

**ICI Pakistan Limited**  
**Condensed Interim Consolidated Balance Sheet**  
**As at December 31, 2016**

		Amounts in PKR '000	
	Note	December 31, 2016 (Unaudited)	June 30, 2016 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	17,301,593	17,164,769
Intangible assets	5	13,694	16,460
		<u>17,315,287</u>	<u>17,181,229</u>
Long-term investment	6	1,986,634	963,667
Long-term loans	7	370,672	357,637
Long-term deposits and prepayments		32,823	33,594
		<u>2,390,129</u>	<u>1,354,898</u>
		<u>19,705,416</u>	<u>18,536,127</u>
<b>Current assets</b>			
Stores, spares and consumables		932,296	861,544
Stock-in-trade	8	5,476,928	5,317,357
Trade debts		1,887,412	1,640,067
Loans and advances		429,368	392,362
Trade deposits and short-term prepayments		461,628	430,649
Other receivables		1,068,179	804,400
Taxation - net		1,356,000	2,234,248
Cash and bank balances		435,001	258,962
		<u>12,046,812</u>	<u>11,939,589</u>
<b>Total assets</b>		<u><u>31,752,228</u></u>	<u><u>30,475,716</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
1,500,000,000 (June 30, 2016: 1,500,000,000) ordinary shares of PKR 10 each		<u>15,000,000</u>	<u>15,000,000</u>
Issued, subscribed and paid-up capital			
92,359,050 (June 30, 2016: 92,359,050) ordinary shares of PKR 10 each		923,591	923,591
Capital reserves		309,643	309,643
Unappropriated profit		14,049,512	13,341,517
<b>Total equity</b>		<u>15,282,746</u>	<u>14,574,751</u>
<b>Surplus on revaluation of property, plant and equipment</b>		944,269	995,330
<b>Non-current liabilities</b>			
Provisions for non-management staff gratuity		96,366	90,867
Long-term loans	9	4,407,967	3,652,586
Deferred tax liability - net	10	1,380,771	1,430,789
		<u>5,885,104</u>	<u>5,174,242</u>
<b>Current liabilities</b>			
Trade and other payables		7,865,299	7,322,763
Accrued mark-up		71,693	77,663
Short-term borrowings and running finance	11	1,286,937	1,937,184
Current portion of long-term loans		416,180	393,783
		<u>9,640,109</u>	<u>9,731,393</u>
<b>Total equity and liabilities</b>		<u><u>31,752,228</u></u>	<u><u>30,475,716</u></u>
<b>Contingencies and commitments</b>	12		

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

**Muhammad Sohail Tabba**  
Chairman / Director

**Asif Jooma**  
Chief Executive

**Muhammad Abid Ganatra**  
Chief Financial Officer

**ICI Pakistan Limited**  
**Condensed Interim Consolidated Profit and Loss Account (Unaudited)**  
**For the Six Months Ended December 31, 2016**

Amounts in PKR '000

	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015
<b>Turnover - note 13</b>	<b>12,068,281</b>	<b>22,657,497</b>	11,045,813	20,884,447
Sales tax	(707,653)	(1,304,803)	(745,911)	(1,455,125)
Commission and discounts	(977,884)	(1,715,175)	(738,244)	(1,365,772)
	<b>(1,685,537)</b>	<b>(3,019,978)</b>	(1,484,155)	(2,820,897)
Net turnover	<b>10,382,744</b>	<b>19,637,519</b>	9,561,658	18,063,550
Cost of sales - note 13 and 14	<b>(8,419,116)</b>	<b>(15,962,808)</b>	(7,881,502)	(14,951,693)
<b>Gross profit</b>	<b>1,963,628</b>	<b>3,674,711</b>	1,680,156	3,111,857
Selling and distribution expenses	(636,080)	(1,216,581)	(511,867)	(1,011,015)
Administration and general expenses	(245,107)	(487,525)	(220,819)	(440,891)
<b>Operating result - note 13</b>	<b>1,082,441</b>	<b>1,970,605</b>	947,470	1,659,951
Finance costs	(93,944)	(195,443)	(87,514)	(169,835)
Exchange gain / (loss)	7,652	5,966	(2,835)	(50,885)
Workers' profit participation fund	(63,441)	(108,318)	(55,485)	(88,064)
Workers' welfare fund	(24,600)	(41,973)	(21,515)	(34,072)
Other charges	(6,396)	(16,514)	(6,939)	(18,739)
	<b>(180,729)</b>	<b>(356,282)</b>	(174,288)	(361,595)
Other income	18,669	37,343	26,027	41,149
Share of profit from Associate	192,653	321,667	100,387	176,426
<b>Profit before taxation</b>	<b>1,113,034</b>	<b>1,973,333</b>	899,596	1,515,931
Taxation - note 15	(267,516)	(485,168)	(218,576)	(350,951)
<b>Profit after taxation</b>	<b>845,518</b>	<b>1,488,165</b>	681,020	1,164,980
		<b>(PKR)</b>		
<b>Basic and diluted earnings per share</b>	<b>9.15</b>	<b>16.11</b>	7.37	12.61

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

**Muhammad Sohail Tabba**  
Chairman / Director

**Asif Jooma**  
Chief Executive

**Muhammad Abid Ganatra**  
Chief Financial Officer

**ICI Pakistan Limited**  
**Condensed Interim Consolidated Statement of Comprehensive Income (Unaudited)**  
**For the Six Months Ended December 31, 2016**

Amounts in PKR '000

	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015
<b>Profit after taxation</b>	<b>845,518</b>	<b>1,488,165</b>	681,020	1,164,980
Items to be reclassified to profit or loss in subsequent periods:				
Gain / (loss) on hedge during the period	-	-	1,057	(2,285)
Income tax relating to hedging reserve	-	-	(338)	731
	-	-	719	(1,554)
Adjustments for amounts transferred to initial carrying amounts of hedged item - capital work-in-progress	-	-	1,168	1,554
	-	-	1,887	-
<b>Total comprehensive income for the period</b>	<b>845,518</b>	<b>1,488,165</b>	682,907	1,164,980

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

**Muhammad Sohail Tabba**  
Chairman / Director

**Asif Jooma**  
Chief Executive

**Muhammad Abid Ganatra**  
Chief Financial Officer

**ICI Pakistan Limited**  
**Condensed Interim Consolidated Cash Flow Statement (Unaudited)**  
**For the Six Months Ended December 31, 2016**

Amounts in PKR '000

	December 31, 2016	December 31, 2015
<b>Cash flows from operating activities</b>		
Cash generated from operations - note 16	2,986,257	2,042,220
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	(8,324)	(10,139)
Staff retirement benefit plan	(27,798)	(26,470)
Taxation	343,062	(19,846)
Interest	(201,413)	(150,231)
<b>Net cash generated from operating activities</b>	<b>3,091,784</b>	<b>1,835,534</b>
<b>Cash flows from investing activities</b>		
Capital expenditure	(1,364,198)	(2,578,451)
Proceeds from disposal of operating fixed assets	1,061	991
Dividend from associate	120,000	180,000
Interest received on bank deposits	4,932	3,093
Long-term investments	(981,300)	-
<b>Net cash used in investing activities</b>	<b>(2,219,505)</b>	<b>(2,394,367)</b>
<b>Cash flows from financing activities</b>		
Long-term loans obtained	1,000,000	1,725,730
Long-term loans repaid	(222,222)	(477,778)
Dividends paid	(823,771)	(595,617)
Net cash generated from / (used in) financing activities	(45,993)	652,335
<b>Net decrease in cash and cash equivalents</b>	<b>826,286</b>	<b>93,502</b>
Cash and cash equivalents at the start of the period	(1,678,222)	(1,712,800)
<b>Cash and cash equivalents at the end of the period (Ref. 1)</b>	<b>(851,936)</b>	<b>(1,619,298)</b>
<b>Ref 1: Cash and cash equivalents at the end of period comprise of:</b>		
Cash and bank balances	435,001	489,568
Short-term borrowings and running finance	(1,286,937)	(2,108,866)
	<b>(851,936)</b>	<b>(1,619,298)</b>

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

**Muhammad Sohail Tabba**  
Chairman / Director

**Asif Jooma**  
Chief Executive

**Muhammad Abid Ganatra**  
Chief Financial Officer

**ICI Pakistan Limited**  
**Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)**  
**For the Six Months Ended December 31, 2016**

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Unappropriated profit	Total
<b>As at July 1, 2015</b>	<b>923,591</b>	<b>309,643</b>	<b>11,755,187</b>	<b>12,988,421</b>
Final dividend of PKR 6.50 per share for the year ended June 30, 2015	-	-	(600,337)	(600,337)
Profit for the period	-	-	1,164,980	1,164,980
Other comprehensive income for the period - net of tax	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,164,980</b>	<b>1,164,980</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	36,387	36,387
<b>As at December 31, 2015</b>	<b>923,591</b>	<b>309,643</b>	<b>12,356,217</b>	<b>13,589,451</b>
Interim dividend of PKR 6.50 per share for the year ended June 30, 2016	-	-	(600,337)	(600,337)
Profit for the period	-	-	1,564,841	1,564,841
Other comprehensive income for the period - net of tax	-	-	(13,960)	(13,960)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,550,881</b>	<b>1,550,881</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	34,756	34,756
<b>As at June 30, 2016</b>	<b>923,591</b>	<b>309,643</b>	<b>13,341,517</b>	<b>14,574,751</b>
Final dividend of PKR 6.50 per share for the year ended June 30, 2016	-	-	(831,231)	(831,231)
Profit for the period	-	-	1,488,165	1,488,165
Other comprehensive income for the period - net of tax	-	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1,488,165</b>	<b>1,488,165</b>
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	51,061	51,061
<b>As at December 31, 2016</b>	<b>923,591</b>	<b>309,643</b>	<b>14,049,512</b>	<b>15,282,746</b>

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

**Muhammad Sohail Tabba**  
Chairman / Director

**Asif Joona**  
Chief Executive

**Muhammad Abid Ganatra**  
Chief Financial Officer

**ICI Pakistan Limited**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Six Months Ended December 31, 2016**

Amounts in PKR '000

**1 Status and nature of business**

The Group consists of ICI Pakistan Limited, ICI Pakistan PowerGen Limited and Cirin Pharmaceuticals (Private) Limited. ICI Pakistan Limited ("the Company") is incorporated in Pakistan and is listed on The Pakistan Stock Exchange. ICI Pakistan PowerGen Limited is incorporated in Pakistan as an unlisted public company and is a wholly owned subsidiary company of ICI Pakistan Limited. Cirin Pharmaceuticals (Private) Limited is incorporated in Pakistan as a private limited company and is a wholly owned subsidiary of ICI Pakistan Limited. The Group is a subsidiary of Lucky Holding Limited (a subsidiary of Lucky Cement Limited). The Company is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchandising of general chemicals. It also acts as an indenting agent and toll manufacturer. ICI Pakistan PowerGen Limited is engaged in generating, selling and supplying electricity to the Company while Cirin Pharmaceuticals (Private) Limited is involved in manufacturing and sale of pharmaceutical products. The Group's registered office is situated at 5 West Wharf, Karachi.

The condensed interim consolidated financial statements comprise the consolidated balance sheet of ICI Pakistan Limited and its subsidiary company, ICI Pakistan PowerGen Limited, as at December 31, 2016 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof.

**2 Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard - 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirement differ, the provision of or directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with Company's annual financial statements for the year ended June 30, 2016.

**3 Significant accounting policies**

The accounting policies and methods of computation adopted for the preparation of these condensed interim consolidated financial statements are the same as those applied in the preparation of the financial statements for the year ended June 30, 2016, except for the adoption of new accounting standards and interpretations as disclosed in note 18 to these financial statements.

**4 Property, plant and equipment**

	December 31, 2016 (Unaudited)	June 30, 2016 (Audited)
Operating assets - at net book value - note 4.1	<b>15,782,099</b>	16,001,818
Capital work-in-progress - at cost:		
Civil works and buildings	458,721	443,249
Plant and machinery	701,583	649,131
Advances to suppliers / contractors	359,190	70,571
Total capital work-in-progress - note 4.3	<b>1,519,494</b>	1,162,951
<b>Total property, plant and equipment</b>	<b>17,301,593</b>	17,164,769

Note 4.3

**4.1** Following is the movement in property, plant and equipment during the period:

Opening net book value	16,001,818	12,713,226
Additions during the period - note 4.2	903,515	4,764,101
Revaluation		470,932
Disposals during the period - note 4.2	(455)	(13,712)
Depreciation charge during the period	(1,122,779)	(1,932,729)
Closing net book value	<b>15,782,099</b>	16,001,818

**4.2** Following is the cost of operating property, plant and equipment that have been added / disposed off during the six month ended December 31, 2016:

	Additions / Transfers		Disposals - NBV	
	December 31, 2016 (Unaudited)	June 30, 2016 (Audited)	December 31, 2016 (Unaudited)	June 30, 2016 (Audited)
Freehold land	-	22,713	-	-
Lime beds on freehold land	-	92,052	-	(39)
Buildings on freehold land	-	42,856	-	-
Buildings on leasehold land	36,393	832,025	-	(6,966)
Plant and machinery	832,939	3,704,592	-	(5,665)
Rolling stock and vehicles	-	4,347	(455)	(622)
Furniture and equipment	34,183	65,516	-	(420)
<b>Total</b>	<b>903,515</b>	4,764,101	<b>(455)</b>	(13,712)

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

	December 31, 2016 (Unaudited)	June 30, 2016 (Audited)
Opening balance	1,162,951	1,675,698.00
Addition during the period / year	1,229,469	4,183,927.00
	2,392,420	5,859,625.00
Transferred to operating fixed assets	(872,926)	(4,696,674.00)
<b>Closing balance</b>	<b>1,519,494</b>	1,162,951.00

**4.4** Additions to plant and machinery include transfer from capital work-in-progress. It also includes borrowing cost for various projects amounting to:

14,004      132,085

**5 Intangible assets**

Intangible assets - at net book value - note 5.1

**13,694      16,460**

**5.1** Addition to intangible assets:

1,068      9,724

Amounts in PKR '000

December 31, 2016 (Unaudited)	June 30, 2016 (Audited)
-------------------------------------	-------------------------------

**6 Long-term investments****Unquoted**

Associate - NutriCo Pakistan (Private) Limited - note 6.1

Cost of investment - 200,000 ordinary shares (June 30, 2016: 200,000 shares) of PKR 1,000 each and premium of PKR 3,800 per share	960,000	960,000
Post acquisition profits at the beginning	1,167	52,224
Share of profit for the period / year	321,667	407,318
Dividend received during the period / year	(280,000)	(458,375)
Carrying value of Associate	1,002,834	961,167

Subsidiary

- Cirin Pharmaceuticals Private Limited - note 6.2

112,000 ordinary shares of PKR 100 each and premium of PKR 8,661.61 per share

981,300

-

**Others**

Equity security available for sale

- Arabian Sea Country Club Limited

2,500

2,500

1,986,634963,667

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

**6.2** On 23rd December 2016, the Group acquired 100% voting shares of Cirin Pharmaceuticals (Private) Limited ("Cirin") against a net consideration of PKR 981.300 million. Cirin is involved in manufacturing and sales of pharmaceutical products. However, considering the acquisition was very close to the half year ending December 31, 2016, financial statements of Cirin have not been consolidated for which exemption has been granted by Securities & Exchange Commission of Pakistan. The summary of financial information as per the audited accounts of Cirin as at 30th June, 2016 was as follows:

Total assets	-	301,411
Total liabilities	-	135,118
Total equity and reserves	-	166,293
Total revenue for the year	-	744,560
Profit after tax for the year	-	70,615

Nasir Javed Maqsood Imran Chartered Accountants, were the auditors of Cirin as at 30th June, 2016 who issued an unqualified opinion.

**7 Long-term loans****Considered good**

Due from executives and employees	479,164	460,752
Current portion shown under current assets	(108,492)	(103,115)
	<u>370,672</u>	<u>357,637</u>

**8. Stock-in-trade**

It includes items carried at net realisable value of PKR 356,516 million (June 30, 2016: PKR 338,822) million on which reversal of PKR 18,589 million (June 30, 2016: PKR 10,999 expense) was recognised during the period / year.

**9 Long-term loans**

Long-term loans - note 9.1

Current portion shown under loans and advances

4,824,147	4,046,369
(416,180)	(393,783)
<u>4,407,967</u>	<u>3,652,586</u>

**9.1** Opening Balance  
Obtained during the period / year  
Repaid during the period / year

4,046,369	2,449,498
1,000,000	2,552,427
(222,222)	(955,556)
<u>4,824,147</u>	<u>4,046,369</u>

There is no material change in the amounts and disclosures made in the annual financial statements with regard to long term loans except that the Company availed a further long term loan based on Diminishing Musharaka amounting to PKR 1,000 million @ 6MKIBOR + 0.05% The markup is payable on semi annual basis.

**10 Deferred tax liability - net****Deductible temporary differences**

Provisions for retirement benefits, doubtful debts and others

Retirement funds provision

(247,344)	(239,276)
(19,491)	(19,491)

**Taxable temporary differences**

Property, plant and equipment

1,647,606	1,689,556
<u>1,380,771</u>	<u>1,430,789</u>

**11 Short-term borrowings and running finance**

Export refinance - mark-up: SBP rate + 0.25% per annum

Money market

Short-term running finance - secured

332,943	388,741
500,000	300,000
453,994	1,248,443
<u>1,286,937</u>	<u>1,937,184</u>

**12 Contingencies and commitments****12.1** Claims against the Group not acknowledged as debts are as follows:

Local bodies

Others

1,100	1,100
16,148	28,529
<u>17,248</u>	<u>29,629</u>

**12.2** There are no material changes in the status of custom duty, income tax and sales tax contingencies as reported in the annual audited financial statements of the Company.

**12.3** Commitments in respect of capital expenditure (including light ash and coal & steam generation project of Soda Ash)

<u>2,631,482</u>	<u>2,193,478</u>
------------------	------------------

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

**Year**

2016-17

2017-18

2018-19

2019-20

2020-21

36,327	64,050
56,714	44,247
44,146	28,227
24,325	6,550
4,266	-
<u>165,778</u>	<u>143,074</u>

Payable not later than one year

Payable later than one year but not later than five years

36,327	64,050
129,451	79,024
<u>165,778</u>	<u>143,074</u>

13 Operating Segment results (Unaudited)

Amounts in PKR '000

	Polyester				Soda Ash				Life Sciences				Chemicals				Others - PowerGen				Group			
	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015	For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015
Turnover - note 13.1, 13.2 & 13.3	3,870,781	7,156,885	3,620,281	6,954,682	3,623,163	6,921,264	3,453,026	6,710,612	3,402,858	6,312,323	2,944,529	5,081,689	1,152,804	2,233,766	1,023,143	2,122,272	133,499	251,752	48,326	129,886	12,068,281	22,657,497	11,045,813	20,884,447
Sales tax	-	-	(105,460)	(202,593)	(508,549)	(959,114)	(476,548)	(931,687)	(48,862)	(66,169)	(46,700)	(74,219)	(130,845)	(242,941)	(110,182)	(227,754)	(19,397)	(36,579)	(7,021)	(18,872)	(707,653)	(1,304,803)	(745,911)	(1,455,125)
Commission and discounts	(96,889)	(175,062)	(94,378)	(208,193)	(245,567)	(441,693)	(178,648)	(306,303)	(597,950)	(1,026,907)	(379,421)	(684,793)	(37,478)	(71,513)	(85,797)	(166,483)	-	-	-	-	(977,884)	(1,715,175)	(738,244)	(1,365,772)
	(96,889)	(175,062)	(199,838)	(410,786)	(754,116)	(1,400,807)	(655,196)	(1,237,990)	(646,812)	(1,093,076)	(426,121)	(759,012)	(168,323)	(314,454)	(195,979)	(394,237)	(19,397)	(36,579)	(7,021)	(18,872)	(1,685,537)	(3,019,978)	(1,484,155)	(2,820,897)
Net turnover	3,773,892	6,981,823	3,420,443	6,543,896	2,869,047	5,520,457	2,797,830	5,472,622	2,756,046	5,219,247	2,518,408	4,322,677	984,481	1,919,312	827,164	1,728,035	114,102	215,173	41,305	111,014	10,382,744	19,637,519	9,561,658	18,063,550
Cost of sales - note 13.1 and 14	(3,769,360)	(6,942,549)	(3,544,028)	(6,807,575)	(1,958,415)	(3,860,708)	(1,880,375)	(3,700,098)	(1,933,351)	(3,687,379)	(1,813,252)	(3,101,430)	(778,417)	(1,512,685)	(649,625)	(1,358,401)	(94,832)	(178,850)	(38,149)	(99,753)	(8,419,116)	(15,962,808)	(7,881,502)	(14,951,693)
Gross profit	4,532	39,274	(123,585)	(263,679)	910,632	1,659,749	917,455	1,772,524	822,695	1,531,868	705,156	1,221,247	206,064	406,627	177,539	369,634	19,270	36,323	3,156	11,261	1,963,628	3,674,711	1,680,156	3,111,857
Selling and distribution expenses	(56,653)	(104,310)	(55,475)	(129,297)	(68,325)	(132,874)	(79,945)	(152,488)	(435,673)	(820,216)	(311,084)	(593,027)	(75,429)	(159,181)	(65,363)	(136,203)	-	-	-	-	(636,080)	(1,216,581)	(511,867)	(1,011,015)
Administration and general expenses	(76,758)	(143,715)	(68,688)	(138,302)	(62,331)	(120,745)	(58,374)	(116,282)	(72,184)	(152,237)	(59,199)	(118,039)	(33,622)	(70,587)	(34,372)	(68,077)	(272)	(361)	(246)	(311)	(245,107)	(487,525)	(220,819)	(440,891)
Operating result	(128,879)	(208,751)	(247,748)	(531,278)	779,976	1,406,130	779,136	1,503,754	314,838	559,415	334,873	510,181	97,013	176,859	77,804	165,354	18,998	35,962	2,910	10,950	1,082,441	1,970,605	947,470	1,659,951



Amounts in PKR '000

For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015
--	--	--	--

(Unaudited)

### 13.1 Turnover

Inter-segment sales and purchases have been eliminated from the total

**114,824**      **218,493**      43,492      114,694

13.2 Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.

13.3 Turnover includes export sales made to various countries amounting to:      **139,003**      **353,606**      193,027      340,264

### 14 Cost of sales

Opening stock of raw and packing materials	2,209,034	2,278,726	2,109,238	2,078,367
Purchases	4,221,623	8,179,230	3,938,752	8,000,136
	<b>6,430,657</b>	<b>10,457,956</b>	6,047,990	10,078,503
Closing stock of raw and packing materials	(2,257,203)	(2,257,203)	(1,880,400)	(1,880,400)
Raw and packing materials consumption	4,173,454	8,200,753	4,167,590	8,198,103
Manufacturing costs	2,149,748	4,266,029	2,072,724	4,059,579
	<b>6,323,202</b>	<b>12,466,782</b>	6,240,314	12,257,682
Opening stock of work-in-process	121,656	140,179	103,250	96,034
	<b>6,444,858</b>	<b>12,606,961</b>	6,343,564	12,353,716
Closing stock of work-in-process	(131,252)	(131,252)	(117,108)	(117,108)
Cost of goods manufactured	6,313,606	12,475,709	6,226,456	12,236,608
Opening stock of finished goods	3,144,216	2,898,452	2,819,962	2,769,008
Finished goods purchased	2,049,767	3,677,120	1,203,011	2,314,004
	<b>11,507,589</b>	<b>19,051,281</b>	10,249,429	17,319,620
Closing stock of finished goods	(3,088,473)	(3,088,473)	(2,367,927)	(2,367,927)
	<b>8,419,116</b>	<b>15,962,808</b>	7,881,502	14,951,693

### 15 Taxation

Current	248,904	535,186	283,584	442,485
Deferred	18,612	(50,018)	(65,008)	(91,534)
	<b>267,516</b>	<b>485,168</b>	218,576	350,951

### 16 Cash flows from operating activities

Profit before taxation			1,973,333	1,515,931
Adjustments for:				-
Depreciation and amortisation			1,126,612	957,076
(Gain) / loss on disposal of operating fixed assets			(605)	5,649
Provision for non-management staff gratuity and eligible retired employees' medical scheme			15,950	7,180
Provision for staff retirement benefit plan			13,514	23,442
Share of profit from associate			(321,667)	(176,426)
Interest on bank deposits			(3,870)	(3,555)
Interest expense			195,444	169,834
Provision for doubtful debts			27,389	16,312
Provision / (reversal) for slow moving and obsolete stock-in-trade			29,320	(1,925)
Provision for slow moving stores, spares and consumables			-	7,193
			<b>3,055,420</b>	2,520,711
Movement in:				
Working capital - note 16.1			(56,899)	(462,013)
Long-term loans			(13,035)	(16,153)
Long-term deposits and prepayments			771	(325)
Cash generated from operations			<b>2,986,257</b>	2,042,220

#### 16.1 Movement in working capital

##### (Increase) / decrease in current assets

Stores, spares and consumables	(70,752)	(106,158)
Stock-in-trade	(188,891)	579,899
Trade debts	(274,734)	(530,321)
Loans and advances	(37,006)	(30,467)
Trade deposits and short-term prepayments	(16,693)	(31,119)
Other receivables	(104,841)	15,763
	<b>(692,917)</b>	(102,403)

##### Increase / (decrease) in current liabilities

Trade and other payables	636,018	(359,610)
	<b>(56,899)</b>	(462,013)

## 17 Transactions with related parties

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

		For the 3 months ended December 31, 2016	For the 6 months ended December 31, 2016	For the 3 months ended December 31, 2015	For the 6 months ended December 31, 2015
<b>Relationship with the company</b>	<b>Nature of Transaction</b>				
Holding Company	Royalty	66,429	125,023	62,183	120,165
	Dividend	620,967	620,967	448,476	448,476
Subsidiary Company (Cirin)	Investment in subsidiary	981,300	981,300	-	-
Associated Companies	Purchase of goods, materials and services	42,745	53,907	58,873	70,690
	Sale of goods and materials	406,298	771,406	344,079	726,038
	Reimbursement of expenses	24,897	41,873	17,613	31,990
	Dividend paid to associates	99,523	99,523	71,878	71,878
	Dividend received from associate	160,000	280,000	105,000	180,000
Others	Staff retirement benefits	41,386	87,844	55,074	89,375
Key management personnel	Remuneration paid	48,823	151,854	44,126	124,608
	Post employment benefits	7,820	15,025	7,791	15,128

## 18 Estimates

Judgments and estimates made by the management in the preparation of the condensed interim consolidated financial statements were the same as those applied to the financial statements as at and for the year ended June 30, 2016.

## 19 New, amended and revised standards and interpretations of IFRSs

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

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

IFRS 10 – Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 – Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 – Presentation of Financial Statements: Disclosure Initiative (Amendment)

IAS 16 – Property, Plant and Equipment and IAS 38 Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 – Property, Plant and Equipment and IAS 41 Agriculture: 'Agriculture - Bearer Plants (Amendment)

IAS 27 – Separate Financial Statements: Equity Method in Separate Financial Statements (Amendment)

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

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

## 20 Financial risk management

The Group's financial risk management objective and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2016.

## 21 Post balance sheet - dividends

The Directors in their meeting held on January 24, 2017 have recommended an interim cash dividend of PKR 8.00 per share in respect of six months ended December 31, 2016 (December 2015: PKR 6.50 per share). The condensed interim unconsolidated financial statements for the six months ended December 31, 2016 do not include the effect of the above interim dividend which will be accounted for in the period in which it is approved.

## 22 Date of authorisation

The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on January 24, 2017.

## 23 General

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

Muhammad Sohail Tabba  
Chairman / Director

Asif Jooma  
Chief Executive

Muhammad Abid Ganatra  
Chief Financial Officer