ICI PAKISTAN LTD.

A Part of YBG

CELEBRATING

75

YEARS OF GROWTH

Report for the Quarter

& Nine Months ended
March 31, 2020

Review of the Directors for the Nine Months Ended March 31, 2020

The Directors are pleased to present their review, together with the unaudited financial statements of the Company, for the quarter and nine months ended March 31, 2020.

Net turnover for the quarter at PKR 13,930 million is 8% lower as compared to the same period last year (SPLY) primarily due to lower revenues in Polyester, Soda Ash and Chemicals & Agri Sciences Businesses by 18%, 1% and 11% respectively, which was partially offset by higher revenues in Pharma and Animal Health Businesses by 3% and 8% respectively. Operating result for the quarter at PKR 1,546 million is 1% higher as compared to the SPLY, due to higher operating result in Polyester and Pharma Businesses by 110% and 61% respectively.

Net turnover for the nine months period under review at PKR 43,217 million is in line with the SPLY. Net Turnover for the Soda Ash, Animal Health and Chemicals & Agri Sciences Businesses increased by 3%, 2% and 9%, respectively. This was offset due to dip in revenues of Polyester and Pharma Businesses by 4% each.

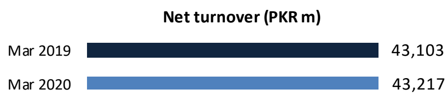
The Company's operating result for the nine months period under review at PKR 4,948 million is 42% higher than the SPLY, due to improved performances across all Businesses except the Animal Health Business. The growth in Polyester, Soda Ash, Pharma and Chemicals & Agri Sciences Businesses was recorded at 2083%, 14%, 108% and 39% respectively, whereas, the Animal Health Business recorded a decrease of 21% as compared to the SPLY.

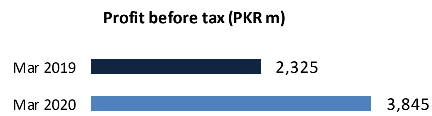
The improved performance in Polyester Business was driven by improved unit margins, product diversification and various cost optimization initiatives, while the Soda Ash Business was positively impacted by better prices and optimisation of energy cost. The growth in Pharma Business was attributable to favourable manufacturing efficiencies and effective cost controls. Chemicals & Agri Sciences Business achieved improved results mainly due to healthy margins and acquisition of new customers. The performance of the Animal Health Business was mainly due to the impact of the downturn in the poultry sector.

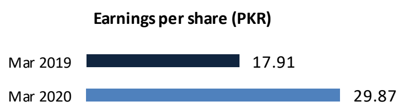
Profit after Tax (PAT) for the nine-month period under review at PKR 2,759 million is 67% higher than the SPLY, mainly due to higher operating profit across all businesses except for Animal Health Business, and higher dividend income from Associate as compared to SPLY. This was partially offset by higher finance cost due to higher interest rates and significant devaluation of PKR against USD resulting in higher exchange losses as compared to the SPLY.

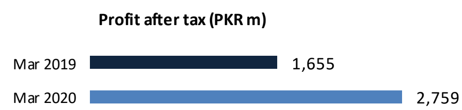
Earnings per share (EPS) for the nine months period under review at PKR 29.87 is 67% higher than the SPLY.

	Nine months ended Mar 2020	Nine months ended Mar 2019
Net turnover (PKR million)	43,217	43,103
Profit before taxation (PKR million)	3,845	2,325
Profit after taxation (PKR million)	2,759	1,655
Earnings per share (PKR)	29.87	17.91

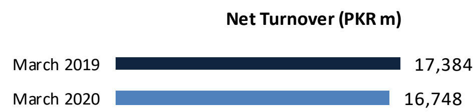


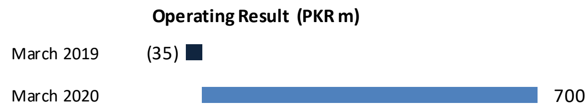






Polyester Staple Fibre Business (PSF)





The period under review has been adversely impacted by global geo-political events as well as the recent on-going COVID-19 pandemic. The trade war between world's two biggest economies, USA and China dominated the first six month for the period under review. In January 2020, USA andChina signed phase one of the trade agreement, the impact of which was short-lived as pandemic hit the world in an unprecedented manner. While the oil industry was trying to cope up with the uncertainty, the stand-off between Saudi Arabia and Russia on crude oil production cuts drastically affected the petrochemical chain as crude oil prices reached an 18-year low level (USD 30.7/bbl) at March end. On an average basis, crude oil prices fell by 12.7% compared to the SPLY (USD 53.3/bbl vs USD 61.0/bbl).

PX, PTA and MEG markets witnessed declining feedstock prices, new capacity additions and build-up of inventories. Compared to the SPLY, PX price fell by 31% (USD 776/MT vs USD 1,129/MT), PTA by 30% (USD 632/MT vs USD 903/MT) and MEG by 29% (USD 544/MT vs 767/MT). This impact was partially offset by rupee devaluation. In line with the market dynamics, domestic PSF price on average fell by 4% (PKR 184/kg vs PKR 190/kg) as compared to SPLY.

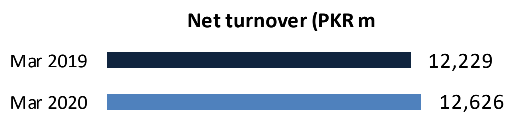
Fuel prices followed an upward trajectory with an increase of 61% and 11% observed in gas/RLNG and furnace oil prices, respectively. Coal price on the other hand, decreased by 22% versus the SPLY, allowing the Business to restart its coal-based power plant to counter the impact of increasing RLNG & furnace oil prices. Consequently, energy cost rose by 14% against the SPLY.

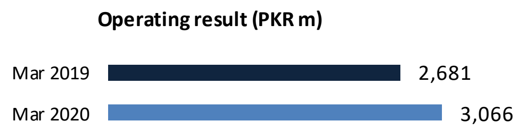
Towards the end of the period under review, the effect of the COVID-19 pandemic became certain on domestic textile industry as export orders were cancelled and the Government of Pakistan enforced stringent lockdown measures which forced the industry to shut operations, which also included PSF manufacturing, operations of which have been shut since the last week of March. Additionally, the price differential between imported and domestic PSF widened towards the end of the quarter. It is expected that once operations of downstream textiles are resumed, the PSF manufacturing will restart operations as it is an integral part of the textile supply chain.

Consequently, the Business sold 28,213 MT of PSF during the quarter, being 11.7% lower than the SPLY whereas on nine-month basis, volumes remained lower by 1.7% versus the SPLY. However, despite lower volumes, the Business was able to achieve improved operating result by PKR 736 million (2083%) as compared to the SPLY due to healthy margins and various cost optimization initiatives experienced in the earlier parts of the period under review.

Going forward, the petrochemical & cotton markets will remain under pressure, as countries continue to place unprecedented measures to control the outbreak.

Soda Ash Business





The domestic market of soda ash mirrored the overall economic situation of the country and remained at par with the last financial year. The business has witnessed challenges as the downstream segments had been impacted with steep exchange rate devaluation and Government's efforts to document the economy, both of which negatively impacted market activities. The effect of the pandemic towards the end of the period under review, increased the pressures on global and domestic markets.

The worst hit segment was Bazaar where the traders were forced to limit transactions in a bid to streamline their processes as per Government requirements. The Paper segment was also severely impacted due to a delay and lower offtake by textbook boards and consequently, with a few units shutting operations. The Silicate segment was impacted negatively due to the closure of several units and lower demand of laundry soap. The soda ash demand was largely supported by the Glass and Detergent segments.

The Glass segment witnessed expansion in installed capacity, with the detergent segment posting growth with the preference for laundry powder over soap as the medium for washing. The downstream demand of float glass continued to remain weak due to sluggish construction activities. The RSB market witnessed growth over the SPLY as growing urbanization is fuelling demand for poultry and confectionary items, both of which require RSB.

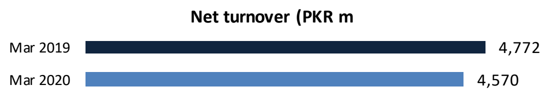
Despite these challenges, the operating result for the nine months ended March 31, 2020 at PKR 3,066 million is 14% higher than the SPLY, mainly due to improved margins on account of energy cost and fixed cost optimization through effective plant operations.

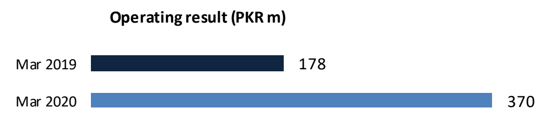
The Business has successfully developed diversified export markets, establishing a foothold in multiple markets in South Asia, Middle East and Africa with regular exports. The benefit of declining market share of China in these markets has been leveraged by the Business to fill the supply gap.

Following the outbreak of COVID-19 and its declaration as a pandemic, the global economy is poised towards a recession. Governments all over the world have announced stimulus packages to support their economies. Global trade is expected to record a significant drop due to global lock down measures and consequential economic slowdown. As a result, exports in the last quarter of the financial year are expected to decline.

On the domestic front, the package announced for the construction segment is expected to positively impact demand for float glass which will improve demand for soda ash. Likewise, the focus on hygiene during the outbreak will help improve the sales of detergent and soap which is expected to result in improved sales to detergent and silicate segments. However, sales to paper segment are expected to remain slow due to extended closure of educational institutes. Likewise, extended lockdown will also impact the sales to Bazaar segment. The sale of RSB is expected to proceed normally.

Pharmaceuticals





During the nine-month period under review, the Pharmaceutical Industry faced several challenges, including temporary trade suspension with India, tax and transaction documentation reforms by the Government and most recently, the outbreak of COVID-19. The trade ban on Indian imports resulted in shortage of active pharmaceuticals ingredients and consequently lost sales for the Business. The tax and transaction documentation reforms led to a significant slowdown in the wholesale segment and thus decelerated the overall sales momentum.

The spread of COVID-19 at the end of the period under review led to a nation-wide lockdown and closure of almost all OPD's of the major hospitals, which negatively impacted prescription generation and consequently resulted in lost sales.

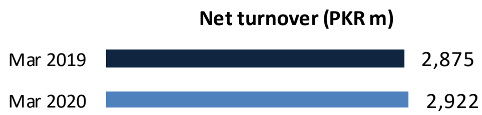
Despite these challenges, the Business delivered net sales of PKR 4,570 million, 4% lower than the SPLY. Operating profit for the period under review was PKR 370 million, which is an improvement of 108% against the SPLY. This performance was largely driven due to better sales mix, improved manufacturing efficiencies and cost management.

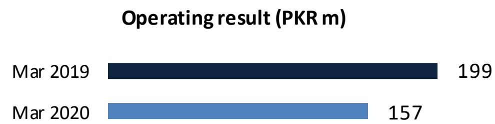
Cirin Pharmaceuticals (Private) Limited has been successfully amalgamated into ICI Pakistan effective March 1st, 2020. The merger process, which entailed complex regulatory approvals and HR integration, was completed in record time without any business interruption. This will be instrumental in further strengthening the Pharmaceuticals business to deliver long term sustainable, competitive and profitable growth.

The economy of Pakistan is expected to further slowdown in the last quarter of the Financial Year 2019-20 owing to macroeconomic interventions coupled with the impact of COVID-19 pandemic. Moreover, significant rupee devaluation in the last part of the period under review, will make imports of raw materials costlier. This, together with the shortage of APIs due to COVID-19 related lockdown in India and China, would negatively impact the Business' operating profitability and could also potentially result in shortage of essential medicines in the local market.

Facing an uncertain economic and regulatory environment along with unprecedented challenge of COVID-19, the Business is putting its entire focus on improving manufacturing efficiencies, cash flow optimization and cost control.

Animal Health Business





During the period under review, the Business delivered net turnover of PKR 2,922 million, 2% higher than the SPLY whereas reporting an operating result of PKR 157 million being 21% lower than the SPLY. Business performance was affected mainly due to stressed market conditions in the poultry segment, which was slightly offset by encouraging growth in the livestock segment.

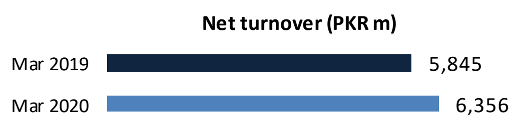
During the period under review, poultry sector faced difficult market conditions, owing to over-supply of day-old chicks and marketable chicken prices. Higher feed prices also contributed to the declining margins for poultry farmers. The situation is expected to persist in upcoming months, as breeder companies did adjust production of chicks. Huge financial losses to the farmers resulted in liquidity crises which negatively impacted the payments cycle. Accordingly, corrective measures were taken during the period to manage the credit exposure, which resulted in resistance from the customers leading to lower sales.

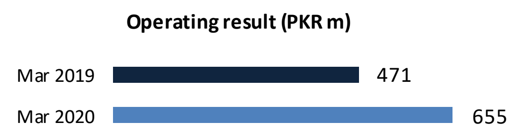
To further strengthen its to longer term viability, the Business remained focussed on its locally manufactured portfolio. Locally produced MSD anthelmintic, Farmer's Choice range of products, Vanda and Silage portfolios remained on track, improving the locally manufactured mix of the Business.

With the spread of COVID-19, the Government as part of the nation-wide lockdown, banned public gatherings and events resulting in a steep decline in the demand for milk and poultry products. Consequently, creating additional pressures on the business and negatively impacting the sales.

The situation is expected to prevail during the last quarter of the financial year and the business while closely monitoring the situation, is all geared up towards maximizing the results in this uncertain situation.

Chemicals & Agri Sciences Business





The Chemicals & Agri Sciences Business achieved a net turnover of PKR 6,356 million for the period under review, which is 9% higher than the SPLY. The operating result of the Business for the period under review was recorded at PKR 655 million which is 39% higher than the SPLY. Despite the challenging situation, the business was able to manage the profitability well, through enhanced focus on margin optimization and operational excellence.

The Agri Sciences Business was impacted by ban on imports from India which was mitigated by strong performance in oil seeds category and improved margin management. The Chemicals Business improved results were mainly driven through acquisition of customers and cost optimisation.

The newly commissioned Masterbatches business was supported by new customer acquisition, successful repeat orders and new technical developments which helped built a positive momentum during the period. In line with our strategic aspirations, the business continued R&D in specialized end use segments.

The outbreak of COVID-19 and related lockdown measures have impacted all the sectors including but not limited to agriculture, manufacturing, trade, public services, hotels and restaurants, light/heavy manufacturing etc. This is expected to continue during the last quarter of the financial year which may result in overall sales decline for the business.

The Business is, however, committed to cope up with these challenges through operational excellence and cost management whilst remaining focussed on robust Business results.

Future Outlook

As the world grapples with COVID-19, the economic challenges are escalating and posing a bigger threat to the global economy since the 2008 Financial Crisis. The unprecedented outbreak has resulted in severe uncertainty and the full impact of the pandemic on the domestic and global economy are yet unknown.

With the spread of COVID-19 in Pakistan, the country has declared a health emergency with an unprecedented nation-wide lockdown which put a partial halt to the economic activities, resulting in extremely difficult macro-economic challenges. However, the measures taken by the Government such as reduction of policy rate and special focus on the construction industry, are expected to help mitigate some of the economic effects of the pandemic as the authorities work towards containing the spread of the virus.

The Company, however, remains focused on minimizing to the extent possible the impact of COVID-19 and its concomitant negative effect on its performance. Although the Company is supported by its diversified portfolio which includes essential products and raw materials, however, given the uncertainty surrounding COVID-19 globally and domestically, the Company remains cautious on its future performance.

Composition of the Board

In line with the requirements of the Code of Corporate Governance 2017, the Company encourages representation of independent and non-executive directors, as well as gender diversity, on its Board. The current composition of the Board is as follows:

Total number of Directors:

(a) Male: 7

(b) Female: 1

Composition:

(i) Independent Directors :2

(ii) Non-executive Directors:4

(iii) Executive Directors :2

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Dated: April 20, 2020
Karachi

ICI Pakistan Limited
Condensed Interim Unconsolidated Statement of Financial Position
As at March 31, 2020

Amounts in PKR '000

	Note	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	**19,827,256**	20,329,199
Intangible assets	5	**1,691,011**	931,806
Right-of-use assets	6	**216,195**	-
		21,734,462	21,261,005
Long-term investments	7	**3,186,776**	3,913,076
Long-term loans	8	**502,270**	434,114
Long-term deposits and prepayments		**45,686**	39,231
		3,734,732	4,386,421
		25,469,194	25,647,426
Current assets			
Stores, spares and consumables		**1,050,528**	984,992
Stock-in-trade	9	**10,413,764**	9,841,165
Trade debts		**3,217,599**	2,388,029
Loans and advances		**621,267**	559,563
Trade deposits and short-term prepayments		**607,998**	278,987
Other receivables		**1,265,571**	1,647,518
Taxation - net		**1,966,256**	2,637,613
Cash and bank balances		**251,367**	237,374
		19,394,350	18,575,241
Total assets		**44,863,544**	44,222,667
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
1,500,000,000 (June 30, 2019: 1,500,000,000) ordinary shares of PKR 10 each		**15,000,000**	15,000,000
Issued, subscribed and paid-up capital			
92,359,050 (June 30, 2019: 92,359,050) ordinary shares of PKR 10 each		**923,591**	923,591
Capital reserves		**309,643**	309,643
Surplus on revaluation of property, plant and equipment - net of tax		**546,195**	598,103
Revenue reserve - unappropriated profit		**18,754,815**	17,375,706
Total equity		**20,534,244**	19,207,043
Non-current liabilities			
Provisions for non-management staff gratuity		**103,377**	93,982
Long-term loans	10	**6,262,875**	6,763,257
Deferred tax liability - net	11	**1,626,283**	1,792,308
Lease liabilities	12	**178,620**	-
		8,171,155	8,649,547
Current liabilities			
Trade and other payables		**8,751,072**	7,185,136
Accrued mark-up		**272,598**	340,156
Short-term financing	13	**5,903,197**	7,056,373
Current portion of long-term loans		**1,102,903**	1,690,894
Current portion of lease liabilities	12	**39,845**	-
Unclaimed dividend		**88,530**	93,518
		16,158,145	16,366,077
Total equity and liabilities		**44,863,544**	44,222,667
Contingencies and commitments	14		

The annexed notes from 1 to 24 form an integral part of the condensed interim unconsolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Unconsolidated Statement of Profit or Loss (Unaudited)
For the Nine Months Ended March 31, 2020

Amounts in PKR '000

	For the 3 months ended March 31, 2020	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
Net turnover - note 15	**13,930,056**	**43,217,086**	15,188,354	43,102,799
Cost of sales - note 15 and 16	**(11,073,771)**	**(34,563,556)**	(12,533,508)	(36,259,458)
Gross profit	**2,856,285**	**8,653,530**	2,654,846	6,843,341
Selling and distribution expenses	**(938,185)**	**(2,681,340)**	(783,211)	(2,340,832)
Administration and general expenses	**(372,394)**	**(1,024,278)**	(333,987)	(1,009,646)
Operating result - note 15	**1,545,706**	**4,947,912**	1,537,648	3,492,863
Finance costs	**(338,176)**	**(1,273,831)**	(348,675)	(1,044,494)
Exchange loss	**(375,399)**	**(347,544)**	(18,861)	(234,246)
Workers' profit participation fund	**(52,390)**	**(202,393)**	(59,681)	(122,378)
Workers' welfare fund	**(16,242)**	**(63,533)**	(19,348)	(45,408)
Other charges	**(7,338)**	**(29,141)**	(1,843)	(33,974)
	(789,545)	**(1,916,442)**	(448,408)	(1,480,500)
Dividend income	**200,000**	**730,000**	-	255,000
Other income	**35,063**	**83,761**	16,148	57,599
Profit before taxation	**991,224**	**3,845,231**	1,105,388	2,324,962
Taxation - note 17	**(302,051)**	**(1,086,464)**	(351,280)	(670,397)
Profit after taxation	**689,173**	**2,758,767**	754,108	1,654,565
		(PKR)		
Basic and diluted earnings per share	**7.46**	**29.87**	8.16	17.91

The annexed notes from 1 to 24 form an integral part of the condensed interim unconsolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Unconsolidated Statement of Other Comprehensive Income (Unaudited)
For the Nine Months Ended March 31, 2020

Amounts in PKR '000

	For the 3 months ended March 31, 2020	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
Profit after taxation	**689,173**	**2,758,767**	754,108	1,654,565
Other comprehensive income	**-**	**-**	-	-
Total comprehensive income for the period	**689,173**	**2,758,767**	754,108	1,654,565

The annexed notes from 1 to 24 form an integral part of the condensed interim unconsolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Unconsolidated Statement of Changes in Equity
For the Nine Months Ended March 31, 2020

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital Reserves	Surplus on revaluation of property, plant and equipment	Revenue reserve - Unappropriated profit	Total
As at July 1, 2018 (Audited)	**923,591**	**309,643**	**669,495**	**16,178,705**	**18,081,434**
Final dividend of PKR 08.50 per share for the year ended June 30, 2018	-	-	-	(785,052)	(785,052)
Interim dividend of PKR 04.50 per share for the year ended June 30, 2019	-	-	-	(415,616)	(415,616)
	-	**-**	**-**	**(1,200,668)**	**(1,200,668)**
Profit for the period	-	-	-	1,654,565	1,654,565
Other comprehensive income for the period - net of tax:	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**1,654,565**	**1,654,565**
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(39,604)	39,604	-
As at March 31, 2019 (Unaudited)	**923,591**	**309,643**	**629,891**	**16,672,206**	**18,535,331**
Profit for the period	-	-	-	650,347	650,347
Other comprehensive income for the period - net of tax	-	-	-	21,365	21,365
Total comprehensive income	-	-	-	671,712	671,712
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(31,788)	31,788	-
As at June 30, 2019 (Audited)	**923,591**	**309,643**	**598,103**	**17,375,706**	**19,207,043**
Final dividend of PKR 4.50 per share for the year ended June 30,2019	-	-	-	(415,616)	(415,616)
Interim dividend of PKR 11.00 per share for the year ended June 30, 2020	-	-	-	(1,015,950)	(1,015,950)
	-	**-**	**-**	**(1,431,566)**	**(1,431,566)**
Profit for the period	-	-	-	2,758,767	2,758,767
Other comprehensive income for the period - net of tax:	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**2,758,767**	**2,758,767**
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(51,908)	51,908	-
As at March 31, 2020 (Unaudited)	**923,591**	**309,643**	**546,195**	**18,754,815**	**20,534,244**

The annexed notes from 1 to 24 form an integral part of the condensed interim unconsolidated financial statements.

Muhammad Sohail Tabba Chairman / Director	**Asif Jooma** Chief Executive	**Muhammad Abid Ganatra** Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Unconsolidated Statement of Cash Flows (Unaudited)
For the Nine Months Ended March 31, 2020

Amounts in PKR '000

	March 31, 2020	March 31, 2019
Cash flows from operating activities		
Cash generated from operations - note 18	**6,711,417**	6,059,501
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	**(15,301)**	(19,457)
Staff retirement benefit plan	**(38,844)**	(43,027)
Taxation	**(526,259)**	(570,855)
Interest	**(1,333,406)**	(938,504)
Net cash generated from operating activities	**4,797,607**	4,487,658
Cash flows from investing activities		
Capital expenditure	**(1,292,967)**	(1,763,325)
Proceeds from disposal of operating fixed assets	**7,706**	11,464
Interest received on bank deposits	**9,152**	698
Investment in Subsidiary	**(255,000)**	-
Dividend received from subsidiary	**30,000**	75,000
Dividend received from associate	**700,000**	180,000
Net cash used in investing activities	**(801,109)**	(1,496,163)
Cash flows from financing activities		
Long-term loans obtained*	**-**	300,000
Long-term loans repaid*	**(1,091,665)**	(710,971)
Payment of lease liabilities	**(43,504)**	-
Dividends paid	**(1,436,554)**	(1,195,311)
Net cash used in financing activities	**(2,571,723)**	(1,606,282)
Net increase in cash and cash equivalents	**1,424,775**	1,385,213
Cash and cash equivalents at the beginning of the period	**(6,818,999)**	(7,137,624)
Cash and cash equivalents at the end of period	**(5,394,224)**	(5,752,411)
Cash and cash equivalents at the end of period comprise of:		
Cash and bank balances	**251,367**	220,036
Transfer upon amalgamation	**257,606**	-
Short-term financing	**(5,903,197)**	(5,972,447)
	(5,394,224)	(5,752,411)

* No non-cash items are included in these activities

The annexed notes from 1 to 24 form an integral part of the condensed interim unconsolidated financial statements.

Muhammad Sohail Tabba	Asif Jooma	Muhammad Abid Ganatra
Chairman / Director	Chief Executive	Chief Financial Officer

Amounts in PKR '000

1 Status and nature of business

ICI Pakistan Limited ("the Company") is incorporated in Pakistan and is listed on the Pakistan Stock Exchange Limited. The Company is engaged in the manufacturing of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate, polyurethanes and pharmaceutical products; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchanting of general chemicals and manufacturing of masterbatches. It also acts as an indenting agent and toll manufacturer. The Company's registered office is situated at 5 West Wharf, Karachi.

The Board of Directors (the Board) of the Company in a meeting held on 07 December 2019 considered and approved in principle amalgamation of the Company and its wholly owned subsidiary Cirin Pharmaceuticals Private Limited ("Cirin") in accordance with terms of a scheme of arrangement prepared under the provisions of Section 284 of the Companies Act 2017. Hence, effective 01 March 2020, Cirin has ceased to exist as legal entity.

Pursuant to this, the entire business of Cirin including its properties, assets, liabilities and rights and obligations vested into the Company. The legal amalgamation has been accounted for in these financial statements using ' Liquidation from Consolidated Financial Statements ' approach since the investment in Cirin was recorded at cost. The acquired assets and assumed liabilities including goodwill and brands have been recognized at the carrying amounts as reflected in the consolidated financial statements as at 01 March 2020. The difference between the amounts assigned to the assets and liabilities in the Company's separate financial statements after the legal amalgamation, and the carrying amount of the investment in Cirin before the legal amalgamation, has been recognized in statement of profit or loss. Further, the financial position and results of operations of the amalgamated subsidiary are reflected in these financial statements only from the date on which the amalgamation occurred. Consequently, the corresponding amounts for the previous year presented are also not restated.

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

2 Statement of compliance

2.1 These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of these condensed interim unconsolidated financial statements are the same as those applied in the preparation of the the annual unconsolidated audited financial statements as at and for the year ended June 30, 2019, except for the adoption of the following new and amended standards, interpretations and improvements to IFRSs by the Company, which became effective for the current period:

IFRS 16 Leases
IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)
IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)
IFRIC 23 Uncertainty over Income Tax Treatments

The adoption of above standards, interpretations and improvement to standards did not have any material effect on the condensed interim unconsolidated financial statements of the Company, except for the changes related to adoption of IFRS 16 'Leases' as explained below.

IFRS 16 – Leases

IFRS 16 supersedes IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Whereas, for lessees all leases will be classified as finance leases only. However, as per relevant guidelines issued by Institute of Chartered Accountants of Pakistan, contracts under Ijarah will continue to be treated as operating leases under IFAS 2.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of July 01, 2019. Under this method, the standard is applied retrospectively with cumulative effect of initially applying standard recognised at the date of initial application and accordingly the Company is not required to restate prior year results.

The Company assessed its existing contracts and concluded that right-of-use assets as disclosed in note 6 to these condensed interim unconsolidated financial statements shall be recognised along with their corresponding lease liabilities. For other existing contracts, the Company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The right-of-use assets were recognised based on the amount equal to their corresponding lease liabilities, adjusted for related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company did not have any sub-lease or finance lease as on July 01, 2019.

Accordingly, initial application of IFRS 16 did not have any impact on the opening retained earnings as of July 01, 2019 and on these condensed interim financial statements, except for the recognition of right-of-use assets and corresponding lease liabilities as disclosed in note 3.2 to these condensed interim unconsolidated financial statements. The effect of adoption of IFRS 16 on the statement of profit or loss includes an increase in depreciation expense by PKR 30.529 million, increase in interest expense by PKR 15.244 million and decrease in lease rental by PKR 47.305 million. Further, impact on statement of cash flows includes an increase in net cash flows from operating activities by PKR 43.503 million and an decrease in net cash flows from financing activities by the same amount.

Amounts in PKR '000

The lease liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as of June 30, 2019 as follows:

Operating lease commitments as at June 30, 2019	**376,580**
Weighted average incremental borrowing rate as at July 01, 2019	**10.91%**
Discounted operating lease commitments as at July 01, 2019	**376,467**
Less:	
Ijarah and others	**(213,091)**
Lease liabilities as at July 01, 2019	**163,376**

3.1 Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

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 (if any), and lease payments made at or before the commencement date less lease incentives received (if any). Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

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 a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of warehouses and houses (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). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3.2 Amounts recognised in the statement of financial position and profit or loss

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period:

Amounts in PKR '000

	Rights of Use Assets			
	Motor vehicles	**Land and buildings**	**Total**	**Lease liabilities**
As at 1 July 2019	12,755	150,621	163,376	163,376
Additions	-	83,348	83,348	83,348
Depreciation expenses	3,164	27,365	30,529	-
Interest expenses	-	-	-	15,244
Payments	-	-	-	47,305
As at 31st March 2020	**9,591**	**206,604**	**216,195**	**214,663**

The Company recognised rent expense from short-term leases during the period amounting to PKR 39.330 million for the nine months ended March 31, 2020.

Amounts in PKR '000

		March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
4	**Property, plant and equipment**		
	Operating fixed assets - at net book value	**18,542,806**	19,270,985
	Capital work-in-progress - at cost - note 4.2		
	Civil works and buildings	**180,929**	186,297
	Plant and machinery	**993,601**	790,538
	Advances to suppliers / contractors	**109,920**	81,379
		1,284,450	1,058,214
	Total property, plant and equipment	**19,827,256**	20,329,199

4.1 Following is the cost of operating fixed assets that have been added / transferred / disposed off during the nine months ended March 31, 2020:

	Additions		Transfer upon amalgamation		Disposals at net book value	
	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)	March 31, 2020 (Unaudited)	June 30, 2019	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
Freehold land	**-**	25,436	**10,000**	-	**-**	-
Lime beds on freehold land	**-**	79,304	**-**	-	**-**	-
Buildings on freehold land	**1,169**	15,240	**41,878**	-	**-**	-
Buildings on leasehold land	**110,987**	605,989	**-**	-	**-**	(29)
Plant and machinery	**854,227**	1,218,292	**117,927**	-	**(8,153)**	(10,498)
Rolling stock and vehicles	**234**	42,460	**6,956**	-	**-**	(289)
Furniture and equipment	**33,105**	225,440	**39,461**	-	**(478)**	(71)
Total	**999,722**	2,212,161	**216,222**	-	**(8,631)**	(10,887)

Amounts in PKR '000

		March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
4.2	Following is the movement in capital work-in-progress during the period:		
	Opening balance	**1,058,214**	865,782
	Transfer upon amalgamation	**3,391**	-
	Addition during the period	**1,226,149**	2,322,098
		2,287,754	3,187,880
	Transferred to operating fixed assets	**(1,003,304)**	(2,129,666)
	Closing balance	**1,284,450**	1,058,214
5	**Intangible assets**		
	Intangible assets - at net book value - note 5.1	**1,691,011**	931,806
5.1	Following is the detail of intangible assets:		
	Brands	**1,437,679**	753,460
	Goodwill	**206,374**	126,510
	Others	**46,958**	51,836
		1,691,011	931,806
5.2	Addition to intangible assets:		
	Additions	**7,547**	20,421
	Transfer upon amalgamation	**764,083**	-
		771,630	20,421
6	**Right-of-use assets**		
	Cost	**246,724**	-
	Depreciation charged during the period	**(30,529)**	-
	Closing net book value	**216,195**	-
7	**Long-term investments**		
	Unquoted		
	Subsidiaries		
	- ICI Pakistan PowerGen Limited (wholly owned)		
	7,100,000 ordinary shares (June 30, 2019: 7,100,000) of PKR 100 each	**710,000**	710,000
	Provision for impairment loss	**(209,524)**	(209,524)
		500,476	500,476
	- Cirin Pharmaceuticals (Private) Limited (wholly owned)		
	112,000 ordinary shares of PKR 100 each and premium of PKR 8,661.61 per share	**-**	981,300
	- Nutrico Morinaga (Private) Limited (51% holding)		
	17,238,000 ordinary shares (June 30, 2019: 14,688,000) of PKR 100 each	**1,723,800**	1,468,800
	Associate		
	- NutriCo Pakistan (Private) Limited (40% ownership)		
	200,000 ordinary shares (June 30, 2019: 200,000) of PKR 1,000 each and premium of PKR 3,800 (June 30, 2019: 3,800) per share	**960,000**	960,000
	Others		
	Equity		
	- Arabian Sea Country Club Limited		
	250,000 ordinary shares (June 30, 2019: 250,000) of PKR 10 each	**2,500**	2,500
		3,186,776	3,913,076

Amounts in PKR '000

		March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
8	**Long-term loans**		
	Considered Good - secured		
	Due from executives and employees	**669,353**	587,039
	Current portion shown under loans and advances (Current assets)	**(167,083)**	(152,925)
		502,270	434,114

9 Stock-in-trade

It includes items carried at net realisable value of PKR 3,374.297 million (June 30, 2019: PKR 3,924.490 million) on which expense of PKR 21.480 million (June 30, 2019: PKR 56.616 million) was recognized during the period / year.

		March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
10	**Long-term loans**		
	Long-term loans - note 10.1	**7,365,778**	8,454,151
	Current portion shown under current liabilities	**(1,102,903)**	(1,690,894)
		6,262,875	6,763,257
10.1	Opening balance	**8,454,151**	9,200,541
	Transfer upon amalgamation	**3,291**	-
	Obtained during the period	**-**	300,000
	Repaid during the period	**(1,091,664)**	(1,046,390)
	Closing balance	**7,365,778**	8,454,151

There is no material change in the terms and conditions of the long-term loans as disclosed in the annual audited financial statements as at and for the year ended June 30, 2019 of the Company except that the Company has converted its long term loan facilities of PKR 4,161 million from conventional to islamic.

		March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
11	**Deferred tax liability - net**		
	Deductible temporary differences		
	Provisions for retirement benefits, doubtful debts and others	**(316,470)**	(307,243)
	Retirement funds provision	**(103,126)**	(103,478)
	Taxable temporary differences		
	Property, plant and equipment	**2,045,879**	2,203,029
		1,626,283	1,792,308
12	**Lease liabilities**		
	lease liability	**218,465**	-
	Current portion shown under current liabilities	**(39,845)**	-
		178,620	-
13	**Short-term financing**		
	Export refinance	**-**	200,000
	Money market	**2,762,359**	1,750,000
	Short-term running finance - secured	**3,140,838**	5,106,373
		5,903,197	7,056,373

There is no major change in the terms and conditions of the short-term financing as disclosed in the company's annual audited financial statements as at and for the year ended June 30, 2019 except that the Company availed FE-25 facility amounting to PKR 2,571 million carrying floating rate range from 3 Month LIBOR + 1% to 6 Month LIBOR + 1% and fixed rate range from 2.75% to 2.85% per annum. Mark-up rate on running finance during the year range from KIBOR + 0.05% to KIBOR + 1% per annum.

The Company has further converted three of its short-term financing facilities from Conventional Banking to Islamic Banking (June 30, 2019: 6). The total converted limit of Islamic facilities amounting to PKR 6,915 Million (June 30, 2019: PKR 5,400 Million)

		March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
14	**Contingencies and commitments**		
14.1	Claims against the Company not acknowledged as debts are as follows:		
	Local bodies	**76,500**	71,583
	Others	**11,318**	11,318
		87,818	82,901

During the nine months ended March 31, 2020, the Commissioner (Appeals), vide appellate Order dated August 23, 2019, has remanded back all the issues which were raised by the department vide Order dated May 29, 2019 relating to sales tax audit for the tax periods July 2013 to June 2014. Remand back proceedings are yet to be initiated by the department.

The department has finalized monitoring proceedings vide order dated September 26, 2019 relating to tax year 2017 through which demand of PKR 11.83 million was raised. An appeal against the said order has duly been filed before the Commissioner (Appeals) who, vide appellate order dated February 10, 2020, has remanded back all the issues to the department. Remand back proceedings are yet to be initiated by the department.

The department also finalized monitoring proceedings for tax year 2018 vide order dated January 30, 2020 through which demand of PKR 15 million was raised. An appeal against the said order was filed before the Commissioner (Appeals) which has been heard and reserved for order. The Company, in the meanwhile, has discharged the said demand under protest. The management is confident that the case would be decided in the Company’s favour.

Income tax audit for tax year 2016 has also been finalized by the department vide assessment order dated December 30, 2019. Through said order, income tax demand of PKR 35.690 million has been raised on various issues. Although the demand has been discharged under protest, an appeal against the assessment order has been filed before the Commissioner (Appeals) which is pending disposal. The management is confident that case will be decided in its favour.

Except for the above, there are no material changes in the status of custom duty, income tax and sales tax contingencies as reported in the annual unconsolidated audited financial statements as at and for the year ended June 30, 2019.

Amounts in PKR '000

		March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
14.2	Commitments in respect of capital expenditure (including various projects of Soda Ash)	**496,792**	602,942
14.3	Commitments for rentals under Ijarah contracts in respect of vehicles are as follows:		
	Year		
	2019-20	**21,106**	28,679
	2020-21	**22,478**	30,544
	2021-22	**23,939**	32,529
	2022-23	**25,495**	34,644
	2023-24	**20,364**	-
		113,382	126,396
	Payable not later than one year	**37,965**	43,951
	Payable later than one year but not later than five years	**75,417**	82,445
		113,382	126,396
14.4	Outstanding letter of credit (Unutilized PKR 10,589.762 million, June 30, 2019: PKR 12,996.784 million)	**3,831,626**	3,177,181
14.5	Commitments in respect of Post dated cheques	**966,422**	567,784
14.6	Foreign exchange contracts entered into by the Company	**245,319**	-

15 Operating Segment results (Unaudited)

Amounts in PKR '000

	Polyester				Soda Ash			
	For the 3 months ended March 31, 2020	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019	**For the 3 months ended March 31, 2020**	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
Turnover - note 15.1, 15.2 & 15.3	**6,022,144**	**19,805,415**	6,282,146	17,649,031	**5,037,111**	**15,445,148**	5,035,638	14,950,999
Sales tax	**(840,974)**	**(2,781,743)**	-	-	**(664,834)**	**(2,101,637)**	(719,128)	(2,092,838)
Commission and discounts/ price adjustment	**(95,213)**	**(276,061)**	(84,832)	(265,277)	**(244,816)**	**(717,179)**	(160,477)	(629,619)
	(936,187)	**(3,057,804)**	(84,832)	(265,277)	**(909,650)**	**(2,818,816)**	(879,605)	(2,722,457)
Net turnover	**5,085,957**	**16,747,611**	6,197,314	17,383,754	**4,127,461**	**12,626,332**	4,156,033	12,228,542
Cost of sales - note 15.1 and 16	**(4,643,884)**	**(15,551,166)**	(5,888,248)	(16,944,819)	**(2,968,323)**	**(8,859,540)**	(2,936,885)	(9,015,436)
Gross profit	**442,073**	**1,196,445**	309,066	438,935	**1,159,138**	**3,766,792**	1,219,148	3,213,106
Selling and distribution expenses	**(107,188)**	**(309,705)**	(118,679)	(305,935)	**(164,176)**	**(403,654)**	(80,806)	(269,055)
Administration and general expenses	**(64,696)**	**(186,416)**	(61,459)	(168,321)	**(105,126)**	**(296,992)**	(100,860)	(263,523)
Operating result	**270,189**	**700,324**	128,928	(35,321)	**889,836**	**3,066,146**	1,037,482	2,680,528
		-				-		

	Pharma				Animal Health			
	For the 3 months ended March 31, 2020	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019	**For the 3 months ended March 31, 2020**	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
Turnover - note 15.1, 15.2 & 15.3	**2,050,682**	**5,299,128**	1,834,598	5,309,283	**1,300,400**	**3,592,215**	**1,213,726**	3,491,937
Sales tax	**(10,202)**	**(30,497)**	(9,793)	(33,948)	**(3,178)**	**(6,333)**	**(2,672)**	(16,679)
Commission and discounts/ price adjustment	**(338,056)**	**(698,759)**	(174,808)	(503,372)	**(233,155)**	**(663,831)**	**(223,441)**	(600,163)
	(348,258)	**(729,256)**	(184,601)	(537,320)	**(236,333)**	**(670,164)**	**(226,113)**	(616,842)
Net turnover	**1,702,424**	**4,569,872**	1,649,997	4,771,963	**1,064,067**	**2,922,051**	**987,613**	2,875,095
Cost of sales - note 15.1 and 16	**(1,153,714)**	**(3,121,378)**	(1,249,202)	(3,622,081)	**(831,786)**	**(2,237,182)**	**(759,738)**	(2,156,638)
Gross profit	**548,710**	**1,448,494**	400,795	1,149,882	**232,281**	**684,869**	**227,875**	718,457
Selling and distribution expenses	**(292,318)**	**(835,732)**	(227,427)	(709,979)	**(157,594)**	**(436,342)**	**(147,224)**	(441,419)
Administration and general expenses	**(91,035)**	**(242,819)**	(70,765)	(262,140)	**(39,570)**	**(91,763)**	**(29,475)**	(78,495)
Operating result	**165,357**	**369,943**	102,603	177,763	**35,117**	**156,764**	**51,176**	198,543
		-				-		

	Chemicals and Agri Sciences				Company			
	For the 3 months ended March 31, 2020	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019	**For the 3 months ended March 31, 2020**	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
Turnover - note 15.1, 15.2 & 15.3	**2,447,401**	**7,944,894**	2,588,289	6,969,397	**16,856,366**	**52,081,549**	16,953,852	48,368,667
Sales tax	**(204,796)**	**(650,120)**	(175,286)	(471,808)	**(1,723,984)**	**(5,570,330)**	(906,879)	(2,615,273)
Commission and discounts/ price adjustment	**(291,086)**	**(938,303)**	(215,061)	(652,164)	**(1,202,326)**	**(3,294,133)**	(858,619)	(2,650,595)
	(495,882)	**(1,588,423)**	(390,347)	(1,123,972)	**(2,926,310)**	**(8,864,463)**	(1,765,498)	(5,265,868)
Net turnover	**1,951,519**	**6,356,471**	2,197,942	5,845,425	**13,930,056**	**43,217,086**	15,188,354	43,102,799
Cost of sales - note 15.1 and 16	**(1,477,436)**	**(4,799,541)**	(1,699,980)	(4,522,464)	**(11,073,771)**	**(34,563,556)**	(12,533,508)	(36,259,458)
Gross profit	**474,083**	**1,556,930**	497,962	1,322,961	**2,856,285**	**8,653,530**	2,654,846	6,843,341
Selling and distribution expenses	**(216,909)**	**(695,907)**	(209,075)	(614,444)	**(938,185)**	**(2,681,340)**	(783,211)	(2,340,832)
Administration and general expenses	**(71,967)**	**(206,288)**	(71,428)	(237,167)	**(372,394)**	**(1,024,278)**	(333,987)	(1,009,646)
Operating result	**185,207**	**654,735**	217,459	471,350	**1,545,706**	**4,947,912**	1,537,648	3,492,863
						-		

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals and Agri Sciences		Company*	
	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)
Segment Assets	**11,945,294**	10,851,731	**26,206,341**	24,294,504	**6,686,717**	5,715,065	**2,563,326**	2,449,314	**8,448,833**	8,482,903	**39,377,244**	37,671,978
Unallocated Assets											**5,486,300**	6,550,689
											44,863,544	44,222,667
Segment Liabilities	**15,704,765**	14,848,186	**2,823,249**	2,755,858	**3,954,611**	2,769,935	**1,518,455**	1,187,115	**1,589,633**	1,631,871	**8,029,693**	9,071,426
Unallocated Liabilities											**16,299,607**	15,944,198
											24,329,300	25,015,624

* Note: Inter unit current account balances of respective businesses have been eliminated from the total.

Amounts in PKR '000

		For the 3 months ended March 31, 2020	For the 9 months ended March 31, 2020	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
15.1	**Turnover**		**(Unaudited)**		
	Inter-segment sales and purchases have been eliminated from the total.	**1,372**	**5,251**	545	1,980
15.2	Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.				
15.3	Turnover includes export sales made to various countries amounting to:	**492,830**	**1,152,147**	215,829	999,888
16	**Cost of sales**				
	Opening stock of raw and packing materials	**5,435,320**	**5,482,391**	4,919,259	4,497,008
	Transfer upon amalgamation	**187,546**	**187,546**	-	-
	Purchases	**6,570,514**	**21,427,405**	7,675,610	21,775,940
		12,193,380	**27,097,342**	12,594,869	26,272,948
	Closing stock of raw and packing materials	**(5,954,928)**	**(5,954,928)**	(5,265,251)	(5,265,251)
	Raw and packing materials consumption	**6,238,452**	**21,142,414**	7,329,618	21,007,697
	Manufacturing costs	**3,011,249**	**9,660,520**	3,331,340	9,571,126
		9,249,701	**30,802,934**	10,660,958	30,578,823
	Opening stock of work-in-process	**318,180**	**216,709**	126,417	63,752
		9,567,881	**31,019,643**	10,787,375	30,642,575
	Transfer upon amalgamation	**80,506**	**80,506**	-	-
	Closing stock of work-in-process	**(310,207)**	**(310,207)**	(238,954)	(238,954)
	Cost of goods manufactured	**9,338,180**	**30,789,942**	10,548,421	30,403,621
	Opening stock of finished goods	**4,779,920**	**4,142,065**	4,164,202	4,176,804
	Transfer upon amalgamation	**36,645**	**36,645**	-	-
	Finished goods purchased	**1,067,656**	**3,743,534**	1,546,368	5,404,516
		15,222,401	**38,712,186**	16,258,991	39,984,941
	Closing stock of finished goods	**(4,148,629)**	**(4,148,629)**	(3,725,483)	(3,725,483)
		11,073,772	**34,563,557**	12,533,508	36,259,458
17	**Taxation**				
	Current	**342,077**	**1,235,547**	366,180	914,347
	Deferred	**(40,026)**	**(149,083)**	(14,900)	(243,950)
		302,051	**1,086,464**	351,280	670,397

		March 31, 2020	March 31, 2019
18	**Cash flows from operations**		
	Profit before taxation	**3,845,231**	2,324,962
	Adjustments for:		
	Depreciation and amortisation	**1,978,576**	1,989,391
	Loss / (Gain) on disposal of operating fixed assets	**925**	(922)
	Provision for non-management staff gratuity and eligible retired employees' medical scheme	**28,950**	25,785
	Provision for staff retirement benefit plan	**25,812**	17,869
	Interest on bank deposits	**(9,152)**	(698)
	Dividend from Subsidiary	**(30,000)**	(75,000)
	Dividend from Associate	**(700,000)**	(180,000)
	Interest expense	**1,273,831**	1,044,494
	Provisions and accruals no longer required written back	**-**	(3,974)
	Provision for slow moving and obsolete stock-in-trade	**47,072**	122,605
	Provision for doubtful trade debts	**(25,390)**	20,684
	Provision for slow moving and obsolete stores, spares and consumables	**-**	6,953
		6,435,855	5,292,149
	Movement in:		
	Working capital - note 18.1	**330,618**	831,439
	Long-term loans	**(56,583)**	(62,213)
	Long-term deposits and prepayments	**1,527**	(1,874)
	Cash generated from operations	**6,711,417**	6,059,501
18.1	**Movement in working capital**		
	(Increase) / decrease in current assets		
	Stores, spares and consumables	**(26,133)**	(67,853)
	Stock-in-trade	**(314,974)**	(614,729)
	Trade debts	**(691,542)**	260,843
	Loans and advances	**(58,123)**	(66,328)
	Trade deposits and short-term prepayments	**(264,567)**	17,391
	Other receivables	**382,545**	29,975
		(972,794)	(440,701)
	Increase / (decrease) in current liabilities		
	Trade and other payables	**1,303,412**	1,272,140
		330,618	831,439

Amounts in PKR '000

19 Transactions with related parties

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

Relationship with the company	Nature of Transaction	For the 3 months ended March 31, 2020	For the 9 months ended March 31, 2020	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
Holding Company	Dividend	**558,778**	**786,236**	-	-
Subsidiary Companies	Purchase of electricity	**30,399**	**245,379**	235,735	622,521
	Provision of services and other receipts	**495**	**1,485**	495	1,485
	Sale of goods, material and asset	**24,649**	**48,171**	867	3,096
	Purchase of goods, materials and services	**6,637**	**16,716**	1,861	1,861
	Interest Income on Loan	**804**	**3,148**	1,105	1,105
	Dividend income	**-**	**30,000**	-	75,000
	Reimbursement of expenses	**1,667**	**29,196**	5,055	15,447
	Investment in subsidiary	**255,000**	**255,000**	-	-
Associated Companies	Royalty	**103,896**	**331,501**	116,992	334,619
	Purchase of goods, materials and services	**875,539**	**2,651,175**	148,350	178,136
	Sale of goods and materials	**503,547**	**1,851,866**	534,721	1,381,222
	Donations paid	**7,700**	**7,700**	2,300	2,300
	Reimbursement of expenses	**8,875**	**46,695**	-	34,175
	Dividend paid to associate	**304,206**	**429,787**	353,039	1,029,249
	Dividend income	**200,000**	**700,000**	-	180,000
Others	Staff retirement benefits	**82,320**	**242,160**	75,274	212,794
Key management personnel	Remuneration paid	**74,978**	**254,919**	55,919	236,899
	Post employment benefits	**10,483**	**29,956**	7,589	24,003
	Director meeting fee	**1,575**	**3,731**	1,987	3,225
	Dividends paid	**5,384**	**7,564**	2,180	6,704

All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company.

20 Estimates

The preparation of these condensed interim unconsolidated financial statements, in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these condensed interim financial statement, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the annual audited financial statements of the Company for the year ended June 30, 2019 except, as stated below and in note 3 of these condensed interim unconsolidated financial statements:

Significant judgement in determining the lease term of contracts with renewal options

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 the option, under some of its leases to lease the assets for additional for an additional periods. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. 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 (e.g., a change in business strategy).

21 New amended and revised standards and interpretations of IFRSs

The accounting policies adopted in the preparation of these condensed interim unconsolidated financial statements are consistent with those of the previous financial year except for the adoption of IFRS 16 as disclosed in note 3 to the accompanying condensed interim unconsolidated financial statements.

22 Financial risk management

The Company's financial risk management objective and policies are consistent with that disclosed in the represented financial statements as at and for the year ended June 30, 2019.

23 Date of authorisation

The condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on April 20, 2020.

24 General

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

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

Review of the Directors of the unaudited Group results of ICI Pakistan Limited for the Nine Months Ended March 31, 2020

The Directors are pleased to present their review together with the unaudited Group results of ICI Pakistan Limited for the nine-month ended March 31, 2020. The ICI Pakistan Group comprises ICI Pakistan Limited, and its subsidiaries of ICI Pakistan PowerGen Limited (PowerGen) and NutriCo Morinaga (Private) Limited (NutriCo Morinaga).

The Directors report, which provides a commentary on the performance of ICI Pakistan Limited for the nine months ended March 31, 2020, has been presented separately.

Net turnover of PowerGen for the nine-month ended stood at PKR 259 million, being 52% lower as compared to SPLY. Sale of electricity units to Polyester decreased by 67% versus SPLY, as the Business shifted to in-house coal-based energy source. Overall, operating profit fell by 72% against same period last year.

Cirin was successfully amalgamated into ICI Pakistan Limited effective from March 1, 2020 and the post amalgamation results have been presented in the Directors Report of ICI Pakistan Limited. During the pre-amalgamation period of eight months, Cirin achieved net sales of PKR 805 million, 12% higher as compared to the SPLY. The growth was achieved despite the temporary ban on imports from India, which led to a significant loss of sales of life-saving medicines during the period under review. Operating profit for the pre-amalgamation period was PKR 134 million, which shows an increase of 375% over the SPLY. The improved results were achieved mainly due to improved manufacturing efficiencies and strict controls on cost.

The construction of a state-of-the-art NutriCo Morinaga manufacturing facility was completed and the plant inaugurated in September 2019. Following the inauguration, commercial production commenced during the second quarter of the financial year 2019-20 with commercial release of products in January 2020. During the period, the Company made net sales of PKR 588 million with a gross profit of PKR 123 million. However, the gross profit translated into a Loss After Tax of PKR 136 million primarily due to high initial advertisement and administration expenses along with finance cost on the financing obtained for the project.

On a consolidated basis (including the results of the Company's subsidiaries: PowerGen, Cirin and NutriCo Morinaga), net turnover for the nine months period under review was PKR 44,546 million which was a 1% increase over SPLY. Whereas operating result at PKR 5,041 million was higher by 43% in comparison to the SPLY.

PAT for the nine months period under review at PKR 2,317 million is 31% higher than the SPLY whereas EPS attributable to the owners of the holding company at PKR 25.81 is 35% higher than the SPLY. Despite higher interest expense and significant exchanges losses during the period under review, the improved results were driven mainly by operational excellence across all businesses. The Company recognised PKR 343 million as share of profit from NutriCo Pakistan (Private) Limited.

Muhammad Sohail Tabba	**Asif Jooma**
Chairman / Director	Chief Executive

Dated: April 20, 2020
Karachi

ICI Pakistan Limited
Condensed Interim Consolidated Statement of Financial Position
As at March 31, 2020

Amounts in PKR '000

	Note	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	**25,692,963**	25,873,777
Intangible assets	5	**1,700,723**	1,695,889
Right-of-use assets	6	**216,195**	-
		27,609,881	27,569,666
Long-term investment	7	**1,120,831**	1,478,273
Long-term loans	8	**524,304**	449,110
Long-term deposits and prepayments		**45,846**	45,739
		1,690,981	1,973,122
		29,300,862	29,542,788
Current assets			
Stores, spares and consumables		**1,108,491**	1,050,552
Stock-in-trade	9	**11,040,226**	10,126,730
Trade debts		**3,391,840**	2,443,286
Loans and advances		**740,699**	586,619
Trade deposits and short-term prepayments		**625,253**	320,668
Other receivables		**2,108,159**	2,233,836
Taxation - net		**2,070,583**	2,727,397
Cash and bank balances		**755,567**	423,888
		21,840,818	19,912,976
Total assets		**51,141,680**	49,455,764
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
1,500,000,000 (June 30, 2019: 1,500,000,000) ordinary shares of PKR 10 each		**15,000,000**	15,000,000
Issued, subscribed and paid-up capital			
92,359,050 (June 30, 2019: 92,359,050) ordinary shares of PKR 10 each		**923,591**	923,591
Capital reserves		**309,643**	309,643
Surplus on revaluation of property, plant and equipment - net of tax		**687,623**	744,266
Revenue reserve - unappropriated profit		**18,949,103**	17,973,867
Attributable to the equity holders of the holding company		**20,869,960**	19,951,367
Non-controlling interests		**1,615,857**	1,437,617
Total equity		**22,485,817**	21,388,984
LIABILITIES			
Non-current liabilities			
Provisions for non-management staff gratuity		**105,168**	113,012
Long-term loans	10	**8,441,364**	9,454,765
Deferred tax liability - net	11	**1,562,419**	1,747,425
Lease liabilities	12	**178,620**	-
		10,287,571	11,315,202
Current liabilities			
Trade and other payables		**9,136,963**	7,174,344
Accrued mark-up		**345,367**	433,649
Short-term financing	13	**7,206,581**	7,356,142
Current portion of long-term loans		**1,551,006**	1,693,925
Current portion of lease liabilities		**39,845**	-
Unclaimed dividend		**88,530**	93,518
		18,368,292	16,751,578
Total equity and liabilities		**51,141,680**	49,455,764
Contingencies and commitments	14		

The annexed notes 1 to 24 form an integral part of the condensed interim consolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)
For the Nine Months Ended March 31, 2020

Amounts in PKR '000

	For the 3 months ended March 31, 2020	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
Net turnover - note 15	**14,801,147**	**44,545,885**	15,529,172	43,936,817
Cost of sales - note 15 and 16	**(11,693,053)**	**(35,475,823)**	(12,782,102)	(36,848,782)
Gross profit	**3,108,094**	**9,070,062**	2,747,070	7,088,035
Selling and distribution expenses	**(1,093,089)**	**(2,903,978)**	(827,700)	(2,477,266)
Administration and general expenses	**(432,282)**	**(1,125,486)**	(345,620)	(1,087,940)
Operating result - note 15	**1,582,723**	**5,040,598**	1,573,750	3,522,829
Finance costs	**(485,554)**	**(1,442,836)**	(355,500)	(1,059,182)
Exchange loss	**(373,110)**	**(344,994)**	(18,896)	(235,737)
Workers' profit participation fund	**(56,760)**	**(209,079)**	(61,435)	(121,881)
Workers' welfare fund	**(17,975)**	**(65,498)**	(19,368)	(43,225)
Other charges	**(9,282)**	**(38,495)**	(2,523)	(32,757)
	(942,681)	**(2,100,902)**	(457,722)	(1,492,782)
Other income	**61,182**	**113,674**	20,028	88,970
Share of profit from associate	**56,615**	**342,558**	155,586	324,117
Profit before taxation	**757,839**	**3,395,928**	1,291,642	2,443,134
Taxation - note 17	**(286,543)**	**(1,078,887)**	(343,428)	(670,016)
Profit after taxation	**471,296**	**2,317,041**	948,214	1,773,118
Attributable to:				
Owners of the Holding Company	**531,685**	**2,383,801**	948,306	1,763,753
Non-controlling interests	**(60,389)**	**(66,760)**	(92)	9,365
	471,296	**2,317,041**	948,214	1,773,118
		(PKR)		
Basic and diluted earnings per share	**5.76**	**25.81**	10.27	19.10

The annexed notes 1 to 24 form an integral part of the condensed interim consolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Consolidated Statement of Other Comprehensive Income (Unaudited)
For the Nine Months Ended March 31, 2020

Amounts in PKR '000

	For the 3 months ended March 31, 2020	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
Profit after taxation	**471,296**	**2,317,041**	948,214	1,773,118
Other comprehensive income	**-**	**-**	-	-
Total comprehensive income for the period	**471,296**	**2,317,041**	948,214	1,773,118
Attributable to:				
Owners of the Holding Company	**531,685**	**2,383,801**	948,306	1,763,753
Non-controlling interests	**(60,389)**	**(66,760)**	(92)	9,365
	471,296	**2,317,041**	948,214	1,773,118

The annexed notes 1 to 24 form an integral part of the condensed interim consolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)
For the Nine Months Ended March 31, 2020

Amounts in PKR '000

	Issued, subscribed and paid-up capital	Capital reserves	Surplus on revaluation of property, plant and equipment	Revenue reserve - Unappropriated profit	Total Reserves	Non-controlling interests	Total
As at July 1, 2018 (Audited)	**923,591**	**309,643**	**821,982**	**16,551,410**	**17,683,035**	**1,426,208**	**20,032,834**
Final dividend of PKR 8.50 per share for the year ended June 30, 2018	-	-	-	(785,052)	(785,052)	-	(785,052)
Interim dividend of PKR 4.50 per share for the year ended June 30, 2019	-	-	-	(415,616)	(415,616)	-	(415,616)
	-	**-**	**-**	**(1,200,668)**	**(1,200,668)**	**-**	**(1,200,668)**
Profit for the period	-	-	-	1,763,753	1,763,753	9,365	1,773,118
Other comprehensive income for the period - net of tax	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**1,763,753**	**1,763,753**	**9,365**	**1,773,118**
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(44,347)	44,347	-	-	-
As at March 31, 2019 (Unaudited)	**923,591**	**309,643**	**777,635**	**17,158,842**	**18,246,120**	**1,435,573**	**20,605,284**
Loss restated	-	-	-	(14,959)	(14,959)		(14,959)
Profit attributable to non-controlling interest for the year	-	-	-	-	-	2,044	2,044
	-	**-**	**-**	**(14,959)**	**(14,959)**	**2,044**	**(12,915)**
Profit for the period	-	-	-	773,597	773,597	-	773,597
Other comprehensive income for the period - net of tax	-	-	-	23,018	23,018	-	23,018
Total comprehensive income	**-**	**-**	**-**	**796,615**	**796,615**	**-**	**796,615**
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(33,369)	33,369	-	-	-
As at June 30, 2019 (Audited)	**923,591**	**309,643**	**744,266**	**17,973,867**	**19,027,776**	**1,437,617**	**21,388,984**
Final dividend of PKR 4.50 per share for the year ended June 30, 2019	-	-	-	(415,616)	(415,616)	-	(415,616)
Interim dividend of PKR 11.00 per share for the year ended June 30, 2020	-	-	-	(1,015,950)	(1,015,950)	-	(1,015,950)
	-	**-**	**-**	**(1,431,566)**	**(1,431,566)**	**-**	**(1,431,566)**
Right issue- NutriCo Morinaga						**245,000**	245,000
Profit for the period	-	-	-	2,350,159	2,350,159	(66,760)	2,283,399
Other comprehensive income for the period - net of tax	-	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**2,350,159**	**2,350,159**	**(66,760)**	**2,283,399**
Transfer from surplus on revaluation of property, plant and equipment incremental depreciation for the period - net of deferred tax	-	-	(56,643)	56,643	-	-	-
As at March 31, 2020 (Unaudited)	**923,591**	**309,643**	**687,623**	**18,949,103**	**19,946,369**	**1,615,857**	**22,485,817**

The annexed notes 1 to 24 form an integral part of the condensed interim consolidated financial statements.

Muhammad Sohail Tabba
Chairman / Director

Asif Jooma
Chief Executive

Muhammad Abid Ganatra
Chief Financial Officer

ICI Pakistan Limited
Condensed Interim Consolidated Statement of Cash Flows (Unaudited)
For the Nine Months Ended March 31, 2020

Amounts in PKR '000

	March 31, 2020	March 31, 2019
Cash flows from operating activities		
Cash generated from operations - note 18	**6,316,538**	5,931,534
Payments for :		
Non-management staff gratuity and eligible retired employees' medical scheme	**(15,616)**	(27,809)
Staff retirement benefit plan	**(38,896)**	(43,027)
Taxation	**(607,079)**	(644,166)
Interest	**(1,515,874)**	(903,266)
Net cash generated from operating activities	**4,139,073**	4,313,266
Cash flows from investing activities		
Capital expenditure	**(2,003,177)**	(5,092,783)
Proceeds from disposal of operating fixed assets	**7,765**	14,901
Interest received on bank deposits	**28,956**	31,162
Dividend received from associate	**700,000**	180,000
Net cash used in investing activities	**(1,266,456)**	(4,866,720)
Cash flows from financing activities		
Issuance of shares to non-controlling interest	**245,000**	-
Long-term loans obtained*	**-**	2,772,925
Long-term loans repaid*	**(1,156,320)**	(714,051)
Payment of lease liabilities	**(43,503)**	(1,225)
Dividends paid	**(1,436,554)**	(1,195,311)
Net cash (used) / generated from financing activities	**(2,391,377)**	862,338
Net increase in cash and cash equivalents	**481,240**	308,884
Cash and cash equivalents at the start of the period	**(6,932,254)**	(5,644,976)
Cash and cash equivalents at the end of the period (Ref. 1)	**(6,451,014)**	(5,336,092)
Ref 1: Cash and cash equivalents at the end of period comprise of:		
Cash and bank balances	**755,567**	660,909
Short-term financing	**(7,206,581)**	(5,997,001)
	(6,451,014)	(5,336,092)

* No non-cash items are included in these activities

The annexed notes 1 to 24 form an integral part of the condensed interim consolidated financial statements.

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

ICI Pakistan Limited
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
For the Nine Months Ended March 31, 2020

1 Status and nature of business

The Group consists of:

- ICI Pakistan Limited (the Holding Company);
- ICI Pakistan PowerGen Limited (PowerGen); and
- NutriCo Morinaga (Private) Limited (NutriCo Morinaga).

The Holding Company is incorporated in Pakistan and is listed on The Pakistan Stock Exchange Limited.

PowerGen is incorporated in Pakistan as an unlisted public company and is a wholly owned subsidiary company of ICI Pakistan Limited.

NutriCo Morinaga is incorporated in Pakistan as a private limited company. ICI Pakistan Limited has 51% ownership in NutriCo Morinaga.

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 engaged in generating, selling and supplying electricity to the Company.

NutriCo Morinaga is engaged in manufacturing of infant milk powder.

The Holding Company's registered office is situated at 5 West Wharf, Karachi.

The Board of Directors (the Board) of the Company in a meeting held on 07 December 2019 considered and approved in principle amalgamation of the Holding Company and its wholly owned subsidiary Cirin Pharmaceuticals Private Limited ("Cirin") in accordance with terms of a scheme of arrangement prepared under the provisions of Section 284 of the Companies Act 2017. Hence, effective 01 March 2020, Cirin has ceased to exist as legal entity. Pursuant to this, the entire business of Cirin including its properties, assets, liabilities and rights and obligations vested into the Holding Company.

The condensed interim consolidated financial statements comprise the consolidated statement of financial position of ICI Pakistan Limited and its subsidiary companies, ICI Pakistan PowerGen Limited and NutriCo Morinaga (Private) Limited as at March 31, 2020 and the related consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows together with the notes forming part thereof.

2 Statement of compliance

2.1 These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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 the annual consolidated audited financial statements as at and for the year ended June 30, 2019, except for the adoption of the following new and amended standards, interpretations and improvements to IFRSs by the Group, which became effective for the current period:

IFRS 16 Leases
IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)
IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)
IFRIC 23 Uncertainty over Income Tax Treatments

The adoption of above standards, interpretations and improvement to standards did not have any material effect on the condensed interim consolidated financial statements of the Group, except for the changes related to adoption of IFRS 16 'Leases' as explained below.

IFRS 16 – Leases

IFRS 16 supersedes IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases-Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Whereas, for lessees all leases will be classified as finance leases only. However, as per relevant guidelines issued by Institute of Chartered Accountants of Pakistan, contracts under Ijarah leases continue to be accounted for as operating leases under IFAS 2.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of July 01, 2019. Under this method, the standard is applied retrospectively with cumulative effect of initially applying standard recognised at the date of initial application and accordingly the Group is not required to restate prior year results.

The Group assessed its existing contracts and concluded that right-of-use assets as disclosed in note 6 to these condensed interim consolidated financial statements shall be recognised along with their corresponding lease liabilities. For other existing contracts, the Group elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The right-of-use assets were recognised based on the amount equal to their corresponding lease liabilities, adjusted for related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Group did not have any sub-lease or finance lease as on July 01, 2019.

Accordingly, initial application of IFRS 16 did not have any impact on the opening retained earnings as of July 01, 2019 and on these condensed interim consolidated financial statements, except for the recognition of right-of-use assets and corresponding lease liabilities as disclosed in note 3.2 to these condensed interim consolidated financial statements. The effect of adoption of IFRS 16 on the statement of profit or loss includes an increase in depreciation expense by PKR 30.529 million, increase in interest expense by PKR 15.244 million and decrease in lease rental by PKR 47.305 million. Further, impact on statement of cash flows includes an increase in net cash flows from operating activities by PKR 43.503 million and an decrease in net cash flows from financing activities by the same amount.

The lease liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as of June 30, 2019 as follows:

	Amounts in PKR '000
Operating lease commitments as at June 30, 2019	**376,580**
Weighted average incremental borrowing rate as at July 01,	**10.91%**
Discounted operating lease commitments as at July 01, 2019	**376,467**
Less:	
Ijarah and others	**(213,091)**
Lease liabilities as at July 01, 2019	**163,376**

3.1 Summary of new accounting policies

Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

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 (if any), and lease payments made at or before the commencement date less lease incentives received (if any). Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

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 a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if 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 in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of warehouses and houses (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). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3.2 Amounts recognised in the statement of financial position and statement of profit or loss

Amounts in PKR '000

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Rights of Use Assets			
	Motor vehicles	Land and buildings	Total	Lease liabilities
As at 1 July 2019	12,755	150,621	163,376	163,376
Additions	-	83,348	83,348	83,348
Depreciation expenses	3,164	27,365	30,529	-
Interest expenses	-	-	-	15,244
Payments	-	-	-	47,305
As at 31st March 2020	9,591	206,604	216,195	**214,663**

The Group recognised rent expense from short-term leases during the period amounting to PKR 39.330 million for the nine months ended March 31, 2020.

4 Property, plant and equipment

	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
Operating fixed assets - at net book value	**24,379,470**	19,906,253
Capital work-in-progress - at cost - note 4.2		
Civil works and buildings	**181,564**	1,623,857
Plant and machinery	**1,022,009**	4,202,960
Advances to suppliers / contractors	**109,920**	140,707
	1,313,493	5,967,524
Total property, plant and equipment	**25,692,963**	25,873,777

4.1 Following is the cost of operating property, plant and equipment that have been added / disposed off during the nine months ended March 31, 2020:

	Additions / Acquisition /Transfers		Disposals at net book value	
	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)	**March 31, 2020 (Unaudited)**	June 30, 2019 (Audited)
Freehold land	**-**	25,436	**-**	-
Lime beds on freehold land	**-**	79,304	**-**	-
Buildings on freehold land	**2,046,591**	15,240	**-**	-
Buildings on leasehold land	**146,320**	605,989	**-**	(29)
Plant and machinery	**4,263,316**	1,270,417	**(8,153)**	(10,498)
Rolling stock and vehicles	**234**	42,460	**-**	(4,439)
Furniture and equipment	**122,672**	231,579	**(478)**	(71)
Total	**6,579,133**	2,270,425	**(8,631)**	(15,037)

	March 31, 2020 (Unaudited)	**June 30, 2019 (Audited)**
4.2 The following is the movement in capital work-in-progress during the period:		
Opening balance	**5,967,524**	2,025,105
Addition during the period	**1,924,100**	6,122,335
	7,891,624	8,147,440
Transferred to operating fixed assets	**(6,578,131)**	(2,179,916)
Closing balance	**1,313,493**	5,967,524

5 Intangible assets

Intangible assets - at net book value - note 5.1	**1,700,723**	1,695,889

5.1 Following is the detail of intangible assets:

Brands	**1,437,679**	1,437,679
Goodwill	**206,374**	206,374
Others	**56,670**	51,836
	1,700,723	1,695,889

5.2 Addition to intangible assets:	**17,259**	20,421

6 Right-of-use assets

Cost	**246,724**	-
Depreciation charged during the period	**(30,529)**	-
Closing net book value	**216,195**	-

		March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
		Amounts in PKR '000	
7	**Long-term investments**		
	Unquoted		
	Associate - NutriCo Pakistan (Private) Limited		
	Cost of investment - 200,000 ordinary shares (June 30, 2019: 200,000) of PKR 1,000 each and premium of PKR 3,800 per share	**960,000**	960,000
	Post acquisition profits at the beginning	**515,773**	170,004
	Share of profit for the period	**342,558**	525,769
	Dividend received during the period	**(700,000)**	(180,000)
	Carrying value of Associate	**1,118,331**	1,475,773
	Others		
	Equity		
	- Arabian Sea Country Club Limited		
	250,000 ordinary shares (June 30, 2019: 250,000) of PKR 10 each	**2,500**	2,500
		1,120,831	1,478,273

7.1 The summary of financial information of associate (NutriCo Pakistan) as at the balance sheet date is as follows:

Total assets	**4,980,532**	5,466,489
Total liabilities	**2,175,140**	1,777,492
Total equity and reserves	**2,805,392**	3,688,997
Total revenue for the period / year	**6,934,015**	10,307,149
Profit after tax for the period / year	**856,395**	1,314,422

8 Long-term loans

Considered good		
Due from executives and employees	**691,469**	608,247
Current portion shown under loans and advances (Current assets)	**(167,165)**	(159,137)
	524,304	449,110

9 Stock-in-trade

It includes items carried at net realisable value of PKR 3,374.297 million (June 30, 2019: PKR 3,924.490 million) on which expense of PKR 21.480 million (June 30, 2019: PKR 56.616 million) was recognised during the period.

10 Long-term loans

Long-term loans - note 10.1	**9,992,370**	11,148,690
Current portion shown under current liabilities	**(1,551,006)**	(1,693,925)
	8,441,364	9,454,765

10.1

Opening Balance	**11,148,690**	9,210,056
Obtained during the period	**-**	2,985,024
Repaid during the period	**(1,156,320)**	(1,046,390)
Closing Balance	**9,992,370**	11,148,690

There is no material change in the terms and conditions of the long-term loans as disclosed in the annual audited financial statements as at and for the year ended June 30, 2019 of the Group except that the Group has converted its long term loan facilities of PKR 4,161 million from conventional to islamic and the profit rates on Islamic term finance ranges from 3 months KIBOR to 6 month Kibor bearing spreads ranging from 0.05% to 1.15%.

11 Deferred tax liability - net

Deductible temporary differences		
Provisions for retirement benefits, doubtful debts and others	**(316,470)**	(322,714)
Retirement funds provision	**(103,126)**	(104,622)
Minimum Tax	**(8,823)**	-
Business loss	**(411,388)**	(26,847)
Taxable temporary differences		
Property, plant and equipment	**2,402,226**	2,201,608
	1,562,419	1,747,425

12 Liabilities subject to finance lease

Lease liability	**218,465**	
Current portion shown under current liabilities	**(39,845)**	-
	178,620	-

	March 31, 2020 (Unaudited)	June 30, 2019 (Audited)
	Amounts in PKR '000	

13 Short-term financing

Export refinance	**-**	200,000
Money market	**2,762,359**	1,750,000
Short-term running finance - secured	**4,444,222**	5,406,142
	7,206,581	7,356,142

There is no major change in the terms and conditions of the short-term financing as disclosed in the group's annual audited financial statements as at and for the year ended June 30, 2019 except that the Company availed FE-25 facility amounting to PKR 2,571 million carrying floating rate range from 3 Month LIBOR + 1% to 6 Month LIBOR + 1% and fixed rate range from 2.75% to 2.85% per annum. Mark-up rate on running finance during the year range from KIBOR + 0.05% to KIBOR + 1% per annum. The group has also availed Istisna facility of PKR 850 million carrying a mark-up rate of KIBOR + 1.00% and import murahaba of PKR 325.7 million carrying markup ranging from KIBOR + 0.50% to 2.1%. The Company has further converted three of its short-term financing facilities from Conventional Banking to Islamic Banking (June 30, 2019: 6). The total converted limit of Islamic facilities amounting to PKR 6,915 Million (June 30, 2019: PKR 5,400 Million).

14 Contingencies and commitments

14.1 Claims against the Group not acknowledged as debts are as follows:

Local bodies	**76,500**	71,583
Others	**11,318**	11,318
	87,818	82,901

14.2 During the nine months ended March 31, 2020, the Commissioner (Appeals), vide appellate Order dated August 23, 2019, has remanded back all the issues which were raised by the department vide Order dated May 29, 2019 relating to sales tax audit for the tax periods July 2013 to June 2014. Remand back proceedings are yet to be initiated by the department.

The department has finalized monitoring proceedings vide order dated September 26, 2019 relating to tax year 2017 through which demand of PKR 11.83 million was raised. An appeal against the said order has duly been filed before the Commissioner (Appeals) who, vide appellate order dated February 10, 2020, has remanded back all the issues to the department. Remand back proceedings are yet to be initiated by the department.

The department also finalized monitoring proceedings for tax year 2018 vide order dated January 30, 2020 through which demand of PKR 15 million was raised. An appeal against the said order was filed before the Commissioner (Appeals) which has been heard and reserved for order. The Group, in the meanwhile, has discharged the said demand under protest. The management is confident that the case would be decided in the Group’s favour.

Income tax audit for tax year 2016 has also been finalized by the department vide assessment order dated December 30, 2019. Through said order, income tax demand of PKR 35.690 million has been raised on various issues. Although the demand has been discharged under protest, an appeal against the assessment order has been filed before the Commissioner (Appeals) which is pending disposal. The management is confident that case will be decided in its favour.

Except for the above, there are no material changes in the status of custom duty, income tax and sales tax contingencies as reported in the annual unconsolidated audited financial statements as at and for the year ended June 30, 2019.

14.3 Commitments in respect of capital expenditure including various projects of Soda Ash and Morinaga	**510,792**	820,106

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

Year		
2019-20	**22,003**	28,679
2020-21	**23,433**	30,544
2021-22	**24,956**	32,529
2022-23	**26,578**	34,644
2023-24	**28,306**	-
	125,276	126,396

Payable not later than one year	**39,578**	43,951
Payable later than one year but not later than five years	**85,698**	82,445
	125,276	126,396

14.5 Outstanding letter of credit (Unutilized PKR 10,963.975 million, June 30, 2019: 13,338.413 million)	**4,151,472**	3,197,653
14.6 Commitments in respect of Post dated cheques	**966,422**	567,784
14.7 Foreign exchange contracts entered into by the Company	**245,319**	-

15 Operating Segment results (Unaudited)

Amounts in PKR '000

	Polyester				Soda Ash			
	For the 3 months ended March 31, 2020	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019	**For the 3 months ended March 31, 2020**	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
Turnover - note 15.1, 15.2 & 15.3	**6,022,144**	**19,805,415**	6,282,146	17,649,031	**5,037,112**	**15,445,148**	5,035,638	14,950,999
Sales tax	**(840,974)**	**(2,781,743)**	-	-	**(664,834)**	**(2,101,637)**	(719,128)	(2,092,838)
Commission and discounts/ price adjustment	**(95,213)**	**(276,061)**	(84,832)	(265,277)	**(244,815)**	**(717,179)**	(160,477)	(629,619)
	(936,187)	**(3,057,804)**	(84,832)	(265,277)	**(909,649)**	**(2,818,816)**	(879,605)	(2,722,457)
Net turnover	**5,085,957**	**16,747,611**	6,197,314	17,383,754	**4,127,463**	**12,626,332**	4,156,033	12,228,542
Cost of sales - note 15.1 and 16	**(4,643,884)**	**(15,551,166)**	(5,888,248)	(16,944,819)	**(2,968,321)**	**(8,859,540)**	(2,936,885)	(9,015,436)
Gross profit	**442,073**	**1,196,445**	309,066	438,935	**1,159,142**	**3,766,792**	1,219,148	3,213,106
Selling and distribution expenses	**(107,188)**	**(309,705)**	(118,679)	(305,935)	**(164,174)**	**(403,654)**	(80,806)	(269,055)
Administration and general expenses	**(64,696)**	**(186,416)**	(61,459)	(168,321)	**(105,126)**	**(296,992)**	(100,860)	(263,523)
Operating result	**270,189**	**700,324**	128,928	(35,321)	**889,842**	**3,066,146**	1,037,482	2,680,528

	Pharma				Animal Health			
	For the 3 months ended March 31, 2020	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019	**For the 3 months ended March 31, 2020**	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
Turnover - note 15.1, 15.2 & 15.3	**2,670,715**	**6,994,413**	2,689,491	7,248,883	**1,300,400**	**3,592,215**	1,213,726	3,491,937
Sales tax	**(10,202)**	**(30,497)**	(9,793)	(33,948)	**(3,178)**	**(6,333)**	(2,672)	(16,679)
Commission and discounts/ price adjustment	**(642,372)**	**(1,589,100)**	(686,754)	(1,606,825)	**(233,155)**	**(663,831)**	(223,440)	(600,162)
	(652,574)	**(1,619,597)**	(696,547)	(1,640,773)	**(236,333)**	**(670,164)**	(226,112)	(616,841)
Net turnover	**2,018,141**	**5,374,816**	1,992,944	5,608,110	**1,064,067**	**2,922,051**	987,614	2,875,096
Cost of sales - note 15.1 and 16	**(1,338,503)**	**(3,657,440)**	(1,534,995)	(4,299,933)	**(831,786)**	**(2,237,182)**	(759,738)	(2,156,638)
Gross profit	**679,638**	**1,717,376**	457,949	1,308,177	**232,281**	**684,869**	227,876	718,458
Selling and distribution expenses	**(319,904)**	**(930,975)**	(271,917)	(846,414)	**(157,594)**	**(436,342)**	(147,224)	(441,419)
Administration and general expenses	**(103,143)**	**(282,794)**	(81,348)	(338,458)	**(39,570)**	**(91,763)**	(29,474)	(78,494)
Operating result	**256,591**	**503,607**	104,684	123,305	**35,117**	**156,764**	51,178	198,545

	Chemicals and Agri Sciences				Others			
	For the 3 months ended March 31, 2020	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019	**For the 3 months ended March 31, 2020**	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
Turnover - note 15.1, 15.2 & 15.3	**2,447,401**	**7,944,894**	2,588,289	6,969,397	**619,255**	**890,643**	237,880	633,228
Sales tax	**(204,796)**	**(650,120)**	(175,286)	(471,808)	**(4,517)**	**(43,949)**	(34,564)	(92,008)
Commission and discounts/ price adjustment	**(291,086)**	**(938,303)**	(215,062)	(652,165)	**-**	**-**	-	-
	(495,882)	**(1,588,423)**	(390,347)	(1,123,972)	**(4,517)**	**(43,949)**	(34,564)	(92,008)
Net turnover	**1,951,519**	**6,356,471**	2,197,942	5,845,425	**614,738**	**846,694**	203,316	541,220
Cost of sales - note 15.1 and 16	**(1,477,436)**	**(4,799,541)**	(1,699,979)	(4,522,463)	**(492,991)**	**(699,044)**	(168,682)	(456,127)
Gross profit	**474,083**	**1,556,930**	497,962	1,322,961	**121,747**	**147,650**	34,634	85,093
Selling and distribution expenses	**(216,909)**	**(695,907)**	(209,074)	(614,443)	**(127,320)**	**(127,395)**	-	-
Administration and general expenses	**(71,968)**	**(206,289)**	(71,429)	(237,168)	**(47,839)**	**(61,412)**	(1,110)	(2,156)
Operating result	**185,207**	**654,735**	217,459	471,350	**(53,412)**	**(41,157)**	33,524	82,937

	Group*			
	For the 3 months ended March 31, 2020	**For the 9 months ended March 31, 2020**	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
Turnover - note 15.1, 15.2 & 15.3	**18,036,289**	**54,344,638**	17,749,439	50,306,405
Sales tax	**(1,728,501)**	**(5,614,279)**	(849,702)	(2,615,540)
Commission and discounts/ price adjustment	**(1,506,641)**	**(4,184,474)**	(1,370,565)	(3,754,048)
	(3,235,142)	**(9,798,753)**	(2,220,267)	(6,369,588)
Net turnover	**14,801,147**	**44,545,885**	15,529,172	43,936,817
Cost of sales - note 15.1 and 16	**(11,693,053)**	**(35,475,823)**	(12,782,102)	(36,848,782)
Gross profit	**3,108,094**	**9,070,062**	2,747,070	7,088,035
Selling and distribution expenses	**(1,093,089)**	**(2,903,978)**	(827,700)	(2,477,266)
Administration and general expenses	**(432,282)**	**(1,125,486)**	(345,620)	(1,087,940)
Operating result	**1,582,723**	**5,040,598**	1,573,750	3,522,829

	Polyester		Soda Ash		Pharma		Animal Health		Chemicals and Agri Sciences		Others		Group*	
	As at March 31, 2020 (Unaudited)	As at June 30, 2019 (Audited)	**As at March 31, 2020 (Unaudited)**	As at June 30, 2019 (Audited)	**As at March 31, 2020 (Unaudited)**	As at June 30, 2019 (Audited)	**As at March 31, 2020 (Unaudited)**	As at June 30, 2019 (Audited)	**As at March 31, 2020 (Unaudited)**	As at June 30, 2019 (Audited)	**As at March 31, 2020 (Unaudited)**	As at June 30, 2019 (Audited)	**As at March 31, 2020 (Unaudited)**	As at June 30, 2019 (Audited)
Segment assets	**11,945,294**	10,851,731	**26,206,341**	24,294,504	**6,686,717**	6,791,119	**2,563,326**	2,449,314	**8,448,832**	8,482,903	**6,278,136**	4,850,609	**45,655,380**	43,598,641
Unallocated assets													**5,486,300**	5,857,123
													51,141,680	49,455,764
Segment liabilities	**15,704,765**	14,848,186	**2,823,249**	2,755,858	**3,954,611**	2,993,032	**1,518,455**	1,187,115	**1,589,633**	1,631,871	**4,326,604**	411,957	**12,356,256**	9,034,780
Unallocated liabilities													**16,299,607**	19,032,000
													28,655,863	28,066,780

* Note: Inter unit current account balances of respective businesses have been eliminated from the total.

Amounts in PKR '000

		For the 3 months ended March 31, 2020	For the 9 months ended March 31, 2020	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
		(Unaudited)			
15.1	**Turnover**				
	Inter-segment sales and purchases have been eliminated from the total	**60,738**	**328,090**	297,731	637,070
15.2	Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.				
15.3	Turnover includes export sales made to various countries amounting to:	**495,642**	**1,168,784**	623,127	999,888
16	**Cost of sales**				
	Opening stock of raw and packing materials	**5,602,225**	**5,661,616**	5,075,845	4,672,913
	Purchases	**7,635,287**	**22,681,962**	7,883,280	22,217,422
		13,237,512	**28,343,578**	12,959,125	26,890,335
	Closing stock of raw and packing materials	**(6,304,263)**	**(6,304,263)**	(5,423,870)	(5,423,870)
	Raw and packing materials consumption	**6,933,249**	**22,039,315**	7,535,255	21,466,465
	Manufacturing costs	**3,146,573**	**9,862,968**	3,362,407	9,668,559
		10,079,822	**31,902,283**	10,897,662	31,135,024
	Opening stock of work-in-process	**375,822**	**242,921**	193,365	101,131
		10,455,644	**32,145,204**	11,091,027	31,236,155
	Closing stock of work-in-process	**(310,207)**	**(310,207)**	(328,125)	(328,125)
	Cost of goods manufactured	**10,145,437**	**31,834,997**	10,762,902	30,908,030
	Opening stock of finished goods	**4,853,572**	**4,222,193**	4,215,340	4,236,590
	Finished goods purchased	**1,119,800**	**3,844,389**	1,573,087	5,473,389
		16,118,809	**39,901,579**	16,551,329	40,618,009
	Closing stock of finished goods	**(4,425,756)**	**(4,425,756)**	(3,769,227)	(3,769,227)
		11,693,053	**35,475,823**	12,782,102	36,848,782
17	**Taxation**				
	Current	**361,196**	**1,263,893**	373,501	935,902
	Deferred	**(74,653)**	**(185,006)**	(30,073)	(265,886)
		286,543	**1,078,887**	343,428	670,016

		March 31, 2020	March 31, 2019
18	**Cash flows from operating activities**		
	Profit before taxation	**3,395,928**	2,443,134
	Adjustments for:		
	Depreciation and amortisation	**2,106,956**	2,033,453
	Loss / (Gain) on disposal of operating fixed assets	**867**	(3,606)
	Provision for non-management staff gratuity and eligible retired employees' medical scheme	**29,265**	28,860
	Provision for staff retirement benefit plan	**30,303**	20,488
	Share of profit from associate	**(342,558)**	(324,117)
	Interest on bank deposits	**(28,956)**	(31,162)
	Interest expense	**1,442,836**	1,059,182
	Provision for doubtful debts	**(36,867)**	21,967
	Provision for slow moving and obsolete stock-in-trade	**60,025**	150,163
	Provision for slow moving stores, spares and consumables	**-**	6,953
	Provisions and accruals no longer required written back	**29**	(3,974)
		6,657,828	5,401,341
	Movement in:		
	Working capital - note 18.1	**(265,989)**	602,935
	Long-term loans	**(75,194)**	(73,205)
	Long-term deposits and prepayments	**(107)**	463
	Cash generated from operations	**6,316,538**	5,931,534
18.1	**Movement in working capital**		
	(Increase) / decrease in current assets		
	Stores, spares and consumables	**(57,939)**	(62,209)
	Stock-in-trade	**(973,521)**	(660,751)
	Trade debts	**(911,688)**	241,794
	Loans and advances	**(154,080)**	22,105
	Trade deposits and short-term prepayments	**(291,187)**	(9,291)
	Other receivables	**125,677**	(467,015)
		(2,262,738)	(935,367)
	Increase / (decrease) in current liabilities		
	Trade and other payables	**1,996,749**	1,538,302
		(265,989)	602,935

Amounts in PKR '000

19 **Transactions with related parties**

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

Relationship with the group	Nature of Transaction	For the 3 months ended March 31, 2020	For the 9 months ended March 31, 2020	For the 3 months ended March 31, 2019	For the 9 months ended March 31, 2019
Holding Company	Dividend	**558,778**	**786,236**	-	-
Associated Companies	Royalty	**103,896**	**331,501**	116,992	334,619
	Purchase of goods, materials and services	**1,409,872**	**3,372,696**	186,508	290,994
	Sale of goods and materials	**503,547**	**1,851,866**	534,721	1,381,222
	Reimbursement of expenses	**13,274**	**57,161**	5,880	42,443
	Dividend paid to associates	**304,206**	**429,787**	353,039	1,029,249
	Dividend income from associate	**200,000**	**700,000**	-	180,000
	Donations paid	**7,700**	**7,700**	2,300	2,300
Others	Staff retirement benefits	**82,394**	**242,363**	75,355	213,036
Key management personnel	Remuneration paid	**74,978**	**254,919**	55,919	236,899
	Post employment benefits	**10,483**	**29,956**	7,589	24,003
	Director meeting fee	**1,575**	**3,731**	1,987	3,225
	Dividends paid	**5,384**	**7,564**	2,180	6,704

20 **Estimates**

The preparation of these condensed interim consolidated financial statements, in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from the estimates. During the preparation of these condensed interim financial statement, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and assumptions are consistent with those that were applied to the annual audited financial statements of the Group for the year ended June 30, 2019 except, as stated below and in note 3 of these condensed interim consolidated financial statements:

Significant judgement in determining the lease term of contracts with renewal options

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 the option, under some of its leases to lease the assets for additional for an additional periods. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. 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 (e.g., a change in business strategy).

21 **New, amended and revised standards and interpretations of IFRS's**

The accounting policies adopted in the preparation of these condensed interim consolidated financial statements are consistent with those of the previous financial year except for the adoption of IFRS 16 as disclosed in note 3 to the accompanying condensed interim consolidated financial statements.

22 **Financial risk management**

The Group's financial risk management objective and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2019.

23 **Date of authorisation**

The condensed interim consolidated financial information was authorised for issue in the Board of Directors meeting held on April 20, 2020.

24 **General**

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

Muhammad Sohail Tabba	**Asif Jooma**	**Muhammad Abid Ganatra**
Chairman / Director	Chief Executive	Chief Financial Officer

A publication of the Corporate Communications
& Public Affairs Department

ICI Pakistan Limited
5 West Wharf
Karachi 74000
Pakistan

T + 92 21 3231 3717-22
F + 92 21 3231 1739
E ccpa.pakistan@ici.com.pk

UAN 111 100 200
www.ici.com.pk

A Part of YBG

CCPA Design | AR2018-19