



DEVELOPING **THE FUTURE**

THIRD QUARTERLY REPORT
MARCH 31, 2019



DEVELOPING **THE FUTURE**

Lucky Cement Limited is committed to developing the future with its tireless efforts to improve performance for all its stakeholders.

We are devoted to keep moving ahead with time and pushing our boundaries even further. As we continue to expand and grow into new markets, we ensure sustainability in all our practices and envision a future with endless possibilities.

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COMPANY INFORMATION

BOARD OF DIRECTORS	
Muhammad Yunus Tabba - Chairman Muhammad Ali Tabba Muhammad Sohail Tabba Jawed Yunus Tabba	Mariam Tabba Khan Manzoor Ahmed Mohammad Javed Iqbal
MANAGEMENT TEAM	
Chief Executive Officer Executive Director Director Finance & Chief Financial Officer Chief Operating Officer Chief Operating Officer - International Businesses Company Secretary	Muhammad Ali Tabba Noman Hasan Irfan Chawala Amin Ganny Adnan Ahmed Faisal Mahmood
BOARD COMMITTEES	
Audit Committee	Human Resource and Remuneration Committee
Manzoor Ahmed – Chairman Muhammad Sohail Tabba Jawed Yunus Tabba Mariam Tabba Khan Mohammad Javed Iqbal	Mohammad Javed Iqbal – Chairman Muhammad Ali Tabba Muhammad Sohail Tabba Jawed Yunus Tabba Mariam Tabba Khan
Budget Committee	
Muhammad Sohail Tabba – Chairman Muhammad Ali Tabba Jawed Yunus Tabba Mariam Tabba Khan	
BANKERS	
Allied Bank Limited Allied Bank Limited – Islamic Banking Askari Bank Limited Askari Bank Limited – Islamic Banking Bank Alfalah Limited – Islamic Banking Bank AL-Habib Limited Bank AL-Habib Limited – Islamic Banking Citibank N.A. Dubai Islamic Bank Pakistan Limited Faysal Bank Limited – Islamic Banking Habib Bank Limited	Habib Bank Limited – Islamic Banking Habib Metropolitan Bank Limited Habib Metropolitan Bank Limited – Islamic Banking Industrial and Commercial Bank of China Limited MCB Bank Limited MCB Islamic Bank Limited Meezan Bank Limited National Bank of Pakistan Standard Chartered Bank (Pakistan) Limited United Bank Limited UBL Ameen Islamic Banking
AUDITORS	
External Auditors	M/s. A.F. Ferguson & Co., Chartered Accountants
SHARIAH ADVISOR	
Shariah Advisor	M/s. Alhamd Shariah Advisory Services (Pvt).Ltd
REGISTERED OFFICE	HEAD OFFICE
Main Indus Highway, Pezu, District Lakki Marwat, Khyber Pakhtunkhwa, Pakistan	6-A, Muhammad Ali Housing Society, A.Aziz Hashim Tabba Street, Karachi – 75350 UAN: (021) 111-786-555 Website: www.lucky-cement.com Email: info@lucky-cement.com
PRODUCTION FACILITIES	SHARE REGISTRAR/TRANSFER AGENT
1. Main Indus Highway, Pezu, District Lakki Marwat, Khyber Pakhtunkhwa, Pakistan 2. 58 Kilometers on Main Super Highway, Gadap Town, Karachi, Pakistan	Central Depository Company of Pakistan Limited CDC House, 99-B, Block-B, S.M.C.H.S Main Shahra-e-Faisal, Karachi, Pakistan (Toll Free): 0800 23275

Directors' Report

The Directors have the pleasure in presenting to you the unaudited financial results of your Company which include both, **stand-alone** and **consolidated financial statements** for the nine months ended March 31, 2019.

Overview

The export performance of the **Cement Industry** has been exceptional during the current financial year. The drop in local sales reduced the overall Industry volumes by 0.5% to 34.58 million tons for the nine months ended March 31, 2019 in comparison to 34.76 million tons during the same period last year. Export sales volume registered an increase of 49.0% to reach 5.13 million tons as compared to 3.44 million tons during the nine months of the current financial year and the local sales volume registered a decline of 6.0% to 29.45 million tons during the nine months ended March 31, 2019 in comparison to 31.31 million tons during the same period last year.

In comparison to the Cement Industry, your **Company's** overall sales grew by 1.9% to reach 5.95 million tons during the nine months of the current financial year. The local cement sales volume registered a decline of 12.2% and was 4.42 million tons in comparison to 5.04 million tons last year and the export sales volumes of the Company improved by 105.5% to 1.53 million tons as compared to 0.74 million tons during the same period last year.

On a **consolidated basis**, your Company achieved a gross turnover of PKR 103.32 billion which is 11.6% higher as compared to the same period last year's turnover of PKR 92.60 billion.

Moreover, **consolidated** Net Profit of the Company was PKR 10.00 billion of which PKR 0.74 billion is attributable to non-controlling interests which translates into an EPS of PKR 28.64 during the nine months ended March 31, 2019 as compared to PKR 36.91 during the same period last year.

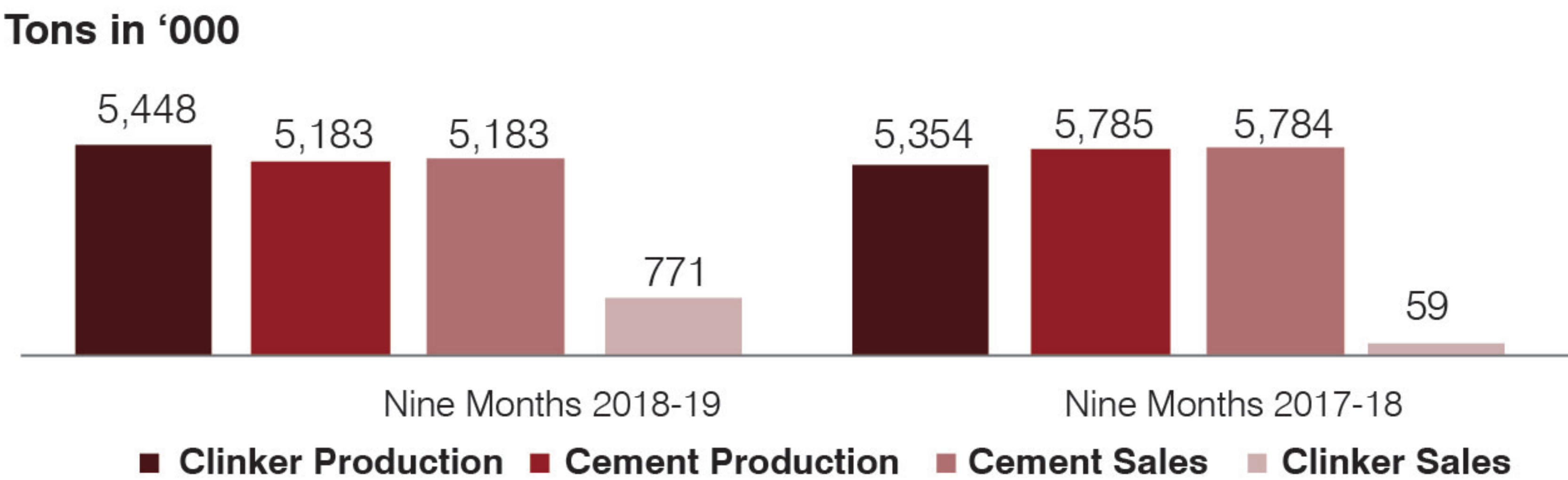
Business Performance

a. Production & Sales Volume Performance - Standalone

The **standalone** production and sales statistics of your Company for the current nine months ended March 31, 2019 compared to the same period last year are as follows:

Particulars	Nine Months 2018-19 (Tons in '000')	Nine Months 2017-18	Growth/ (Decline) (%)
Clinker Production	5,448	5,354	1.8%
Cement Production	5,183	5,785	(10.4%)
Cement Sales	5,183	5,784	(10.4%)
Clinker Sales	771	59	1,206.8%

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



A comparison of the dispatches of the **Industry** and your **Company's standalone business** for the nine months of the current financial year 2018-19 in comparison with the same period last year is presented below:

Particulars	Nine Months 2018-19 (Tons in '000')	Nine Months 2017-18 (Tons in '000')	Growth/(Decline) (Tons in '000') (%)	
Cement Industry *				
Local Sales	29,448	31,314	(1,866)	(6.0%)
Export Sales				
- Bagged	3,353	3,300	53	1.6%
- Loose	95	144	(49)	(34.0%)
- Clinker	1,684	-	1,684	100.0%
Total Exports	5,132	3,444	1,688	49.0%
Grand Total	34,580	34,758	(178)	(0.5%)
Lucky Cement				
Local Sales				
- Cement	4,423	5,039	(616)	(12.2%)
- Clinker	-	59	(59)	(100.0%)
Total Local Sales	4,423	5,098	(675)	(13.2%)
Export Sales				
- Bagged	665	601	64	10.6%
- Loose	95	144	(49)	(34.0%)
- Clinker	771	-	771	100.0%
Total Exports	1,531	745	786	105.5%
Grand Total	5,954	5,843	111	1.9%
Market Share		Nine Months 2018-19	Nine Months 2017-18	Growth/ (Decline) (%)
Local Sales		15.0%	16.3%	(8.0%)
Export Sales				
- Bagged		19.8%	18.2%	8.8%
- Loose		100.0%	100.0%	0.0%
- Clinker		45.8%	-	100.0%
Total Export		29.8%	21.6%	38.0%
Grand Total		17.2%	16.8%	2.4%

b. Financial Performance - Standalone

The **standalone** financial performance of your Company for the nine months ended March 31, 2019 as compared to the same period last year is presented below:

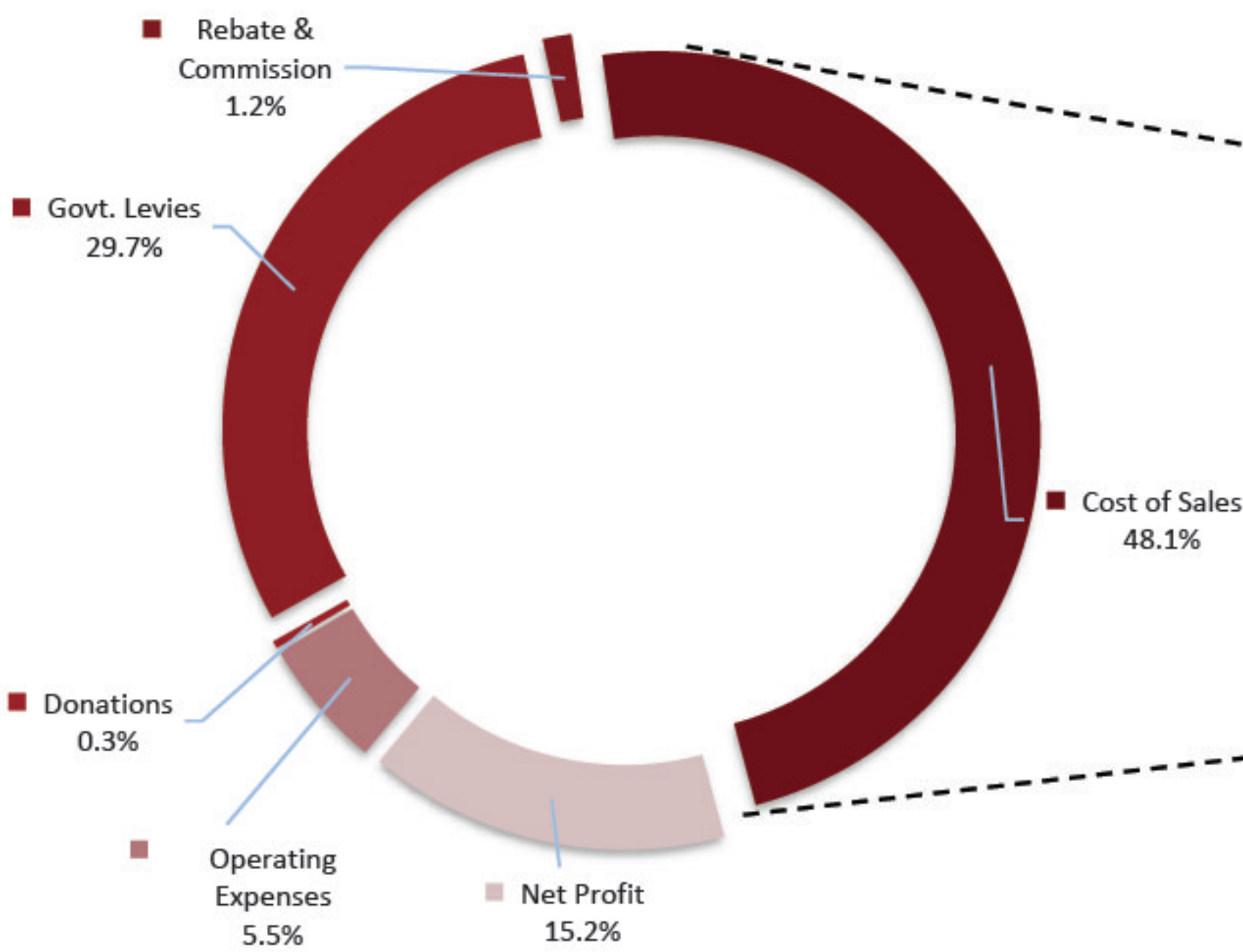
PKR in millions except EPS			
Particulars	Nine Months 2018-19	Nine Months 2017-18	Growth/ (Decline) (%)
Gross Revenue	52,315	50,626	3.3%
Net Revenue	37,521	35,671	5.2%
GP	11,260	13,093	(14.0%)
OP	8,277	10,930	(24.3%)
EBITDA	10,761	13,122	(18.0%)
NP	8,294	9,802	(15.4%)
EPS	25.65 /Share	30.31 /Share	(15.4%)

*Industry Source: APCMA Website

Revenue

During the nine months ended of the current financial year under review, your Company achieved an overall gross sales revenue growth of 3.3% as compared to the same period last year. This was mainly attributable to higher export sales volumes for clinker.

Distribution of Gross Revenue



Gross Profit

Your Company achieved a gross profit margin of 30.0% for the nine months under review as compared to 36.7% reported during the same period last year.

Net Profit

Your Company achieved a profit before tax of PKR 9,750.4 million during the nine months under review as compared to PKR 11,979.5 million reported during the same period last year. Similarly, after tax profit of PKR 8,293.9 million was achieved during the nine months under review as compared to PKR 9,801.7 million reported during the same period last year.

Earnings per share

The earnings per share of your Company for the nine months ended March 31, 2019 was PKR 25.65 in comparison to PKR 30.31 reported during the same period last year.

Projects – New and Ongoing

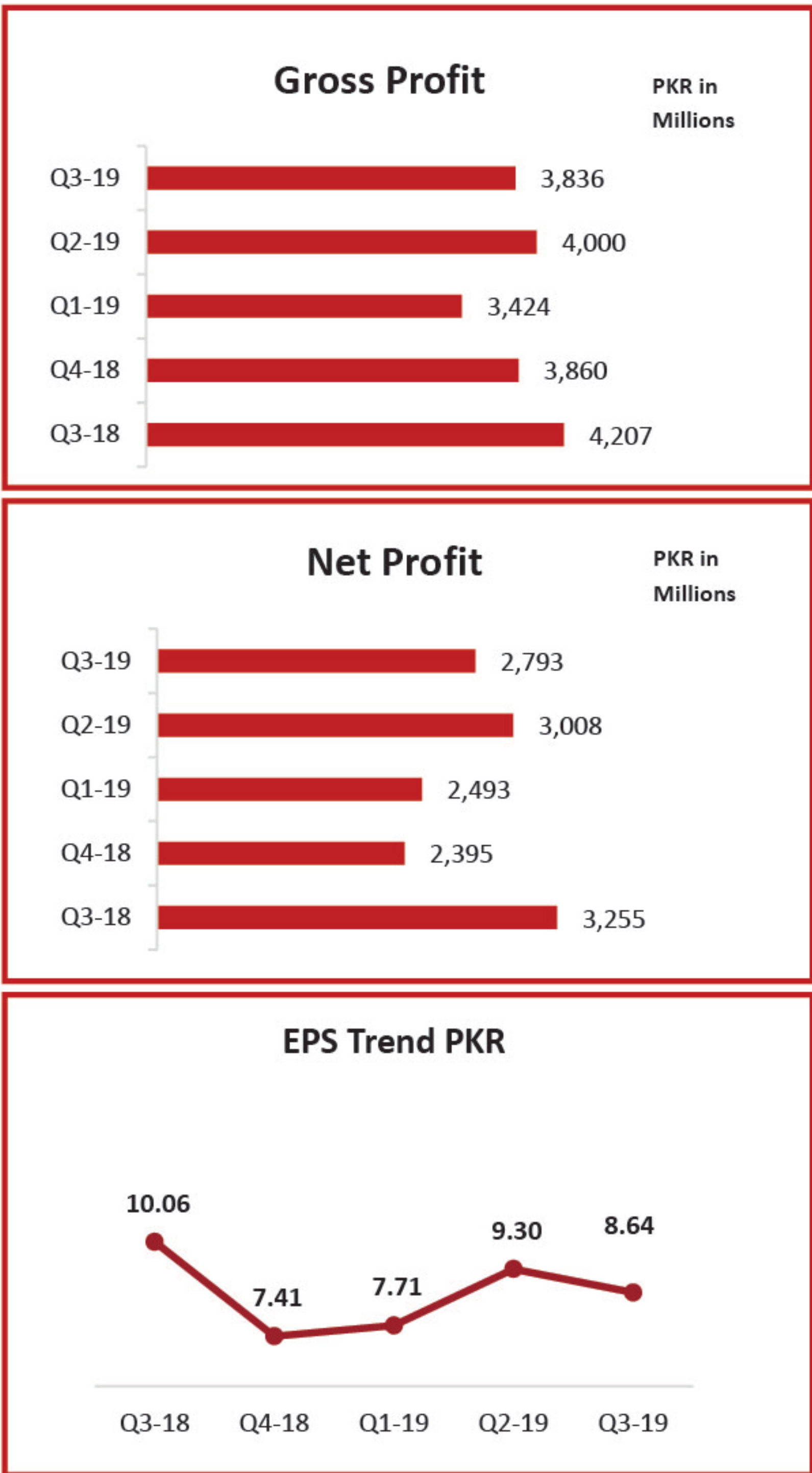
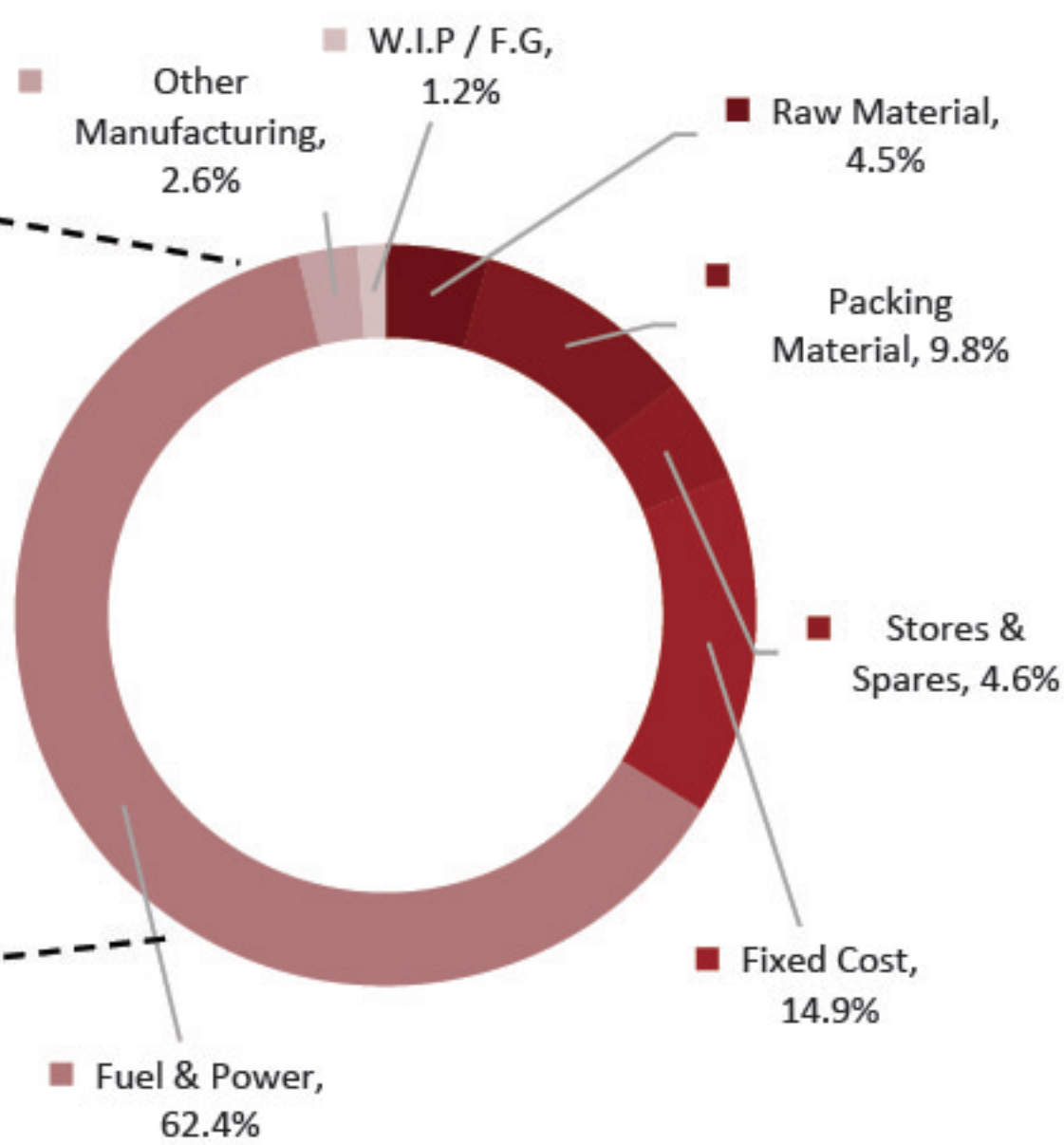
Brownfield cement plant expansion in KPK Province of Pakistan – 2.6 million tons per annum

The civil work at project site is progressing as per target timelines and with the arrival of plant & machinery shipments, erection and fabrication work is also progressing as planned to achieve commercial operations in the second quarter of the financial year 2019-20.

Cost of Sales

During the nine months ended under review, per ton cost of sales of your Company increased by 14.1% as compared to the same period last year. This increase was mainly on account of increase in coal, packing material and other fuel prices.

Distribution of Cost of Sales



Investments

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

The construction activity for setting up 660 MW super critical, lignite coal-based power plant is progressing as per project implementation schedule. Target to achieve commercial operations is 1st March 2021.

Investment in automotive manufacturing plant – Kia Lucky Motors Pakistan Limited [KLM]

The manufacturing facility is complete and ready to start production. KLM has decided to start booking of locally produced 2000 CC SUV “SPORTAGE” from June 2019 and 1000 CC small size hatchback “PICANTO” from August 2019. The sales launch of the SPORTAGE is scheduled towards end of July / early August 2019 and that of PICANTO in the month of October 2019.

Greenfield clinker production facility in Samawah, Iraq – 1.2 million tons per annum

The contracts for civil design and civil works have been finalised. The contract for Power Plant has also been finalized with Wartsila and letter of credit will be established by the end of April 2019. Levelling work at project site is in progress. Target to achieve commercial production is for the first quarter of financial year 2020-21.

Corporate Social Responsibility

For the past 25 years, your Company has remained fully committed towards improvement in the society and the communities in which it operates. The primary focus of CSR initiatives is in the sectors of Education, Women empowerment, Community development, Health and Environment conservation.

Education / Scholarships

Continuing with its longer-term vision to support the deserving and less privileged segments of the society, your Company continued to extend a number of scholarships to various students of IBA, IoBM, and other leading universities in Pakistan and abroad.

Women Empowerment

Your Company continues to prioritize its commitment towards women’s education and continues to work in collaboration with Zindagi Trust, to support the two leading Government girls’ schools in Karachi. These schools have been transformed into model girls’ educational institutions in Pakistan.

Health Initiatives

The quality healthcare has always remained your Company’s priority, especially through the financial support to Aziz Tabba Foundation: a prominent philanthropic institution that is running Tabba Heart and Tabba Kidney institutes, which provide vital support in bridging the gap of specialized and modern medical care in the Country. In the current financial year, your Company also provided financial support to Shaukat Khanum Memorial Cancer Hospital and Pakistan Welfare Association of the Blind.

Environment Conservation

Your Company always takes serious responsibility towards the conservation of Environment and takes it into account in every sphere of its operations. With an effort to further highlight the importance of environment preservation, your company continued with its tree plantation drive in and around its manufacturing sites.

Outlook

With the prevailing economic uncertainties and macro-economic situation, your Company believes that in short to medium-term, the outlook of the Cement industry will be challenging for the domestic sales. However, export sales are anticipated to remain strong in view of favorable market dynamics and increasing demand for Clinker in the regional countries.

In the long-term, Cement industry's outlook remains promising on account of Government's key initiatives to build both small and mega-capacity / multipurpose water reservoirs / dams and construction of low-cost affordable houses for public at large.

Your Company's robust financial position and free cash flow generating ability shall support its Vision to improve operational efficiencies as well as make investments in new projects, which can bring in further improvement in efficiencies and enhance shareholders' value.

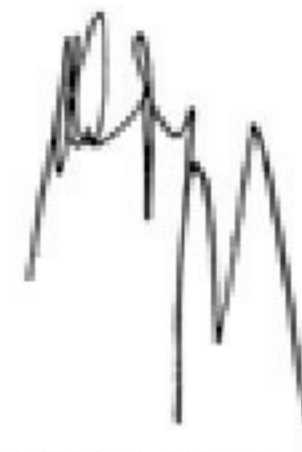
Acknowledgement

Directors of your Company take pleasure in expressing their sincere gratitude and appreciation for outstanding commitment and contribution of all the employees and continued trust and reliance placed in the Company by all the stakeholders.

On behalf of the Board



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD ALI TABBA
Chief Executive / Director

Karachi: April 26, 2019

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2019

		(Un-audited)	(Audited)
		March 31, 2019	June 30, 2018
	Note	(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	48,335,852	40,913,168
Intangible assets		28,634	55,023
		48,364,486	40,968,191
Long-term investments	6	33,252,760	24,981,078
Long-term loans and advances		107,380	90,996
Long-term deposits		3,175	3,175
		81,727,801	66,043,440
CURRENT ASSETS			
Stores and spares		7,396,331	7,783,111
Stock-in-trade		2,422,497	2,796,658
Trade debts		2,253,968	2,424,470
Loans and advances		420,692	420,671
Trade deposits and short term prepayments		147,945	67,577
Accrued return		159,985	142,881
Other receivables		1,890,079	1,311,180
Tax refunds due from the Government		538,812	538,812
Short term investment		1,040,199	34,956
Cash and bank balances		23,071,311	27,435,361
		39,341,819	42,955,677
TOTAL ASSETS		121,069,620	108,999,117
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		3,233,750	3,233,750
Reserves		88,834,985	83,133,072
		92,068,735	86,366,822
NON-CURRENT LIABILITIES			
Long-term deposits		89,594	94,394
Deferred liabilities	7	6,756,553	7,300,639
		6,846,147	7,395,033
CURRENT LIABILITIES			
Trade and other payables		16,985,019	13,121,005
Short term running finance	8	2,100,000	-
Unclaimed dividend		59,716	47,945
Unpaid dividend		89,330	82,960
Taxation - net		2,920,673	1,985,352
		22,154,738	15,237,262
CONTINGENCIES AND COMMITMENTS	9	29,000,885	22,632,295
TOTAL EQUITY AND LIABILITIES		121,069,620	108,999,117

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Irfan Chawala
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the 3rd quarter and nine months ended March 31, 2019 (Un-audited)

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2019 (PKR in '000')	March 31, 2018	March 31, 2019 (PKR in '000')	March 31, 2018
Gross sales	10	52,314,992	50,626,090	17,429,651	17,774,013
Less: Sales tax and federal excise duty		14,061,754	14,240,681	4,577,359	5,090,856
Rebates and commission		732,154	714,820	286,283	266,396
		14,793,908	14,955,501	4,863,642	5,357,252
Net sales		37,521,084	35,670,589	12,566,009	12,416,761
Cost of sales		(26,261,232)	(22,578,034)	(8,730,172)	(8,209,947)
Gross profit		11,259,852	13,092,555	3,835,837	4,206,814
Distribution cost		(2,101,175)	(1,348,647)	(726,666)	(535,464)
Administrative expenses		(881,688)	(813,960)	(322,043)	(257,457)
Other expenses		(875,770)	(985,349)	(305,168)	(368,600)
Other income	11	2,349,194	2,034,900	742,623	839,562
Profit before taxation		9,750,413	11,979,499	3,224,583	3,884,855
Taxation					
- current		(2,203,674)	(2,170,216)	(770,084)	(683,533)
- deferred		747,199	(7,597)	338,650	53,231
		(1,456,475)	(2,177,813)	(431,434)	(630,302)
Profit after taxation		8,293,938	9,801,686	2,793,149	3,254,553
Other comprehensive income:					
Other comprehensive loss which will not be reclassified to statement of profit or loss in subsequent periods					
Unrealized loss on remeasurement of equity investment at fair value through other comprehensive income		(5,912)	407	5,026	6,212
Deferred tax thereon		887	(61)	(753)	(932)
		(5,025)	346	4,273	5,280
Total comprehensive income for the period		8,288,913	9,802,032	2,797,422	3,259,833
		(PKR)		(PKR)	
Earnings per share - basic and diluted		25.65	30.31	8.64	10.06

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Irfan Chawala
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the nine months ended March 31, 2019 (Un-audited)

	Note	March 31, 2019 (PKR in '000')	March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	14,737,117	14,170,285
Income tax paid		(1,268,353)	(1,980,366)
Gratuity paid		(78,278)	(81,500)
Income from desposits with Islamic banks		1,569,993	1,470,136
Increase in long-term loans and advances		(16,384)	(3,465)
(Decrease) / increase in long-term deposits (liabilities)		(4,800)	4,110
Net cash generated from operating activities		14,939,295	13,579,200
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(9,914,493)	(5,548,955)
Long term investments		(8,271,682)	(1,562,574)
Sale proceeds on disposal of property, plant and equipment		167,331	52,924
Dividend received from short term investments		12,103	354
Dividend received from associated company		183,410	137,557
Short term investments		(1,011,155)	-
Bank balance held as lien - net		(338,545)	-
Net cash used in investing activities		(19,173,031)	(6,920,694)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(2,568,859)	(5,471,564)
Net decrease in cash and cash equivalents		(6,802,595)	1,186,942
Cash and cash equivalents at the beginning of the period		19,548,346	33,738,377
Cash and cash equivalents at the end of the period	12.1	12,745,751	34,925,319

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Irfan Chawala
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine months ended March 31, 2019 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserves		Total reserves	Total equity
			General reserves	Unappropriated profit		
(PKR in '000')						
Balance as at July 1, 2017	3,233,750	7,343,422	55,511,916	13,695,893	76,551,231	79,784,981
Transfer to general reserves	-	-	9,815,393	(9,815,393)	-	-
Transfer from general reserves	-	-	(1,616,875)	1,616,875	-	-
Transactions with owners in their capacity as owners						
Final dividend at the rate of PKR 12/- per share each for the year ended June 30, 2017	-	-	-	(3,880,500)	(3,880,500)	(3,880,500)
Interim dividend at the rate of PKR 5/- per share each for the year ended June 30, 2018	-	-	-	(1,616,875)	(1,616,875)	(1,616,875)
	-	-	-	(5,497,375)	(5,497,375)	(5,497,375)
Total comprehensive income for the nine months ended March 31, 2018	-	-	-	9,802,032	9,802,032	9,802,032
Balance as at March 31, 2018	<u>3,233,750</u>	<u>7,343,422</u>	<u>63,710,434</u>	<u>9,802,032</u>	<u>80,855,888</u>	<u>84,089,638</u>
Balance as at July 1, 2018	3,233,750	7,343,422	63,710,434	12,079,216	83,133,072	86,366,822
Transfer to general reserves	-	-	9,492,216	(9,492,216)	-	-
Transactions with owners in their capacity as owners						
Final dividend at the rate of PKR 8/- per share each for the year ended June 30, 2018	-	-	-	(2,587,000)	(2,587,000)	(2,587,000)
Total comprehensive income for the nine months ended March 31, 2019	-	-	-	8,288,913	8,288,913	8,288,913
Balance as at March 31, 2019	<u>3,233,750</u>	<u>7,343,422</u>	<u>73,202,650</u>	<u>8,288,913</u>	<u>88,834,985</u>	<u>92,068,735</u>

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Irfan Chawala
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2019 (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) [now Companies Act, 2017] and is listed on the Pakistan Stock Exchange. 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 and the head office is situated at Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street in Karachi. The Company has two production facilities at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and at Main Super Highway in Karachi, Sindh. Further, the Company's liaison offices are situated in Islamabad, Quetta, Multan, D.I.Khan, Lahore and Peshawar.

- 1.2** These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investments in subsidiaries and associate have been accounted for at cost less accumulated impairment losses, if any.

2 STATEMENT OF COMPLIANCE

- 2.1** These unconsolidated condensed interim 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 the International Accounting Standards Board (IASB) as notified under the 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.

- 2.2** These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the unconsolidated annual audited financial statements, and should be read in conjunction with Company's unconsolidated annual audited financial statements for the year ended June 30, 2018.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated annual audited financial statements for the year ended June 30, 2018 except those stated in note 3.2 (a) below.

3.2 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

- (a) New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the nine months ended March 31, 2019**

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

In addition to that two new standards (i.e. IFRS 9 and IFRS 15) have become applicable to the Company effective July 1, 2018. Because of these new standards certain changes to the Company's accounting policies have been made in light of the following paragraphs:

- IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standards do not have any significant impact on these unconsolidated condensed interim financial statements of the Company.

(b) New standards and amendments to published approved accounting and reporting standards that are not yet effective

There is a new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

However, the management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these unconsolidated condensed interim financial statements.

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the Company's unconsolidated annual audited financial statements for the year ended June 30, 2018.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2019 (Un-audited)

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's unconsolidated annual audited financial statements for the year ended June 30, 2018.

5 PROPERTY, PLANT AND EQUIPMENT

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

		(Un-audited) March 31, 2019 (PKR in '000')	(Audited) June 30, 2018
	Note		
Operating fixed assets (WDV) - opening balance		38,550,862	33,086,307
Add: Additions during the period/year	5.2	2,747,236	8,467,733
		41,298,098	41,554,040
Less: Disposals during the period/year (WDV)		33,498	28,294
Depreciation charge for the period/year		2,451,313	2,974,884
Operating fixed assets (WDV) - closing balance		38,813,287	38,550,862
Add: Capital work-in-progress	5.3	9,522,565	2,362,306
		48,335,852	40,913,168

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

	Additions (Cost) (PKR in '000')	Deletions (Cost)
Operating fixed assets		
Freehold land	44,397	-
Buildings on freehold land		
- Cement plant	135,308	-
- Power plant	1,163	-
- Others	2,507	-
Buildings on leasehold land		
- Cement plant	190,506	-
Machinery	1,810,604	1,219
Generators	60,804	1,809
Quarry equipment	124,560	7,247
Vehicles including cement bulkers	282,378	141,577
Furniture and fixtures	9,882	-
Office equipment	20,868	1,641
Computer and accessories	16,505	10,094
Other assets (laboratory equipment, etc.)	47,754	1,257
	2,747,236	164,844

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

	(Un-audited) March 31, 2019 (PKR in '000')	(Audited) June 30, 2018
Opening balance	2,362,306	4,401,830
Add: Additions during the period/year	9,914,493	6,430,906
	12,276,799	10,832,736
Less: Transferred to operating fixed assets	2,747,236	8,453,808
Transferred to intangible assets	6,998	16,622
Closing balance	9,522,565	2,362,306

		(Un-audited)	(Audited)
		March 31, 2019	June 30, 2018
	Note	(PKR in '000')	
6	LONG-TERM INVESTMENTS - at cost		
Subsidiaries			
Lucky Holdings Limited	6.1	32,145	5,619,000
LCL Investment Holdings Limited	6.2	4,580,500	4,580,500
LCL Holdings Limited	6.3	10,623,739	10,216,139
Kia Lucky Motors Pakistan Limited	6.4	11,818,056	3,954,074
Lucky Cement Holdings (Private) Limited	6.5	5,586,955	-
		32,641,395	24,369,713
Associate			
Yunus Energy Limited	6.6	611,365	611,365
		33,252,760	24,981,078

- 6.1** Lucky Holdings Limited ('LHL') is a public unlisted company incorporated in Pakistan. As of the statement of financial position date, the Company owned 75 percent shareholding of LHL.

As disclosed in the financial statements for the half year ended December 31, 2018, subsequent to the Statement of Financial Position date, the Sindh High Court (SHC) vide its order dated April 11, 2019 sanctioned the Scheme effective from start of business on July 01, 2018. A certified copy of the Court order has been filed by LHL with Securities and Exchange Commission of Pakistan (SECP).

The Scheme, amongst other arrangements, determines LHL Demerged Undertakings as primarily comprising the assets, liabilities and obligations of LHL relating to its underlying investment in ICI. Under the Scheme, the share of LHL Shareholders in LHL Demerged Undertakings proportionate to their respective shareholding in LHL has been amalgamated with and into their respective wholly owned subsidiary companies and their proportionate shares in LHL to that extent have been cancelled. Consequently, out of Company's total investments in Lucky Holdings Limited, an amount of PKR 5,586,855 have been transferred to Lucky Cement Holdings (Private) Limited.

- 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 with Al Shamookh group to form Lucky Al Shamookh Holdings Limited (LASHL) for operating a cement grinding unit in Basra, Iraq and Al Shamookh Lucky Investment Limited (ASLIL) for constructing a clinker manufacturing facility in Samawah, Iraq. LASHL and ASLIL are companies with limited liability in Jebel Ali Free Zone, United Arab Emirates. LCLIHL holds 50 percent ownership in the aforesaid joint ventures.

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

- 6.3** Represents equity investment in LCL Holdings Limited (LCLHL), a wholly owned subsidiary of the Company, incorporated in Pakistan. As of the statement of financial position date, LCLHL owns 100 percent shares in Lucky Electric Power Company Limited. The amount includes advance against future issuance of shares amounting to PKR 2.3 million .

- 6.4** Represents equity investment in Kia Lucky Motors Pakistan Limited (KLM), a public unlisted company incorporated in Pakistan. The Company will hold 70 percent shares of KLM at its commercial operations date. The amount includes advance against future issuance of shares amounting to PKR 1,833 million.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2019 (Un-audited)

- 6.5** Represents equity investment in Lucky Cement Holdings (Private) Limited (LCHPL), a private limited company incorporated in Pakistan under the Companies Act, 2017 (the Act) as a wholly owned subsidiary of the Company. The company was incorporated to affect restructuring of LHL under the Scheme.

Pursuant to the court order sanctioning the Scheme for restructuring of LHL, LCHPL now holds 54.74% shares of ICI as of the statement of financial position date.

- 6.6** Represents equity investment in Yunus Energy Limited (YEL), a public unlisted company incorporated in Pakistan. As of the statement of financial position date, the Company owns 20 percent shares of YEL.

		(Un-audited)	(Audited)
		March 31, 2019	June 30, 2018
		(PKR in '000')	
Note			
7	DEFERRED LIABILITIES		
	Staff gratuity	1,836,120	1,632,119
	Deferred tax liability	4,920,433	5,668,520
		6,756,553	7,300,639
7.1	Deferred tax liability		
	This comprises the following :		
	- Taxable temporary differences arising due to accelerated tax depreciation allowance	5,402,968	6,149,671
	- Deductible temporary differences arising in respect of provisions	(482,535)	(481,151)
		4,920,433	5,668,520

- 8** This represents Islamic Export Refinance Facilities which carry profit at SBP rate plus spread ranging from 0.1% to 1% per annum.

9 CONTINGENCIES AND COMMITMENTS

9.1 CONTINGENCIES

There are no significant changes in the status of contingencies as reported in note 25 to the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2018.

	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018
	(PKR in '000')	

9.2 COMMITMENTS

Machinery under letters of credit	8,770,002	10,853,999
Stores, spares and packing material under letters of credit	1,744,136	2,631,479
Bank guarantees issued by the Company on behalf of the subsidiary companies	28,448,405	30,699,438
Bank guarantees issued on behalf of the Company	2,040,554	1,917,572
Post dated cheques	1,079,355	315,791

		(Un-audited)	
		For the nine months ended	
		March 31,	March 31,
		2019	2018
		(PKR in '000')	

10 GROSS SALES

Local	43,994,480	46,845,295
Export	8,320,512	3,780,795
	52,314,992	50,626,090

11 OTHER INCOME

It mainly includes dividend income, income from deposits with Islamic banks and net income from supply of surplus electricity to Hyderabad Electric Supply Company.

		(Un-audited)	
		For the nine months ended	
		March 31,	March 31,
		2019	2018
		(PKR in '000')	

12 CASH GENERATED FROM OPERATIONS

Profit before taxation		9,750,413	11,979,499
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Adjustments for non cash charges and other items

Depreciation	5.1	2,451,313	2,160,679
Amortization of intangible assets		33,386	31,476
Gain on disposal of property, plant and equipment		(133,833)	(121,178)
Provision for staff gratuity		282,279	222,795
Dividend income from short term investments		(12,103)	(442)
Dividend income from associated company		(183,410)	(137,557)
Income from deposits with Islamic banks		(1,587,097)	(1,466,496)
		10,600,948	12,668,776

(Increase) / decrease in current assets

Stores and spares		386,780	(2,057,725)
Stock in trade		374,161	618,217
Trade debts		170,502	(728,222)
Loans and advances		(21)	112,999
Trade deposits and short term prepayments		(80,368)	(56,499)
Other receivables		(578,899)	(441,727)
		272,155	(2,552,957)

Increase in current liabilities

Trade and other payables		3,864,014	4,054,466
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Cash generated from operations

		14,737,117	14,170,285
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12.1 CASH AND CASH EQUIVALENTS

Cash and bank balances		23,071,311	34,925,319
Bank balance marked as lien		(8,225,560)	-
Short term running finance	8	(2,100,000)	-
		12,745,751	34,925,319

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2019 (Un-audited)

13 TRANSACTIONS WITH RELATED PARTIES

Related parties include subsidiaries, associated entities, directors, the other key management personnel and close family members of directors and other key management personnel. Details of transactions with related parties during the period, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

	For the nine months ended	
	March 31, 2019 (PKR in '000')	March 31, 2018
Transactions with Subsidiaries		
Reimbursement of expenses to the Company	6,253	45,828
Reimbursement of expenses from Company	63	-
Sales	208,137	70,596
Purchases	6,480	6,022
Services	23	-
Purchase of fixed assets	26,771	-
Sale of fixed asset	1,550	5,586
Investment made during the period	8,271,682	1,562,564
Bank guarantees released	3,822,706	-
Bank guarantee issued	1,250,000	-
Transactions with Directors and their close family members		
Dividend paid	573,354	1,290,751
Meeting fee	1,031	1,094
Transactions with Associated Undertakings		
Sales	578,582	392,055
Reimbursement of expenses to the Company	12,216	7,484
Reimbursement of expenses from the Company	666	677
Sale of fixed assets	1,875	-
Donation	140,000	75,000
Services	24,023	20,554
Dividend paid	582,768	684,839
Dividend received	183,410	137,557
Purchases of shares of subsidiary company	-	10
Transactions with other key management personnel		
Salaries and benefits	163,911	153,895
Post employment benefits	21,908	21,264
Dividend paid	56	68

- 13.1** As disclosed in note 6.1, restructuring of LHL had been proposed through a Scheme of Arrangement. For details related to this Scheme, refer note 6.1 and 6.5.

14 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 26, 2019 by the Board of Directors of the Company.

15 GENERAL

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



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Irfan Chawala
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2019

		(Un-audited) March 31, 2019 (PKR in '000')	(Audited) June 30, 2018
	Note		
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	6	108,618,457	73,865,002
Intangible assets		7,697,697	7,943,988
		116,316,154	81,808,990
Long-term investments	7	15,897,024	13,642,987
Long-term loans and advances		624,376	534,786
Long-term deposits and prepayments		50,696	53,325
		132,888,250	96,040,088
CURRENT ASSETS			
Stores, spares and consumables		8,523,012	8,854,536
Stock-in-trade		12,741,816	12,088,621
Trade debts		4,726,343	5,142,591
Loans and advances		1,799,055	1,117,485
Trade deposits and short-term prepayments		2,444,657	1,108,185
Other receivables		5,514,349	3,431,926
Tax refunds due from the Government		538,812	538,812
Taxation receivable		2,258,962	2,221,851
Accrued return		170,570	161,742
Short term investments		1,040,199	34,956
Cash and bank balances		27,363,958	34,382,272
		67,121,733	69,082,977
TOTAL ASSETS		200,009,983	165,123,065
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		3,233,750	3,233,750
Reserves		102,313,161	93,913,157
Attributable to the owners of the Holding Company		105,546,911	97,146,907
Non-controlling interests		15,665,378	12,428,264
Total equity		121,212,289	109,575,171
NON-CURRENT LIABILITIES			
Long-term finances	8	21,682,923	8,789,887
Long-term deposits		89,594	94,394
Deferred liabilities	9	9,777,858	10,640,736
Other long term liabilities		4,466,555	3,431,948
		36,016,930	22,956,965
CURRENT LIABILITIES			
Trade and other payables		27,796,084	20,242,935
Unclaimed dividend		154,452	47,945
Unpaid dividend		89,330	82,960
Provision for taxation		3,297,314	1,992,278
Accrued return		407,412	272,146
Short-term borrowings and running finance		8,097,001	7,332,327
Current portion of liabilities against assets subject to finance lease		89	822
Current portion of long-term finances	8	2,939,082	2,619,516
		42,780,764	32,590,929
		78,797,694	55,547,894
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		200,009,983	165,123,065

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


Irfan Chawala
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the 3rd quarter and nine months ended March 31, 2019 (Un-audited)

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
		(PKR in '000')	(PKR in '000')	(PKR in '000')	(PKR in '000')
Revenue	11	103,320,389	92,601,630	35,466,328	32,835,542
Less: Sales tax and excise duty		16,764,874	16,469,999	5,463,025	5,915,584
Rebates and commission		4,489,902	3,784,476	1,657,541	1,327,170
		21,254,776	20,254,475	7,120,566	7,242,754
		82,065,613	72,347,155	28,345,762	25,592,788
Cost of sales		(63,799,985)	(52,539,849)	(21,779,033)	(18,952,235)
Gross profit		18,265,628	19,807,306	6,566,729	6,640,553
Distribution cost		(4,296,137)	(3,333,525)	(1,458,307)	(1,181,237)
Administrative expenses		(2,308,421)	(2,070,348)	(776,794)	(628,271)
Finance cost		(1,151,277)	(534,989)	(376,944)	(220,394)
Other expenses		(1,313,476)	(1,760,266)	(411,496)	(649,076)
Other income	12	3,061,838	3,502,495	1,138,122	1,305,814
Profit before taxation		12,258,155	15,610,673	4,681,310	5,267,389
Taxation					
- current		(3,332,147)	(2,423,620)	(1,209,033)	(507,111)
- deferred		1,071,569	(119,736)	388,038	(269,840)
		(2,260,578)	(2,543,356)	(820,995)	(776,951)
Profit after taxation		9,997,577	13,067,317	3,860,315	4,490,438
Attributable to:					
Owners of the Holding Company		9,260,243	11,935,141	3,464,738	4,020,905
Non-controlling interests		737,334	1,132,176	395,577	469,533
		9,997,577	13,067,317	3,860,315	4,490,438
Other comprehensive income for the period					
Other comprehensive income which may be reclassified to statement of profit or loss in subsequent periods					
Foreign exchange differences on translation of foreign operations		1,339,539	704,626	138,983	341,548
Other comprehensive loss which will not be reclassified to statement of profit or loss in subsequent periods					
Unrealized loss on remeasurement of equity investment at fair value through other comprehensive income		(5,912)	407	5,026	6,212
Deferred tax thereon		887	(61)	(753)	(932)
		(5,025)	346	4,273	5,280
Total comprehensive income for the period		11,332,091	13,772,289	4,003,571	4,837,266
Attributable to:					
Owners of the Holding Company		10,594,757	12,640,113	3,607,994	4,367,733
Non-controlling interests		737,334	1,132,176	395,577	469,533
		11,332,091	13,772,289	4,003,571	4,837,266
		(PKR)	(PKR)	(PKR)	(PKR)
Earnings per share - basic and diluted		28.64	36.91	10.71	12.43

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



Irfan Chawala
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the nine months ended March 31, 2019 (Un-audited)

	Note	March 31, 2019 (PKR in '000')	March 31, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	20,057,637	16,707,332
Finance costs paid		(1,000,387)	(537,538)
Income tax paid		(2,064,120)	(2,691,886)
Staff retirement benefits paid		(149,114)	(153,243)
Income from deposits with Islamic banks and other financial institutions		1,690,195	1,540,117
Increase in long-term loans and advances		(89,589)	(58,107)
Increase in long-term deposits and prepayments		(2,167)	(22,185)
Net cash generated from operating activities		18,442,455	14,784,490
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(39,299,671)	(11,137,736)
Investment in joint ventures		(38,187)	-
Business acquisition		-	(1,935,700)
Dividend from associate		363,410	553,020
Short term investment		(1,011,155)	-
Dividend received from short term investments		12,103	354
Bank balance held as lien - net		(338,545)	-
Sale proceeds on disposal of property, plant and equipment		182,313	53,467
Net cash used in investing activities		(40,129,732)	(12,466,595)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance - net		13,587,496	2,046,144
Payment against finance lease liability		(1,225)	(2,502)
Issuance of shares to non controlling interest		3,079,523	2,042,526
Dividends paid		(3,100,050)	(5,872,332)
Net cash generated from / (used in) financing activities		13,565,744	(1,786,164)
Net (decrease) / increase in cash and cash equivalents		(8,121,533)	531,731
Cash and cash equivalents at the beginning of the period		19,162,930	34,144,414
Cash and cash equivalents at the end of the period		11,041,397	34,676,145
Cash and cash equivalents at March 31 comprise of:			
Cash and bank balances		27,363,958	39,249,313
Short-term finances		(8,097,001)	(4,573,168)
Bank balance marked as lien		(8,225,560)	-
		11,041,397	34,676,145

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

Irfan Chawala
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine months ended March 31, 2019 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserves			Total reserves	Non- Controlling Interests	Total equity
			General reserves	Foreign currency translation reserve	Unappro- priated profit			
(PKR in '000')								
Balance as at July 01, 2017	3,233,750	7,343,422	55,511,916	152,106	20,729,031	83,736,475	9,235,325	96,205,550
Transfer to general reserves	-	-	8,198,518	-	(8,198,518)	-	-	-
Final dividend at the rate of PKR 12/- per share each for the year ended June 30, 2017	-	-	-	-	(3,880,500)	(3,880,500)	-	(3,880,500)
Interim dividend at the rate of PKR 5/- per share each for the year ended June 30, 2018	-	-	-	-	(1,616,875)	(1,616,875)	-	(1,616,875)
Dividends paid to non-controlling interests of ICI	-	-	-	-	-	-	(429,535)	(429,535)
Share of non-controlling interests of KLM	-	-	-	-	1,501	1,501	1,119,825	1,121,326
NCI share of right issue	-	-	-	-	-	-	921,200	921,200
Profit after taxation	-	-	-	-	11,935,141	11,935,141	1,132,176	13,067,317
Other comprehensive income	-	-	-	704,626	346	704,972	-	704,972
Total comprehensive income for the nine months ended March 31, 2018	-	-	-	704,626	11,935,487	12,640,113	1,132,176	13,772,289
Balance as at March 31, 2018	<u>3,233,750</u>	<u>7,343,422</u>	<u>63,710,434</u>	<u>856,732</u>	<u>18,970,126</u>	<u>90,880,714</u>	<u>11,978,991</u>	<u>106,093,455</u>
Balance as at July 01, 2018	3,233,750	7,343,422	63,710,434	1,258,268	21,601,033	93,913,157	12,428,264	109,575,171
Effect of Scheme of Arrangement (refer note. 2)	-	-	-	-	-	-	349,052	349,052
Transfer to general reserves	-	-	9,492,216	-	(9,492,216)	-	-	-
Final dividend at the rate of PKR 8/- per share each for the year ended June 30, 2018	-	-	-	-	(2,587,000)	(2,587,000)	-	(2,587,000)
Dividends paid to non-controlling interests of ICI	-	-	-	-	-	-	(536,547)	(536,547)
Decrease in ownership interest in ICI	-	-	-	-	392,760	392,760	207,098	599,858
Share of non-controlling interests of KLM	-	-	-	-	(512)	(512)	2,480,177	2,479,665
Profit after taxation	-	-	-	-	9,260,243	9,260,243	737,334	9,997,577
Other comprehensive income	-	-	-	1,339,539	(5,025)	1,334,514	-	1,334,514
Total comprehensive income for the nine months ended March 31, 2019	-	-	-	1,339,539	9,255,218	10,594,757	737,334	11,332,091
Balance as at March 31, 2019	<u>3,233,750</u>	<u>7,343,422</u>	<u>73,202,650</u>	<u>2,597,807</u>	<u>19,169,283</u>	<u>102,313,161</u>	<u>15,665,378</u>	<u>121,212,289</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



Irfan Chawala
Chief Financial Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2019 (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, LCL Holdings Limited, Lucky Cement Holdings (Private) Limited and KIA Lucky Motors Pakistan Limited. Brief profiles of the Holding company, 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 the Pakistan Stock Exchange. 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 and the head office is situated at Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street in Karachi. The Holding Company has two production facilities at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and at Main Super Highway in Karachi, Sindh. Further, the Holding Company's liaison offices are situated in Islamabad, Quetta, Multan, D.I.Khan, Lahore and Peshawar.

1.2 LCL Investment Holdings Limited

The Holding Company has made an investment in LCL Investment Holdings Limited (LCLIHL), incorporated and domiciled in Mauritius. LCLIHL has entered into joint venture agreements with Al Shamookh group to form Lucky Al Shamookh Holdings Limited (LASHL) for operating a cement grinding unit in Basra, Iraq and Al Shamookh Lucky Investment Limited (ASLIL) for constructing a clinker manufacturing facility in Samawah, Iraq. LASHL and ASLIL are companies with limited liability in Jebel Ali Free Zone, United Arab Emirates. LCLIHL holds 50 percent ownership in the aforesaid joint ventures.

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

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 situated at Room No 5, 6 and 7, Third Floor, Syed Towers, University Road, Opp: Custom House, Peshawar, Khyber Pakhtunkhwa.

During the period under review, restructuring of LHL was proposed through a Scheme of Arrangement (the Scheme) involving a wholly owned subsidiary of the Company, i.e. Lucky Cement Holdings (Private) Limited (LCHPL) and wholly owned subsidiary companies of other shareholders of LHL. For details please refer note 2.

1.4 LCL Holdings Limited

LCL Holdings Limited (LCLHL) was incorporated in Pakistan as public unlisted company. LCLHL is a wholly owned subsidiary of the Holding Company. LCLHL has been incorporated with the objective to invest in the Coal Based Power project to be setup by Lucky Electric Power Company Limited (LEPCL). The registered office of the Company is situated at 6-A, Muhammad Ali Society, A. Aziz Hashim Tabba Street, Karachi in the province of Sindh.

Details of investments of LCLHL are as follows

1.4.1 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 is a wholly owned subsidiary of LCLHL. The operations of LEPCL have not yet started. LEPCL will invest in setting up a 660 MW coal based power project in Karachi. Its registered office is situated at 6-A, Muhammad Ali Society, A. Aziz Hashim Tabba Street, Karachi in the province of Sindh.

1.5 KIA Lucky Motors Pakistan Limited

KIA Lucky Motors Pakistan Limited (KLM) was incorporated in Pakistan as a public unlisted company. The principal line of business of KLM is to carry out the manufacturing, assembling, distribution, marketing, sale, after-sale-service, import and export of all types of KIA motor vehicles, parts and accessories under license from KIA Motors Corporation.

1.6 Lucky Cement Holdings (Private) Limited

Lucky Cement Holdings (Private) Limited (LCHPL) is a private limited company incorporated in Pakistan. LCHPL is a wholly owned subsidiary of the Holding Company. The company has been incorporated to affect restructuring of LHL through Scheme of Arrangement as detailed in note 2.

Details of the investments of LCHPL are as follows:

1.6.1 ICI Pakistan Limited

ICI Pakistan Limited (ICI) was incorporated in Pakistan and is listed on the Pakistan Stock Exchange. ICI 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 merchanting 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.

1.6.2 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 ICI. The registered office of ICI PowerGen is situated at 5 West Wharf, Karachi.

1.6.3 Cirin Pharmaceutical (Private) Limited

Cirin Pharmaceuticals (Private) Limited (Cirin) is a private limited company incorporated in Pakistan and is a wholly owned subsidiary of ICI. Cirin is engaged in manufacturing and sale of pharmaceutical products. The registered office of Cirin is situated at ICI House, 5 West Wharf, Karachi.

1.6.4 NutriCo Morinaga (Private) Limited

NutriCo Morinaga (Private) Limited (NutriCo) is a private limited company incorporated in Pakistan. ICI has 51% ownership interest in NutriCo. NutriCo is engaged in manufacturing of infant milk powder. The registered office of NutriCo is situated at ICI House, 5 West Wharf, Karachi.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2019 (Un-audited)

2 SCHEME OF ARRANGEMENT

As disclosed in the financial statements for the half year ended December 31, 2018, restructuring of LHL had been proposed through a Scheme of Arrangements (the 'Scheme'). Subsequent to the Statement of financial position date, the Sindh High Court (SHC) vide its order dated April 11, 2019 sanctioned the Scheme effective from start of business on July 01, 2018. A certified copy of the Court order has been filed by LHL with Securities and Exchange Commission of Pakistan (SECP).

The Scheme, amongst other arrangements, determines LHL Demerged Undertakings as primarily comprising the assets, liabilities and obligations of LHL relating to its underlying investment in ICI. Under the Scheme, the share of LHL Shareholders in LHL Demerged Undertakings proportionate to their respective shareholding in LHL has been amalgamated with and into their respective wholly owned subsidiary companies and their proportionate shares in LHL to that extent have been cancelled. As a result of the Scheme, liabilities aggregating PKR 349.052 million have been transferred to the Group's related parties.

3 STATEMENT OF COMPLIANCE

3.1 These consolidated condensed interim 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 the International Accounting Standards Board (IASB) as notified under the 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.

3.2 These consolidated condensed interim financial statements do not include all the information and disclosures required in the consolidated annual audited financial statements, and should be read in conjunction with Holding Company's consolidated annual audited financial statements for the year ended June 30, 2018.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated annual audited financial statements for the year ended June 30, 2018 except those stated in note 4.2 (a) below.

4.2 Change in accounting standards, interpretations and amendments to published approved accounting standards

(a) New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the nine month ended March 31, 2019

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore,

have not been detailed in these consolidated condensed interim financial statements.

In addition to that two new standards (i.e. IFRS 9 and IFRS 15) have become applicable to the Company effective July 1, 2018. Because of these new standards certain changes to the Holding Company's accounting policies have been made in light of the following paragraphs:

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standard do not have any significant impact on these consolidated condensed interim financial statements of the Company.

- (b)** New standards and amendments to published approved accounting and reporting standards that are not yet effective

There is a new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Holding Company and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

However, the management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these consolidated condensed interim financial statements.

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those applied in the Company's consolidated annual audited financial statements for the year ended June 30, 2018.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's consolidated annual audited financial statements for the year ended June 30, 2018.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2019 (Un-audited)

6 PROPERTY, PLANT AND EQUIPMENT

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

		(Un-audited) March 31, 2019 (PKR in '000')	(Audited) June 30, 2018
	Note		
Operating fixed assets (WDV) - opening balance		60,619,288	49,689,176
Add: Additions during the period/year	6.2	3,779,037	16,508,608
		64,398,325	66,197,784
Less: Disposals during the period/year (WDV)		44,929	74,484
Impairment charge for the period/year		-	36,758
Depreciation charge for the period/year		4,578,382	5,467,254
Operating fixed assets (WDV) - closing balance		59,775,014	60,619,288
Add: Capital work-in-progress	6.3	48,843,443	13,245,714
		108,618,457	73,865,002

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

	Additions (Cost) (PKR in '000')	Deletions (Cost)
Operating fixed assets		
Land	87,563	-
Lime beds on freehold land	14,244	-
Buildings on free hold land		
- Cement plant	135,308	-
- Power plant	1,163	-
- Others	5,547	-
Buildings on leasehold land		
- Cement plant	190,506	-
- Others	143,366	400
Lease hold improvement	30,113	-
Machinery	2,359,486	43,191
Generators	60,804	1,809
Quarry equipments	124,560	7,247
Vehicles including cement bulkers	392,312	165,858
Furniture and fixtures	75,664	1,694
Office equipments	36,576	1,701
Computer & accessories	74,071	10,175
Other assets	47,754	1,257
	3,779,037	233,332

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

	(Un-audited) March 31, 2019 (PKR in '000')	(Audited) June 30, 2018
Opening balance	13,245,714	9,912,057
Add: Additions during the period/year	39,083,660	18,114,978
	52,329,374	28,027,035
Less: Transferred to operating fixed assets	3,478,933	14,764,699
Transferred to intangible assets	6,998	16,622
Closing balance	48,843,443	13,245,714

		(Un-audited)	(Audited)
		March 31, 2019	June 30, 2018
	Note	(PKR in '000')	
7 LONG TERM INVESTMENT			
Equity accounted investment			
Joint ventures			
Lucky Al Shumookh Holdings Limited	7.1	4,680,475	3,560,404
LuckyRawji Holdings Limited	7.2	9,068,344	8,106,046
Al Shumookh Lucky Investments Limited	7.3	40,659	-
		13,789,478	11,666,450
Associates			
NutriCo Pakistan (Pvt) Limited	7.4	1,274,121	1,130,004
Yunus Energy Limited	7.5	830,925	844,033
		2,105,046	1,974,037
		15,894,524	13,640,487
Unquoted - at cost			
Equity security available-for-sale			
Arabian Sea Country Club Limited			
(250,000 ordinary shares of PKR 10 each)		2,500	2,500
		15,897,024	13,642,987
7.1 Lucky Al Shumookh Holdings Limited			
Investment at cost		1,912,283	1,912,283
Share of cumulative profit at the beginning of the year		1,067,601	536,384
Share of profit during the period/year		523,723	861,131
Dividend received during the period/year		-	(329,914)
		1,591,324	1,067,601
Foreign currency translation reserve		1,176,868	580,520
		4,680,475	3,560,404
The Group's interest in LASHL's assets and liabilities is as follows:			
Total assets		9,987,922	7,541,074
Total liabilities		(626,973)	(420,267)
Net assets (100%)		9,360,949	7,120,807
Group's share of net assets (50%)		4,680,475	3,560,404
The Group's share in LASHL's profit or loss is as follows:			
Revenue		5,754,946	7,491,670
Net profit (100%)		1,047,448	1,722,262
Group's share of net profit (50%)		523,723	861,131

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2019 (Un-audited)

	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018
	(PKR in '000')	
7.2 LuckyRawji Holdings Limited		
Investment at cost	6,870,050	6,870,050
Share of cumulative loss at the beginning of the year	(74,603)	(231,226)
Share of (loss) / profit during the period/year	(305,941)	156,623
	(380,544)	(74,603)
Foreign currency translation reserve	2,578,838	1,310,599
	9,068,344	8,106,046
The Group's interest in LRHL's assets and liabilities is as follows:		
Total assets	36,306,404	33,720,710
Total liabilities	(18,169,716)	(17,508,618)
Net assets (100%)	18,136,688	16,212,092
Group's share of net assets (50%)	9,068,344	8,106,046
The Group's share in LRHL's profit or loss is as follows:		
Revenue	6,205,179	7,786,559
Net (loss) / profit (100%)	(611,883)	313,245
Group's share of net (loss) / profit (50%)	(305,941)	156,623
7.3 Al Shumookh Lucky Investments Limited		
Investment at cost	38,187	-
Share of profit during the period	1,835	-
	1,835	-
Foreign currency translation reserve	637	-
	40,659	-
The Group's interest in ASLIL's assets and liabilities is as follows:		
Total assets	2,946,133	-
Total liabilities	(2,864,815)	-
Net assets (100%)	81,318	-
Group's share of net assets (50%)	40,659	-
The Group's share in ASLIL's profit or loss is as follows:		
Revenue	-	-
Net profit (100%)	3,670	-
Group's share of net profit (50%)	1,835	-

	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018
	(PKR in '000')	
7.4 NutriCo Pakistan (Pvt) Limited		
Investment at cost	960,000	960,000
Share of profit opening balance	170,004	4,034
Share of profit during the period/year	324,117	585,970
Dividend received during the period/year	(180,000)	(420,000)
	314,121	170,004
	<u>1,274,121</u>	<u>1,130,004</u>

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

7.5 Yunus Energy Limited

Investment at cost	611,365	611,365
Share of cumulative profit at the beginning of the year	232,668	108,472
Share of profit during the period/year	170,302	261,753
Dividend received during the period/year	(183,410)	(137,557)
	219,560	232,668
	<u>830,925</u>	<u>844,033</u>

Represents 20% equity investment of 61,365,500 shares @ PKR 10/- each in Yunus Energy Limited.

8 LONG TERM FINANCES

	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018
	(PKR in '000')	
Note		
Long-term finances	24,622,005	11,409,403
Current portion of long term finances	(2,939,082)	(2,619,516)
8.1 & 8.2	<u>21,682,923</u>	<u>8,789,887</u>

8.1 There is no change in the terms and conditions of long-term loans as disclosed in the Group's consolidated annual audited financial statements, except that during the period, ICI availed a further long term loan amounting to PKR 2,772.925 million. The mark up rate on LTFF ranges from SBP rate +0.1% to 1.15% spread , with other Long Term Loans ranging from 3 month KIBOR to 6 months KIBOR bearing spreads ranging from 0.05% to 0.25%. The profit rate on Islamic term finance is 6 months KIBOR + 0.05%. The markup is payable on quarterly and semi-annual basis. Further, LCHPL has paid off its outstanding balance of Musharika Finance as at June 30, 2018 amounting to PKR 738.281 million.

8.2 LEPCCL entered into a PKR Facility Agreement aggregating to PKR 55.97 billion on May 31, 2018 with consortium of Banks led by United Bank Limited as 'InterCreditorAgent'. As on March 31, 2019 LEPCCL has availed long term loan aggregating to PKR 12.267 billion. Transaction cost aggregates to PKR 321.628 million which is netted off from the said loan.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2019 (Un-audited)

		(Un-audited)	(Audited)
	Note	March 31, 2019 (PKR in '000')	June 30, 2018
9 DEFERRED LIABILITIES			
Staff gratuity and eligible retired employees' medical scheme		1,979,781	1,770,164
Deferred tax liability	9.1	7,798,077	8,870,572
		9,777,858	10,640,736
9.1 Deferred tax liability			
This comprises of the following :			
- Taxable temporary differences arising due to accelerated tax dep reciation allowance		8,744,995	9,777,194
- Deductible temporary differences arising in respect of provisions		(946,918)	(906,622)
		7,798,077	8,870,572

10 CONTINGENCIES AND COMMITMENTS

10.1 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, 2018.

		(Un-audited)	(Audited)
		March 31, 2019 (PKR in '000')	June 30, 2018
10.2 COMMITMENTS			
Machinery under letters of credit and others		69,939,107	78,556,891
Stores, spares and packing material under letters of credit		1,744,136	2,631,479
Bank guarantees issued on behalf of the Holding Company and its subsidiaries		30,488,959	32,617,010
Standby Letter of Credit		4,223,400	3,644,916
Post dated cheques		3,506,896	488,864

		(Un-audited)	(Audited)
		March 31, 2019 (PKR in '000')	June 30, 2018
10.3	Claims against the Group not acknowledged as debts are as follows:		
	Local bodies	163,583	166,501
	Others	11,318	11,318
		174,901	177,819

	(Un-audited)	(Audited)
	March 31, 2019	June 30, 2018
	(PKR in '000')	
10.4 Commitments for rentals under operating lease / Ijarah agreements in respect of vehicles are as follows:		
Year		
2018-19	27,862	76,101
2019-20	91,424	80,895
2020-21	97,367	85,991
2021-22	103,695	91,409
2022-23	83,358	-
	403,706	334,396
Payable not later than one year	96,430	76,101
Payable later than one year but not later than five years	307,276	258,295
	403,706	334,396

	For the nine months ended	
	March 31, 2019	March 31, 2018
	(PKR in '000')	

11 SEGMENT REPORTING

TURNOVER

Cement	52,314,992	50,626,090
Polyester	17,649,031	13,528,551
Soda Ash	14,950,999	11,315,123
Life Sciences	10,740,820	10,746,967
Chemicals and Agri Sciences	6,969,397	6,401,195
Others (ICI PowerGen, KLM)	1,579,906	448,346
	103,320,389	92,601,630

	For the nine months ended	
	March 31, 2019	March 31, 2018
	(PKR in '000')	

11.1 OPERATING RESULT

Cement	8,276,989	10,929,948
Polyester	(117,726)	122,800
Soda Ash	2,580,465	2,067,314
Life Sciences	321,889	1,227,140
Chemicals and Agri Sciences	444,674	105,179
Others	192,080	(45,610)
	11,661,070	14,403,433

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

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

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2019 (Un-audited)

		For the nine months ended	
		March 31, 2019	March 31, 2018
		(PKR in '000')	
11.4 GROSS SALES			
Local		93,999,989	88,360,535
Export		9,320,400	4,241,095
		103,320,389	92,601,630

12 OTHER INCOME

It mainly includes income from deposits with Islamic banks and other financial institution, net income from supply of surplus electricity to Hyderabad Electric Supply Company and share of gain in equity-accounted investments.

		For the nine months ended	
		March 31, 2019	March 31, 2018
		(PKR in '000')	
13 CASH GENERATED FROM OPERATIONS			
Profit before taxation		12,258,155	15,610,673
Adjustments for non cash charges and other items			
Depreciation	6.1	4,517,505	3,939,460
Amortization on intangible assets		262,427	285,282
Provision for slow moving spares		6,953	555
Provision for slow moving and obsolete stock-in-trade		150,163	200,689
Provision for doubtful debts		21,967	153,349
Provisions and accruals no longer required written back		(3,974)	-
(Gain) / Loss on disposal of fixed assets		(137,442)	(121,183)
Provision for staff retirement plan		331,627	276,767
Share of profit from equity accounted investees		(714,036)	(1,467,378)
Return from deposits with islamic banks and and other financial institutions		(1,706,126)	(1,530,293)
Dividend income from short term investments		(12,103)	(442)
Adjustment of pre-paid arrangement fee to loan account		(321,628)	-
Finance cost		1,139,064	527,571
Profit before working capital changes		15,792,552	17,875,050
(Increase) / decrease in current assets			
Stores, spares and consumables		324,571	(1,979,727)
Stock in trade		(799,803)	(663,518)
Trade debts		412,296	(938,636)
Loans and advances		(681,065)	(555,908)
Trade deposits and short term prepayments		(1,744,608)	(29,686)
Other receivables		(545,226)	(486,425)
		(3,033,835)	(4,653,900)
Increase in current liabilities			
Trade and other payables		7,298,920	3,486,182
Cash generated from operations		20,057,637	16,707,332

14 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated entities, directors, other key management personnel and close family members of directors and other key management personnel. Details of transactions with related parties during the period are as follows:

	(Un-audited) For the nine months ended	
	March 31, 2019	March 31, 2018
	(PKR in '000')	
Transactions with Associated Undertakings		
Sales	1,908,070	1,764,187
Purchase of goods, materials and services	289,951	55,076
Reimbursement of expenses to Company	48,779	68,278
Reimbursement of expenses from Company	666	677
Sale of fixed asset	8,049	-
Donation	146,406	110,000
Dividends received	363,410	553,020
Dividends paid	726,523	883,885
Rent paid	11,967	-
Services	24,023	20,554
Recovery of expenses	5,880	-
Purchase of shares of subsidiary Company	-	10
Investment made in joint ventures	38,187	-
Transactions with Directors		
Meeting fee	1,031	1,094
Dividends paid	573,354	1,290,751
Transactions with key management personnel		
Salaries and benefits	460,090	401,196
Post employment benefits	49,111	47,115
Dividends paid	7,087	5,412
Staff retirement benefit plan		
Contribution	177,483	197,139

15 GENERAL

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

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on April 26, 2019 by the Board of Directors of the Holding Company.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Irfan Chawala
Chief Financial Officer

طویل مدت کے دوران حکومت کی جانب سے چھوٹے اور بڑے کثیر المقاصد ڈیموں کی تعمیر اور گھروں کی تعمیر کے منصوبوں کیلئے اٹھائے جانے والے اقدامات کے پیش نظر آپ کی کمپنی اس بات سے بھی پر امید ہے کہ مقامی سطح پر سیمنٹ کی فروخت میں اضافے کا رجحان دیکھنے کو ملے گا۔

آپ کی کمپنی کی قرضوں سے پاک مضبوط مالیاتی پوزیشن اور واجبات سے پاک نقد رقوم کی وجہ سے ناصرف اس قسم کے پروجیکٹس میں سرمایہ کاری میں مدد ملے گی بلکہ دیگر نئے پروجیکٹس میں بھی سرمایہ کاری کے مواقع حاصل ہوتے رہیں گے جس کی وجہ سے کمپنی کی کاروباری سرگرمیوں میں بہتری لانے میں اور حصص داران کی سرمایہ کاری کو مزید بار آور کرنے میں مدد ملے گی۔

اظہارِ تشکر

آپ کی کمپنی کے ڈائریکٹرز تہہ دل کے ساتھ انتھک محنت اور اخلاص نیت کے ساتھ کام کرنے کیلئے کمپنی کے تمام ملازمین کے مشکور ہیں اور ان تمام شراکت داروں کا بھی تہہ دل سے شکریہ ادا کرتے ہیں کہ جن کا اعتماد اور حوصلہ ہمیشہ ہمارے شامل حال رہا۔



محمد علی ٹبہ

چیف ایگزیکٹو / ڈائریکٹر

منجانب بورڈ



محمد یونس ٹبہ

چئیرمین / ڈائریکٹر

کراچی: 26 اپریل 2019

تعلیم و وظائف

مستحق اور غیر مراعات یافتہ طبقے سے تعلق رکھنے والے طلباء کی امداد کا طویل المیعاد وژن لئے آپ کی کمپنی کی جانب سے IBA، IoBM اور دیگر معروف ملکی تعلیمی اور غیر ملکی تعلیمی اداروں میں زیر تعلیم طلباء کو وظائف فراہم کئے گئے۔

خود مختاری برائے خواتین

خواتین کی تعلیم آپ کی کمپنی کی ترجیحات میں شامل ہے اور اس سلسلے میں اپنے کردار کو بھرپور انداز سے نبھانے کیلئے آپ کی کمپنی زندگی ٹرسٹ کے ساتھ تعاون جاری رکھے ہوئے ہے اور اس سلسلے میں کراچی کے دو معروف گرلز اسکولوں کی امداد کی جارہی ہے۔ ان اسکولوں کو پاکستان میں لڑکیوں کی تعلیم کیلئے مثالی اداروں میں تبدیل کر دیا گیا ہے۔

صحت سے متعلق اقدامات

صحت سے متعلق بہترین سہولیات کی فراہمی ہمیشہ سے آپ کی کمپنی کی اولین ترجیحات کا حصہ رہی ہیں بالخصوص عزیز طبقہ فاؤنڈیشن کی مالی امداد کے ذریعے سے جو کہ انسانی ہمدردی کی بنیاد پر کام کرنے والا ایک معروف ادارہ ہے جس کے تحت ٹبہ ہارٹ اور ٹبہ کڈنی انسٹیٹیوٹس کو چلایا جا رہا ہے۔ یہ ادارے وطن عزیز میں اسپیشل اور جدید علاج کی سہولیات میں پائے جانے والے فقدان کو کم کرنے میں اہم کردار ادا کر رہے ہیں۔ اس کے علاوہ آپ کی کمپنی کی جانب سے زیر نظر رواں مالی سال کے دوران شوکت خانم میموریل کینسر ہسپتال اور پاکستان ویلفیئر ایسوسی ایشن آف بلاسٹڈ کی مالی امداد بھی کی گئی ہے۔

بقائے ماحولیات

بقائے ماحولیات کے لیے آپ کی کمپنی کی جانب سے ہمیشہ سنجیدہ کوششیں کی گئی ہیں اور کمپنی اپنے تمام کاروباری امور میں اس بات کا خیال رکھتی ہے۔ بقاء ماحولیات کی کوششوں کو ایک قدم اور آگے بڑھانے کی غرض سے آپ کی کمپنی کی جانب سے اپنی پیداواری سائٹ کے ارد گرد شجرکاری کی مہم بھی جاری و ساری ہے۔

مستقبل پر نظر

موجودہ غیر یقینی مالیاتی اور معاشی صورتحال کے ہوتے ہوئے آپ کی کمپنی اس بات پر یقین رکھتی ہے کہ مختصر سے درمیانی مدت کے دوران سیمنٹ کی صنعت کا مستقبل مقامی فروخت کیلئے دشوار ہے۔ جبکہ مارکیٹ کے سازگار رجحانات کے پیش نظر اور خطے کے ممالک میں کلنر کی بڑھتی ہوئی طلب کو مد نظر رکھتے ہوئے اس بات کی قوی امید ہے کہ برآمدات پر مبنی فروخت میں اضافے کا رجحان برقرار رہے گا۔

1x600 میگاواٹ کے سپر کرٹیکل کوئلے پر مبنی پاور پروجیکٹ میں سرمایہ کاری

سپر کرٹیکل لیگنائٹ کوئلے پر مبنی 660 میگاواٹ پلانٹ پر پروجیکٹ کے شیڈول کے مطابق تعمیراتی کام جاری ہے۔ پلانٹ پر کمرشل آپریشنز کے آغاز کیلئے طے شدہ تاریخ یکم مارچ 2021 کو ہی برقرار رکھا گیا ہے۔

آٹو موٹو مینوفیکچرنگ پلانٹ میں سرمایہ کاری -- KIA لکی موٹرز پاکستان لمیٹڈ (کے ایل ایم)

مینوفیکچرنگ پلانٹ پایہ تکمیل کو پہنچ چکا ہے اور پیداواری عمل کے آغاز کیلئے تیار ہے۔ کے ایل ایم کی جانب سے فیصلہ کیا گیا ہے کہ مقامی طور پر تیار کی جانے والی "SPORTAGE" 2000 CC SUV کی بنگ کا آغاز جون 2019 سے کیا جائے اور چھوٹے سائز والی ہیچ بیک "PICANTO" 1000 CC کی بنگ کا آغاز اگست 2019 سے کیا جائے۔ فروخت برائے SPORTAGE شیڈول جولائی 2019 کے آخر یا اگست 2019 کے آغاز سے طے شدہ ہے اور PICANTO کی فروخت کا آغاز اکتوبر 2019 سے طے شدہ ہے۔

سماواہ، عراق میں گرین فیلڈ کلنکر کی پیداواری سہولت - 1.2 ملین ٹن سالانہ

سول ڈیزائن اور سول ورکس کیلئے کنٹریکٹ طے پا چکا ہے۔ مزید برآں پاور پلانٹ کے سلسلے میں Wartsila کے ساتھ کنٹریکٹ کو بھی حتمی شکل دی جا چکی ہے اور اپریل 2019 کے آخر تک لیٹر آف کریڈٹ بھی تیار کر لیا جائے گا۔ پروجیکٹ کی سائٹ پر سطح کو ہموار کئے جانے کا کام جاری ہے۔ مالی سال 2020-21 کی پہلی سہ ماہی تک اس پلانٹ پر کمرشل آپریشنز کے آغاز کا ہدف مقرر کیا گیا ہے۔

کارپوریٹ معاشرتی ذمہ داری

گزشتہ 25 سال سے آپکی کمپنی اس بات کیلئے پرعزم رہی ہے کہ جس معاشرے میں یہ اپنے کاروباری امور سرانجام دے رہی ہے اس کی بہتری کیلئے اقدامات اٹھائے جائیں۔ کمپنی کی جانب سے کارپوریٹ معاشرتی ذمہ داری کے سلسلے میں بنیادی طور پر تعلیم، خود مختاری برائے خواتین، کمیونٹی ڈیولپمنٹ، صحت اور ماحولیات کے شعبوں پر توجہ دی جا رہی ہے۔

خام منافع

آپکی کمپنی زیر نظر نو ماہی کے دوران 30.0% خام منافع حاصل کر پائی جبکہ گزشتہ سال اسی عرصے کے دوران خام منافع کی شرح 36.7% تھی۔

صافی منافع

آپکی کمپنی نے زیر نظر نو ماہی کے دوران 9,750.4 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جبکہ گزشتہ سال اسی عرصے کے دوران یہ منافع 11,979.5 ملین روپے تھا۔ اسی طرح اس سال منافع بعد از ٹیکس 8,293.9 ملین روپے درج کیا گیا جبکہ گزشتہ سال اسی عرصے کے دوران منافع بعد از ٹیکس 9,801.7 ملین روپے درج کیا گیا تھا۔

آمدن فی حصص

آپکی کمپنی کی جانب سے نو ماہی اختتامیہ 31 مارچ 2019 کے دوران آمدن فی حصص 25.65 روپے رہی جبکہ گزشتہ سال اسی عرصے کے دوران آمدن فی حصص 30.31 روپے تھی۔

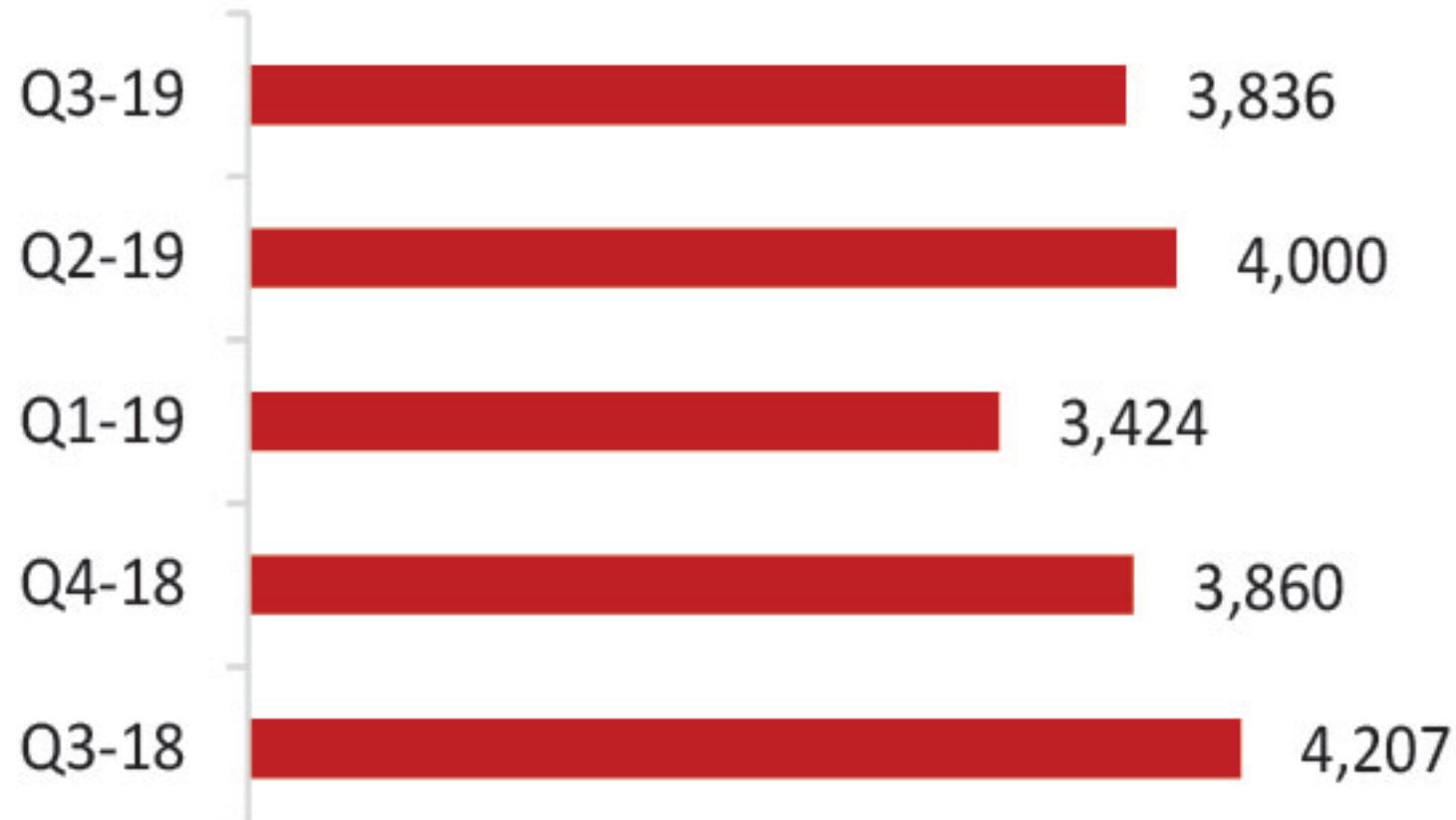
پروجیکٹس --- نئے اور جاری

پاکستان کے صوبہ خیبر پختون خواہ میں براؤن فیلڈ سیمنٹ پلانٹ توسیعی منصوبہ - 2.6 ملین ٹن سالانہ

پروجیکٹ کی سائٹ پر سول ورکس طے شدہ اہداف کے عین مطابق جاری ہے اور پلانٹ و مشینری کی شیڈول کے مطابق آمد کے لحاظ سے فیبریکیشن اور تعمیری کام بھی جاری ہے تاکہ طے شدہ ہدف کے مطابق مالی سال 2019-20 کی دوسری سہ ماہی سے کمرشل آپریشنز کا آغاز کیا جاسکے۔

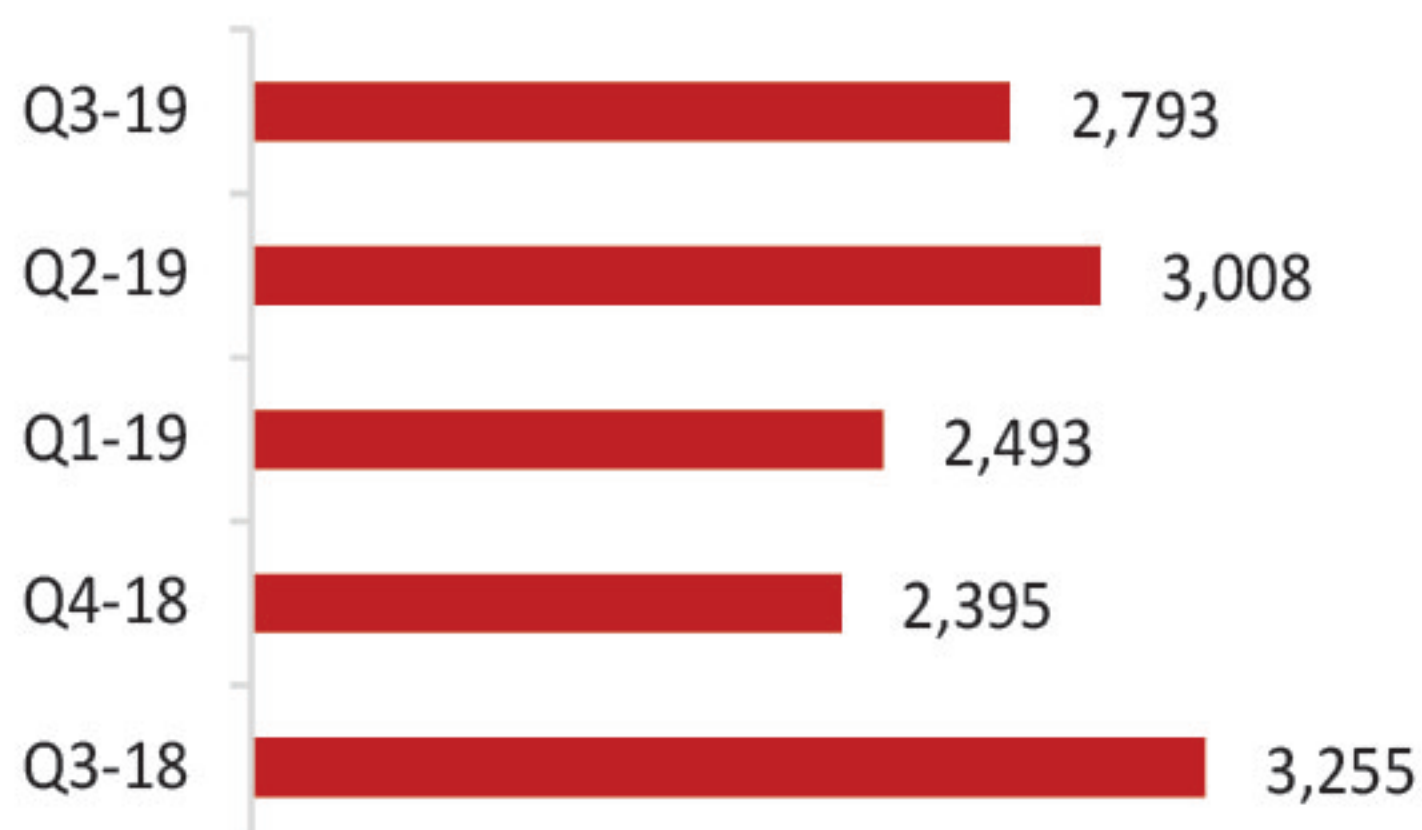
Gross Profit

PKR in Millions



Net Profit

PKR in Millions



EPS Trend PKR



ب۔ مالیاتی کارکردگی۔ مفرد

آپ کی کمپنی کی مفرد مالیاتی کارکردگی برائے نو ماہی اختتامیہ 31 مارچ 2019 اور گزشتہ مالی سال کی نو ماہی کا تقابلی جائزہ ذیل میں پیش کیا جا رہا ہے:

ماسوائے فی حصص آمدن بقیہ ہند سے ملین روپوں میں ہیں

تفصیلات	نوماہی 2018-19	نوماہی 2017-18	فرق فیصد میں
خام آمدن	52,315	50,626	3.3%
صافی آمدن	37,521	35,671	5.2%
خام منافع	11,260	13,093	(14.0%)
کاروباری منافع	8,277	10,930	(24.3%)
آمدن قبل از سود، انکم ٹیکس، فرسودگی	10,761	13,122	(18.0%)
صافی منافع	8,294	9,802	(15.4%)
فی حصص آمدن	25.65 فی حصص	30.31 فی حصص	(15.4%)

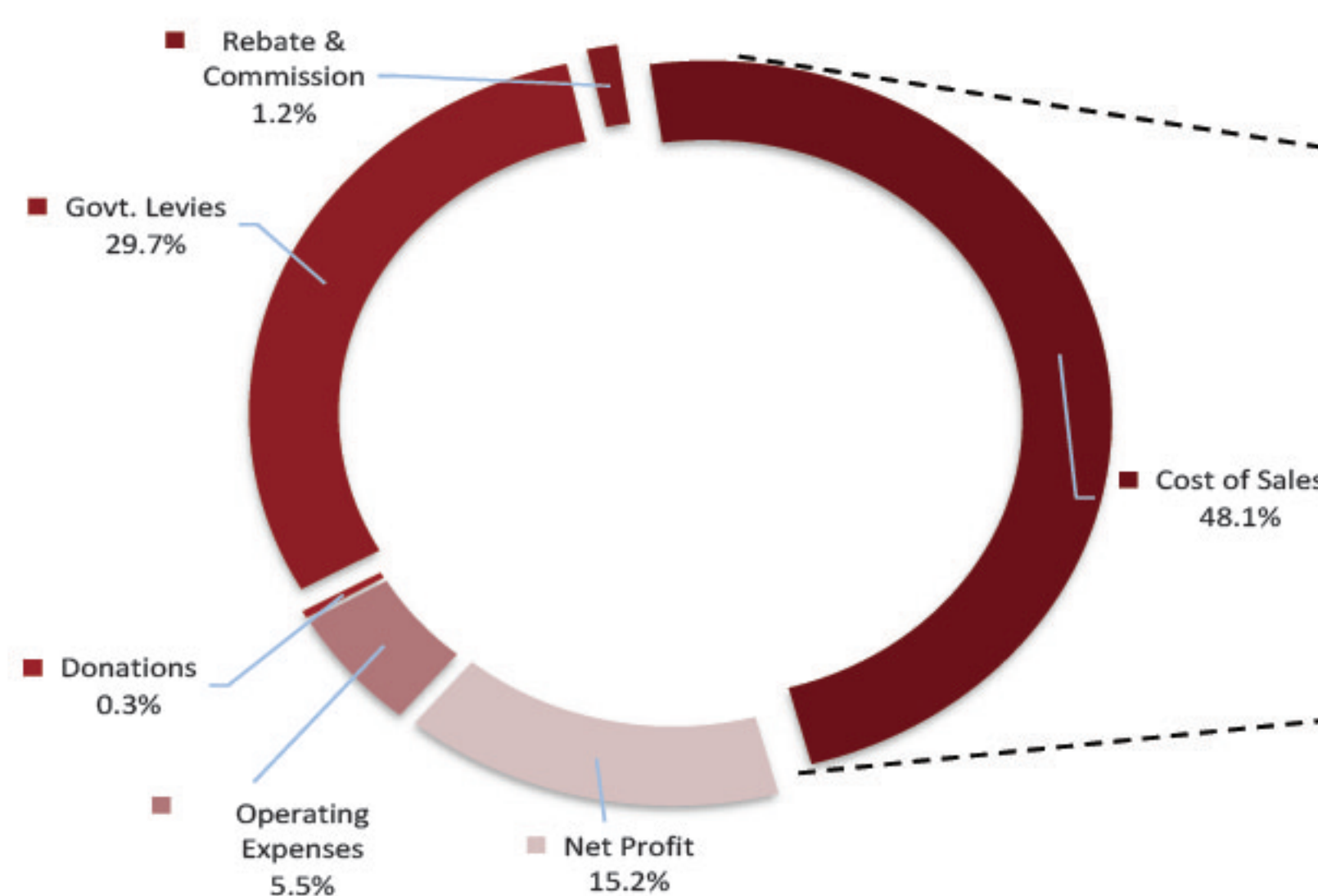
آمدن

زیر نظر رواں مالی سال کی نو ماہی کے دوران آپ کی کمپنی کی مجموعی فروختگی میں گزشتہ سال اسی عرصے کے مقابلے میں 3.3% کی شرح نمو ریکارڈ کی گئی۔ اس کی بنیادی وجہ کلنکر کی برآمدات کے حجم میں ہونے والا اضافہ تھا۔

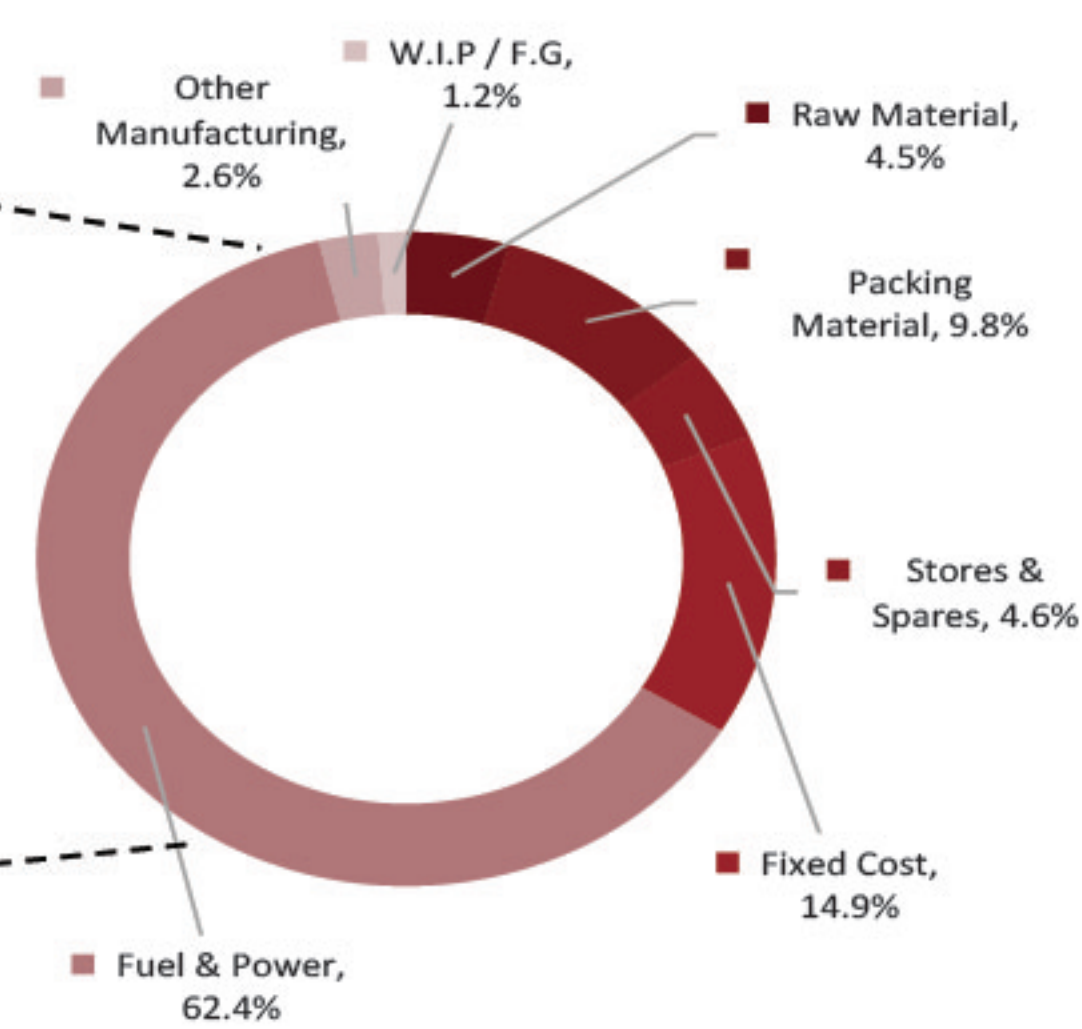
لاگت برائے فروختگی

گزشتہ سال کے مقابلے میں زیر نظر رواں مالی سال کی نو ماہی کے دوران آپ کی کمپنی کی لاگت برائے فروختگی میں 14.1% کا اضافہ ہوا۔ اس اضافے کی بنیادی وجہ کونسلے، پیکنگ کے سامان اور دیگر ایندھن کے نرخوں میں اضافہ تھا۔

تقسیم برائے خام منافع



تقسیم برائے لاگت برائے فروختگی



رواں مالی سال 2018-19 کی نو ماہی کے دوران مال کی ترسیل سے متعلق آپ کی کمپنی کا مفرد جائزہ سیمنٹ کی صنعت کے تقابلی جائزے کے ساتھ ذیل میں پیش کیا جا رہا ہے:

تفصیلات	نو ماہی 2018-19	نو ماہی 2017-18	اضافہ / (کمی) فیصد میں
سیمنٹ کی صنعت *			
مقامی فروختگی	29,448	31,314	(6.0%)
برآمدات			
بوری بند سیمنٹ	3,353	3,300	1.6%
کھلا سیمنٹ	95	144	(34.0%)
کلنر	1,684	-	100.0%
کل برآمدات	5,132	3,444	49.0%
مجموعی کل	34,580	34,758	(0.5%)
لکی سیمنٹ			
مقامی فروختگی			
سیمنٹ	4,423	5,039	(12.2%)
کلنر	-	59	(100.0%)
کل مقامی فروختگی	4,423	5,098	(13.2%)
برآمدات			
بوری بند سیمنٹ	665	601	10.6%
کھلا سیمنٹ	95	144	(34.0%)
کلنر	771	-	100.0%
کل برآمدات	1,531	745	105.5%
مجموعی کل	5,954	5,843	1.9%
مارکیٹ میں حصہ			
مقامی فروختگی	15.0%	16.3%	(8.0%)
برآمدات			
بوری بند سیمنٹ	19.8%	18.2%	8.8%
کھلا سیمنٹ	100.0%	100.0%	0.0%
کلنر	45.8%	0.0%	100.0%
کل برآمدات	29.8%	21.6%	38.0%
مجموعی کل	17.2%	16.8%	2.4%

* بحوالہ: APCMA ویب سائٹ

مزید برآں، 31 مارچ 2019 کو ختم ہونے والی نو ماہی کے دوران مجموعی طور پر کمپنی کا صافی منافع 10.00 بلین روپے درج کیا گیا ہے جس میں سے 0.74 بلین روپے کا تعلق اقلیتی حصص داران (نان کنٹرولنگ انٹر سٹ) سے ہے جس کے بعد رواں سال کی زیر نظر نو ماہی کے دوران فی حصص آمدنی 28.64 روپے بنتی ہے جو کہ گزشتہ مالی سال کے اسی عرصے کے دوران 36.91 روپے تھی۔

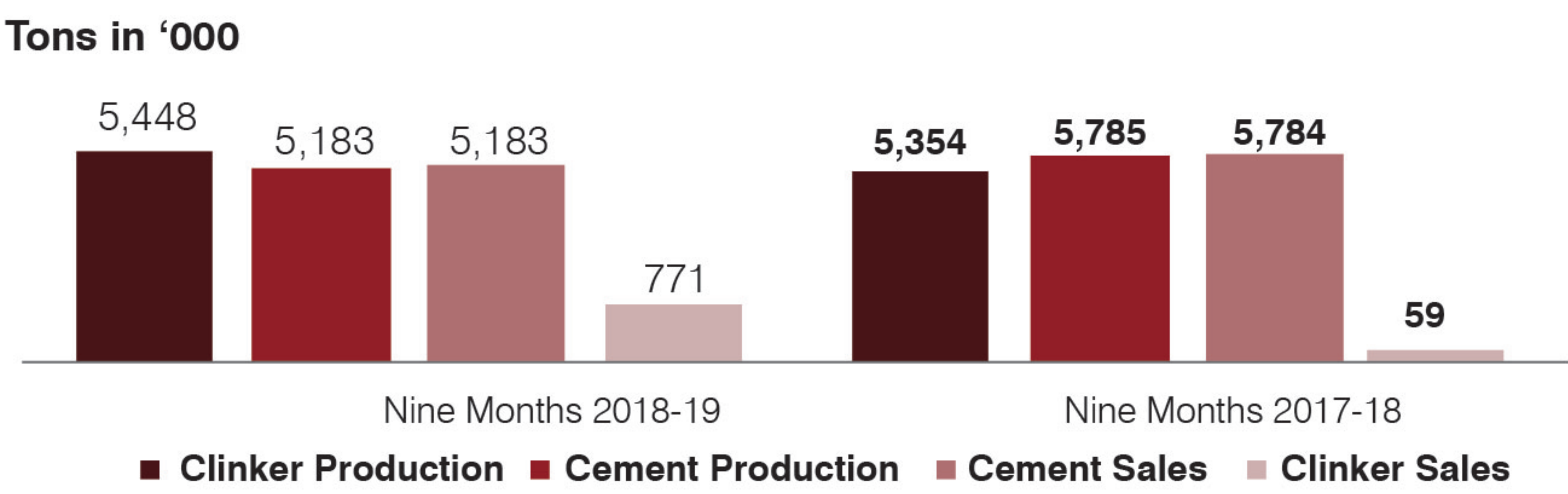
کاروباری کارکردگی

الف۔ کارکردگی برائے پیداوار و حجم برائے فروختگی۔ مفرد

آپ کی کمپنی کی جانب سے 31 مارچ 2019 کو ختم ہونے والی نو ماہی کی بابت مفرد پیداوار اور فروختگی کا جائزہ بمعہ تقابل برائے نو ماہی بابت گزشتہ سال ذیل میں پیش کیا جا رہا ہے:

تفصیلات	نو ماہی 2018-19	نو ماہی 2017-18	اضافہ / (کمی) فیصد میں
کلنکر کی پیداوار	5,448	5,354	1.8%
سیمنٹ کی پیداوار	5,183	5,785	(10.4%)
فروختگی برائے سیمنٹ	5,183	5,784	(10.4%)
فروختگی برائے کلنکر	771	59	1,206.8%

پیداوار اور فروختگی سے متعلق ڈیٹا کو ذیل میں گراف کی صورت میں پیش کیا جا رہا ہے



ڈائریکٹرز رپورٹ

آپکی کمپنی کے ڈائریکٹرز کیلئے یہ بات باعث مسرت ہے کہ انکی جانب سے کمپنی کے مالیاتی نتائج بشمول مفرد اور مجموعی غیر آڈٹ شدہ نو ماہی مالیاتی دستاویزات بابت 31 مارچ 2019 آپکی خدمت میں پیش کرنے جارہے ہیں۔

جائزہ

گوکہ سیمنٹ کی صنعت میں رواں مالی سال کے دوران اب تک برآمدات کی کارکردگی کافی بہتر رہی ہے لیکن مقامی سطح پر فروخت میں گراوٹ کی وجہ سے مجموعی طور پر صنعت کا حجم 0.5% کی کمی کے ساتھ 31 مارچ 2019 کو ختم ہونے والی نو ماہی کے دوران 34.58 ملین ٹن رہا جبکہ گزشتہ مالی سال اسی عرصے کے دوران یہ حجم 34.76 ملین ٹن درج کیا گیا تھا۔ جبکہ دوسری جانب سال رواں کی زیر نظر نو ماہی کے دوران برآمدات کی مد میں 49.0% اضافے کے ساتھ برآمدی حجم 5.13 ملین ٹن درج کیا گیا ہے جو کہ گزشتہ مالی سال اسی عرصے کے دوران 3.44 ملین ٹن درج کیا گیا تھا۔ زیر نظر نو ماہی اختتامیہ 31 مارچ 2019 کے دوران مقامی سطح پر فروخت کا حجم 6.0% کی کمی کے ساتھ 29.45 ملین ٹن درج کیا گیا ہے جبکہ گزشتہ مالی سال اسی عرصے کے دوران یہ حجم 31.31 ملین ٹن درج کیا گیا تھا۔

سیمنٹ کی صنعت کے مقابلے میں سال رواں کی زیر نظر نو ماہی کے دوران آپکی کمپنی کی فروخت کا حجم 1.9% اضافے کے ساتھ 5.95 ملین ٹن درج کیا گیا ہے، جس میں مقامی طور پر سیمنٹ کی فروخت میں 12.2% کمی کے بعد فروخت کا حجم 4.42 ملین ٹن درج کیا گیا ہے جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ حجم 5.04 ملین ٹن درج کیا گیا تھا۔ جبکہ برآمدات کی مد میں 105.5% اضافے کے ساتھ 1.53 ملین ٹن کا حجم درج کیا گیا جو کہ گزشتہ مالی سال اسی عرصے کے دوران 0.74 ملین ٹن درج کیا گیا تھا۔

مجموعی طور پر رواں مالی سال کی زیر نظر نو ماہی کے دوران آپکی کمپنی کی مجموعی خام آمدن 103.32 بلین روپے درج کی گئی ہے جو کہ گزشتہ مالی سال کے اسی عرصے کے دوران 92.60 بلین روپے کی مجموعی خام آمدن کے مقابلے میں 11.6% زائد ہے۔

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