sustain, Transform, Evolve and Preserve
EOGM	Extraordinary General Meeting	MB	Masterbatches	TCC	Tubular Chain Conveyor
EPM	Electronic Performance Management	MEG	Mono-Ethylene Glycol	TCF	The Citizen's Foundation
EPM	Environmental Performance Management	MENA	Middle East and North Africa	TERF	Temporary Economic Refinance Facility
EPS	Earnings per Share	NEQS	National Environmental Quality Standards	TGIL	Tariq Glass Industries Limited
ER	Emergency Room	NFEH	National Forum for Environment and Health	THI	Tabba Heart Institute
ERF	Export Refinance Facility	NJV	Narayan Jagannath Vaidya School	TKI	Tabba Kidney Institute
ERM	Enterprise Risk Management	NPPL	NutriCo Pakistan (Private) Limited	TPA	Tonnes Per Annum
FATF	Financial Action Task Force	NSAID	Non-Steroidal Anti-Inflammatory Drug	UN	United Nations
FBR	Federal Board of Revenue	OCI	Other Comprehensive Income	UNDP	United Nations Development Programme
GBP	Great British Pound	OEE	Operational Eco-Efficiency	USD	United States Dollar
GC	General Chemicals	OICCI	Overseas Investors Chamber of Commerce and Industry	WDP	Women's Development Programme
GDP	Gross Domestic Products	PAC	Pakistan Agricultural Coalition	WEF	World Economic Forum
GIDC	Gas Infrastructure Development Cess	PAT	Profit after Tax	YBG	Yunus Brothers Group
GRI	Global Reporting Initiative			YGL	Young Global Leader
HAPI	Health Assessment Performance Index			YoY	Year-on-Year
HAZOP	Hazard and Operability			YPO	Young President Organisation
HCPs	HealthCare Professionals			YTM	Yunus Textile Mills Limited
HCS	High Court of Sindh				



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