

VOYAGE TO UNCHARTERED PROGRESS

THIRD QUARTER REPORT
MARCH 31, 2015





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Company Information

Board of Directors

Mr. Muhammad Yunus Tabba (Chairman)
Mr. Muhammad Ali Tabba
Mr. Muhammad Sohail Tabba
Mr. Jawed Yunus Tabba
Mrs. Rahila Aleem
Mrs. Zulekha Tabba Maskatiya
Mr. Muhammad Abid Ganatra
Mr. Tariq Iqbal Khan

Chief Executive

Mr. Muhammad Ali Tabba

Executive Director

Mr. Noman Hasan

Director Finance/ CFO & Chief Investment Officer

Mr. Muhammad Faisal

Chief Operating Officer

Mr. Amin Ganny

Company Secretary

Mr. Fayyaz Abdul Ghaffar

Statutory Auditors

M/s. Ernst & Young
Ford Rhodes Sidat Hyder,
Chartered Accountants
A member firm of Ernst & Young
Global Limited

Cost Auditors

M/s. KPMG Taseer Hadi and Co.,
Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank AL -Habib Limited
Bank Alfalah Limited
Barclays Bank Plc, Pakistan
Citibank N.A.
Dubai Islamic Bank Pakistan Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank of Pakistan
NIB Bank Limited
Standard Chartered Bank (Pakistan)
Limited
United Bank Limited

Registered Office

Pezu, District Lakki Marwat,
Khyber Pakhtunkhwa

Head Office

6-A, Muhammad Ali Housing Society,
A. Aziz Hashim Tabba Street,
Karachi - 75350
UAN: (021) 111-786-555
Website: www.lucky-cement.com
E-mail: info@lucky-cement.com

Production Facilities

- 1) Pezu, District Lakki Marwat,
Khyber Pakhtunkhwa
- 2) 58 Kilometers on
Main Super Highway,
Gadap Town, Karachi.

Share Registrar/Transfer Agent

Central Depository Company of Pakistan
Limited
CDC House, 99-B, Block-B, S.M.C.H.S
Main Shakra-e-Faisal, Karachi.
(Toll Free): 0800 23275

BOARD COMMITTEES

Audit Committee

Mr. Tariq Iqbal Khan (Chairman)
Mr. Muhammad Ali Tabba
Mr. Muhammad Sohail Tabba
Mr. Jawed Yunus Tabba
Mrs. Zulekha Tabba Maskatiya
Mr. Muhammad Abid Ganatra

Human Resource and Remuneration Committee

Mrs. Rahila Aleem (Chairperson)
Mr. Muhammad Ali Tabba
Mr. Muhammad Sohail Tabba
Mr. Jawed Yunus Tabba
Mrs. Zulekha Tabba Maskatiya

Budget Committee

Mr. Muhammad Sohail Tabba (Chairman)
Mr. Muhammad Ali Tabba
Mr. Jawed Yunus Tabba
Mr. Muhammad Abid Ganatra

Corporate Governance Committee

Mr. Jawed Yunus Tabba (Chairman)
Mr. Muhammad Abid Ganatra
Mrs. Rahila Aleem

Directors' Report

The Directors of your Company have pleasure in presenting to you the results of your Company which include both, the stand-alone and consolidated unaudited financial statements for the nine months period ended March 31, 2015.

Overview

Cement industry in Pakistan grew by 4.06% to 25.78 million tons during the nine months period ended March 31, 2015 compared to 24.77 million tons of the same period last year. While local sales volume registered a growth of 8.43% to 20.34 million tons during the nine months compared to 18.76 million tons of the same period last year, export sales volumes registered a decline of 9.57% to 5.44 million tons during the period under review compared to 6.02 million tons of the same period last year.

Your company was able to maintain its overall market share in the industry during nine months under review at 19.52%.

Your Company achieved an overall growth of 4.03% to 5.03 million tons during the nine months period ended March 31, 2015 compared to 4.84 million tons sold in the same period last year. Local sales volume registered a growth of 6.85% to 3.18 million tons during the nine month period compared to 2.97 million tons of same period last year, whereas export volumes declined by 0.48% to 1.85 million tons during the nine months compared to 1.86 million tons of the same period last year.

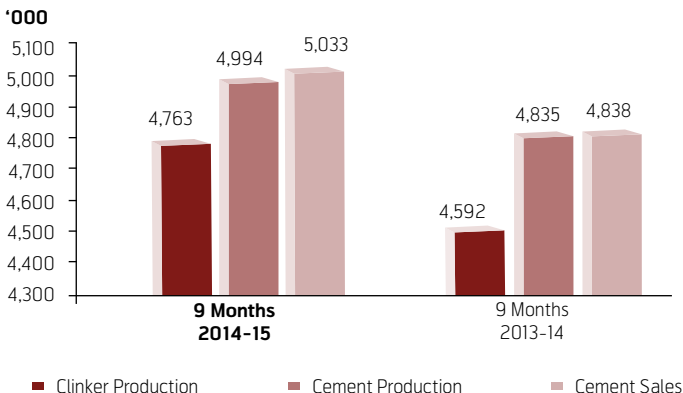
Business Performance:

(a) Production & Sales Volume Performance

The production and sales statistics of your Company for the nine months period ended 2014-15 compared to the same period last year are as follows:

Particulars	9 Month 2014-15	9 Month 2013-14	Increase/ (Decrease)
	----- Tons in '000 -----		%
Clinker Production	4,763	4,592	3.71%
Cement Production	4,994	4,835	3.29%
Cement Sales	5,033	4,838	4.03%

The production and sales volume data is graphically presented as under:



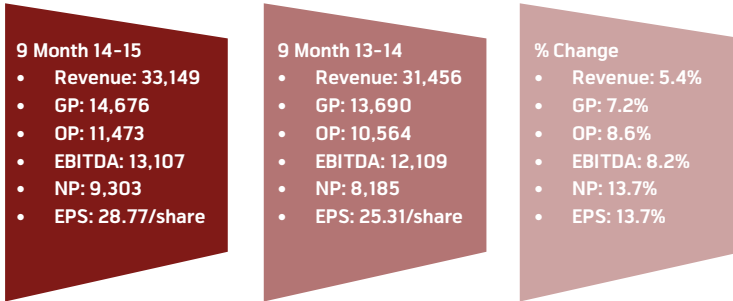
A comparison of the dispatches of the industry and your Company for the nine months ended 2014-15 compared to the same period last year is presented below:

Particulars	9 Months 2014-15	9 Months 2013-14	Growth / (Decline)	
		Tons in '000		%
Cement Industry				
Local Sales	20,342	18,760	1,582	8.43%
Export Sales				
Cement				
- Bagged	5,204	5,785	(581)	(10.04%)
- Loose	238	233	5	2.15%
Total Exports	5,442	6,018	(576)	(9.57%)
Grand Total	25,784	24,778	1,006	4.06%
Lucky Cement				
Local Sales	3,181	2,977	204	6.85%
Export Sales				
Cement				
- Bagged	1,614	1,628	(14)	(0.86%)
- Loose	238	233	5	2.15%
Total Exports	1,852	1,861	(9)	(0.48%)
Grand Total	5,033	4,838	195	4.03%
Market Share				
LCL - Market Share (%)	9 Months 2014-15	9 Months 2013-14	Growth / (Decline)	
Local Sales	15.64%	15.87%	(1.46%)	
Export Sales				
Cement				
- Bagged	31.01%	28.14%	10.21%	
- Loose	100.00%	100.00%	0.00%	
Total Export	34.03%	30.92%	10.05%	
Grand Total	19.52%	19.53%	0.0%	

Industry Source: APCMA website

(b) Financial Performance

The financial performance of your Company for the nine months period ended 2014-15 compared to the same period last year is presented below:

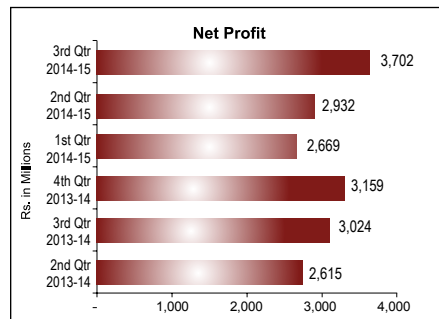
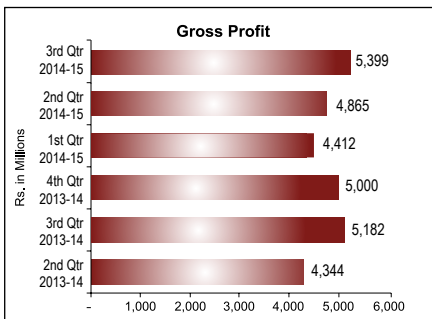
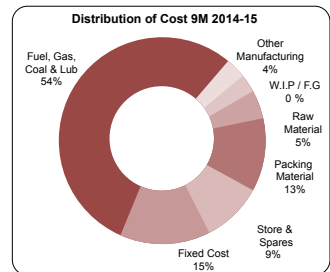
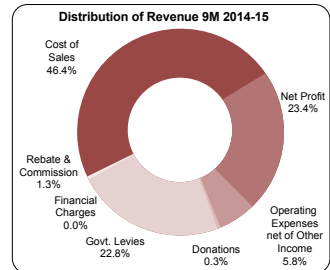


Figures in PKR million except EPS

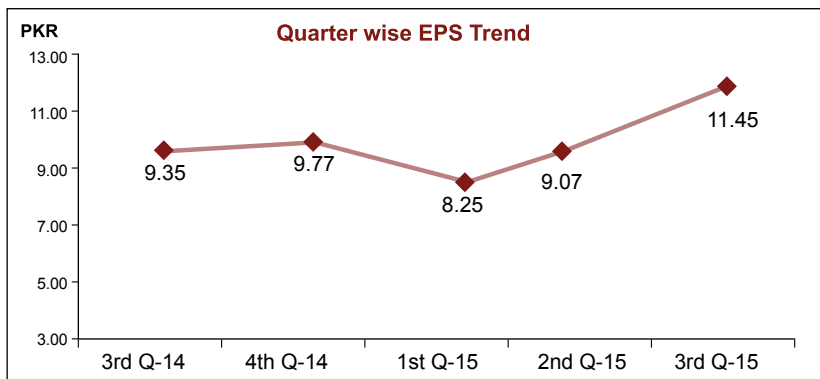
During the period under review, your Company achieved an overall net sales revenue growth of 5.38% as compared to same period last year contributed by 4.03% increase in volume and 1.35% increase in net retention.

Per ton cost of sales of your Company during the period under review decreased by 0.05% compared to the same period last year. The decrease in the cost of sales was mainly attributable to decrease in fuel cost during the period under review as compared to same period last year. Your Company achieved a gross profit margin of 44.27% during the period under review compared to 43.52% reported in the same period last year.

Your Company achieved the before tax profit of Rs.11,370 million during the period under review compared to Rs.10,396 million reported during the same period last year. Similarly, after tax profit of Rs.9,303 million was achieved during the period under review compared to Rs. 8,185 million reported during the same period last year.



The earnings per share of your Company for the nine months period ended March 31, 2015 was Rs.28.77 compared to Rs.25.31 reported in the same period last year.



Projects – New and Ongoing:

Waste Heat Recovery (WHR) Plants at Captive Power Plants

5 MW WHR plant at Karachi: 5 MW WHR plant has become operational effective 31st March, 2015.

5 MW WHR plant at Pezu: Civil and Mechanical work has already started from first week of March, 2015. The project is expected to be completed by end of October, 2015.

Vertical Grinding Mills at Karachi Plant

Vertical Grinding Mills have become fully operational effective 28th February, 2015.

Electricity Supply to PESCO

Tariff petition has been filed with National Electric Power Regulatory Authority (NEPRA) which is awaiting determination. Once tariff is determined by NEPRA, an agreement for the supply of 15 MW electricity shall be signed with PESCO.

Investments:

Investment in 1 x 660MW, supercritical, coal based power project

NEPRA on 6th April 2015 approved the upfront tariff petition of Lucky Electric Power Company Limited (LEPCL) thereby tariff has been determined. LEPCL has also applied to NEPRA for generation license which is likely to be issued in April 2015. LEPCL is now eligible to secure Letter of Support (LOS) from Private Power and Infrastructure Board (PPIB) after submission of performance guarantee as per the guidelines of PPIB.

Joint Venture Investment in Cement Plant in DR Congo

Shipments under the equipment supply contract with FLSmidth have started already. First draw down under the project finance facility is expected in May, 2015. The project is expected to start commercial operations in October, 2016.

The effect of 50% share of the net assets of the DR Congo plant has been reflected in the consolidated unaudited condensed financial statements of the Company for the quarter and nine months period ended 31 March, 2015.

Joint Venture Investment in Cement Grinding Facility in Iraq

By the grace of Almighty Allah, the grinding plant in Iraq is performing well.

The results of the Iraq grinding unit have been reflected in the consolidated unaudited condensed financial statements of the Company for the quarter and nine months ended 31 March 2015 to the extent of 50% share of net assets and net profit.

Equity Investment in Associated Company in 50 MW Wind Farm

The EPC Contractors have been mobilized at site and started full scale construction activities. The project is expected to be completed by the end of May 2016.

Corporate Social Responsibility:

Your company is one of the most responsible corporates of the country. Be it Green operations or an environmentally friendly operations approach, social development, educational and health facility improvement, or transparent reporting, your company is geared towards pursuing its CSR objectives to continue with its philanthropic legacy.

One of the most prioritized areas in our approach is to fulfill the educational needs of the society at large. Under the banner of educational support, your company is running merit based scholarship programs at leading universities and colleges in the country.

During the period under review, your company extended its scholarship program at a leading business school, and also provided support for the provision of a recreational & sports center for healthy schooling activities of female students at an underprivileged school in the country. Lucky Cement also provided its patronage for development in literacy during the period under review.

For improvement of health facilities and provision of quality healthcare for the needy, your company supported a number of health initiatives in the country on need basis, including patronage to Aziz Tabba Foundation for the affairs of a leading cardiac hospital and a leading kidney center in the country.

Outlook:

Your company is optimistic about the volumetric growth in the last quarter of the current financial year. Your company's strong financial position and free cash flow generating ability would help investing in the projects and avenues which would continue to bring in further efficiencies and increase shareholder value. Improvement in local demand, stable coal and fuel prices in the international market and lower freight cost will be the major contributors for the increase in profitability of your company in the last quarter of the current financial year.

Acknowledgement:

Your directors take this opportunity to express their deep sense of gratitude to all the stakeholders for their encouragement and support.

We would like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member of the Lucky family.

And also our shareholders, who have always shown their confidence and faith in the Company.

On behalf of the Board



MUHAMMAD YUNUS TABBA
Chairman / Director
Karachi: April 23, 2015.

Unconsolidated Condensed Interim Balance Sheet

As at March 31, 2015 (Un-audited)

	Note	March 31, 2015 (Un-audited) (Rupees in '000')	June 30, 2014 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	34,939,194	31,937,211
Intangible assets	5	47,993	27,652
		34,987,187	31,964,863
Long-term investments	6	10,484,900	8,157,550
Long-term advances		101,992	72,445
Long-term deposits		3,175	3,175
		45,577,254	40,198,033
CURRENT ASSETS			
Stores and spares		5,853,883	6,078,915
Stock-in-trade		1,629,495	1,638,984
Trade debts		2,382,697	2,077,714
Loans and advances		389,645	161,625
Trade deposits and short-term prepayments		42,137	57,699
Other receivables		545,666	527,052
Tax refunds due from the Government	7	538,812	538,812
Cash and bank balances		12,270,810	8,519,082
		23,653,145	19,599,883
TOTAL ASSETS		69,230,399	59,797,916
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital		5,000,000	5,000,000
Share capital		3,233,750	3,233,750
Reserves		52,950,956	46,558,433
		56,184,706	49,792,183
NON-CURRENT LIABILITIES			
Long-term deposits		66,717	67,971
Deferred liabilities	8	6,033,964	5,453,512
		6,100,681	5,521,483
CURRENT LIABILITIES			
Trade and other payables		6,746,486	4,096,255
Taxation - net		198,526	257,446
Accrued mark-up		-	3,051
Current portion of long-term finance		-	127,498
		6,945,012	4,484,250
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		69,230,399	59,797,916

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Unconsolidated Condensed Interim Profit and Loss Account

For the 3rd quarter and nine months period ended March 31, 2015 (Un-audited)

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
		(Rupees in '000')		(Rupees in '000')	
Gross sales	10	39,800,513	37,411,314	14,112,209	14,195,463
Less: Sales tax and excise duty		6,131,935	5,507,769	2,211,306	2,148,420
Rebates and commission		519,896	447,958	161,936	166,948
		6,651,831	5,955,727	2,373,242	2,315,368
Net sales		33,148,682	31,455,587	11,738,967	11,880,095
Cost of sales		(18,473,137)	(17,765,232)	(6,340,283)	(6,698,368)
Gross profit		14,675,545	13,690,355	5,398,684	5,181,727
Distribution costs		(2,529,952)	(2,558,191)	(782,681)	(1,011,957)
Administrative expenses		(672,400)	(568,245)	(243,152)	(190,888)
Finance costs		(19,342)	(28,426)	(6,436)	(7,747)
Other charges		(995,286)	(771,988)	(348,833)	(277,887)
Other income	11	911,554	632,893	295,073	216,998
Profit before taxation		11,370,119	10,396,398	4,312,655	3,910,246
Taxation					
- current		(1,673,750)	(2,035,316)	(201,798)	(803,606)
- deferred		(393,471)	(176,004)	(409,253)	(82,321)
		(2,067,221)	(2,211,320)	(611,051)	(885,927)
Profit after taxation		9,302,898	8,185,078	3,701,604	3,024,319
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		9,302,898	8,185,078	3,701,604	3,024,319
		(Rupees)		(Rupees)	
Earnings per share - basic and diluted		28.77	25.31	11.45	9.35

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive

Unconsolidated Condensed Interim Cash Flow Statement

For the nine months period ended March 31, 2015 (Un-audited)

	Note	March 31, 2015 (Rupees in '000')	March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	15,568,922	12,065,657
Finance costs paid		(22,393)	(32,314)
Income tax paid		(1,732,671)	(519,153)
Gratuity paid		(34,884)	(32,659)
		(1,789,948)	(584,126)
Long-term loans and advances		(29,547)	-
Long-term deposits		(1,253)	5,217
Net cash generated from operating activities		13,748,174	11,486,748
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(4,678,159)	(987,043)
Long-term investment		(2,327,350)	-
Long-term advance against issuance of shares		-	(1,056,200)
Sale proceeds on disposal of property, plant and equipment		26,571	64,673
Net cash (used in) investing activities		(6,978,938)	(1,978,570)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term finance		(127,498)	(199,050)
Dividends paid		(2,890,010)	(2,566,533)
Net cash (used in) financing activities		(3,017,508)	(2,765,583)
Net increase in cash and cash equivalents		3,751,728	6,742,595
Cash and cash equivalents at the beginning of the period		8,519,082	2,805,840
Cash and cash equivalents at the end of the period		12,270,810	9,548,435

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Unconsolidated Condensed Interim Statement Of Changes in Equity

For the nine months period ended March 31, 2015 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserves		Total reserves	Total equity
		Share premium	General reserve	Unappropri- ated profit		
----- (Rupees in '000') -----						
Balance as at July 01, 2013	3,233,750	7,343,422	20,000,000	10,458,271	37,801,693	41,035,443
Transfer to general reserve	-	-	7,871,271	(7,871,271)	-	-
Final dividend at the rate of Rs.8/- per ordinary share of Rs. 10 each for the year ended June 30, 2013	-	-	-	(2,587,000)	(2,587,000)	(2,587,000)
Total comprehensive income for the period	-	-	-	8,185,078	8,185,078	8,185,078
Balance as at March 31, 2014	<u>3,233,750</u>	<u>7,343,422</u>	<u>27,871,271</u>	<u>8,185,078</u>	<u>43,399,771</u>	<u>46,633,521</u>
Balance as at July 01, 2014	3,233,750	7,343,422	27,871,271	11,343,740	46,558,433	49,792,183
Transfer to general reserve	-	-	8,433,365	(8,433,365)	-	-
Final dividend at the rate of Rs.9/- per ordinary share of Rs. 10 each for the year ended June 30, 2014	-	-	-	(2,910,375)	(2,910,375)	(2,910,375)
Total comprehensive income for the period	-	-	-	9,302,898	9,302,898	9,302,898
Balance as at March 31, 2015	<u>3,233,750</u>	<u>7,343,422</u>	<u>36,304,636</u>	<u>9,302,898</u>	<u>52,950,956</u>	<u>56,184,706</u>

The annexed notes from 1 to 16 form an integral part of these unconsolidated condensed interim financial statements.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive

Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

1 THE COMPANY AND ITS OPERATION

1.1 Lucky Cement Limited (the Company) was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984 (the Ordinance). The shares of the Company are quoted on all the three stock exchanges in Pakistan. The Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange. The principal activity of the Company is manufacturing and marketing of cement. The registered office of the Company is located at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa. The Company has production facilities at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and at Main Super Highway in Karachi, Sindh.

1.2 These financial statements are the separate financial statements of the Company in which investment in subsidiaries have been accounted for at cost less accumulated impairment losses, if any.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements of the Company for the nine months period ended March 31, 2015 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. These condensed interim financial statements do not include all the information and disclosures required in the annual audited financial statements, and should be read in conjunction with Company's annual audited financial statements for the year ended June 30, 2014.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2014.

4 PROPERTY, PLANT AND EQUIPMENT

4.1 The following is the movement in property, plant and equipment during the period/year:

		March 31, 2015	June 30, 2014
		(Un-audited)	(Audited)
	Note	(Rupees in '000')	
Operating fixed assets (WDV) Opening balance		29,508,081	30,810,820
Add: Additions during the period/year	4.2	5,832,244	808,467
		35,340,325	31,619,287
Less: Disposals during the period/year (WDV)		21,722	47,147
Depreciation charge for the period/year		1,619,658	2,064,059
Operating fixed assets (WDV) - closing balance		33,698,945	29,508,081
Add: Capital work-in-progress	4.3	1,240,249	2,429,130
		34,939,194	31,937,211

Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

4.2 The following additions and deletions were made during the period in operating fixed assets:

	Additions (Cost)	Deletions (Cost)
	(Rupees in '000')	
Operating fixed assets		
Land	572,994	-
Buildings	515,251	-
Plant and machinery	3,093,820	-
Generators	1,523,220	-
Quarry equipments	7,000	48,416
Vehicles	72,174	21,456
Furniture and fixtures	5,145	216
Office equipments	16,884	20
Computer and Accessories	11,084	2,012
Other assets	14,672	11,684
	5,832,244	83,804

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

	March 31, 2015 (Un-audited)	June 30, 2014 (Audited)
	(Rupees in '000')	
Opening balance	2,429,130	197,572
Add: Additions during the period/year	4,567,014	2,821,885
	6,996,144	3,019,457
Less: Transferred to operating fixed assets	5,755,895	590,327
Closing balance	1,240,249	2,429,130

5 INTANGIBLE ASSETS

It mainly includes computer software licenses.

6 LONG TERM INVESTMENTS - at cost

		March 31, 2015 (Un-audited)	June 30, 2014 (Audited)
	Note	(Rupees in '000')	
Lucky Holdings Limited	6.1	5,619,000	5,619,000
LCL Investment Holdings Limited	6.2	4,580,500	2,537,800
LCL Holdings Limited	6.3	101,035	-
Yunus Energy Limited	6.4	184,365	750
		10,484,900	8,157,550

Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

- 6.1** As of the balance sheet date, the Company owns 75 percent shares of Lucky Holdings Limited (LHL). LHL owns 75.25 percent shares of ICI Pakistan Limited as of the said date.
- 6.2** Represents equity investment in LCL Investment Holdings Limited (LCLIHL), a wholly owned subsidiary of the Company, incorporated and domiciled in Mauritius. LCLIHL has entered into joint venture agreements for constructing a cement grinding unit in the Republic of Iraq and a fully integrated cement manufacturing unit in the Democratic Republic of Congo. During the period, the Company has subscribed 20,000,000 ordinary shares of LCLIHL @ US\$1/-
- 6.3** During the period, the Company has made an equity investment in LCL Holdings Limited (LCLHL), a wholly owned subsidiary of the Company, incorporated in Pakistan of 470,500 ordinary shares at Rs.10/- each inclusive of Rs. 260/- premium on 370,500 shares. As of the balance sheet date, LCLHL owns 100 percent shares in Lucky Electric Power Company Limited.
- 6.4** During the period the Company has made an equity investment in Yunus Energy Limited (YEL), a public unlisted company incorporated in Pakistan of 18,361,500 ordinary shares at Rs. 10/- each. As of the balance sheet date, the Company owns 20 percent shares of YEL.

7 TAX REFUNDS DUE FROM THE GOVERNMENT

A dispute with respect to the calculation of excise duty on retail price of cement arose between the Company and the Federal Board of Revenue (FBR) from the very first day the Company started sales of cement in 1996. The FBR's point of view was that excise duty be calculated on the declared retail price inclusive of excise duty whereas the Company contended that the excise duty would not be included in retail price for calculation of the excise duty payable to the Government. On June 2, 1997 the Company filed a writ petition before the Peshawar High Court seeking judgment on this matter. The dispute relates to the period from June 26, 1996 to April 19, 1999 after which the FBR changed the mechanism of levying excise duty from percentage of retail price to a fixed amount of duty at the rate of Rs.1,400 per ton. The Peshawar High Court after hearing both the parties issued a detailed judgment, operating paragraph of which is reproduced as follows:

“For the reasons we accept the petitions declare, that present system of realization of duties of excise on the “Retail Price” inclusive of excise duty is illegal and without lawful authority, the duties of excise on cement must not form part of retail price and the petitioners are not liable to pay duties of excise forming part of the retail price of cement.”

Simultaneously, a similar nature of dispute arose between various beverage companies operating in the provinces of Sindh and Punjab and accordingly they also filed petitions before the Honourable High Courts of Sindh and Lahore respectively. Both the Courts also decided the case against the method of calculation of excise duty as interpreted by the FBR.

The FBR preferred an appeal before the Honourable Supreme Court of Pakistan against the judgments of all three High Courts of the country. A full bench of the Honourable Supreme Court of Pakistan heard the legal counsel of all the parties and finally announced the judgment on April 14, 2007, upholding the judgments of the High Courts and dismissed the appeal of the FBR.

As a result of the full bench judgment of the Honourable Supreme Court of Pakistan, the Company filed a refund claim of Rs.538.812 million on May 08, 2007 with the Collector of Central Excise and Sales Tax, Peshawar, who had earlier collected the same due to incorrect interpretation of law. The Company on the basis of legal opinions obtained, recognised this refund claim in the financial statements for the year ended June 30, 2007.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

A review petition was also filed by the Federal Board of Revenue (FBR) before the Honourable Supreme Court of Pakistan. The Honourable Supreme Court of Pakistan vide its order dated January 27, 2009 dismissed the review petition filed by the FBR and upheld its earlier decision which was in favour of the Company.

While verifying the refund claim, the Collector of Excise and Sales Tax Peshawar had issued show cause notice to the Company raising certain objections against the release of said refund including an objection that the burden of this levy had been passed on to the end consumer. The Company had challenged this show cause notice in the Honourable Peshawar High Court and taken the stance that this matter had already been dealt with at the level of Honourable Supreme Court of Pakistan, based on the doctrine of res judicata. The Honourable Peshawar High Court granted a stay order to the Company against any adverse proceeding by the FBR in this case.

During the year ended June 30, 2013, the Company filed a complaint before the Federal Tax Ombudsman (FTO) with a request that the FBR may be directed for early issuance of refund along-with the compensation for the delayed refund. The FTO directed the FBR to verify the claim of the Company and submit a report in the matter. Subsequently, the FBR on the basis of audit conducted submitted a report to the FTO. However, the Company did not agree to the findings of the department and argued before the FTO that the report submitted by the department is not based on the facts of the case.

After hearing the arguments of both the parties the FTO forwarded its recommendations/findings to the Secretary, Revenue Division, Islamabad through its order dated November 22, 2013.

FBR filed representation, before the President of Pakistan against the recommendations of the FTO under section 32 of Federal Tax Ombudsman Ordinance, 2000. Accordingly, the President of Pakistan through its secretariat invited comments of the Company which have been submitted. Subsequently, the President of Pakistan through its order has endorsed the recommendations of FTO. In view of the above, the management believes that the above refund claim is considered good and recoverable in due course.

		March 31, 2015 (Un-audited)	June 30, 2014 (Audited)
		(Rupees in '000')	
8	DEFERRED LIABILITIES	Note	
	Staff gratuity	841,176	654,195
	Deferred tax liability	5,192,788	4,799,317
		6,033,964	5,453,512
8.1	Deferred tax liability		
	This comprises of the following :		
	Deferred tax liability		
	- Difference in tax and accounting bases of fixed assets	5,483,249	5,079,314
	Deferred tax assets		
	- Provisions	(290,461)	(279,997)
		5,192,788	4,799,317

Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no major changes in the status of contingencies as reported in the annual audited financial statements of the Company for the year ended June 30, 2014.

In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Honourable Supreme Court on the subject, where it upheld that earlier introduction of GIDC Act of 2011 was unconstitutional and ultravires on the grounds that GIDC was a 'Fee' and not a 'Tax'.

The Company filed a Suit against the above Ordinance in Sindh High Court on the plea that the Honourable Supreme Court has already given its judgment on the subject. Accordingly the Company has not recorded GIDC amounting to Rupees 680.8 million in these unconsolidated condensed interim financial statements as the Company is confident that the decision of the case will be in its favor.

9.2 Commitments

Capital Commitments

Plant and machinery under letters of credit

Other Commitments

Stores, spares and packing material under letters of credit

Standby letter of credit issued by the Company

Bank guarantees issued on behalf of the Company

Post dated cheques

March 31, 2015 (Un-audited)	June 30, 2014 (Audited)
(Rupees in '000')	

736,533	1,667,530
797,558	1,870,971
520,000	-
1,036,772	942,233
429,550	555,150

For the nine months ended	
March 31, 2015	March 31, 2014
(Rupees in '000')	

10 GROSS SALES

Local
Export

28,788,782	25,756,448
11,011,731	11,654,866
39,800,513	37,411,314

Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

11 OTHER INCOME

It mainly includes interest income from bank deposits and net income from supply of surplus electricity to Hyderabad Electricity Supply Corporation (HESCO).

	For the nine months ended	
	March 31, 2015	March 31, 2014
Note	(Rupees in '000')	

12 CASH GENERATED FROM OPERATIONS

Profit before taxation	11,370,119	10,396,398
Adjustments for non cash charges and other items		
Depreciation 4.1	1,619,658	1,539,316
Amortization of intangible assets	14,455	6,065
Provision for slow moving spares	-	10,000
Gain on disposal of fixed assets	(4,848)	(19,866)
Unrealized gain on investments	-	(7,040)
Provision for gratuity	221,865	109,945
Finance cost	19,342	28,426
Profit before working capital changes	13,240,591	12,063,244
(Increase) / decrease in current assets		
Stores and spares	225,032	(472,026)
Stock in trade	9,489	14,306
Trade debts	(304,983)	(489,344)
Loans and advances	(228,020)	(196,418)
Trade deposits and short term prepayments	15,562	(8,342)
Other receivables	(18,614)	142,268
	(301,534)	(1,009,556)
Increase in current liabilities		
Trade and other payables	2,629,865	1,011,969
Cash flows generated from operations	15,568,922	12,065,657

Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

13 TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of subsidiary companies, associated undertakings, directors and key management personnel. Transactions with related parties during the period, other than remuneration and benefits to key management personnel under the terms of their employment, are as follows:

	For the nine months ended	
	March 31, 2015	March 31, 2014
	(Rupees in '000')	
Subsidiaries		
Lucky Holdings Limited		
Loss claimed during the period	300,101	-
Cash given against loss claimed	102,034	-
Lucky Electric Power Company Limited		
Advances	9,177	-
LCL Investment Holdings Limited		
Investment made during the period	2,042,700	-
LCL Holdings Limited		
Investment made during the period	101,035	-
Advance against future issuance of shares	20,030	-
Directors		
Purchase of Land & Building	599,379	-
Associated Undertakings		
Lucky Paragon ReadyMix Limited		
Sales	279,425	174,139
Lucky Textile Mills Limited		
Sales	72,092	20,356
Gadoon Textile Mills Limited		
Sales	3,171	17,703
Younus Textile Mills Limited		
Sales	18,142	42,183
Fazal Textile Mills Limited		
Sales	4,485	8,983
Aziz Tabba Foundation		
Sales	2,355	1,166
Donation	110,000	85,000
Lucky One (Pvt) Limited		
Sales/Advance	108,242	123,696
ICI Pakistan Limited		
Sales	21,735	2,472
Lucky Knits (Pvt) Limited		
Sales	21,574	-
Feroze 1888 Mills Limited		
Sales	11,402	-
International Steels Limited		
Sales	14,964	-
Lucky Commodities		
Sales	-	225,751
Lucky Air (Pvt) limited		
Services	18,310	16,007
Yunus Energy Limited		
Investment	183,615	-

Notes to the Unconsolidated Condensed Interim Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

14 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 23, 2015 by the Board of Directors of the Company.

15 CORRESPONDING FIGURES

Certain prior period figures have been reclassified for the purpose of better presentation, however there are no major reclassifications to report.

16 GENERAL

Figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive

Condensed Interim Consolidated Balance Sheet

As at March 31, 2015 (Un-audited)

	Note	March 31, 2015 (Un-audited) (Rupees in '000')	June 30, 2014 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	48,641,301	44,063,423
Intangible assets		7,466,162	7,741,210
		56,107,463	51,804,633
Long-term investments	5	9,805,485	1,714,879
Long-term loans and advances		394,259	1,711,839
Long-term deposits and prepayments		32,325	31,018
		66,339,532	55,262,369
CURRENT ASSETS			
Stores, spares and consumables		6,752,355	6,952,502
Stock-in-trade		6,045,559	6,246,200
Trade debts		4,067,816	2,961,424
Loans and advances		627,192	354,625
Trade deposits and short-term prepayments		257,952	278,010
Other receivables		1,356,611	2,195,956
Tax refunds due from the Government	6	538,812	538,812
Taxation - net		1,536,544	1,502,916
Cash and bank balances		12,988,072	11,723,248
		34,170,913	32,753,693
TOTAL ASSETS		100,510,445	88,016,062
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		3,233,750	3,233,750
Reserves		54,630,910	47,145,858
Attributable to the equity holders of the Holding Company		57,864,660	50,379,608
Non-controlling interests		6,654,733	6,204,663
Total equity		64,519,393	56,584,271
NON-CURRENT LIABILITIES			
Long-term finances	7	10,892,450	9,983,078
Long-term deposits		66,717	67,971
Deferred liabilities	8	9,027,232	8,655,713
		19,986,399	18,706,762
CURRENT LIABILITIES			
Short-term borrowings and running finance		719,805	437,368
Trade and other payables		13,113,144	10,900,436
Accrued mark-up		197,195	223,656
Current portion of long-term finance	7	1,974,509	1,163,569
		16,004,653	12,725,029
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		100,510,445	88,016,062

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Condensed Interim Consolidated Profit and Loss Account

For the 3rd quarter and nine months period ended March 31, 2015 (Un-audited)

	Note	Nine months (July–March)		Third Quarter (January–March)	
		March 31,	March 31,	March 31,	March 31,
		2015	2014	2015	2014
		(Rupees in '000')		(Rupees in '000')	
Gross sales	10	71,545,266	68,977,275	24,148,772	25,051,292
Less: Sales tax and excise duty		8,129,551	7,394,807	2,869,264	2,827,889
Rebates and commission		2,273,042	1,906,160	716,177	663,764
		10,402,593	9,300,967	3,585,441	3,491,653
Net sales		61,142,673	59,676,308	20,563,331	21,559,639
Cost of sales		(42,487,017)	(42,634,889)	(13,958,336)	(15,171,759)
Gross profit		18,655,656	17,041,419	6,604,995	6,387,880
Distribution costs		(3,617,357)	(3,450,766)	(1,155,902)	(1,329,837)
Administrative expenses		(1,404,676)	(1,457,070)	(513,176)	(624,853)
Finance costs		(866,454)	(731,662)	(255,268)	(263,410)
Other charges		(1,170,233)	(898,845)	(400,816)	(321,968)
Other income	11	1,697,245	911,408	633,817	411,275
Profit before taxation		13,294,181	11,414,484	4,913,650	4,259,087
Taxation					
- current		(2,070,136)	(2,145,404)	(149,644)	(858,582)
- deferred		(292,271)	(231,093)	(494,713)	(86,841)
		(2,362,407)	(2,376,497)	(644,357)	(945,423)
Profit after taxation		10,931,774	9,037,987	4,269,293	3,313,664
Attributable to:					
Owners of the Holding Company		10,296,689	8,594,073	4,027,795	3,162,557
Non-controlling interests		635,085	443,914	241,498	151,107
Total comprehensive income for the period		10,931,774	9,037,987	4,269,293	3,313,664
Other comprehensive income for the period					
Foreign exchange differences on translation of foreign operations		73,427	-	68,505	-
Hedging reserve		1,321	-	1,321	-
		74,748	-	69,826	-
		11,006,522	9,037,987	4,339,119	3,313,664
Attributable to:					
Owners of the Holding Company		10,370,861	8,594,073	4,097,045	3,162,557
Non-controlling interests		635,661	443,914	242,074	151,107
		11,006,522	9,037,987	4,339,119	3,313,664
		(Rupees)		(Rupees)	
Earnings per share - basic and diluted		31.84	26.58	12.46	9.78

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.


Muhammad Yunus Tabba
Chairman / Director


Muhammad Ali Tabba
Chief Executive

Condensed Interim Consolidated Cash Flow Statement

For the nine months period ended March 31, 2015 (Un-audited)

	Note	March 31, 2015 (Rupees in '000')	March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	20,990,413	15,358,789
Finance costs paid		(897,936)	(675,439)
Income tax paid		(2,212,797)	(914,265)
Gratuity paid		(91,745)	(91,535)
		(3,202,478)	(1,681,239)
Long-term loans and advances		(85,318)	(29,700)
Long-term deposits		(2,560)	9,257
Net cash generated from operating activities		17,700,057	13,657,107
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(7,370,981)	(2,931,971)
Long-term advance		(5,454,015)	(1,056,200)
Investments		(907,431)	(30,000)
Dividend from Associate		40,000	-
Sale proceeds on disposal of property, plant and equipment		29,085	72,356
Net cash (used in) investing activities		(13,663,342)	(3,945,815)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance - net		(475,029)	1,200,950
Proceeds from redemption of investment		45,657	30,423
Dividends paid		(2,623,956)	(2,566,940)
Short-term borrowings and running finance		281,437	(2,003,967)
Net cash (used in) financing activities		(2,771,891)	(3,339,534)
Net increase in cash and cash equivalents		1,264,824	6,371,758
Cash and cash equivalents at the beginning of the period		11,723,248	3,746,968
Cash and cash equivalents at the end of the period		12,988,072	10,118,726

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Condensed Interim Consolidated Statement of Changes in Equity

For the nine months period ended March 31, 2015 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve	Revenue reserves				Total reserves	Non- controlling interests	Total equity
		Share premium	General reserves	Foreign currency translation reserve	Hedging reserve	Unappropri- ated Profit			
-----Rupees in '000'-----									
Balance as at July 01, 2013	3,233,750	7,343,422	20,000,000	-	-	10,552,319	37,895,741	5,490,672	46,620,163
Transfer to general reserve	-	-	7,871,271	-	-	(7,871,271)	-	-	-
Final dividend at the rate of Rs.8/- per ordinary share of Rs.10/- each for the year ended June 30, 2013	-	-	-	-	-	(2,587,000)	(2,587,000)	-	(2,587,000)
Total comprehensive income for the period	-	-	-	-	-	8,594,073	8,594,073	443,914	9,037,987
Balance as at March 31, 2014	<u>3,233,750</u>	<u>7,343,422</u>	<u>27,871,271</u>	<u>-</u>	<u>-</u>	<u>8,688,121</u>	<u>43,902,814</u>	<u>5,934,586</u>	<u>53,071,150</u>
Balance as at July 01, 2014	3,233,750	7,343,422	27,871,271	(63,554)	-	11,994,719	47,145,858	6,204,663	56,584,271
Transfer to general reserve	-	-	8,433,365	-	-	(8,433,365)	-	-	-
Final dividend at the rate of Rs.9/- per ordinary share of Rs.10/- each for the year ended June 30, 2014	-	-	-	-	-	(2,910,375)	(2,910,375)	-	(2,910,375)
Final dividend paid to non- controlling interests of ICI for the year ended June 30, 2014	-	-	-	-	-	-	-	(91,357)	(91,357)
Interim dividend paid to non- controlling interests of ICI for the half year ended December 31, 2014	-	-	-	-	-	-	-	(114,283)	(114,283)
Decrease in ownership interest in ICI	-	-	-	-	-	24,566	24,566	20,049	44,615
Profit after taxation	-	-	-	-	-	10,296,689	10,296,689	635,085	10,931,774
Other comprehensive income	-	-	-	73,427	745	-	74,172	576	74,748
	-	-	-	73,427	745	10,296,689	10,370,861	635,661	11,006,522
Balance as at March 31, 2015	<u>3,233,750</u>	<u>7,343,422</u>	<u>36,304,636</u>	<u>9,873</u>	<u>745</u>	<u>10,972,234</u>	<u>54,630,910</u>	<u>6,654,733</u>	<u>64,519,393</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim consolidated financial statements.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

1 THE GROUP AND ITS OPERATIONS

The Group consists of Lucky Cement Limited ("the Holding Company") and its subsidiary companies LCL Investment Holdings Limited, Lucky Holdings Limited, ICI Pakistan Limited, ICI Pakistan PowerGen Limited, LCL Holdings Limited and Lucky Electric Power Company Limited. Brief profiles of the Holding company and its subsidiary companies are as follows:

1.1 Lucky Cement Limited

The Holding Company was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984 (the Ordinance). The shares of the Holding Company are quoted on all the three stock exchanges in Pakistan. The Holding Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange. The principal activity of the Holding Company is manufacturing and marketing of cement. The registered office of the Holding Company is located at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa. The Holding Company has production facilities at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and at Main Super Highway in Karachi, Sindh.

1.2 LCL Investment Holdings Limited

The Holding Company has made an investment in LCL Investment Holdings Limited (LCLIHL), the wholly owned subsidiary of the Holding Company, incorporated and domiciled in Mauritius. LCLIHL has concluded a joint venture agreement with Al-Shumookh Construction Materials Trading FZE, United Arab Emirates, for establishing Lucky Al-Shumookh Holdings Limited, for constructing a cement grinding unit in the Republic of Iraq, plant has already commenced production. LCLIHL holds 50 percent ownership interest in the aforementioned joint venture.

LCLIHL has also entered into a joint venture agreement with Rawsons Investments Limited (registered in Cayman Islands) for establishing LuckyRawji Holdings Limited for constructing a fully integrated cement manufacturing unit in the Democratic Republic of Congo. LCLIHL holds 50 percent ownership interest in the aforementioned joint venture.

1.3 Lucky Holdings Limited

Lucky Holdings Limited (LHL) was incorporated in Pakistan on September 6, 2012 as a public unlisted Company limited by shares under the Companies Ordinance, 1984. The registered office of LHL is located at Main Indus Highway, Pezu, District Lakki Marwat in the province of Khyber Pakhtunkhwa. As of the balance sheet date, LHL held 75.25% shares in ICI Pakistan Limited. The main source of earning is dividend and royalty income.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

1.4 ICI Pakistan Limited

ICI Pakistan Limited (ICI) was incorporated in Pakistan and is listed on the Karachi, Lahore and Islamabad Stock Exchanges. The Company is engaged in the manufacture of polyester staple fiber, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchandising of general chemicals. It also acts as an indenting agent and toll manufacturer. The registered office of ICI is situated at 5 West Wharf, Karachi.

1.5 ICI Pakistan PowerGen Limited

ICI Pakistan PowerGen Limited (ICI PowerGen) was incorporated in Pakistan as an unlisted public company and is a wholly owned subsidiary company of ICI. ICI PowerGen is engaged in generating, selling and supplying electricity to the ICI. The registered office of ICI PowerGen is situated at 5 West Wharf, Karachi.

1.6 LCL Holdings Limited

During the period, the Company has formed a wholly owned subsidiary by the name of LCL Holdings Limited (LCLHL) with the object to invest in the Coal Based Power project to be setup by Lucky Electric Power Company Limited (LEPCL).

1.7 Lucky Electric Power Company Limited

Lucky Electric Power Company Limited (LEPCL) was incorporated in Pakistan on June 13, 2014, as a public unlisted Company. LEPCL has been incorporated with the objective of setting up a 660 MW coal based power project in Pakistan. Its registered office is situated at 6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi in the province of Sindh.

2 STATEMENT OF COMPLIANCE

These condensed interim consolidated financial statements of the Holding Company for the nine months period ended March 31, 2015 have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual audited consolidated financial statements, and should be read in conjunction with Holding Company's annual audited consolidated financial statements for the year ended June 30, 2014.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim consolidated financial statements are consistent with those applied in the preparation of the annual audited consolidated financial statements for the year ended June 30, 2014.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

4 PROPERTY, PLANT AND EQUIPMENT

4.1 The following is the movement in property, plant and equipment during the period/year:

		March 31, 2015	June 30, 2014
		(Un-audited)	(Audited)
	Note	(Rupees in '000')	
Operating fixed assets (WDV) Opening balance		40,734,338	39,313,315
Add: Additions during the period/year	4.2	6,704,065	4,925,924
		47,438,403	44,239,239
Less: Disposals during the period/year (WDV)		24,083	68,853
Depreciation charge for the period/year		2,872,398	3,436,048
Operating fixed assets (WDV) - closing balance		44,541,922	40,734,338
Add: Capital work-in-progress	4.3	4,099,379	3,329,085
		48,641,301	44,063,423

4.2 The following additions and deletions were made during the period in operating fixed assets:

	Additions (Cost)	Deletions (Cost)
	(Rupees in '000')	
Operating fixed assets		
Land	572,994	-
Buildings	578,008	2,254
Plant and machinery	3,816,493	44,471
Generators	1,523,220	-
Quarry equipments	7,000	48,416
Vehicles	76,741	21,490
Furniture and fixtures	86,968	1,321
Office equipments	16,884	20
Computer & Accessories	11,084	2,012
Other assets	14,673	11,684
	6,704,065	131,668

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

	March 31, 2015	June 30, 2014
	(Un-audited)	(Audited)
	(Rupees in '000')	
Opening balance	3,329,085	2,777,779
Add: Additions during the period/year	7,334,075	5,253,415
	10,663,160	8,031,195
Less: Transferred to operating fixed assets	6,563,781	4,702,110
Closing balance	4,099,379	3,329,085

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

5 LONG TERM INVESTMENT		March 31, 2015 (Un-audited) (Rupees in '000')	June 30, 2014 (Audited) (Rupees in '000')
		Note	
Joint ventures			
Equity accounted investment			
Lucky Al Shumookh Holdings Limited	5.1	1,892,106	1,711,234
LuckyRawji Holdings Limited	5.2	6,881,524	395
		8,773,630	1,711,629
Unquoted			
Equity security available-for-sale			
Arabian Sea Country Club Limited (250,000 ordinary shares of Rs. 10 each)		2,500	2,500
NutriCo Pakistan (Pvt) Limited (representing 30% ownership)		844,990	-
Yunus Energy Limited	5.3	184,365	750
		9,805,485	1,714,879
5.1 Lucky Al Shumookh Holdings Limited			
Investment at cost		1,729,081	1,729,081
Share of profit / (loss) opening balance		(18,583)	-
Share of profit / (loss) during the period		429,733	(18,583)
Dividend income		(303,996)	-
Foreign currency translation reserve		55,871	736
		1,892,106	1,711,234

Lucky Al Shumookh Holdings Limited (LASHL) is a joint venture between the Group and Al Shumookh Group. LASHL was incorporated as an offshore company with limited liability in Jebel Ali Free Zone, United Arab Emirates. The Group holds 50 percent ownership interest in LASHL.

The Group's interest in LASHL's assets and liabilities is as follows:

	March 31, 2015 (Un-audited) (Rupees in '000')	June 30, 2014 (Audited) (Rupees in '000')
Total assets	4,518,285	4,171,366
Total liabilities	(731,571)	(746,475)
Net assets (100%)	3,786,714	3,424,891
Group's share of net assets (50%)	1,893,357	1,712,446
Less: Share of pre-acquisition loss	(1,251)	(1,212)
	1,892,106	1,711,234

The Group's share in LASHL's profit and loss account is as follows:

Revenue	4,565,278	1,186,339
Net profit / (loss) (100%)	859,466	(37,166)
Group's share of net profit / (loss) (50%)	429,733	(18,583)

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

	March 31, 2015	June 30, 2014
	(Un-audited)	(Audited)
	(Rupees in '000')	
5.2 LuckyRawji Holdings Limited		
Investment at cost	6,881,233	395
Share of profit / (loss)	291	-
	6,881,524	395

LuckyRawji Holdings Limited (LRHL) is a joint venture between the Group and Rawsons Investments Limited. LRHL was incorporated with limited liability under the laws of British Virgin Islands. The Group holds 50 percent ownership interest in LRHL. No activity affecting the profit and loss account of LRHL has been carried out as of the balance sheet date.

The Group's interest in LRHL's assets and liabilities is as follows:

	March 31, 2015	June 30, 2014
	(Un-audited)	(Audited)
	(Rupees in '000')	
Non-current assets	13,814,690	2,771,503
Liabilities	(51,641)	(2,770,713)
Net assets (100%)	13,763,049	790
Group's share of net assets (50%)	6,881,524	395

The Group's share in LASHL's profit and loss account is as follows:

Revenue	-	-
Net profit / (loss) (100%)	578	-
Group's share of net profit / (loss) (50%)	291	-

5.3 Represents Equity investment in Yunus Energy Limited (18,436,500 shares @10/- each.)

6 TAX REFUNDS DUE FROM THE GOVERNMENT

The status is fully explained in note 7 to the un-audited unconsolidated financial statements of the Holding Company for the period ended March 31, 2015.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

7 LONG TERM FINANCE

		March 31, 2015	June 30, 2014
		(Un-audited)	(Audited)
	Note	(Rupees in '000')	
Long-term finance		12,866,959	11,146,647
Current portion of long term finance		(1,974,509)	(1,163,569)
	7.1	10,892,450	9,983,078

- 7.1** The terms and conditions of long-term finance are the same as disclosed in note 22 to the annual audited consolidated financial statements of the Holding Company for the year ended June 30, 2014.

		March 31, 2015	June 30, 2014
		(Un-audited)	(Audited)
	Note	(Rupees in '000')	

8 DEFERRED LIABILITIES

Staff gratuity and eligible retired employees' medical scheme		921,703	732,276
Deferred tax liability	8.1	8,105,529	7,923,437
		9,027,232	8,655,713

8.1 Deferred tax liability

This comprises of the following :

- Difference in tax and accounting bases of fixed assets
- Provisions

	8,680,873	8,528,034
	(575,344)	(604,597)
	8,105,529	7,923,437

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There are no major changes in the status of contingencies as reported in the annual audited consolidated financial statements for the year ended June 30, 2014, except as follows:

In September 2014, the Federal Government promulgated Gas Infrastructure Development Cess (GIDC) Ordinance No. VI of 2014 to circumvent earlier decision of the Honourable Supreme Court on the subject, where it upheld that earlier introduction of GIDC Act of 2011 was unconstitutional and ultravires on the grounds that GIDC was a 'Fee' and not a 'Tax'.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

The Holding Company filed a Suit against the above Ordinance in Sindh High Court on the plea that the Honourable Supreme Court has already given its judgment on the subject. Accordingly the Holding Company has not recorded GIDC amounting to Rupees 680.8 million in these consolidated condensed interim financial statements as the Holding Company is confident that the decision of the case will be in its favor.

	March 31, 2015 (Un-audited)	June 30, 2014 (Audited)
	(Rupees in '000')	
9.2 Commitments		
Capital Commitments		
Plant and machinery under letters of credit	4,459,987	2,840,266
Other Commitments		
Stores, spares and packing material under letters of credit	797,558	1,870,971
Standby letter of credit issued by the Holding Company	520,000	-
Bank guarantees issued	1,104,055	942,233
Post dated cheques	429,550	555,150
9.3 Commitments for rentals under operating lease / Ijarah agreements in respect of vehicles are as follows:		

	March 31, 2015 (Un-audited)	June 30, 2014 (Audited)
	(Rupees in '000')	
Year		
2014-15	14,977	-
2015-16	51,592	62,223
2016-17	39,643	49,215
2017-18	14,532	34,969
2018-19	1,318	9,203
	122,062	155,610
Payable not later than one year	14,977	62,223
Payable later than one year but not later than five years	107,085	93,387
	122,062	155,610

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

10 SEGMENT REPORTING

For the nine months ended
March 31, March 31,
2015 2014
(Rupees in '000')

TURNOVER

Cement	39,800,513	37,411,314
Polyester	12,869,869	14,941,970
Soda Ash	8,943,455	7,856,027
Life Sciences	6,768,487	5,502,468
Chemicals	3,195,354	3,271,337
Others (LHL & ICI PowerGen)	669,795	836,112
	<u>71,545,266</u>	<u>68,977,275</u>

10.1 OPERATING RESULT

Cement	11,473,193	10,563,919
Polyester	(311,131)	(546,784)
Soda Ash	1,517,136	1,176,442
Life Sciences	713,176	595,154
Chemicals	217,377	239,677
Others (LHL, LCLIHL, LCLHL & ICI PowerGen)	22,387	103,689
	<u>13,633,623</u>	<u>12,133,583</u>

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

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

For the nine months ended
March 31, March 31,
2015 2014
(Rupees in '000')

10.4 GROSS SALES

Local	59,990,026	57,031,449
Export	11,555,240	11,945,826
	<u>71,545,266</u>	<u>68,977,275</u>

11 OTHER INCOME

It mainly includes interest income from bank deposits, share of gain in equity-accounted investments and net income from supply of surplus electricity to Hyderabad Electricity Supply Corporation (HESCO).

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

		For the nine months ended	
		March 31, 2015	March 31, 2014
Note		(Rupees in '000')	
12 CASH GENERATED FROM OPERATIONS			
	Profit before taxation	13,294,181	11,414,484
	Adjustments for non cash charges and other items		
	Depreciation	2,872,398	2,517,154
4.1	Amortization on intangible assets	319,223	305,926
	Provision for slow moving spares	-	10,000
	Gain on disposal of property, plant and equipment	(4,840)	(6,946)
	Unrealized gain on investments	-	(7,040)
	Realized gain on sale of investments	(26,639)	-
	Provision for staff retirement plan	260,638	157,395
	Share of gain in equity-accounted investees	(430,022)	-
	Dividend from Associate	263,996	-
	Associate share of profits	(124,990)	-
	Finance cost	848,661	726,766
	Profit before working capital changes	17,272,606	15,117,739
	(Increase) / decrease in current assets		
	Stores, spares and consumables	200,148	(528,255)
	Stock in trade	200,640	(400,557)
	Trade Debts	(1,106,393)	(879,602)
	Loans and advances	(273,004)	(280,522)
	Trade deposits and short term prepayments	29,954	(24,611)
	Other receivables	875,304	3,594
		(73,351)	(2,109,953)
	Increase in current liabilities		
	Trade and other payables	3,791,158	2,351,003
	Cash generated from operations	20,990,413	15,358,789

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

13 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated entities, entities with common directorship, directors and key management personnel. Details of transactions with related parties during the period, other than remuneration and benefits to key management personnel under the terms of their employment, are as follows:

	For the nine months ended	
	March 31, 2015	March 31, 2014
	(Rupees in '000')	
Associated Companies		
Lucky Paragon ReadyMix Limited		
Sales	279,425	174,139
Fazal Textile Mills Limited		
Sales	298,962	173,022
Yunus Textile Mills Limited		
Sales	75,043	115,576
Lucky Textile Mills Limited		
Sales	78,606	24,410
Dividend	25,386	-
Gadoon Textile Mills Limited		
Sales	864,031	839,412
Dividend	29,905	-
Aziz Tabba Foundation		
Sales	2,355	1,166
Donation	110,000	85,000
Lucky One (Pvt) Limited		
Sales/Advance	108,242	123,696
Lucky Commodities		
Sales	-	225,751
Lucky Air (Pvt) Limited		
Services	18,310	16,007
Yunus Energy Limited		
Investment	183,615	-
Lucky Knits (Pvt) Limited		
Sales	27,114	804
Feroze 1888 Mills Limited		
Sales	11,402	-
International Steels Limited		
Sales	14,964	-
Pakistan Business Council		
Membership fee	1,500	1,375
Nutrico Pakistan (Pvt) Limited		
Dividend	40,000	-
Reimbursement of expenses	36,270	-
NIB Bank		
Loan interest	11,603	229
Arabian Sea Country Club Limited		
Club Subscription	-	107
Purchase of goods, materials and services	92	-
Jubilee Life Insurance Company Limited		
Insurance premium	12,723	-
Staff Retirement Benefit Plan		
Contribution	137,826	111,991
Directors		
Purchase of land & building	599,379	-

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months period ended March 31, 2015 (Un-audited)

14 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on April 23, 2015 by the Board of Directors of the Holding Company.

15 CORRESPONDING FIGURES

Certain prior period figures have been reclassified for the purpose of better presentation, however there are no major reclassifications to report.

16 GENERAL

Figures have been rounded off to the nearest thousand of Rupees, unless otherwise stated.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive

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