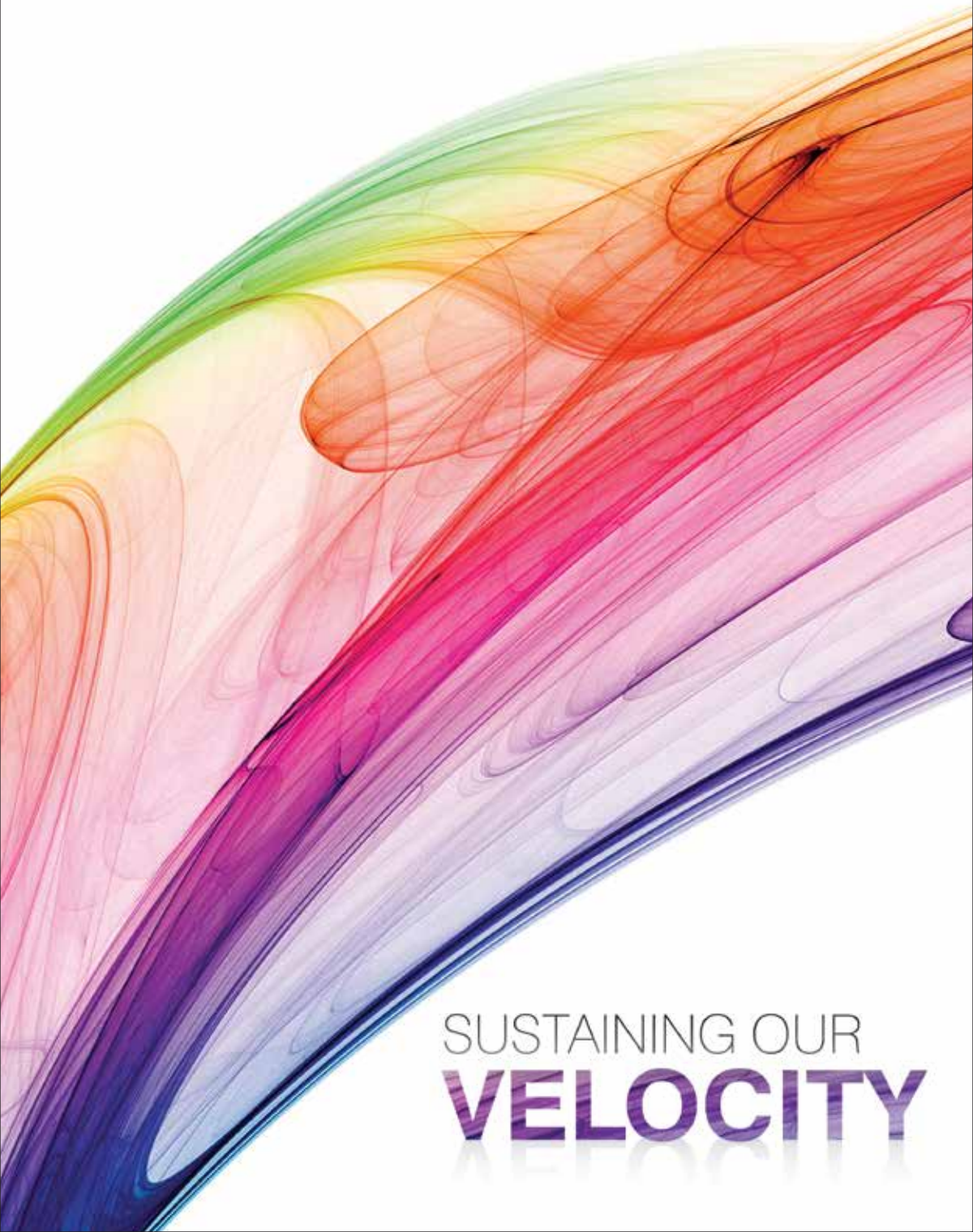


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FIRST QUARTERLY REPORT
SEPTEMBER 30, 2019



SUSTAINING OUR
VELOCITY

SUSTAINING OUR **VELOCITY**

With a dream to shine and a goal to build a stronger tomorrow, we thrive to enhance sustainability, cost effectiveness, diversification and add value for the stakeholders while expanding global presence.

We are committed to constantly improve our brand value, products, services and relationships with our stakeholders. Our forward destination is to expand on our existing portfolio while taking on new opportunities. By sustaining our velocity, we will make it possible to shape a stronger and brighter tomorrow.



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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
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MANAGEMENT TEAM

Chief Executive Officer Executive Director Director Finance & Chief Financial Officer Chief Operating Officer Chief Operating Officer - International Businesses Chief Strategy Officer & Director Investment SDGM Finance & Company Secretary	Muhammad Ali Tabba Noman Hasan Irfan Chawala Amin Ganry Adnan Ahmed Murtaza Abbas Faisal Mahmood
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BOARD COMMITTEES

Audit Committee

Manzoor Ahmed – Chairman
Muhammad Sohail Tabba
Jawed Yunus Tabba
Mariam Tabba Khan
Mohammad Javed Iqbal

Human Resource and Remuneration Committee

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 Bank Islami Pakistan Limited 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 National Bank of Pakistan – Aiteamaad Islamic Banking Standard Chartered Bank (Pakistan) Limited United Bank Limited UBL Ameen Islamic Banking
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AUDITORS

External Auditors	M/s. A.F. Ferguson & Co., Chartered Accountants
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SHARIAH ADVISOR

Shariah Advisor	M/s. Alhamd Shariah Advisory Services (Pvt) Ltd
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REGISTERED OFFICE

Main Indus Highway, Pezu, District Lakki Marwat,
Khyber Pakhtunkhwa, Pakistan

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
Email: info@lucky-cement.com

PRODUCTION FACILITIES

1. Main Indus Highway, Pezu, District Lakki Marwat,
Khyber Pakhtunkhwa, Pakistan
2. 58 Kilometers on Main M9 Highway, Gadap Town,
Karachi, Pakistan

SHARE REGISTRAR

CDC Share Registrar Services Limited (CDCSRSL)
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 financial results of your Company which include both, **stand-alone** and **consolidated unaudited financial statements** for the first quarter ended September 30, 2019.

Overview

Cement Industry in Pakistan grew by 3.0% to 11.13 million tons during the first quarter ended September 30, 2019 in comparison to 10.81 million tons during the same period last year. While local sales volumes registered a growth of 1.0% to 9.11 million tons during the first quarter in comparison to 9.02 million tons during the same period last year, export sales volumes registered an increase of 12.6% to 2.01 million tons during the quarter under review as compared to 1.79 million tons in the same period last year.

In comparison to the Cement Industry, your **Company's** overall sales volumes declined by 13.6% to 1.64 million tons during first quarter ended September 30, 2019. The local sales volume registered a decline of 19.4% and were 1.12 million tons in comparison to 1.40 million tons during the same period last year, however, the export sales volumes of the Company improved by 2.6% to 0.51 million tons as compared to 0.50 million tons during the same period last year.

On a **consolidated basis**, your Company achieved a gross turnover of PKR 34.43 billion which is 9.9% higher as compared to the same period last year's turnover of PKR 31.32 billion.

Moreover, **consolidated** Net Profit of the Company was PKR 1.53 billion of which PKR 0.25 billion is attributable to non-controlling interests which translates into an EPS of PKR 3.93 during the first quarter ended September 30, 2019 as compared to PKR 9.14 during the same period last year.

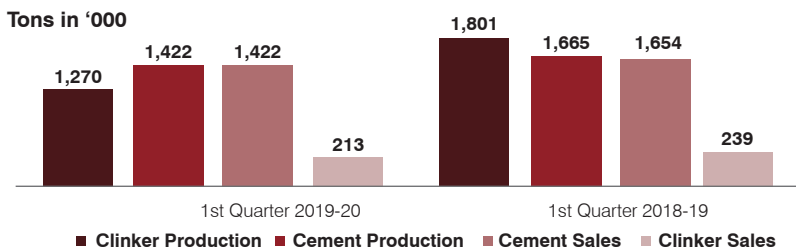
Business Performance

a. Production & Sales Volume Performance - Standalone

The **standalone** production and sales statistics of your Company for the first quarter of the financial year 2019-20 compared to the same period last year are as follows:

Particulars	1st Quarter 2019-20 (Tons in '000')	1st Quarter 2018-19	(Decline) (%)
Clinker Production	1,270	1,801	(29.5%)
Cement Production	1,422	1,665	(14.6%)
Cement Sales	1,422	1,654	(14.0%)
Clinker Sales	213	239	(10.9%)

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 first quarter of the fiscal year 2019-20 compared to the same period last year is presented below:

Particulars	1st Quarter 2019-20	1st Quarter 2018-19	Growth/(Decline)	
	(Tons in '000')	(Tons in '000')	(Tons in '000')	(%)
Cement Industry*				
Local Sales	9,116	9,022	94	1.0%
Export Sales				
- Bagged	1,178	1,146	32	2.8%
- Loose	21	21	-	0.0%
- Clinker	818	624	194	31.1%
Total Exports	2,017	1,791	226	12.6%
Grand Total	11,133	10,813	320	3.0%
Lucky Cement				
Local Sales				
- Cement	1,120	1,395	(275)	(19.7%)
- Clinker	4	-	4	100.0%
Total Local Sales	1,124	1,395	(271)	(19.4%)
Export Sales				
- Bagged	281	238	43	18.1%
- Loose	21	21	-	0.0%
- Clinker	209	239	(30)	(12.6%)
Total Exports	511	498	13	2.6%
Grand Total	1,635	1,893	(258)	(13.6%)
Market Share				
Local Sales	12.3%	15.5%		(20.6%)
Export Sales				
- Bagged	23.9%	20.8%		14.9%
- Loose	100.0%	100.0%		0.0%
- Clinker	25.6%	38.3%		(33.2%)
Total Export	25.3%	27.8%		(9.0%)
Grand Total	14.7%	17.5%		(16.0%)

*Industry Source: APCMA Website

b. Financial Performance

The **standalone** financial performance of your Company for the first quarter of the fiscal year 2019-20 as compared to the same period last year is presented below:

Particulars	PKR in millions except EPS		
	1st Quarter 2019-20	1st Quarter 2018-19	Change (%)
Gross Revenue	13,930	16,011	(13.0%)
Net Revenue	9,629	11,405	(15.6%)
GP	1,492	3,424	(56.4%)
OP	216	2,493	(91.3%)
EBITDA	1,084	3,325	(67.4%)
PBT	1,022	2,892	(64.7%)
NP	956	2,493	(61.7%)
EPS	2.96 / Share	7.71 / Share	(61.7%)

Revenue

During the first quarter of 2019-20 under review, your Company's overall gross sales revenue declined by 13.0% as compared to the same period last year. Where, although the exports sales revenue showed an increase of 27.8% (PKR 3.21 billion vs PKR 2.51 billion) but the local sales revenue decline of 20.6% (PKR 10.72 billion vs 13.50 billion) lead to the overall drop of 13.0% in the gross sales revenue.

This was mainly due to lower sales volumes and cut-throat pricing on the back of lower demand and retentions on account of stringent 'Axle load' limits' implementation.

Gross Profit

In view of the lower sales volumes & retentions and higher input costs, as mentioned above, Gross profit margins of the company for the quarter under review were 15.5% as compared to 30.0% reported during the same period last year.

Net Profit

Similarly, your Company achieved a profit before tax of PKR 1,021.9 million during the quarter under review as compared to PKR 2,892.0 million reported during the same period last year. Apart from adverse pricing and cost inputs the profitability of your company was further impacted due to higher transportation and distribution costs on account of 'Axle load' limits' implementation.

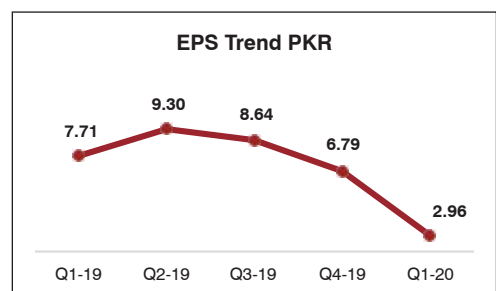
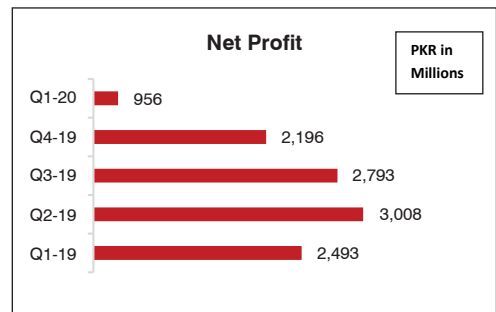
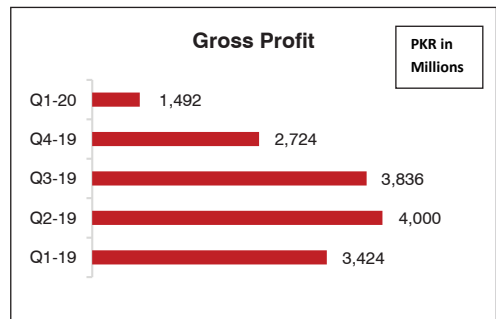
Accordingly, after tax profit of PKR 955.8 million was achieved during the quarter under review as compared to PKR 2,492.8 million reported during the same period last year.

Earnings per share

The earnings per share of your Company for the quarter ended September 30, 2019 was PKR 2.96 in comparison to PKR 7.71 reported during the same period last year.

Cost of Sales

Moreover, during the first quarter under review, per ton cost of sales of your Company increased by 18.0% as compared to the same period last year. The increase was mainly attributable to exceptional increase in gas and other fuel prices, higher fixed costs absorption (due to lower volumes) and Coal transportation costs increase due to 'Axle load' limits' implementation.



Projects – New and Ongoing

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

The construction work at project site is running satisfactorily to achieve commercial operations during the month of November 2019.

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.

Greenfield cement plant expansion in Samawah, Iraq – 1.2 million tons per annum

Keeping in view the growing demand of cement in Central and Northern Iraq, the Company in addition to clinker production has decided to further invest in setting up a grinding unit and have a fully integrated cement production capacity of 1.2 million tons per annum in Samawah, Iraq, as part of the joint venture project with the existing local partner. The revised project cost is now estimated at USD 138 million.

The first shipment of Plant and Machinery from Sinoma is expected to reach the project site in November 2019. Civil and Mechanical teams are already mobilized. Electrical works contract is expected to be signed in November 2019. Target to achieve commercial production is by the end of first quarter of financial year 2020-21.

Corporate Social Responsibility

Your Company has a history of strong commitment for the improvement of society and the communities in which it operates, with primary focus of its CSR initiatives in Education sector, Women empowerment, Health and Environment conservation.

Education / Scholarships

Continuing with its long-term objective to provide merit-based support for the deserving and less privileged segments of the society your Company continued to extend scholarships to various students of leading universities in Pakistan and abroad.

Women Empowerment

Your Company's focus on women empowerment through education has further galvanized its collaboration with Zindagi Trust by supporting two leading Government girls' schools in Karachi. These schools have been transformed into model girls' educational institutions in Pakistan.

Health Initiatives

Provision of quality healthcare for the society at large continues to remain your Company's priority, especially through financial support of 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 available in the Country.

Environment Conservation

Your Company always takes responsibility towards the environment seriously and in an effort to highlight the importance of environment conservation; your Company continued with its tree-plantation drive in and around its manufacturing sites.

Outlook

With the Country's current economic challenges and macro-economic scenario, your Company believes that in the short to medium term, the outlook of the Cement industry will remain challenging and will continue to put adverse pressure on profitability, due to cut-throat pricing, especially in the North and costs escalation due to 'Axle load' limits' implementation in the South, both for local and export sales and drop in export prices due to regional competition. The Cement Industry is engaged with the Government to resolve the 'Axle load' limits' issue and is hopeful for its resolution.

Further, to mitigate the 'Axle load' limits' the Company is evaluating to increase its logistics' fleet size, so that maximum export transportation, as well as transfers of Cement from factory to warehouses can be achieved by using its own fleet. In the first phase the Company will add another 31 Prime movers to increase its fleet-size from 112 to 143. The company will also evaluate the additional need by the end of this year to add more Prime movers to overcome the challenge of high-cost of distribution and transportation.

Acknowledgement

Directors of your Company take this opportunity to express sincere gratitude and appreciation for unrelenting commitment and contribution of its people and the trust and confidence 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: October 30, 2019

**INTERIM
FINANCIAL
STATEMENTS**

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at September 30, 2019

		(Un-audited)	(Audited)
		September 30, 2019	June 30, 2019
	Note	(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	58,772,644	57,276,184
Intangible assets		15,635	18,152
		58,788,279	57,294,336
Long-term investments	6	35,115,887	34,313,588
Long-term advances		90,222	99,316
Long-term deposits		3,175	3,175
		93,997,563	91,710,415
CURRENT ASSETS			
Stores and spares		7,916,161	6,809,724
Stock-in-trade		3,601,161	4,253,020
Trade debts		2,469,849	2,058,719
Loans and advances		808,511	686,525
Trade deposits and short term prepayments		68,438	74,223
Accrued return		88,845	113,869
Other receivables		2,126,888	2,130,907
Tax refunds due from the Government		538,812	538,812
Short term investment		1,074,044	1,055,754
Cash and bank balances		12,948,027	15,657,246
		31,640,736	33,378,799
TOTAL ASSETS		125,638,299	125,089,214
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share Capital		3,233,750	3,233,750
Reserves		89,931,698	91,084,667
		93,165,448	94,318,417
NON-CURRENT LIABILITIES			
Long-term deposits		188,297	90,264
Deferred liabilities	7	7,096,935	7,102,483
		7,285,232	7,192,747
CURRENT LIABILITIES			
Trade and other payables		18,218,724	19,195,617
Short term borrowings	8	3,350,000	2,900,000
Unclaimed dividend		52,745	53,953
Unpaid dividend	9	2,193,057	91,119
Taxation - net		1,373,093	1,337,361
		25,187,619	23,578,050
		32,472,851	30,770,797
CONTINGENCIES AND COMMITMENTS	10		
TOTAL EQUITY AND LIABILITIES		125,638,299	125,089,214

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



Irfan Chawala
Chief Financial Officer

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

For the 1st quarter ended September 30, 2019 (Un-audited)

	Note	September 30, 2019 (PKR in '000')	September 30, 2018
Gross sales	11	13,929,982	16,011,063
Less: Sales tax and federal excise duty		4,083,620	4,390,612
Rebates and commission		217,386	215,383
		4,301,006	4,605,995
Net sales		9,628,976	11,405,068
Cost of sales		(8,137,147)	(7,980,649)
Gross profit		1,491,829	3,424,419
Distribution cost		(975,317)	(657,519)
Administrative expenses		(300,427)	(273,776)
Finance cost		(19,866)	-
Other expenses		(104,537)	(245,456)
Other income	12	930,231	644,329
Profit before taxation		1,021,913	2,891,997
Taxation			
-current		(170,064)	(550,355)
-deferred		103,995	151,189
		(66,068)	(399,166)
Profit after taxation		955,845	2,492,831
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 instrument at fair value through other comprehensive income		(8,089)	(6,336)
Deferred tax thereon		1,213	950
		(6,876)	(5,386)
Total comprehensive income for the period		948,969	2,487,445
		(PKR)	
Earnings per share - basic and diluted		2.96	7.71

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



Irfan Chawala
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the 1st quarter ended September 30, 2019 (Un-audited)

	Note	September 30, 2019 (PKR in '000')	September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	13	(850,225)	403,936
Income tax paid		(134,332)	(435,831)
Gratuity paid		(22,353)	(32,305)
Income from deposits with islamic banks and other financial institutions		510,347	466,479
Decrease in long-term loans and advances		9,094	2,669
Increase in long-term deposits (liabilities)		98,033	2,500
Net cash (used in) / generated from operating activities		(389,436)	407,448
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,370,288)	(1,634,187)
Long term investment		(802,299)	(3,633,622)
Short term investment		(26,378)	-
Sale proceeds on disposal of property, plant and equipment		10,030	67,176
Dividend received from subsidiary company		267,053	-
Dividend received from associated company		122,273	-
Dividend received on short term investments		31,034	-
Release of bank balance held as lien		-	402,640
Net cash used in investing activities		(2,768,575)	(4,797,993)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(1,208)	(205)
Net decrease in cash and cash equivalents		(3,159,219)	(4,390,750)
Cash and cash equivalents at the beginning of the period		4,871,686	19,548,346
Cash and cash equivalents at the end of the period	13.1	1,712,467	15,157,596

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



Irfan Chawala
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the 1st quarter ended September 30, 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 01, 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)	-	-
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 quarter ended September 30, 2018	-	-	-	2,487,445	2,487,445	2,487,445
Balance as at September 30, 2018	<u>3,233,750</u>	<u>7,343,422</u>	<u>73,202,650</u>	<u>2,487,445</u>	<u>83,033,517</u>	<u>86,267,267</u>
Balance as at July 01, 2019	3,233,750	7,343,422	73,202,650	10,538,595	91,084,667	94,318,417
Transfer to general reserves	-	-	8,436,657	(8,436,657)	-	-
Final dividend at the rate of PKR 6.5/- per share each for the year ended June 30, 2019	-	-	-	(2,101,938)	(2,101,938)	(2,101,938)
Total comprehensive income for the quarter ended September 30, 2019	-	-	-	948,969	948,969	948,969
Balance as at September 30, 2019	<u>3,233,750</u>	<u>7,343,422</u>	<u>81,639,307</u>	<u>948,969</u>	<u>89,931,698</u>	<u>93,165,448</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



Irfan Chawala
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the 1st quarter ended September 30, 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 have been accounted for at cost less accumulated impairment losses, if any.

2 STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements of the Company for the three months period ended September 30, 2019 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 Act, 2017. In case where the requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. 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, 2019.

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, 2019.

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

- (a) Standards and amendments to published approved accounting standards which are effective during the quarter ended September 30, 2019**

There are certain new standards and amendments to approved accounting standards which are mandatory for the Company's annual accounting period which began on July 1, 2019. 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.

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

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020. However, these amendments 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, 2019.

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, 2019.

	(Un-audited)	(Audited)
	September 30, 2019	June 30, 2019
	Note	(PKR in '000')

5 PROPERTY, PLANT AND EQUIPMENT

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

Operating fixed assets (WDV) - opening balance		43,118,520	38,550,862
Add: Additions during the period / year	5.2	233,372	7,880,305
		43,351,892	46,431,167
Less: Disposals during the period/year (WDV)		6,646	36,543
Depreciation charge for the period / year		867,182	3,276,104
Operating fixed assets (WDV) - closing balance		42,478,064	43,118,520
Add: Capital work-in-progress	5.3	16,294,580	14,157,664
		58,772,644	57,276,184

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the 1st quarter ended September 30, 2019 (Un-audited)

	Additions (Cost)	Deletions (Cost)
	(PKR in '000')	
5.2	The following additions and deletions were made during the period in operating fixed assets:	
Operating fixed assets		
Buildings on freehold land		
- Cement plant	13,067	-
- Power plant	5,834	-
Machinery	131,061	-
Generators	-	3,225
Quarry equipments	-	-
Vehicles	69,388	9,631
Furniture and fixtures	2,928	-
Office equipments	8,229	109
Computer and Accessories	2,219	6,252
Other assets (Laboratory equipment, etc.)	646	187
	233,372	19,404
	(Un-audited)	(Audited)
	September 30, 2019	June 30, 2019
	Note	(PKR in '000')

5.3	The following is the movement in capital work-in-progress during the period / year:	
Opening balance	14,157,664	2,362,306
Add: Additions during the period / year	2,370,288	19,683,325
	16,527,952	22,045,631
Less: Transferred to operating fixed assets	233,372	7,880,305
Transferred to intangible assets	-	7,662
Closing balance	16,294,580	14,157,664

6 LONG-TERM INVESTMENTS - at cost

Subsidiaries

Lucky Holdings Limited	6.1	32,145	32,145
LCL Investment Holdings Limited	6.2	4,580,500	4,580,500
LCL Holdings Limited	6.3	11,428,538	10,626,239
Kia Lucky Motors Pakistan Limited	6.4	12,876,384	12,876,384
Lucky Cement Holdings (Private) Limited	6.5	5,586,955	5,586,955
		34,504,522	33,702,223

Associate

Yunus Energy Limited	6.6	611,365	611,365
		35,115,887	34,313,588

6.1 As of the statement of financial position date, the Company owns 75 percent shares of Lucky Holdings Limited (LHL).

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 The Company has an equity investment in LCL Holdings Limited (LCLHL), a wholly owned subsidiary of the Company, incorporated in Pakistan, of 42,415,693 ordinary shares at PKR 10/- each out of which 42,315,693 (June 30, 2019: 39,343,471) shares were issued at a premium of PKR 260/- each. As of the statement of financial position date, LCLHL owned 100 percent shares in Lucky Electric Power Company Limited. The amount of investment includes advance against future issuance of shares amounting to PKR 2.3 million (June 30, 2019: PKR 2.5 million).

6.4 Represents equity investment in Kia Lucky Motors Pakistan Limited (KLM), a public unlisted company incorporated in Pakistan. The Company holds 73.70 percent shares of KLM (June 30, 2019: 75.28%). The amount includes advance against future issuance of shares amounting to PKR 2,891 million (June 30, 2019: PKR 2,891 million).

6.5 Lucky Cement Holdings (Pvt) Limited (LCHPL) is a private limited company incorporated in Pakistan as a wholly owned subsidiary of the Company. LCHPL holds 54.73% percent shares of ICI Pakistan Limited, a public listed company, as on 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)
		September 30, 2019	June 30, 2019
	Note	(PKR in '000')	
7	DEFERRED LIABILITIES		
	Staff gratuity	1,922,864	1,823,204
	Deferred tax liability	5,174,071	5,279,279
		<u>7,096,935</u>	<u>7,102,483</u>
7.1	Deferred tax liability		
	This comprises the following :		
	- Taxable temporary differences arising due to accelerated tax depreciation allowance	5,655,522	5,746,531
	- Deductible temporary differences arising in respect of provisions	(481,451)	(467,252)
		<u>5,174,071</u>	<u>5,279,279</u>

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the 1st quarter ended September 30, 2019 (Un-audited)

- 8** This represents Islamic Export Refinance Facilities which carry markup at SBP rate plus spread ranging from 0.1% to 1% per annum.
- 9** This includes cash dividend amounting to PKR 2,101.938 million of PKR 6.5/- per share for the year ended June 30, 2019, which was approved by the members at the Annual General Meeting held on September 27, 2019.

10 CONTINGENCIES AND COMMITMENTS

10.1 CONTINGENCIES

There are no major changes in the status of contingencies and commitments as reported in the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2019, except as disclosed in note 10.2.

	(Un-audited) September 30, 2019 (PKR in '000')	(Audited) June 30, 2019
10.2 COMMITMENTS		
Machinery under letters of credit	1,133,835	3,220,748
Stores, spares and packing material under letters of credit	2,962,173	3,809,895
Bank guarantees issued by the Company on behalf of the subsidiary companies	21,208,379	21,269,878
Bank guarantees issued on behalf of the Company	2,417,779	2,391,903
Post dated cheques	1,084,234	1,081,735
Commitment on behalf of subsidiary company in respect of cost over-run and PSRA support	21,526,825	22,034,373

	(Un-audited) For the 1st quarter ended September 30, 2019 (PKR in '000')	September 30, 2018
11 GROSS SALES		
Local	10,721,690	13,499,934
Export	3,208,292	2,511,129
	13,929,982	16,011,063

12 OTHER INCOME

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

		(Un-audited)	
		For the 1st quarter ended	
		September 30, 2019	September 30, 2018
		(PKR in '000')	
		Note	
13	CASH (USED IN) /GENERATED FROM OPERATIONS		
	Profit before taxation	1,021,913	2,891,997
	Adjustments for non cash charges and other items		
	Depreciation	5.1 867,182	820,322
	Amortization of intangible assets	2,517	11,128
	(Gain) / loss on disposal of fixed assets	(3,384)	(56,681)
	Provision for gratuity	122,013	104,122
	Dividend income from subsidiary	(267,053)	-
	Dividend income from associate	(122,273)	-
	Dividend income from mutual fund	(31,034)	-
	Income from deposits with islamic banks and other financial institutions	(485,323)	(448,098)
	Profit before working capital changes	1,104,558	3,322,790
	(Increase) / decrease in current assets		
	Stores and spares	(1,106,437)	(2,047,253)
	Stock in trade	651,859	(269,313)
	Trade debts	(411,130)	175,402
	Loans and advances	(121,986)	93,470
	Trade deposits and short term prepayments	5,785	(5,730)
	Other receivables	4,019	(314,598)
		(977,890)	(2,368,022)
	Decrease in current liabilities		
	Trade and other payables	(976,893)	(550,832)
	Cash (used in) / generated from operations	(850,225)	403,936

13.1 CASH AND CASH EQUIVALENTS

	Cash and bank balances	12,948,027	22,641,971
	Bank balance marked as lien	(7,885,560)	(7,484,375)
	Short term running finance	8 (3,350,000)	-
		1,712,467	15,157,596

14 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:

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the 1st quarter ended September 30, 2019 (Un-audited)

	For the 1st quarter ended	
	September 30, 2019 (PKR in '000')	September 30, 2018
Transactions with Subsidiary Companies		
Reimbursement of expenses to Company	20,699	341
Sales	7,920	128,242
Purchases	3,422	6,040
Purchase of vehicles	77,984	5,500
Investment made during the period	802,300	3,633,622
Dividend received	267,053	-
Payment against claim of tax loss	32,639	-
Services	29	-
Transactions with Directors		
Meeting fee	375	438
Transactions with Associated Undertakings		
Sales	345,335	456,504
Reimbursement of expenses to Company	5,021	3,634
Reimbursement of expenses from Company	392	303
Dividend received	122,273	-
Sale of fixed asset	-	1,875
Donation	1,175	20,000
Charity	8,825	-
Services	7,616	6,340
Transactions with key management personnel		
Salaries and benefits	62,924	49,380
Post employment benefits	5,268	4,809

15 DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 30, 2019 by the Board of Directors of the Company.

16 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 September 30, 2019

		(Un-audited)	(Audited)
		September 30,	June 30,
	Note	2019	2019
		(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	149,808,675	135,475,796
Intangible assets		7,571,722	7,653,720
		157,380,397	143,129,516
Long-term investments	6	18,549,191	18,554,210
Long-term loans and advances		518,714	551,354
Long-term deposits and prepayments		55,134	51,076
		176,503,436	162,286,156
CURRENT ASSETS			
Stores, spares and consumables		9,517,589	8,193,401
Stock-in-trade		18,314,829	18,299,229
Trade debts		4,898,810	4,508,468
Loans and advances		2,295,352	1,997,339
Trade deposits and short-term prepayments		1,991,305	2,092,112
Other receivables		7,465,300	6,935,242
Tax refunds due from the Government		538,812	538,812
Taxation receivable		2,422,932	2,687,513
Accrued return		99,789	156,948
Short term investments		1,074,044	1,055,754
Cash and bank balances		17,872,045	18,270,313
		66,490,807	64,735,131
TOTAL ASSETS		242,994,243	227,021,287
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		3,233,750	3,233,750
Reserves		104,689,423	105,787,478
Attributable to the owners of the Holding Company		107,923,173	109,021,228
Non-controlling interests		16,592,463	16,249,228
Total equity		124,515,636	125,270,456
NON-CURRENT LIABILITIES			
Long-term finances	7	45,956,175	32,771,993
Long-term deposits		188,297	90,264
Deferred liabilities	8	11,314,007	11,431,338
Other long term liabilities		4,961,036	5,078,003
		62,419,515	49,371,598
CURRENT LIABILITIES			
Current portion of long-term finances	7	1,926,253	1,694,503
Trade and other payables		36,068,532	36,059,184
Provision for taxation		1,752,534	1,699,742
Accrued return		592,373	619,500
Short-term borrowings and running finance		13,378,862	12,161,232
Unclaimed dividend		147,481	53,953
Unpaid dividend		2,193,057	91,119
		56,059,092	52,379,233
		118,478,607	101,750,831
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		242,994,243	227,021,287

The annexed notes from 1 to 15 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 1st quarter ended September 30, 2019 (Un-audited)

	Note	September 30, 2019 (PKR in '000')	September 30, 2018
Revenue	10	34,429,646	31,315,454
Less: Sales tax and excise duty		5,683,102	5,242,966
Rebates and commission		1,566,605	1,227,866
		7,249,707	6,470,832
Net sales		27,179,939	24,844,622
Cost of sales		(22,836,297)	(19,256,664)
Gross profit		4,343,642	5,587,958
Distribution cost		(1,846,745)	(1,383,702)
Administrative expenses		(1,018,820)	(755,830)
Finance cost		(625,003)	(357,213)
Other expenses		(191,640)	(341,773)
Other income	11	1,385,695	1,152,742
Profit before taxation		2,047,129	3,902,182
Taxation			
- current		(748,827)	(1,063,608)
- deferred		228,721	323,216
		(520,106)	(740,392)
Profit after taxation		1,527,023	3,161,790
Attributable to:			
Owners of the Holding Company		1,272,179	2,955,800
Non-controlling interests		254,844	205,990
		1,527,023	3,161,790
Other comprehensive income for the period			
Other comprehensive (loss) / income which may be reclassified to statement of profit or loss in subsequent periods			
Foreign exchange differences on translation of foreign operations		(261,420)	189,113
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		(8,089)	(6,336)
Deferred tax thereon		1,213	950
		(6,876)	(5,386)
Total comprehensive income for the period		1,258,727	3,345,517
Attributable to:			
Owners of the Holding Company		1,003,883	3,139,527
Non-controlling interests		254,844	205,990
		1,258,727	3,345,517
		(PKR)	
Earnings per share - basic and diluted		3.93	9.14

The annexed notes from 1 to 15 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 1st quarter ended September 30, 2019 (Un-audited)

Note	September 30, 2019 (PKR in '000')	September 30, 2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	732,213	2,672,432
Finance costs paid	(1,367,959)	(317,910)
Income tax paid	(387,107)	(590,062)
Staff retirement benefits paid	(38,090)	(47,444)
Income from deposits with Islamic banks and and other financial institutions	575,988	531,033
Decrease / (increase) in long-term loans and advances	29,712	(28,096)
Decrease in long-term deposits and prepayments	96,195	9,405
Net cash (used in) / generated from operating activities	(359,048)	2,229,358
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(15,983,352)	(11,938,659)
Dividend from associated companies	382,273	180,000
Short term investment	(26,378)	-
Dividend received from short term investments	31,034	-
Release of bank balance held as lien	-	402,640
Sale proceeds on disposal of property, plant and equipment	10,060	71,236
Net cash used in investing activities	(15,586,363)	(11,284,783)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term finance - net	14,098,413	69,157
Payment against finance lease liability	(946)	(590)
Advance against issuance of shares to non controlling interest	365,565	985,034
Dividends paid	(133,519)	(3,747)
Net cash generated from financing activities	14,329,513	1,049,854
Net decrease in cash and cash equivalents	(1,615,898)	(8,005,571)
Cash and cash equivalents at the beginning of the period	(1,776,479)	19,162,930
Cash and cash equivalents at the end of the period	(3,392,377)	11,157,359
Cash and cash equivalents at September 30 comprise of:		
Cash and bank balances	17,872,045	25,496,632
Short-term finances	(13,378,862)	(6,854,898)
Bank balance marked as lien	(7,885,560)	(7,484,375)
	(3,392,377)	11,157,359

The annexed notes from 1 to 15 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 1st quarter ended September 30, 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	Unappropriated profit			
(PKR in '000')								
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
Transfer to general reserves	-	-	9,492,216	-	(9,492,216)	-	-	-
Final dividend at the rate of PKR 8/- per share for the year ended June 30, 2018	-	-	-	-	(2,587,000)	(2,587,000)	-	(2,587,000)
Dividends paid to non-controlling interests of ICI	-	-	-	-	-	-	(202,836)	(202,836)
Share of non-controlling interests of KLM	-	-	-	-	(549)	(549)	985,583	985,034
Profit after taxation	-	-	-	-	2,955,800	2,955,800	205,990	3,161,790
Other comprehensive income	-	-	-	189,113	(5,386)	183,727	-	183,727
Total comprehensive income for the quarter ended September 30, 2018	-	-	-	189,113	2,950,414	3,139,527	205,990	3,345,517
Balance as at September 30, 2018	3,233,750	7,343,422	73,202,650	1,447,381	12,471,682	94,465,135	13,417,001	111,115,886
Balance as at July 01, 2019	3,233,750	7,343,422	73,202,650	3,936,146	21,305,260	105,787,478	16,249,228	125,270,456
Transfer to general reserves	-	-	8,436,657	-	(8,436,657)	-	-	-
Final dividend at the rate of PKR 6.5/- per share for the year ended June 30, 2019	-	-	-	-	(2,101,938)	(2,101,938)	-	(2,101,938)
Dividends paid to non-controlling interests of ICI	-	-	-	-	-	-	(188,157)	(188,157)
Dividends paid to non-controlling interests of LHL	-	-	-	-	-	-	(89,017)	(89,017)
Share of non-controlling interests of KLM	-	-	-	-	-	-	365,565	365,565
Profit after taxation	-	-	-	-	1,272,179	1,272,179	254,844	1,527,023
Other comprehensive income	-	-	-	(261,420)	(6,876)	(268,296)	-	(268,296)
Total comprehensive income for the quarter ended September 30, 2019	-	-	-	(261,420)	1,265,303	1,003,883	254,844	1,258,727
Balance as at September 30, 2019	3,233,750	7,343,422	81,639,307	3,674,726	12,031,968	104,689,423	16,592,463	124,515,636

The annexed notes from 1 to 15 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 1st quarter ended September 30, 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 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 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 Third Floor, Syed Towers, University Road, Opp: Custom House, Peshawar, Khyber Pakhtunkhwa. As of the statement of financial position date, the Company owns 75 percent shares of Lucky Holdings Limited (LHL).

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 is investing 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 on 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. As of the statement of financial position date, the Company holds 73.70 percent shares of KLM (June 30, 2019: 75.28%).

1.6 Lucky Cement Holdings (Private) Limited

Lucky Cement Holdings (Private) Limited (LCHPL) is a private limited company incorporated in Pakistan as a wholly owned subsidiary of the Holding Company. LCHPL holds 54.73% percent shares of ICI Pakistan Limited, a public listed company, as on the statement of financial position date.

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, imported pharmaceuticals, 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.

1.6.2 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.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the 1st quarter ended September 30, 2019 (Un-audited)

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.

2 STATEMENT OF COMPLIANCE

- 2.1** These consolidated condensed interim financial statements of the Company for the three months period ended September 30, 2019 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 Act, 2017. In case where the requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. 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 Company's consolidated annual audited financial statements for the year ended June 30, 2019.

3 SIGNIFICANT ACCOUNTING POLICIES

- 3.1** 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, 2019 except those stated in note 3.2 (a) below.

3.2 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 three months ended September 30, 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, 2019. However, these do not have any significant impact on the Holding Company's financial reporting and, therefore, have not been detailed in these consolidated condensed interim financial statements.

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

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these Holding Company's consolidated 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 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, 2019.

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, 2019.

	(Un-audited)	(Audited)
Note	September 30, 2019	June 30, 2019
	(PKR in '000')	

5 PROPERTY, PLANT AND EQUIPMENT

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

Operating fixed assets (WDV) - opening balance		83,666,110	60,619,288
Add: Additions during the period/year	5.2	423,355	29,220,560
		84,089,465	89,839,848
Less: Disposals during the period/year (WDV)		6,667	51,791
Depreciation charge for the period/year		1,798,443	6,121,947
Operating fixed assets (WDV) - closing balance		82,284,355	83,666,110
Add: Capital work-in-progress	5.3	67,524,320	51,809,686
		149,808,675	135,475,796

	Additions (Cost)	Deletions (Cost)
	(PKR in '000')	

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

Operating fixed assets

Land	7,003	-
Buildings on free hold land		
- Cement plant	13,067	-
- Power plant	5,834	-
- Others	3,707	-
Buildings on leasehold land		
- Others	12,616	-
Machinery	284,585	135
Generators	-	3,225
Vehicles including cement bulkers	78,595	28,066
Furniture and fixtures	3,989	3,687
Office equipments	8,456	109
Computer & Accessories	4,857	6,279
Other assets	646	187
	423,355	41,688

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the 1st quarter ended September 30, 2019 (Un-audited)

		(Un-audited)	(Audited)
		September 30, 2019	June 30, 2019
	Note	(PKR in '000')	
5.3	The following is the movement in capital work-in-progress during the period/year:		
Opening balance		51,809,686	13,245,714
Add: Additions during the period/year		16,089,427	67,508,852
		67,899,113	80,754,566
Less: Transferred to operating fixed assets		374,793	28,887,173
Transferred to intangible assets		-	57,707
Closing balance		67,524,320	51,809,686
6	LONG TERM INVESTMENT		
	Equity accounted investment		
	Joint ventures		
Lucky Al Shumookh Holdings Limited	6.1	5,477,441	5,297,866
LuckyRawji Holdings Limited	6.2	10,126,411	10,185,585
Al Shumookh Lucky Investments Limited	6.3	635,817	647,902
		16,239,669	16,131,353
	Associates		
NutriCo Pakistan (Pvt) Limited	6.4	1,363,121	1,475,773
Yunus Energy Limited	6.5	943,901	944,584
		2,307,022	2,420,357
		18,546,691	18,551,710
	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
		18,549,191	18,554,210
6.1	Lucky Al Shumookh Holdings Limited		
Investment at cost		1,912,283	1,912,283
Share of cumulative profit at the beginning of the year		1,584,931	1,067,601
Share of profit during the period/year		304,680	517,330
		1,889,611	1,584,931
Foreign currency translation reserve		1,675,547	1,800,652
		5,477,441	5,297,866
	The Group's interest in LASHL's assets and liabilities is as follows:		
Total assets		11,749,207	11,146,624
Total liabilities		(794,326)	(550,892)
Net assets (100%)		10,954,881	10,595,732
		5,477,441	5,297,866
Group's share of net assets (50%)		5,477,441	5,297,866

	(Un-audited)	(Audited)
	September 30, 2019	June 30, 2019
	(PKR in '000')	
The Group's share in LASHL's profit or loss is as follows:		
Revenue	2,558,205	7,653,512
Net profit (100%)	609,361	1,034,659
Group's share of net profit (50%)	304,680	517,330
6.2 LuckyRawji Holdings Limited		
Investment at cost	6,870,050	6,870,050
Share of cumulative loss at the beginning of the year	(494,136)	(74,603)
Share of profit / (loss) during the period / year	177,233	(419,533)
	(316,903)	(494,136)
Foreign currency translation reserve	3,573,264	3,809,671
	10,126,411	10,185,585
The Group's interest in LRHL's assets and liabilities is as follows:		
Total assets	39,279,938	39,875,473
Total liabilities	(19,027,116)	(19,504,304)
Net assets (100%)	20,252,822	20,371,169
Group's share of net assets (50%)	10,126,411	10,185,585
The Group's share in LRHL's profit or loss is as follows:		
Revenue	3,289,215	8,476,559
Net profit / (loss) (100%)	354,466	(839,066)
Group's share of net profit / (loss) (50%)	177,233	(419,533)
6.3 AI Shumookh Lucky Investments Limited		
Investment at cost	446,270	446,270
Share of cumulative profit at the beginning of the year	105,343	-
Share of profit during the period/year	2,839	105,343
	108,182	105,343
Foreign currency translation reserve	81,365	96,289
	635,817	647,902
The Group's interest in ASLIL's assets and liabilities is as follows:		
Total assets	5,614,704	5,161,468
Total liabilities	(4,343,071)	(3,865,664)
Net assets (100%)	1,271,633	1,295,804

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the 1st quarter ended September 30, 2019 (Un-audited)

	(Un-audited) September 30, 2019 (PKR in '000')	(Audited) June 30, 2019
Group's share of net assets (50%)	635,817	647,902
The Group's share in ASLIL's profit or loss is as follows:		
Revenue	-	-
Net profit (100%)	5,678	210,685
Group's share of net profit (50%)	2,839	105,343
6.4 NutriCo Pakistan (Pvt) Limited		
Investment at cost	960,000	960,000
Share of profit opening balance	515,773	170,004
Share of profit during the period/year	147,348	525,769
Dividend received during the period/year	(260,000)	(180,000)
	403,121	515,773
	1,363,121	1,475,773

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.

	(Un-audited) September 30, 2019 (PKR in '000')	(Audited) June 30, 2019
6.5 Yunus Energy Limited		
Investment at cost	611,365	611,365
Share of cumulative profit at the beginning of the year	333,219	232,668
Share of profit during the period/year	121,590	283,961
Dividend received during the period/year	(122,273)	(183,410)
	332,536	333,219
	943,901	944,584

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

	(Un-audited) September 30, 2019 (PKR in '000')	(Audited) June 30, 2019
7 LONG TERM FINANCES		
Long-term finances	47,882,428	34,466,496
Current portion of long term finances	(1,926,253)	(1,694,503)
	45,956,175	32,771,993

Note

7.1 There is no material change in the terms and conditions of the long-term loans as disclosed in the annual consolidated audited financial statements as at and for the year ended June 30, 2019.

	(Un-audited)	(Audited)
	September 30, 2019	June 30, 2019
Note	(PKR in '000')	

8 DEFERRED LIABILITIES

Staff gratuity and eligible retired employees' medical scheme
Deferred tax liability

8.1	2,070,550	1,957,008
	9,243,457	9,474,330
	11,314,007	11,431,338

8.1 Deferred tax liability

This comprises of the following :

- Taxable temporary differences arising due to accelerated tax depreciation allowance
- Deductible temporary differences arising in respect of provisions

10,196,608	10,395,765
(953,151)	(921,435)
9,243,457	9,474,330

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, 2019, except as disclosed in note 9.2, 9.3 & 9.4.

	(Un-audited)	(Audited)
	September 30, 2019	June 30, 2019
	(PKR in '000')	

9.2 COMMITMENTS

Machinery under letters of credit and others

59,230,871	63,521,371
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Stores, spares, raw and packing material under letters of credit

2,962,173	3,809,895
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Bank guarantees issued on behalf of the Holding Company and its subsidiaries

2,417,779	2,391,903
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Standby Letter of Credit

28,344,023	24,809,160
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Post dated cheques

1,793,438	1,649,519
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Commitment in connection with LEPCL's project cost over-run and payment service reserve account (PSRA) support

21,526,825	22,034,373
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9.3 Claims against the Group not acknowledged as debts are as follows:

Local bodies

71,583	71,583
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Others

11,318	11,318
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82,901	82,901
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NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the 1st quarter ended September 30, 2019 (Un-audited)

	(Un-audited) September 30, 2019 (PKR in '000')	(Audited) June 30, 2019
9.4	Commitments for rentals under operating lease / Ijarah agreements in respect of vehicles are as follows:	
Year		
2018-19	27,862	-
2019-20	91,424	87,699
2020-21	97,367	93,399
2021-22	103,695	99,471
2022-23	83,358	105,937
	403,706	386,506
Payable not later than one year	96,430	87,699
Payable later than one year but not later than five years	307,276	298,807
	403,706	386,506
	For the 1st quarter ended	
	September 30, 2019 (PKR in '000')	September 30, 2018

10 SEGMENT REPORTING

TURNOVER

Cement	13,929,982	16,011,063
Polyester	5,892,985	5,440,077
Soda Ash	4,952,463	4,736,707
Life Sciences	3,107,087	2,849,509
Chemicals and Agri Sciences	2,788,591	2,089,631
Automobiles	3,852,409	-
Others	347,916	508,477
	34,429,646	31,315,454

10.1 OPERATING RESULT

Cement	216,085	2,493,124
Polyester	199,684	154,738
Soda Ash	1,056,269	738,984
Life Sciences	168,282	56,061
Chemicals and Agri Sciences	215,798	75,678
Automobiles	(332,187)	-
Others	(44,557)	(48,645)
	1,478,077	3,448,426

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 1st quarter ended	
	September 30, 2019	September 30, 2018
(PKR in '000')		
10.4 GROSS SALES		
Local	30,830,752	28,397,027
Export	3,598,893	2,918,427
	34,429,646	31,315,454

11 OTHER INCOME

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

	For the 1st quarter ended	
	September 30, 2019	September 30, 2018
(PKR in '000')		

12 CASH GENERATED FROM OPERATIONS

Profit before taxation		2,047,129	3,902,182
Adjustments for non cash charges and other items			
Depreciation	5.1	1,798,443	1,514,671
Amortization on intangible assets		85,973	87,546
Provision for slow moving spares		-	8
Provision for slow moving and obsolete stock-in-trade		13,095	60,719
(Reversal) / provision for doubtful debts		(18,803)	10,692
Gain on disposal of fixed assets		(3,393)	(50,332)
Provision for staff retirement plan		146,146	119,370
Share of profit from equity accounted investees		(753,719)	(436,973)
Return from deposits with islamic banks and other financial institutions		(506,374)	(496,395)
Dividend income from short term investments		(31,034)	-
Finance cost		599,012	351,825
Profit before working capital changes		3,376,475	5,063,313
(Increase) / decrease in current assets			
Stores, spares and consumables		(1,167,391)	(2,062,809)
Stock in trade		(165,268)	(1,935,655)
Trade debts		(377,912)	355,891
Loans and advances		(303,360)	166
Trade deposits and short term prepayments		(252,675)	(185,741)
Other receivables		(520,252)	(679,199)
		(2,786,858)	(4,507,347)
Increase in current liabilities			
Trade and other payables		142,596	2,116,466
Cash generated from operations		732,213	2,672,432

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the 1st quarter ended September 30, 2019 (Un-audited)

13 TRANSACTIONS WITH RELATED PARTIES

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

	For the 1st quarter ended	
	September 30, 2019	September 30, 2018
	(PKR in '000')	
Transactions with Associated Undertakings		
Sales	1,060,340	943,374
Purchase of goods, materials and services	428,028	63,430
Reimbursement of expenses to Company	24,645	20,731
Reimbursement of expenses from Company	392	6,290
Sale of fixed asset	-	1,875
Donation	3,475	20,000
Charity	8,825	-
Dividends received	382,273	180,000
Dividends paid	125,581	-
Rent paid	4,082	-
Services	7,616	6,340
Transactions with Directors		
Meeting fee	375	438
Transactions with key management personnel		
Salaries and benefits	150,890	156,535
Post employment benefits	16,872	19,218
Dividends paid	2,180	-
Staff retirement benefit plan		
Contribution	50,265	46,505

14 GENERAL

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

15 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on October 30, 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

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