

ICI PAKI



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# ICI Pakistan Limited at a Glance

With a rich history predating the formation of Pakistan itself,

## Polyester

Textiles

## Soda Ash

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

## Chemicals & Agri Sciences

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



NutriCo Morinaga  
(Private) Limited

ICI Pakistan  
PowerGen Limited









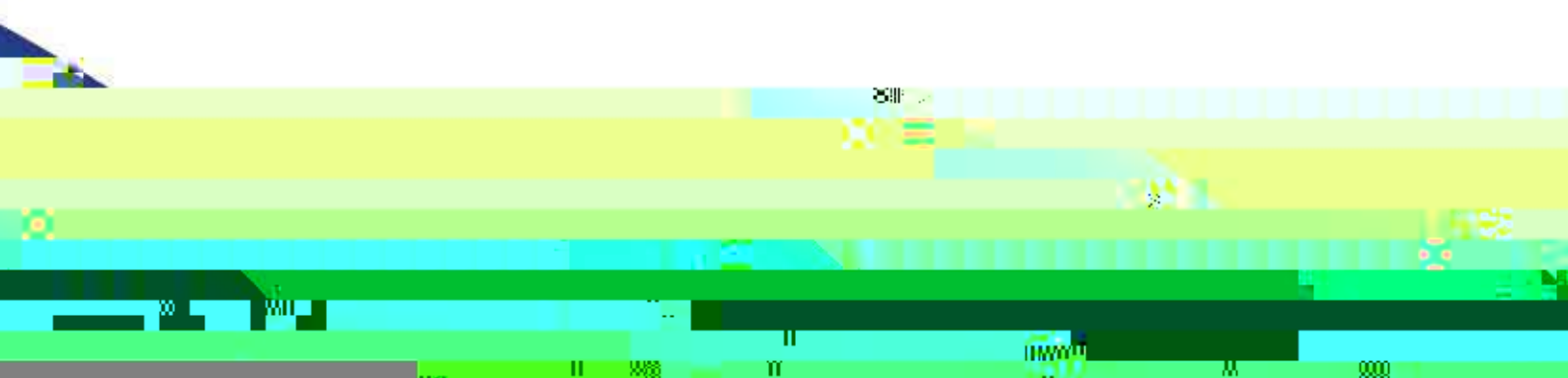


Soda Ash

Polyester

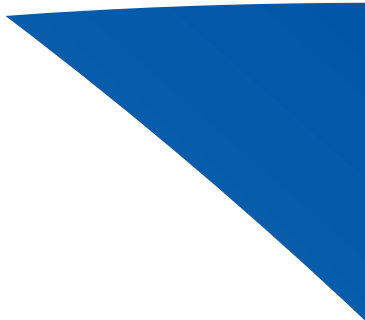
# Vision

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











### Company Responsibilities

The Code encourages the Company to:

- Adopt the spirit of open communication



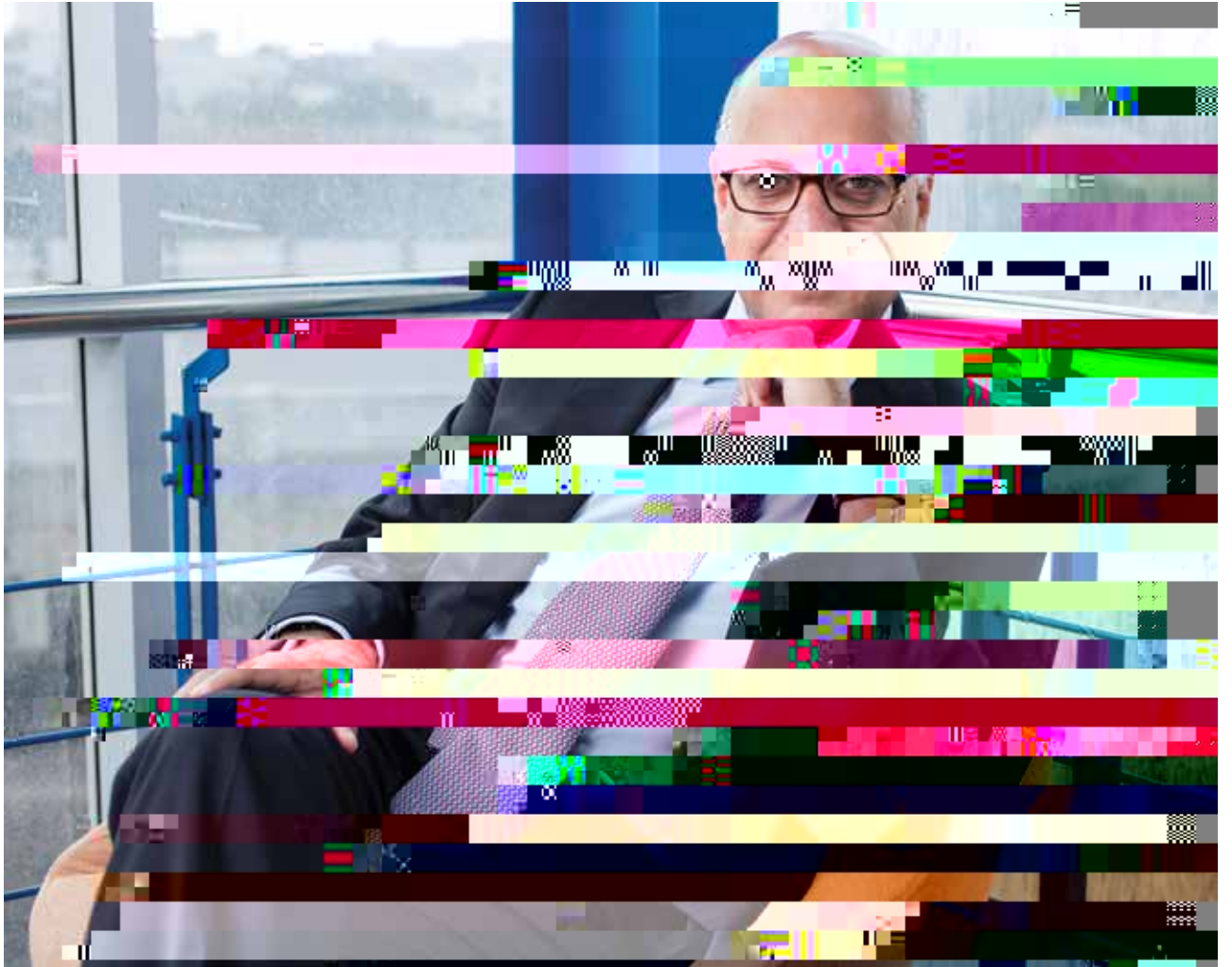




# Message from the Chief Executive

Dear Stakeholders,

I am pleased to report that despite local and global headwinds, ICI Pakistan Limited (ICIP) has stayed the course and continued to fulfil its brand promise of Cultivating Growth. I share below an overview of our







# Financial Highlights

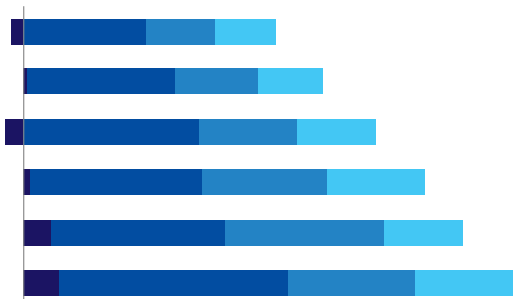
The 2018-19 results compared to the same period last year at a glance

Turnover up by 18% ---

Gross profit up by 10%

Profit after taxation down by 25%

Earnings per share: PKR 24.96 (June 30, 2018: PKR 33.13)



















### Financial charges / Exchange Losses

The Company had maintained its financial charges and exchange losses from 2013- 2017, however, increased financing



# Vertical and Horizontal Analysis

2018-19

July to June













## Commentary on DuPont Analysis







# Q3

January – March 2019

# Q4

April – June 2019









The 33 shortlisted teams participated in Innovation Workshops, organised in collaboration with The Nest I/O

# Embracing Technology

any malicious links. It also detects attempts to impersonate ICI





# Creating Sustainable Value

ICI Pakistan Limited is dedicated to creating long term,  
sustainable value based on strong principles of governance

# Corporate Governance and Compliance







# Signi cant Factors Affecting the External Environment

The performance of ICI Pakistan Limited is directly and indirectly impacted by changes







Risk	Type	Risk Mitigation Plan	Risk Exposure Rating*
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Changing economic conditions,  
government poli-3.8ciei-359(s)22(Ra)-2.1(n)-0.8dsla1-2.6wsRan d e-sn itan







## HR & Remuneration Committee















## Overview

The net turnover of PKR 58,329 million for the year under review was 19% higher than PKR 49,108 million recorded for the year ended















the year. As a consequence, the Business strengthened its position through breakthroughs and successes in expanding







## Directors' Attendance

During the period under review, eight (08) Board meetings, four (04) Audit Committee meetings and three (03) Human Resource Remuneration Committee (HR&RC) meetings ws,







9. The Company is compliant with the section 20(1) of the CCG as more than half of the 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 20 of the CCG.

























# Life Sciences

ICI Pakistan Limited's Life Sciences Business comprises two Divisions, namely Pharmaceuticals and Animal Health. Te110.3(.)13o Div isist s cot5-2.s tinus o 5(t)-9.5(a)-15.7(1.8 1(s)-4.8(t)10.3(e)8-5.4(a)









The Animal Health Division organised a Farmer's Choice























Sustainability Performance

# A Pioneer in Sustainability





# Message from the Chief Executive

Dear Stakeholders,







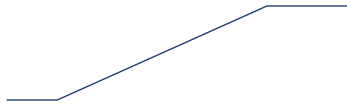
Social



# Sustainability Strategy



## Adopting the Sustainable Development Goals





## Celebrating the “World Day for Safety and Health at Work”

On April 25, 2019, the Centre for Improvement of Working









## Customers





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# Environmental Petal

The HSE&S Management System is in compliance with internationally recognised systems such as ISO 14001:2004











# Lighting Modernisation







# Social Performance





## Learning Event App:

Significant HSE&S-related hazards and risks to the Company











## Local Communities

ICI Pakistan Limited maintains a strong focus on supporting and investing in communities around it through various corporate social responsibility (CSR) projects. The Company knows that helping communities develop today means shaping a sustainable future that will positively impact the coming generations.

Under the umbrella of Hamqadam Programme, the Company embraces its corporate citizenship by focussed community investment activities that are managed through the ICI Pakistan Foundation. The Foundation's philosophy focusses on four main

areas: education, health, community and environment, while also supporting civic development through investment in community projects, disaster relief and rehabilitation activities.

These CSR projects support the development agenda of the

committed to community investments over the last five years

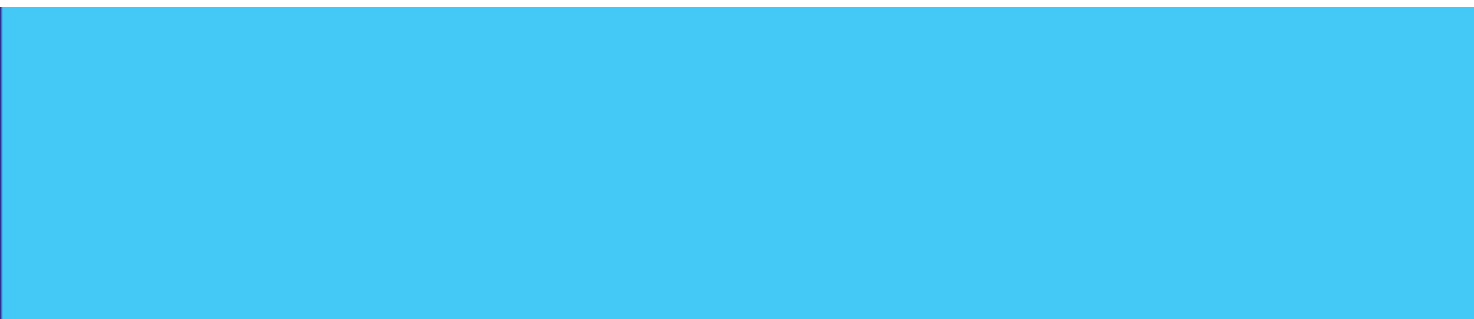
projects were funded under the community investment programme in 2018-19

community members benefit directly and indirectly from the Company's community programmes each year













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SDGs	PAGE NO.	GRI STANDARDS DISCLOSURE
End poverty in all its forms everywhere	155 SR	202-1









# Strength in Numbers





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# ICI Pakistan Limited

## Financial Statements



# Inioelnint Auditors' Report

#### Information Other than the Financial Statements and Auditor's 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 auditor's 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

# Independent Auditors' Report

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

## Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

*Er. Farid Raza*

# Unconsolidated Statement of Financial Position

As at June 30, 2019

ASSETS

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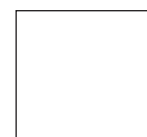
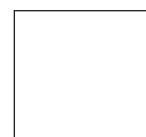


# Unconsolidated Statement of Profit or Loss

For the year ended June 30, 2019

Amounts in PKR '000

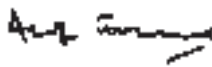
	Note	For the year ended June 30, 2019	For the year ended June 30, 2018
Net turnover	27.1	58,328,849	49,107,580
Cost of sales	27.2	(48,877,125)	(40,553,323)
Gross profit		9,451,724	8,554,257
Selling and distribution expenses	29	(3,170,316)	







Muhammad Sohail Tabba  
Chairman / Director



Asif Jooma  
Chief Executive



Muhammad Abid Ganatra  
Chief Financial Officer



# Unconsolidated Statement of Cash Flows

For the year ended June 30, 2019

Cash flows from operating activities

1 Status and nature of business

ICI Pakistan Limited (the Company) is incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. The









































13.3 Allowance for ECL

Balance at beginning of the year	212,454	82,801
Charge during the year - net	212,454	27.3

16.1 Due from related parties which are neither past due nor impaired includes the following:

Un-Secured		
NutriCo Pakistan (Private) Limited	-	17,415
ICI Pakistan PowerGen Limited	61,875	-
Cirin Pharmaceutical (Private) Limited	2,440	-
NutriCo Morinaga (Private) Limited	15,000	-
	79,315	17,415

~~61,875~~ -



83,734,062



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20.1.7 Major categories / composition of plan assets are as follows:

2019

2018

Debt instruments

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21.1 Represents the long term loans availed from various banks. These loans are secured against fixed assets of Soda Ash Business and

	As at June 30, 2019			As at June 30, 2018		
	Opening	(Reversal) / Charge	Closing	Opening	(Reversal) / Charge	Closing
22 Deferred tax liability - net						
Deductible temporary differences						
Provisions for retirement benefits, doubtful debts and others	(252,072)	(55,171)	(307,243)	(273,718)	21,646	(252,072)
Retirement fund provisions	(110,491)	7,013	(103,478)	(37,718)	(72,773)	(110,491)
Minimum Tax	(57,147)	57,147	-	-	(57,147)	(57,147)
Taxable temporary differences						
Property, plant and equipment - note 22.1	2,331,606	(128,577)	2,203,029	1,542,447	789,159	2,331,606
	1,911,896	(119,588)	1,792,308	1,231,011	680,885	1,911,896
				As at June 30, 2019	As at June 30, 2018	

As at

As at

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For one other product Wannate PM 2010/ 8221, consignments were again withheld by Customs Intelligence on Classification issue. Company paid PKR 94.0 million as Security Deposit for Provisional Clearance of these consignments till final decision. Classification committee through a Public notice dated 12th June, 2017 gave its view on classification of the product against the Company. Customs after the issuance of this Public Notice raised further demand relating to period prior to issuance of



# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2019

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# Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2019

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31 Other charges



Amounts in PKR '000

	For the year ended June 30, 2019	For the year ended June 30, 2018
36 Cash flows from operating activities		
Profit before taxation	3,180,506	3,650,402
Adjustments on: Depreciation and amortisation - note 6.7 and 7.1	2,653,749	2,420,865
<b>2,653,749</b>		









Amounts in PKR '000

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**42.2 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





Amounts in PKR '000

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44 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent

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Amounts in PKR '000





# Notes to the Unconsolidated Financial Statements

## For the year ended June 30, 2019

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





# Notes to the Unconsolidated Financial Statements F 58







No. of Shareholders

Categories

No. of Shares

From

To

S.No.	Categories of Shareholders	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	3	482,019	0.52
2	Associated Companies, Undertakings and related Parties	7	78,453,134	84.94
3	NIT and ICP	-	-	0.00
4	Banks, Development Financial Institutions, Non Banking Financial Institutions	23	303,921	0.33
5	Insurance Companies	20	5,214,511	5.65
6	Modarabas and Mutual Funds	43	2,218,784	2.40
7	Shareholders holding 10%	2	62,677,385	6Shar7616.5(NIT ICP )]

Shareholder's Category

Number of  
Shareholders /  
folios

Number of  
Shares Held

%



Notice is hereby given that the Sixty-Eight Annual General Meeting of ICI Pakistan Limited (the "Company") will be held on Saturday, September 21, 2019, at 10.00 a.m. at ICI House, 5 West Wharf Karachi, to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements of the Company for the year ended June 30, 2019, the





8. Revised Treatment of Withholding Tax.

Dividend income on shares is eligible to deduct withholding tax under Section 150 of the Income Tax Act 1961 (as amended), 2001 and



Material Facts pertaining to Item 5: Investment in Associated Company

The Company seeks Shareholder approval to pass the Special Resolutions provided in item no. 5 of the Notice allowing an investment

Purpose, benefits and period of investments

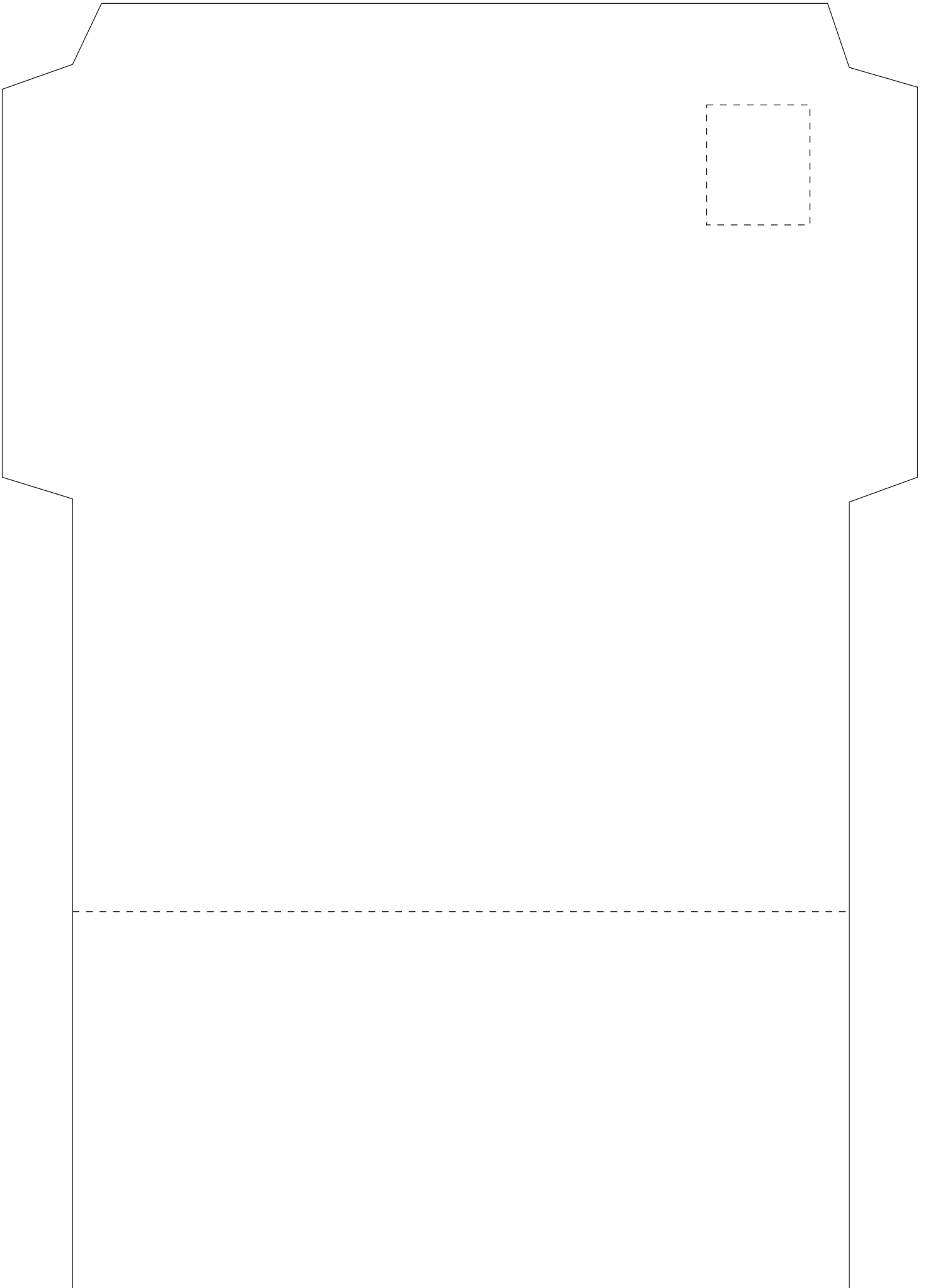
Source of fund from which securities will be acquired

Salient features of the agreement(s), if any, entered into with its associated company with regards to the proposed investment











# Report of the Directors

for the year Ended June 30, 2019

# Independent Auditors' Report

## To the members of ICI Pakistan Limited



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# Consolidated Statement of Financial Position

As at June 30, 2019

## ASSETS

### Non-current assets

Property, plant and equipment

6 25,873,777

Intangible assets

7 1,695,889

27,569,666

3VUN [LYT PU]LZ[TLU[Z

1,478,273



Muhammad Sohail Tabba  
Chairman / Director

Asif Jooma

Muhammad Abid Ganatra

# Consolidated Statement of Profit or Loss

For the year ended June 30, 2019

# Consolidated Statement of Other Comprehensive Income

For the year ended June 30, 2019

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Profit after taxation	2,536,630	
Other comprehensive income / (loss)		
Items not to be reclassified to consolidated statement of profit or loss:		
Remeasurement of defined benefit plans	31,530	
Income tax effect	(7,760)	



Muhammad Sohail Tabba  
Chairman / Director



Asif Jooma  
Chief Executive



Muhammad Abid Ganatra  
Chief Financial Officer



Muhammad Sohail Tabba  
Chairman / Director

Asif Jooma  
Chief Executive

Muhammad Abid Ganatra  
Chief Financial Officer



### 3.2 Basis of preparation

These consolidated financial statements have been prepared under the historical cost convention, except:

- a) Certain classes of property, plant and equipment (i.e. freehold land, buildings on freehold, leasehold land and plant and machinery) have been measured at revalued amounts; and

























# Notes to the Consolidated Financial Statements

For the year ended June 30, 2019







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# Notes to the Consolidated Financial Statements

For the year ended June 30, 2019

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# Notes to the Consolidated Financial Statements

For the year ended June 30, 2019

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9.2 Loans for purchase of motor cars and house building are repayable between two to ten years. These loans are interest free



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	As at June 30,	As at
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# Notes to the Consolidated Financial Statements

For the year ended June 30, 2019

		Amounts in PKR '000	
		As at June 30, 2019	As at June 30,
19	Capital reserves		
	Share premium - note 19.1	309,057	309,057
	Capital receipts - note 19.2	586	
		309,643	



2019

20.1.8 The principal actuarial assumptions at the reporting date were as follows:

Discount rate

13.25%



24.2 Workers' profit participation fund

Balance at the beginning of the year	36,060
Allocation for the year - note 32	168,489
	204,549



Amounts in PKR '000

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26.1 Details of material cases

Collectorate of customs - classification issue in PCT heading

Customs raised a demand for PKR 51.5 million on June 25, 2011 relating to classification issue of Titanium Di-Oxide during



Amounts in PKR '000

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28 Reconciliations of reportable segment net turnover, cost of sales, assets and liabilities

28.1 Net turnover

Total net turnover for reportable segments - note 27

60,138,204

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# Notes to the Consolidated Financial Statements

For the year ended June 30, 2019



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# Notes to the Consolidated Financial Statements

For the year ended June 30, 2019



# Notes to the Consolidated Financial Statements

For the year ended June 30, 2019



38.4	Total number of employees as at the reporting date	2,143	
	Average number of employees during the year	2,136	
38.5	Total number of factory as at the reporting date	1,022	1,030
	Average number of factory during the year	1,026	936
39	Transactions with related parties		



Amounts in PKR '000

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**43.2 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

**a currency other than Pak Rupees. When the management expects to enter into foreign exchange contracts in accordance with State Bank of Pak**

**Following is the gross exposure classified into separate foreign cu**

# Notes to the Consolidated Financial Statements

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Amounts in PKR '000



# Notes to the Consolidated Financial Statements

For the year ended June 30, 2019

Amounts in PKR '000

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45 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent







;OL \*09 ( WHZZLK HU HWWLSSH[L VYKLY KH[LK 4HYJO HNHPUZ[ [OL PUJV  
vide order dated December 31, 2016. Through the appellate order, majority of the issues have been decided in Group's favor,  
whereas an appeal on the issues decided against the Group has been filed before Tribunal which is pending disposal.



At transition date to IFRS 9, the Group has financial assets measured at amortised cost and equity instruments at FVOCI. The new classification and measurement of the Group's financial assets are, as follows:

Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion.

Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to

# Notes to the Consolidated Financial Statements

For the year ended June 30, 2019

The above standards and amendments are not expected to have any material impact on the Group's financial statements in the period of initial application except for IFRS 16 - 'Leases'. The Group is currently evaluating the impact of these standards.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for annual reporting period beginning on or after January 01, 2019. The Group expects that such improvements to the standards will not have any material impact on the Group's financial statements in the period of initial application.

ADD Anti Dumping Duties  
AGM Annual General Meeting  
APCMA All Pakistan Cement Manufacturing









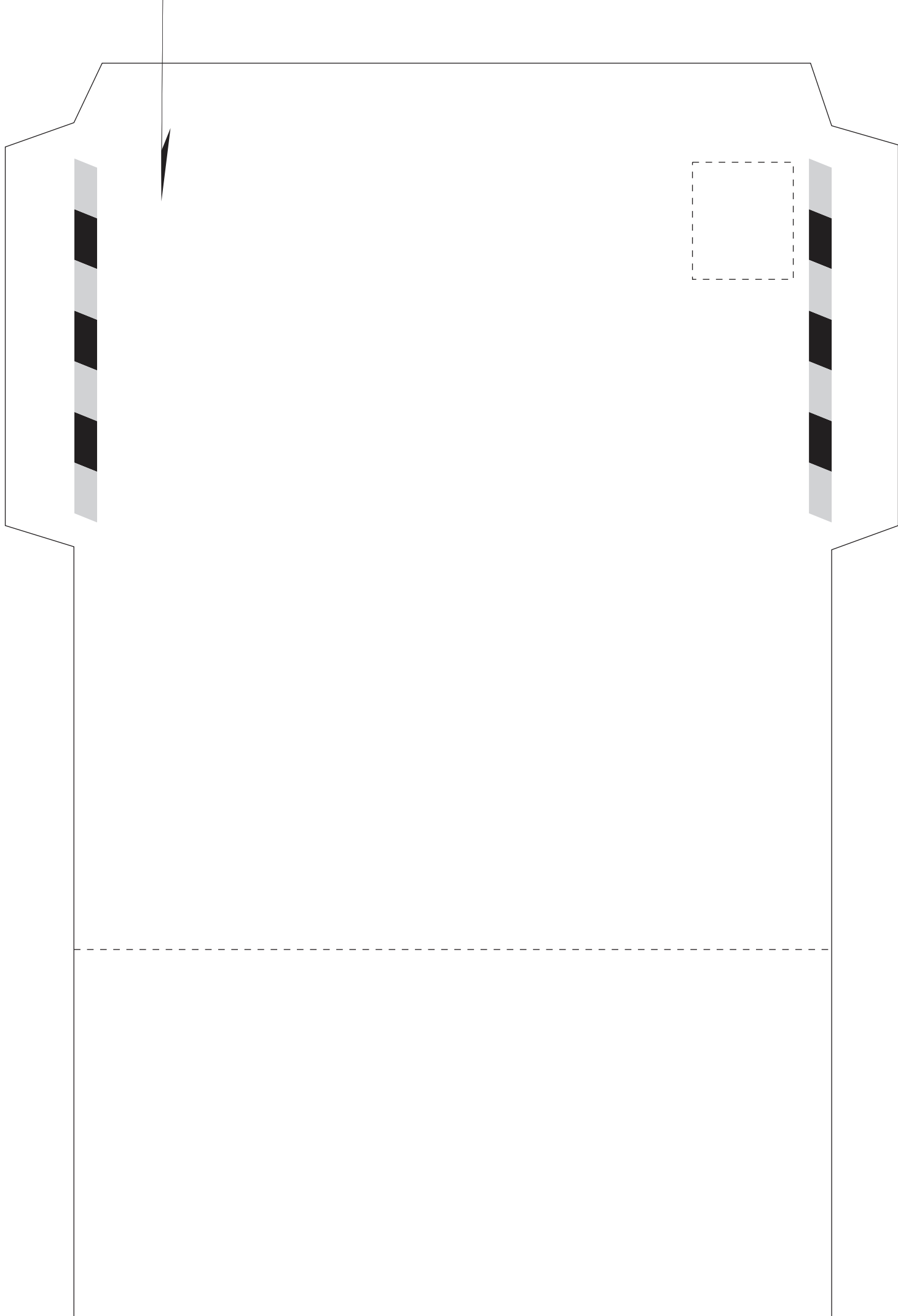
DIVIDEND MANDATE (MANDATORY) In accordance with the provisions of the Companies Act, 2017 and the C



## Standard Request Form Circulation of Annual Audited Accounts

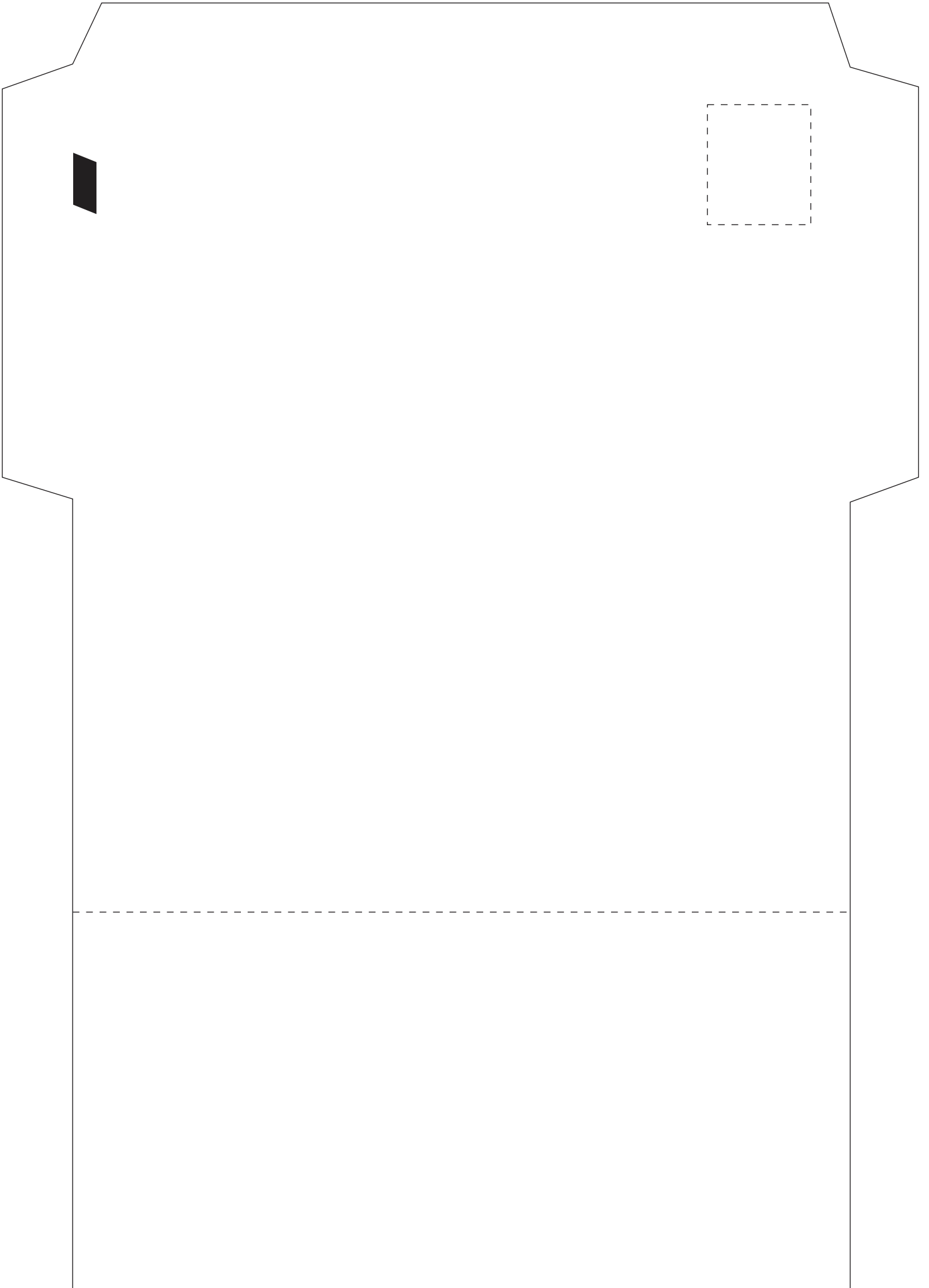
The Company Secretary  
ICI Pakistan Limited  
ICI House, 5 West Wharf,  
2 H Y H J O P

Subject: Circulation of Annual Audited Accounts via Email/CD/USB/DVD or Any Other Media



## Revised Treatment of Withholding Tax

Under Section 150 of the Income Tax Ordinance 2001, and pursuant to Finance Act 2019, withholding tax on dividend income will be deducted for 'Active' and 'Non-Active' shareholders at the rate 15% and 30% respectively. According













































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**ICI Pakistan Limited**  
Additional Disclosures







