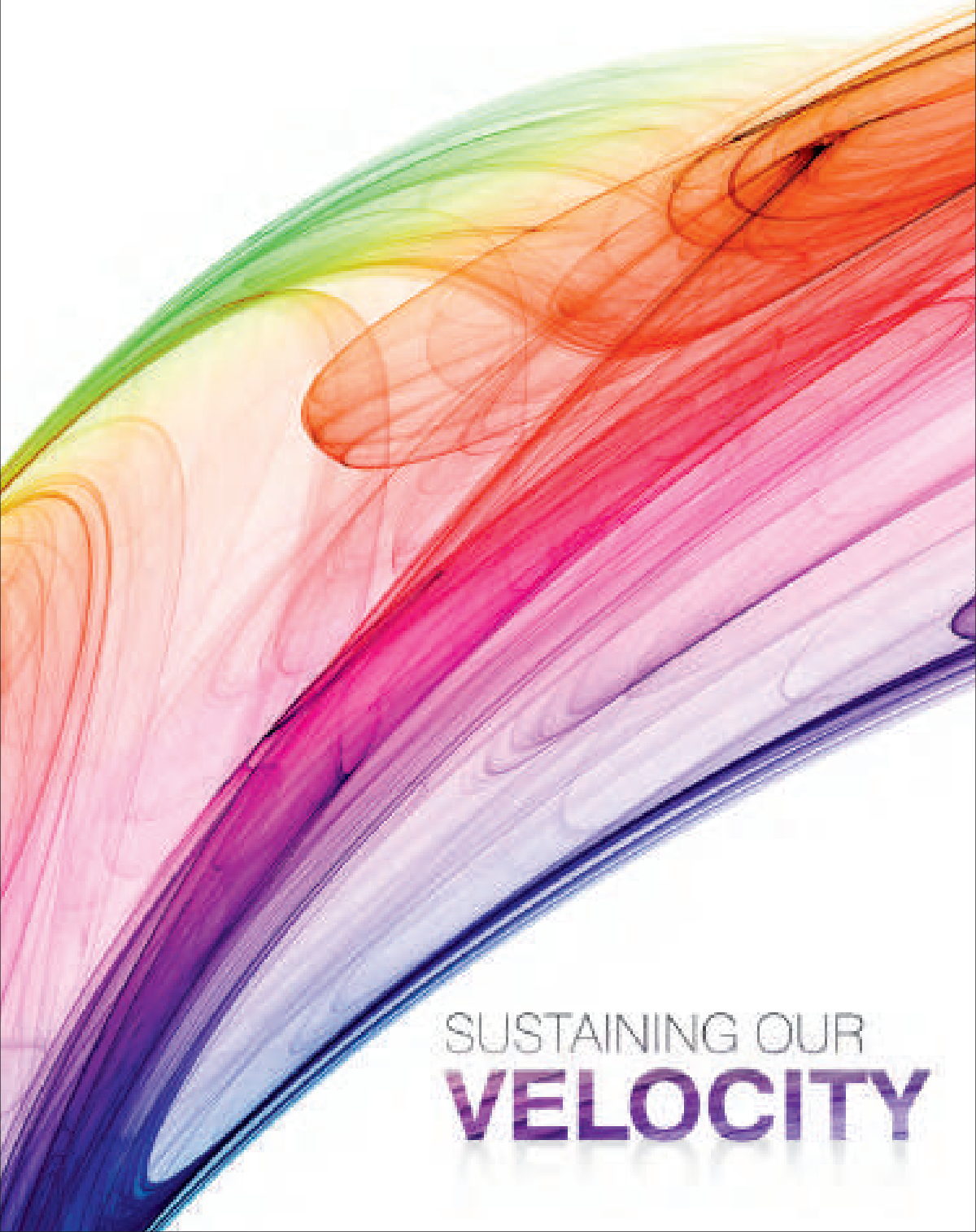


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HALF YEARLY REPORT  
DECEMBER 31, 2019

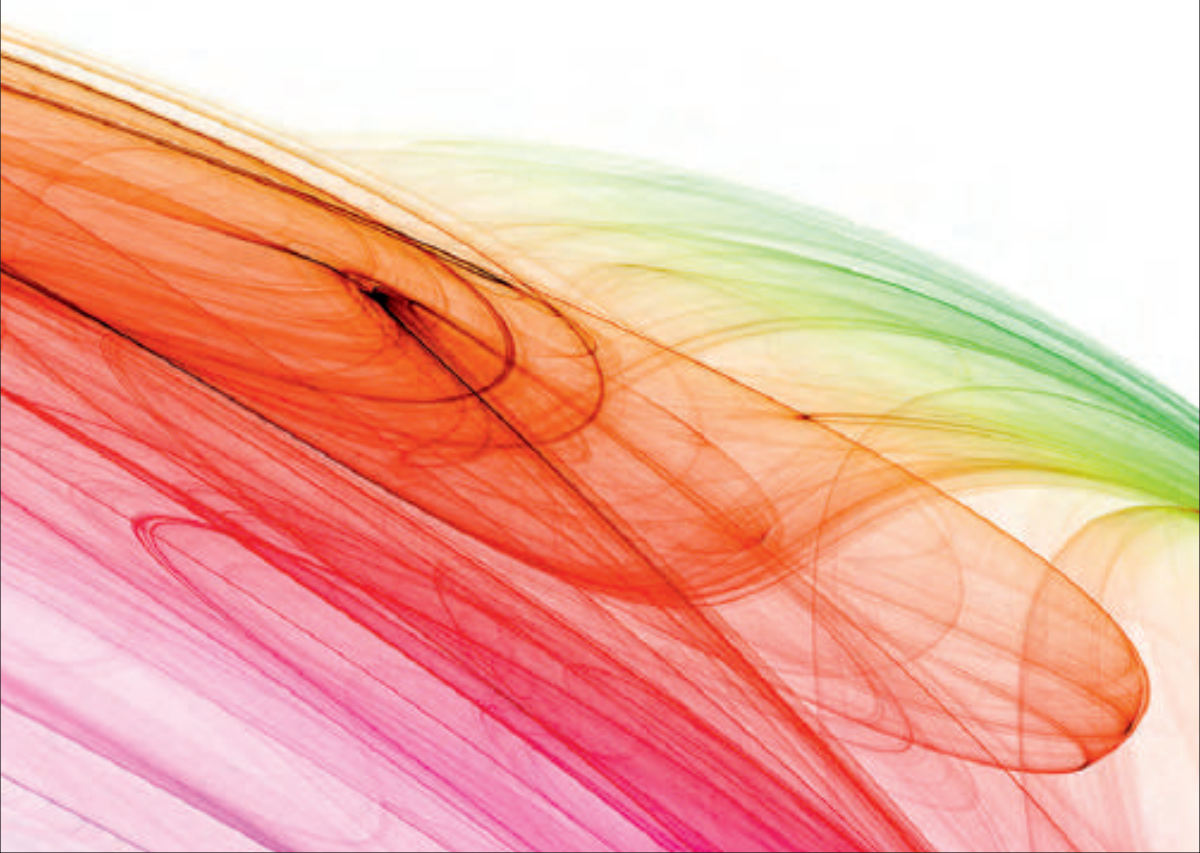


SUSTAINING OUR  
**VELOCITY**

# 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	Mariam Tabba Khan
Muhammad Ali Tabba	Manzoor Ahmed
Muhammad Sohail Tabba	Mohammad Javed Iqbal
Jawed Yunus Tabba	

## MANAGEMENT TEAM

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

## 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	Habib Bank Limited – Islamic Banking
Allied Bank Limited – Islamic Banking	Habib Metropolitan Bank Limited
Askari Bank Limited	Habib Metropolitan Bank Limited – Islamic Banking
Askari Bank Limited – Islamic Banking	Industrial and Commercial Bank of China Limited
Bank Alfalah Limited – Islamic Banking	MCB Bank Limited
Bank AL-Habib Limited	MCB Islamic Bank Limited
Bank AL-Habib Limited – Islamic Banking	Meezan Bank Limited
BankIslami Pakistan Limited	National Bank of Pakistan
Citibank N.A.	National Bank of Pakistan – Aiteamaad Islamic Banking
Dubai Islamic Bank Pakistan Limited	Standard Chartered Bank (Pakistan) Limited
Faysal Bank Limited – Islamic Banking	United Bank Limited
Habib Bank Limited	UBL Ameen Islamic Banking

## 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](http://www.lucky-cement.com)  
 Email: [info@lucky-cement.com](mailto: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** (duly reviewed by the auditors) and **consolidated unaudited financial statements** for the half year ended December 31, 2019.

## Overview

**Cement industry** in Pakistan grew by 6.5% to 24.75 million tons during the half year ended December 31, 2019 in comparison to 23.23 million tons during the same period last year. Local sales volume registered a growth of 3.5% to 20.37 million tons during the current half year in comparison to 19.67 million tons during the same period last year. Export sales volumes registered an increase of 22.9% to 4.38 million tons during the half year under review as compared to 3.56 million tons reported in the same period last year.

In comparison to the Cement Industry, your **Company's** overall sales volumes declined by 8.4% to 3.68 million tons during the current half year ended December 31, 2019. The local sales volumes registered a decline of 13.3% and were 2.59 million tons in comparison to 2.99 million tons during the same period last year, however, the export sales volumes of the Company improved by 6.0% to 1.08 million tons as compared to 1.02 million tons during the same period last year.

On a **consolidated basis**, your Company achieved a gross turnover of PKR 79.56 billion which is 17.3% higher as compared to the same period last year's turnover of PKR 67.85 billion.

Moreover, **consolidated** Net Profit of the Company was PKR 3.92 billion of which PKR 0.71 billion is attributable to non-controlling interests which translates into an EPS of PKR 9.93 during the current half year ended December 31, 2019 as compared to PKR 17.92 during the same period last year.

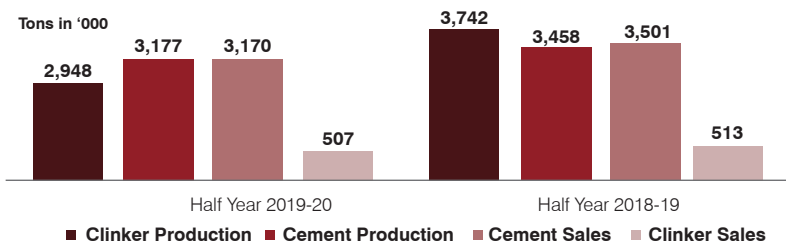
## Business Performance

### a. Production & Sales Volume Performance - Standalone

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

Particulars	Half Year 2019-20	Half Year 2018-19	(Growth/Decline) (%)
	(Tons in '000')		
Clinker Production	2,948	3,742	(21.2%)
Cement Production	3,177	3,458	(8.1%)
Cement Sales	3,170	3,501	(9.5%)
Clinker Sales	507	513	(1.2%)

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 half year ended December 31, 2019 compared with the same period last year is presented below:

Particulars	Half Year 2019-20	Half Year 2018-19	Growth/(Decline)	
	(Tons in '000')	(Tons in '000')	(Tons in '000')	(%)
<b>Cement Industry*</b>				
<b>Local Sales</b>	<b>20,373</b>	<b>19,677</b>	<b>696</b>	<b>3.5%</b>
Export Sales				
- Bagged	2,279	2,484	(205)	(8.3%)
- Loose	21	39	(18)	(46.2%)
- Clinker	2,077	1,038	1,039	100.1%
<b>Total Exports</b>	<b>4,377</b>	<b>3,561</b>	<b>816</b>	<b>22.9%</b>
<b>Grand Total</b>	<b>24,750</b>	<b>23,238</b>	<b>1,512</b>	<b>6.5%</b>
<b>Lucky Cement</b>				
Local Sales				
- Cement	2,549	2,992	(443)	(14.8%)
- Clinker	45	-	45	100.0%
<b>Total Local Sales</b>	<b>2,594</b>	<b>2,992</b>	<b>(398)</b>	<b>(13.3%)</b>
Export Sales				
- Bagged	600	470	130	27.7%
- Loose	21	39	(18)	(46.2%)
- Clinker	462	513	(51)	(9.9%)
<b>Total Exports</b>	<b>1,083</b>	<b>1,022</b>	<b>61</b>	<b>6.0%</b>
<b>Grand Total</b>	<b>3,677</b>	<b>4,014</b>	<b>(337)</b>	<b>(8.4%)</b>
<b>Market Share</b>				
	<b>Half Year 2019-20</b>	<b>Half Year 2018-19</b>	<b>Growth/ (Decline) (%)</b>	
<b>Local Sales</b>	<b>12.7%</b>	<b>15.2%</b>	<b>(16.4%)</b>	
Export Sales				
- Bagged	26.3%	18.9%	39.2%	
- Loose	100.0%	100.0%	0.0%	
- Clinker	22.2%	49.4%	(55.1%)	
<b>Total Exports</b>	<b>24.7%</b>	<b>28.7%</b>	<b>(13.9%)</b>	
<b>Grand Total</b>	<b>14.9%</b>	<b>17.3%</b>	<b>(13.9%)</b>	

\*Industry Source: APCMA Website

## b. Financial Performance

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

Particulars	PKR in millions except EPS		
	Half Year 2019-20	Half Year 2018-19	Change (%)
Gross Revenue	31,096	34,885	(10.9%)
Net Revenue	21,211	24,955	(15.0%)
GP	3,224	7,424	(56.6%)
OP	732	5,490	(86.7%)
EBITDA	2,471	7,157	(65.5%)
PBT	2,199	6,526	(66.3%)
NP	1,937	5,501	(64.8%)
EPS	5.99 / Share	17.01 / Share	(64.8%)

## Revenue

During the half year of 2019-20 under review, your Company's overall gross sales revenue declined by 10.9% as compared to the same period last year. Where, although the export sales revenue showed an increase of 19.1% (PKR 6.43 billion vs PKR 5.40 billion) but the local sales revenue decline of 16.3% (PKR 24.67 billion vs PKR 29.49 billion) lead to the overall drop of 10.9% 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 due to higher transportation and logistics costs.

## 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 half year under review were 15.2% as compared to 29.7% reported during the same period last year.

## Net Profit

Similarly, your Company achieved a profit before tax of PKR 2,199.3 million during the half year under review as compared to PKR 6,525.8 million reported during the same period last year.

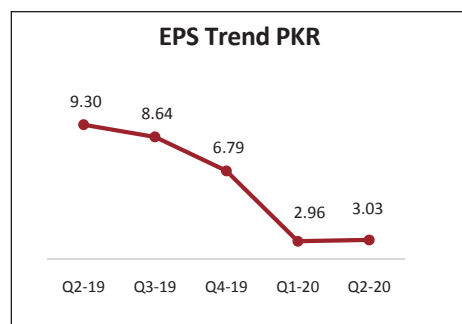
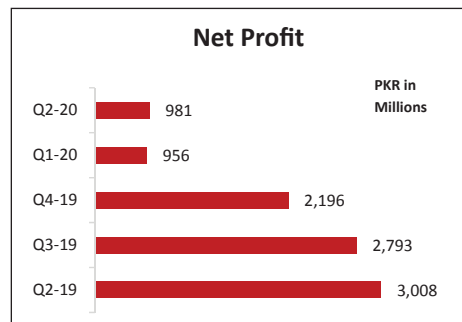
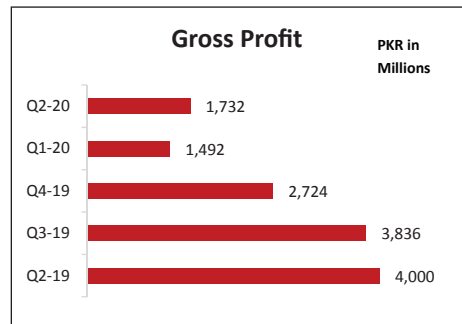
Accordingly, after tax profit of PKR 1,936.6 million was achieved during the half year under review as compared to PKR 5,500.8 million reported during the same period last year.

## Earnings per share

The earnings per share of your Company for the half year ended December 31, 2019 was PKR 5.99 in comparison to PKR 17.01 reported during the same period last year.

## Cost of Sales

Moreover, during the half year under review, per ton cost of sales of your Company increased by 12.0% 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 higher transportation costs on input materials.



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## Projects – New and Ongoing

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### Brownfield cement plant expansion in KPK Province of Pakistan – 2.8 million tons per annum.

Construction and installation after slight design modifications with respect to the additional line of 2.8 million tons per annum has been successfully completed as per the given project completion timelines. The new line was made operational with the commencement of Clinker production on December 30, 2019. The total production capacity (including both North and South plants) of the Company has now increased from previous 9.35 million tons to 12.15 million tons per annum.

## Investments

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### 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 in full swing with over 60% of project completion to-date. With the completion of major design / engineering works and the expected on-site arrival of all the critical equipment in the months of February and March, the commissioning team of SEPCO III is now fully mobilized at the Project site. Target to achieve commercial operations is 1st March 2021.

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

Fabrication and erection work is in full swing and Project timelines are being met. Necessary manpower and contractors have also been mobilized at the Site. The contract for Cement grinding mill, Packing plant and additional Power generator is also finalized and Letter of Credit has been established.

Target to achieve commercial production is by the second quarter of financial year 2020-21.

## Corporate Social Responsibility

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With the primary focus on Education, Women empowerment, Health and Environment conservation, your Company remains committed towards progressive development of society and the communities in which it operates.

### Education / Scholarships

Your company continues to support the deserving and less privileged segments of the society through provision of merit-based scholarships to various students of IBA, IoBM and other leading universities in Pakistan and abroad.

### Women Empowerment

Your Company's focus on women empowerment through education remains an ongoing process with the collaboration of 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

The quality healthcare provision has always been your company's priority especially through the 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 in the Country.



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## **Environment Conservation**

Your Company always takes serious responsibility towards the preservation of the environment and in an effort to highlight the importance of environment conservation; your Company continued with its pro-environment initiatives including tree-plantation drives in and around its manufacturing sites.

## **Outlook**

Despite current economic challenges, there has been an overall growth in both Domestic and Export off-takes.

The Outlook of the Cement industry will continue to be challenging due to availability of excess capacity in the North region, which will put adverse pressure on pricing. Whereas, prices for exports from South are also very competitive due to surplus supplies available in the Region. The input costs may also rise in the future, due to higher electricity and gas tariffs, which will increase the production, as well as logistics costs.

## **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: January 29, 2020

# **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LUCKY CEMENT LIMITED REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS**

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## **Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Lucky Cement Limited as at December 31, 2019, the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six-month period ended (here-in-after referred to as the 'unconsolidated condensed interim financial statements'). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2019.

## **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the unconsolidated condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated condensed interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Salman Hussain.



**A. F. Ferguson & Co.**  
**Chartered Accountants**  
**Karachi**  
**Date: January 29, 2020**

**INTERIM  
FINANCIAL  
STATEMENTS**

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2019

		(Un-audited)	(Audited)
		December 31, 2019	June 30, 2019
	Note	(PKR in '000')	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Property, plant and equipment	5	62,157,703	57,276,184
Intangible assets		13,245	18,152
		<b>62,170,948</b>	57,294,336
Long-term investments	6	36,618,587	34,313,588
Long-term loans and advances		90,628	99,316
Long-term deposits		3,175	3,175
		<b>98,883,338</b>	91,710,415
<b>CURRENT ASSETS</b>			
Stores and spares		7,661,615	6,809,724
Stock-in-trade		2,365,661	4,253,020
Trade debts		3,079,131	2,058,719
Loans and advances		589,643	686,525
Trade deposits and short term prepayments		83,985	74,223
Accrued return		93,715	113,869
Other receivables		2,116,939	2,130,907
Tax refunds due from the Government		538,812	538,812
Short term investments		409,394	1,055,754
Cash and bank balances		12,852,797	15,657,246
		<b>29,791,692</b>	33,378,799
<b>TOTAL ASSETS</b>		<b>128,675,030</b>	125,089,214
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share Capital		3,233,750	3,233,750
Reserves		90,918,523	91,084,667
		<b>94,152,273</b>	94,318,417
<b>NON-CURRENT LIABILITIES</b>			
Long-term deposits		232,442	90,264
Deferred liabilities	7	7,184,313	7,102,483
		<b>7,416,755</b>	7,192,747
<b>CURRENT LIABILITIES</b>			
Trade and other payables		20,348,244	19,195,617
Short term borrowing		5,218,628	2,900,000
Unclaimed dividend		57,574	53,953
Unpaid dividend		23,897	91,119
Taxation - net		1,457,659	1,337,361
	8	<b>27,106,002</b>	23,578,050
		<b>34,522,757</b>	30,770,797
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>128,675,030</b>	125,089,214

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 half year ended December 31, 2019 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
		(PKR in '000')	(PKR in '000')	(PKR in '000')	(PKR in '000')
<b>Gross sales</b>	10	<b>31,095,561</b>	34,885,341	<b>17,165,579</b>	18,874,278
Less: Sales tax and federal excise duty		<b>9,360,807</b>	9,484,395	<b>5,277,187</b>	5,093,783
Rebates, incentives and commission		<b>523,374</b>	445,871	<b>305,988</b>	230,488
		<b>9,884,181</b>	9,930,266	<b>5,583,175</b>	5,324,271
<b>Net sales</b>		<b>21,211,380</b>	24,955,075	<b>11,582,404</b>	13,550,007
Cost of sales		<b>(17,987,142)</b>	(17,531,060)	<b>(9,849,995)</b>	(9,550,411)
<b>Gross profit</b>		<b>3,224,238</b>	7,424,015	<b>1,732,409</b>	3,999,596
Distribution cost		<b>(1,894,420)</b>	(1,374,509)	<b>(919,103)</b>	(716,990)
Administrative expenses		<b>(597,328)</b>	(559,645)	<b>(296,901)</b>	(285,869)
Finance cost		<b>(47,946)</b>	-	<b>(28,080)</b>	-
Other expenses		<b>(194,311)</b>	(570,602)	<b>(89,774)</b>	(325,146)
Other income	11	<b>1,709,031</b>	1,606,571	<b>778,800</b>	962,242
<b>Profit before taxation</b>		<b>2,199,264</b>	6,525,830	<b>1,177,351</b>	3,633,833
Taxation					
- current		<b>(366,683)</b>	(1,433,590)	<b>(196,619)</b>	(883,235)
- deferred		<b>103,995</b>	408,549	<b>-</b>	257,360
		<b>(262,688)</b>	(1,025,041)	<b>(196,619)</b>	(625,875)
<b>Profit after taxation</b>		<b>1,936,576</b>	5,500,789	<b>980,732</b>	3,007,958
<b>Other comprehensive income:</b>					
Other comprehensive (loss) / income which will not be reclassified to profit or loss in subsequent periods					
Unrealized (loss) / income on remeasurement of equity instrument at fair value through other comprehensive income		<b>(920)</b>	(10,938)	<b>7,169</b>	(4,602)
Deferred tax thereon		<b>138</b>	1,640	<b>(1,075)</b>	690
		<b>(782)</b>	(9,298)	<b>6,094</b>	(3,912)
<b>Total comprehensive income for the period</b>		<b>1,935,794</b>	5,491,491	<b>986,826</b>	3,004,046
		(PKR)	(PKR)	(PKR)	(PKR)
<b>Earnings per share - basic and diluted</b>		<b>5.99</b>	17.01	<b>3.03</b>	9.30

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 half year ended December 31, 2019 (Un-audited)

	Note	December 31, 2019 (PKR in '000')	December 31, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	12	<b>3,725,865</b>	8,809,236
Income tax paid		(246,385)	(1,033,016)
Gratuity paid		(54,212)	(51,359)
Income from deposits with islamic banks		963,972	930,522
Decrease / (increase) in long-term loans and advances		8,688	(12,600)
Increase / (decrease) in long-term deposits (liabilities)		142,178	(3,400)
<b>Net cash generated from operating activities</b>		<b>4,540,106</b>	8,639,383
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(6,642,259)	(5,721,193)
Long term investment		(2,304,999)	(6,436,622)
Sale proceeds on short term investments		700,000	-
Short term investments made		(54,560)	(501,311)
Sale proceeds on disposal of property, plant and equipment		49,264	137,342
Dividend received from subsidiary company		568,448	-
Dividend received from associated company		122,273	183,410
Dividend received on short term investments		64,189	522
Bank balance held as lien - net		(81,111)	(512,985)
<b>Net cash used in investing activities</b>		<b>(7,578,755)</b>	(12,850,837)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(2,165,539)	(2,567,070)
Net decrease in cash and cash equivalents		(5,204,188)	(6,778,524)
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	12.1	(332,502)	12,769,822


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 half year ended December 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')						
<b>Balance as at July 01, 2018</b>	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)	-	-
<i>Transactions with owners in their capacity as owners</i>						
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 half year ended December 31, 2018	-	-	-	5,491,491	5,491,491	5,491,491
<b>Balance as at December 31, 2018</b>	<u>3,233,750</u>	<u>7,343,422</u>	<u>73,202,650</u>	<u>5,491,491</u>	<u>86,037,563</u>	<u>89,271,313</u>
<b>Balance as at July 01, 2019</b>	<b>3,233,750</b>	<b>7,343,422</b>	<b>73,202,650</b>	<b>10,538,595</b>	<b>91,084,667</b>	<b>94,318,417</b>
Transfer to general reserves	-	-	8,436,657	(8,436,657)	-	-
<i>Transactions with owners in their capacity as owners</i>						
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 half year ended December 31, 2019	-	-	-	1,935,794	1,935,794	1,935,794
<b>Balance as at December 31, 2019</b>	<u>3,233,750</u>	<u>7,343,422</u>	<u>81,639,307</u>	<u>1,935,794</u>	<u>90,918,523</u>	<u>94,152,273</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 half year ended December 31, 2019 (Un-audited)

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## 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 an associated company have been accounted for at cost less accumulated impairment losses, if any.

## 2 STATEMENT OF COMPLIANCE

- 2.1** These unconsolidated condensed interim financial statements of the Company for the half year ended December 31, 2019 have been prepared in accordance with 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, 2019.
- 2.3** The figures included in the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2019 and 2018 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended December 31, 2019 and 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, 2019 except those that stated in note 3.2 (a) below.



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

#### **(a) Standards and amendments to published accounting and reporting standards which were effective during the half year ended December 31, 2019**

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17: Leases. As the distinction between operating and finance lease is eliminated, it has resulted in leases being recognised on the statement of financial position except for short-term and low-value leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised.

However, the application of IFRS 16 does not have any material impact on the Company's books of account.

The amendments that were mandatory for the half year ended December 31, 2019 are considered not to be relevant for the Company's financial reporting process and hence have not been disclosed here.

#### **(b) Standards and amendments to approved accounting and reporting standards that are not yet effective**

There is a new standard and certain amendments and interpretation to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020. However, these standard, amendments and interpretation 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.

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are 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.

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2019 (Un-audited)

		(Un-audited)	(Audited)
	Note	December 31, 2019	June 30, 2019
		(PKR in '000')	
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
<b>5.1</b>	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	19,048,061	7,880,305
		<b>62,166,581</b>	46,431,167
	Less: Disposals during the period/year (WDV)	23,660	36,543
	Depreciation charge for the period / year	1,737,080	3,276,104
	Operating fixed assets (WDV) - closing balance	60,405,841	43,118,520
	Add: Capital work-in-progress	1,751,862	14,157,664
		<b>62,157,703</b>	57,276,184

	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	4,579,270	-
- Cement plant	10,716	-
- Power plant	2,929	-
Buildings on leasehold land	14,277,939	-
Machinery	43,209	3,225
Generators	105,284	46,628
Vehicles	4,529	51
Furniture and fixtures	15,112	1,920
Office equipment	3,220	6,786
Computer and accessories	5,853	536
Other assets (Laboratory equipment, etc.)	<b>19,048,061</b>	<b>59,146</b>

	(Un-audited)	(Audited)
	December 31, 2019	June 30, 2019
(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	6,642,259	19,683,325
	<b>20,799,923</b>	22,045,631
Less: Transferred to operating fixed assets	19,048,061	7,880,305
Transferred to intangible assets	-	7,662
Closing balance	<b>1,751,862</b>	14,157,664

		(Un-audited)	(Audited)
		December 31, 2019	June 30, 2019
	Note	(PKR in '000')	
<b>6</b>	<b>LONG-TERM INVESTMENTS - at cost</b>		
	<b>Subsidiaries</b>		
	Lucky Holdings Limited	6.1 <b>32,145</b>	32,145
	LCL Investment Holdings Limited	6.2 <b>4,580,500</b>	4,580,500
	LCL Holdings Limited	6.3 <b>12,931,238</b>	10,626,239
	Kia Lucky Motors Pakistan Limited	6.4 <b>12,876,384</b>	12,876,384
	Lucky Cement Holdings (Private) Limited	6.5 <b>5,586,955</b>	5,586,955
		<b>36,007,222</b>	33,702,223
	<b>Associate</b>		
	Yunus Energy Limited	6.6 <b>611,365</b>	611,365
		<b>36,618,587</b>	34,313,588

**6.1** Lucky Holdings Limited (LHL) is a public unlisted Company incorporated in Pakistan. As of the statement of financial position date, the Company owns 75 percent shareholding of 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 fully integrated cement manufacturing unit in Samawah, Iraq. LASHL and ASLIL are companies with limited liability registered 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 Lucky Rawji Holdings Limited (LRHL), incorporated with limited liability under laws of British Virgin Islands, for operating 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 47,989,768 ordinary shares at PKR 10/- each out of which 47,889,768 (June 30, 2019: 39,343,471) shares were issued at a premium of PKR 260/- each. As at December 31, 2019, LCLHL owned 100 percent shares in Lucky Electric Power Company Limited.

On July 27, 2019, the Board of Directors of the Company resolved to amalgamate LCLHL into the Company. The legal formalities relating to the amalgamation are in progress.

**6.4** Represents equity investment in Kia Lucky Motors Pakistan Limited (KLM), a public unlisted company incorporated in Pakistan. The Company holds 71.55 percent shares of KLM (June 30, 2019: 75.28%). The amount includes advance against future issuance of shares amounting to PKR 1,558 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 55 percent shares of ICI Pakistan Limited, a public listed company.

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2019 (Un-audited)

- 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)
	Note	December 31, 2019 (PKR in '000')	June 30, 2019

## 7 DEFERRED LIABILITIES

Staff gratuity		2,009,167	1,823,204
Deferred tax liability	7.1	5,175,146	5,279,279
		<u>7,184,313</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		(480,376)	(467,252)
		<u>5,175,146</u>	<u>5,279,279</u>

- 8** This represents Islamic Export Refinance Facilities and Foreign Currency Import Finance which carry markup at rates ranging from 2 percent to 3 percent per annum.

## 9 CONTINGENCIES AND COMMITMENTS

- 9.1** There are no significant changes in the status of contingencies and commitments as reported in the note 26 to the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2019.

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

### 9.2 Commitments

Machinery under letters of credit		1,109,164	3,220,748
Stores, spares and packing material under letters of credit		2,335,953	3,809,895
Bank guarantees issued by the Company on behalf of the subsidiary companies		21,183,061	21,269,878
Bank guarantees issued on behalf of the Company		2,449,752	2,391,903
Post dated cheques		1,048,686	1,081,735
Commitment on behalf of subsidiary company in respect of cost over-run and PSRA support		21,317,869	22,034,373

		(Un-audited)	
		For the half year ended	
		December 31, 2019	December 31, 2018
		(PKR in '000')	
	Note		

## 10 GROSS SALES

Local		24,668,065	29,487,864
Export		6,427,496	5,397,477
		<u>31,095,561</u>	<u>34,885,341</u>

## 11 OTHER INCOME

It mainly includes dividend income and income from deposits with Islamic banks.

		(Un-audited)	
		For the half year ended	
		December 31, 2019	December 31, 2018
		(PKR in '000')	
	Note		

## 12 CASH GENERATED FROM OPERATIONS

Profit before taxation		2,199,264	6,525,830
Adjustments for non cash charges and other items			
Depreciation	5.1	1,737,080	1,644,542
Amortization of intangible assets		4,907	22,397
Gain on disposal of property, plant & equipment		(25,604)	(116,428)
Provision for gratuity		240,175	193,203
Dividend income from subsidiary		(568,448)	-
Dividend income from associate		(122,273)	(183,410)
Dividend income from short term investments		(64,189)	(522)
Income from deposits with islamic banks		(943,818)	(984,993)
Profit before working capital changes		<u>2,457,094</u>	<u>7,100,619</u>

### (Increase) / decrease in current assets

Stores and spares		(851,891)	(267,755)
Stock in trade		1,887,359	(118,639)
Trade debts		(1,020,412)	14,273
Loans and advances		96,882	(2,352)
Trade deposits and short term prepayments		(9,762)	(10,485)
Other receivables		13,968	(200,936)
		<u>116,144</u>	<u>(585,894)</u>

### Increase in current liabilities

Trade and other payables		1,152,627	2,294,511
Cash generated from operations		<u>3,725,865</u>	<u>8,809,236</u>

## 12.1 CASH AND CASH EQUIVALENTS

Cash and bank balances		12,852,797	22,169,822
Bank balance marked as lien		(7,966,671)	(8,400,000)
Short term borrowing		(5,218,628)	(1,000,000)
		<u>(332,502)</u>	<u>12,769,822</u>

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2019 (Un-audited)

## 13 TRANSACTIONS WITH RELATED PARTIES

Related parties include subsidiaries, 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, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

	(Un-audited)	
	For the half year ended	
Note	December 31, 2019	December 31, 2018
	(PKR in '000')	
<b>Transactions with Subsidiary Companies</b>		
Reimbursement of expenses to the Company	31,566	720
Sales	9,747	186,877
Purchases	4,346	6,040
Purchase of vehicles	91,139	26,771
Sale of fixed assets	-	1,550
Investment made during the period	2,307,500	6,436,622
Bank guarantees released	-	3,822,706
Bank guarantee issued	-	600,000
Dividend received	568,448	-
Payment against claim of tax loss	1,166,350	-
Services received	160	-
<b>Transactions with Directors and with their close family members</b>		
Dividend paid	465,883	573,354
Meeting fee	750	719
<b>Transactions with Associated Undertakings</b>		
Sales	479,802	511,525
Purchases	1,312,112	-
Reimbursement of expenses to the Company	11,296	9,508
Reimbursement of expenses from the Company	549	522
Dividend received	122,273	183,410
Dividend paid	463,451	582,768
Sale of fixed asset	1,974	1,875
Donation	31,175	80,000
Charity	8,825	-
Services received	16,606	16,373
<b>Transactions with other key management personnel</b>		
Salaries and benefits	125,147	103,863
Post employment benefits	10,487	14,454
Dividend paid	53	56

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**14 DATE OF AUTHORISATION FOR ISSUE**

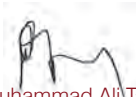
These unconsolidated condensed interim financial statements were authorized for issue on January 29, 2020 by the Board of Directors of the Company.

**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 December 31, 2019

		(Un-audited)	(Audited)
		December 31, 2019	June 30, 2019
	Note	(PKR in '000')	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Property, plant and equipment	5	164,879,374	135,475,796
Intangible assets		7,486,605	7,653,720
Right of use assets	6	228,561	-
		<b>172,594,540</b>	143,129,516
Long-term investments	7	19,917,591	18,554,210
Long-term loans and advances		621,983	551,354
Long-term deposits and prepayments		55,970	51,076
		<b>193,190,084</b>	162,286,156
<b>CURRENT ASSETS</b>			
Stores, spares and consumables		9,306,360	8,193,401
Stock-in-trade		17,599,446	18,299,229
Trade debts		5,490,109	4,508,468
Loans and advances		2,251,820	1,997,339
Trade deposits and short-term prepayments		1,953,161	2,092,112
Other receivables		6,706,253	6,935,242
Tax refunds due from the Government		538,812	538,812
Taxation receivable		2,205,726	2,687,513
Accrued return		109,736	156,948
Short term investments		409,394	1,055,754
Cash and bank balances		16,075,095	18,270,313
		<b>62,645,912</b>	64,735,131
<b>TOTAL ASSETS</b>		<b>255,835,996</b>	<b>227,021,287</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		3,233,750	3,233,750
Reserves		106,521,451	105,787,478
Attributable to the owners of the Holding Company		109,755,201	109,021,228
Non-controlling interests		17,659,350	16,249,228
Total equity		<b>127,414,551</b>	125,270,456
<b>NON-CURRENT LIABILITIES</b>			
Long-term finances	8	53,765,903	32,771,993
Long-term deposits		232,442	90,264
Deferred liabilities	9	11,382,802	11,431,338
Lease Liabilities		178,655	-
Other long term liabilities		4,912,880	5,078,003
		<b>70,472,682</b>	49,371,598
<b>CURRENT LIABILITIES</b>			
Current portion of long-term finances	8	1,579,592	1,694,503
Trade and other payables		43,424,572	36,059,184
Provision for taxation		1,844,936	1,699,742
Accrued return		456,993	619,500
Short-term borrowings and running finance		10,436,953	12,161,232
Current portion of liabilities against assets subject to finance lease		42,092	-
Unclaimed dividend		139,728	53,953
Unpaid dividend		23,897	91,119
		<b>57,948,763</b>	52,379,233
		<b>128,421,445</b>	101,750,831
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>255,835,996</b>	<b>227,021,287</b>

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 half year ended December 31, 2019 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		December 31,	December 31,	December 31,	December 31,
		2019 (PKR in '000')	2018 (PKR in '000')	2019 (PKR in '000')	2018 (PKR in '000')
<b>Revenue</b>	11	<b>79,558,047</b>	67,854,061	<b>45,128,401</b>	36,538,607
Less: Sales tax and excise duty		15,451,506	11,301,849	9,768,404	6,058,883
Rebates, incentives and commission		3,367,235	2,832,361	1,800,630	1,604,495
		<b>18,818,741</b>	14,134,210	<b>11,569,034</b>	7,663,378
		<b>60,739,306</b>	53,719,851	<b>33,559,367</b>	28,875,229
Cost of sales		(51,092,724)	(42,020,952)	(28,256,427)	(22,764,288)
<b>Gross profit</b>		<b>9,646,582</b>	11,698,899	<b>5,302,940</b>	6,110,941
Distribution cost		(3,749,366)	(2,837,830)	(1,902,621)	(1,454,128)
Administrative expenses		(2,037,901)	(1,531,627)	(1,019,081)	(775,797)
Finance cost		(1,185,524)	(774,333)	(560,521)	(417,120)
Other expenses		(395,250)	(901,980)	(203,610)	(560,207)
Other income	12	2,792,289	1,923,716	1,406,594	770,974
<b>Profit before taxation</b>		<b>5,070,830</b>	7,576,845	<b>3,023,701</b>	3,674,663
Taxation					
- current		(1,402,122)	(2,123,114)	(653,295)	(1,059,506)
- deferred		254,107	683,531	25,386	360,315
		<b>(1,148,015)</b>	(1,439,583)	<b>(627,909)</b>	(699,191)
<b>Profit after taxation</b>		<b>3,922,815</b>	6,137,262	<b>2,395,792</b>	2,975,472
<b>Attributable to:</b>					
Owners of the Holding Company		3,212,118	5,795,505	1,939,939	2,839,705
Non-controlling interests		710,697	341,757	455,853	135,767
		<b>3,922,815</b>	<b>6,137,262</b>	<b>2,395,792</b>	<b>2,975,472</b>
<b>Other comprehensive income for the period</b>					
<b>Other comprehensive (loss) / income which may be reclassified to statement of profit or loss in subsequent periods</b>					
Foreign exchange differences on translation of foreign operations		(375,425)	1,200,556	(114,005)	1,011,443
<b>Other comprehensive (loss) / income which will not be reclassified to statement of profit or loss in subsequent periods</b>					
Unrealized (loss) / gain on remeasurement of equity investment at fair value through other comprehensive income		(920)	(10,938)	7,169	(4,602)
Deferred tax thereon		138	1,640	(1,075)	690
		<b>(782)</b>	(9,298)	<b>6,094</b>	(3,912)
<b>Total comprehensive income for the period</b>		<b>3,546,608</b>	7,328,520	<b>2,287,881</b>	3,983,003
<b>Attributable to:</b>					
Owners of the Holding Company		2,835,911	6,986,783	1,832,028	3,847,236
Non-controlling interests		710,697	341,737	455,853	135,767
		<b>3,546,608</b>	<b>7,328,520</b>	<b>2,287,881</b>	<b>3,983,003</b>
		(PKR)	(PKR)	(PKR)	(PKR)
<b>Earnings per share - basic and diluted</b>		<b>9.93</b>	17.92	<b>6.00</b>	8.78

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



Muhammad Yunus Tabba  
Chairman / Director



Muhammad Ali Tabba  
Chief Executive



Irfan Chawala  
Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the half year ended December 31, 2019 (Un-audited)

	Note	December 31, 2019 (PKR in '000')	December 31, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	13	<b>13,090,048</b>	11,183,037
Finance costs paid		(3,320,627)	(714,335)
Income tax paid		(730,695)	(1,650,064)
Staff retirement benefits paid		(88,068)	(89,238)
Income from deposits with Islamic banks and other financial institutions		1,089,744	1,021,908
Increase in long-term loans and advances		(73,557)	(30,819)
Decrease in long-term deposits and prepayments		140,574	2,733
<b>Net cash generated from operating activities</b>		<b>10,107,419</b>	9,723,222
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(31,180,659)	(21,628,995)
Long-term advance		(1,070)	-
Investment in joint ventures		(929,086)	(38,187)
Dividend from associated companies		814,273	363,410
Proceeds from sale of short term investment		700,000	-
Short term investment		(54,560)	(501,311)
Dividend received from short term investments		64,189	522
Bank balance held as lien - net		(81,111)	(512,985)
Sale proceeds on disposal of property, plant and equipment		52,018	142,261
<b>Net cash used in investing activities</b>		<b>(30,616,006)</b>	(22,175,285)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term finance - net		21,660,933	2,565,845
Payment against finance lease liability		(34,920)	(1,180)
Advance against issuance of shares to non controlling interest		1,013,065	2,820,760
Dividends paid		(2,682,541)	(2,766,282)
<b>Net cash generated from financing activities</b>		<b>19,956,537</b>	2,619,143
Net decrease in cash and cash equivalents		(552,050)	(9,832,920)
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		<b>(2,328,529)</b>	9,330,010
<b>Cash and cash equivalents at December 31 comprise of:</b>			
Cash and bank balances		16,075,095	25,707,497
Short-term finances		(10,436,953)	(7,977,487)
Bank balance marked as lien		(7,966,671)	(8,400,000)
		<b>(2,328,529)</b>	9,330,010

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 half year ended December 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')								
<b>Balance as at July 01, 2018</b>	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)	-	-	-
<i>Transactions with owners</i>								
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)
Decrease in ownership interest in ICI	-	-	-	-	523,680	523,680	276,130	799,810
Share of non-controlling interests of KLM	-	-	-	-	(288)	(288)	2,021,238	2,020,950
Profit after taxation	-	-	-	-	5,795,505	5,795,505	341,757	6,137,262
Other comprehensive income	-	-	-	1,200,556	(9,298)	1,191,258	-	1,191,258
Total comprehensive income for the half year ended December 31, 2018	-	-	-	1,200,556	5,786,207	6,986,763	341,757	7,328,520
<b>Balance as at December 31, 2018</b>	<b>3,233,750</b>	<b>7,343,422</b>	<b>73,202,650</b>	<b>2,458,824</b>	<b>15,831,416</b>	<b>98,836,312</b>	<b>14,864,553</b>	<b>116,934,615</b>
<b>Balance as at July 01, 2019</b>	<b>3,233,750</b>	<b>7,343,422</b>	<b>73,202,650</b>	<b>3,936,146</b>	<b>21,305,260</b>	<b>105,787,478</b>	<b>16,249,228</b>	<b>125,270,456</b>
Transfer to general reserves	-	-	8,436,657	-	(8,436,657)	-	-	-
<i>Transactions with owners</i>								
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	-	-	-	-	-	-	(125,483)	(125,483)
Advance against rights issue	-	-	-	-	-	-	122,500	122,500
Share of non-controlling interests of KLM	-	-	-	-	-	-	890,565	890,565
Profit after taxation	-	-	-	-	3,212,118	3,212,118	710,697	3,922,815
Other comprehensive income	-	-	-	(375,425)	(782)	(376,207)	-	(376,207)
Total comprehensive income for the half year ended December 31, 2019	-	-	-	(375,425)	3,211,336	2,835,911	710,697	3,546,608
<b>Balance as at December 31, 2019</b>	<b>3,233,750</b>	<b>7,343,422</b>	<b>81,639,307</b>	<b>3,560,721</b>	<b>13,978,001</b>	<b>106,521,451</b>	<b>17,659,350</b>	<b>127,414,551</b>

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 half year ended December 31, 2019 (Un-audited)

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## **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 fully integrated cement manufacturing unit in Samawah, Iraq. LASHL and ASLIL are companies with limited liability registered 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 Lucky Rawji Holdings Limited (LRHL), incorporated with limited liability under laws of British Virgin Islands, for operating 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).

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## **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 71.55 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 55% percent shares of ICI Pakistan Limited, a public listed company.

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 merchandising of general chemicals. It also acts 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.

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2019 (Un-audited)

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## 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.

## 2 STATEMENT OF COMPLIANCE

- 2.1 These consolidated condensed interim financial statements of the Company for the half year ended December 31, 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 half year ended December 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, 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.

	<b>(Un-audited)</b>	(Audited)
	<b>December 31,</b>	June 30,
	<b>2019</b>	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		<b>83,666,110</b>	60,619,288
Add: Additions during the period/year	5.2	<b>19,980,953</b>	29,220,560
		<b>103,647,063</b>	89,839,848
Less: Disposals during the period/year (WDV)		<b>45,934</b>	51,791
Depreciation charge for the period/year		<b>3,606,997</b>	6,121,947
Operating fixed assets (WDV) - closing balance		<b>99,994,132</b>	83,666,110
Add: Capital work-in-progress	5.3	<b>64,885,242</b>	51,809,686
		<b>164,879,374</b>	135,475,796

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2019 (Un-audited)

	Additions (Cost)	Deletions (Cost)
	(PKR in '000')	
<b>5.2</b>	The following additions and deletions were made during the period in operating fixed assets:	
Operating fixed assets		
Land	14,041	-
Buildings on free hold land		
- Cement plant	4,579,270	-
- Power plant	10,716	-
- Others	4,161	2,032
Buildings on leasehold land		
- Cement plant	2,929	-
- Others	94,011	-
Machinery	14,974,779	90,050
Generators	43,209	3,225
Vehicles including cement bulkers	148,676	28,066
Furniture and fixtures	79,280	12,414
Office equipments	15,465	159
Computer & Accessories	8,354	6,279
Other assets	6,062	187
	<b>19,980,953</b>	<b>142,412</b>
	(Un-audited)	(Audited)
	December 31, 2019	June 30, 2019
	(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	32,963,778	67,508,852
	<b>84,773,464</b>	80,754,566
Less: Transferred to operating fixed assets	19,888,222	28,887,173
Transferred to intangible assets	-	57,707
Closing balance	<b>64,885,242</b>	51,809,686

## **6 RIGHT OF USE ASSETS**

Cost	246,724	-
Less: Depreciation charged during the period	18,163	-
Closing net book value	<b>228,561</b>	-



		(Un-audited)	(Audited)
	Note	December 31, 2019 (PKR in '000')	June 30, 2019
<b>7 LONG TERM INVESTMENT</b>			
<b>Equity accounted investment</b>			
<b>Joint ventures</b>			
Lucky Al Shumookh Holdings Limited	7.1	5,816,267	5,297,866
LuckyRawji Holdings Limited	7.2	10,294,079	10,185,585
Al Shumookh Lucky Investments Limited	7.3	1,561,195	647,902
		<b>17,671,541</b>	<b>16,131,353</b>
<b>Associates</b>			
NutriCo Pakistan (Pvt) Limited	7.4	1,261,716	1,475,773
Yunus Energy Limited	7.5	981,834	944,584
		<b>2,243,550</b>	<b>2,420,357</b>
		<b>19,915,091</b>	<b>18,551,710</b>
<b>Unquoted - at cost</b>			
Equity security available-for-sale			
Arabian Sea Country Club Limited (250,000 ordinary shares of PKR 10 each)		2,500	2,500
		<b>19,917,591</b>	<b>18,554,210</b>
<b>7.1 Lucky Al Shumookh Holdings Limited</b>			
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		698,879	517,330
		<b>2,283,810</b>	<b>1,584,931</b>
Foreign currency translation reserve		1,620,174	1,800,652
		<b>5,816,267</b>	<b>5,297,866</b>
The Group's interest in LASHL's assets and liabilities is as follows:			
Total assets		12,589,226	11,146,624
Total liabilities		(956,693)	(550,892)
Net assets (100%)		<b>11,632,533</b>	<b>10,595,732</b>
Group's share of net assets (50%)		<b>5,816,267</b>	<b>5,297,866</b>
The Group's share in LASHL's profit or loss is as follows:			
Revenue		5,382,212	7,653,512
Net profit (100%)		1,397,761	1,034,659
Group's share of net profit (50%)		<b>698,879</b>	<b>517,330</b>

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2019 (Un-audited)

	(Un-audited)	(Audited)
	December 31, 2019	June 30, 2019
	(PKR in '000')	
<b>7.2 LuckyRawji Holdings Limited</b>		
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	444,929	(419,533)
	(49,207)	(494,136)
Foreign currency translation reserve	3,473,236	3,809,671
	<u>10,294,079</u>	<u>10,185,585</u>
The Group's interest in LRHL's assets and liabilities is as follows:		
Total assets	37,911,637	39,875,473
Total liabilities	(17,323,479)	(19,504,304)
Net assets (100%)	<u>20,588,158</u>	<u>20,371,169</u>
Group's share of net assets (50%)	<u>10,294,079</u>	<u>10,185,585</u>
The Group's share in LRHL's profit or loss is as follows:		
Revenue	<u>5,662,981</u>	<u>8,476,559</u>
Net profit / (loss) (100%)	<u>889,858</u>	<u>(839,066)</u>
Group's share of net profit / (loss) (50%)	<u>444,929</u>	<u>(419,533)</u>
<b>7.3 AI Shumookh Lucky Investments Limited</b>		
Investment at cost - Opening	446,270	446,270
Investment made during the period/year	929,086	-
	<u>1,375,356</u>	<u>446,270</u>
Share of cumulative profit at the beginning of the year	105,343	-
Share of profit during the period/year	5,338	105,343
	<u>110,681</u>	<u>105,343</u>
Foreign currency translation reserve	75,158	96,289
	<u>1,561,195</u>	<u>647,902</u>

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

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

Total assets	<b>9,704,758</b>	5,161,468
Total liabilities	<b>(6,582,369)</b>	(3,865,664)
Net assets (100%)	<b>3,122,389</b>	1,295,804
Group's share of net assets (50%)	<b>1,561,194</b>	647,902

The Group's share in ASLIL's profit or loss is as follows:

Net profit (100%)	<b>10,676</b>	210,685
Group's share of net profit (50%)	<b>5,338</b>	105,343

#### 7.4 NutriCo Pakistan (Pvt) Limited

Investment at cost	<b>960,000</b>	960,000
Share of cumulative profit at the beginning of the year	<b>515,773</b>	170,004
Share of profit during the period/year	<b>285,943</b>	525,769
Dividend received during the period/year	<b>(500,000)</b>	(180,000)
	<b>301,716</b>	515,773
	<b>1,261,716</b>	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)	(Audited)
	December 31, 2019	June 30, 2019
	(PKR in '000')	

#### 7.5 Yunus Energy Limited

Investment at cost	<b>611,365</b>	611,365
Share of cumulative profit at the beginning of the year	<b>333,219</b>	232,668
Share of profit during the period/year	<b>159,523</b>	283,961
Dividend received during the period/year	<b>(122,273)</b>	(183,410)
	<b>370,469</b>	333,219
	<b>981,834</b>	944,584

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

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2019 (Un-audited)

	(Un-audited)	(Audited)
	December 31, 2019	June 30, 2019
	(PKR in '000')	
Note		

## 8 LONG TERM FINANCES

Long-term finances	55,345,495	34,466,496
Current portion of long term finances	(1,579,592)	(1,694,503)
	<b>53,765,903</b>	<b>32,771,993</b>

8.1

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

	(Un-audited)	(Audited)
	December 31, 2019	June 30, 2019
	(PKR in '000')	
Note		

## 9 DEFERRED LIABILITIES

Staff gratuity and eligible retired employees' medical scheme	2,163,656	1,957,008
Deferred tax liability	9,219,146	9,474,330
	<b>11,382,802</b>	<b>11,431,338</b>

9.1

### 9.1 Deferred tax liability

This comprises of the following :

- Taxable temporary differences arising due to accelerated tax depreciation allowance	10,182,296	10,395,765
- Deductible temporary differences arising in respect of provisions	(963,150)	(921,435)
	<b>9,219,146</b>	<b>9,474,330</b>

## 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, 2019.

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

### 10.2 COMMITMENTS

Machinery under letters of credit and others	55,953,630	63,521,371
Stores, spares, raw and packing material under letters of credit	5,496,417	3,809,895
Bank guarantees issued on behalf of the Holding Company and its subsidiaries	2,449,752	2,391,903
Standby Letter of Credit	27,944,251	24,809,160

	(Un-audited)	(Audited)
	December 31, 2019 (PKR in '000')	June 30, 2019
Foreign exchange contracts entered into by the group	<b>77,052</b>	-
Post dated cheques	<b>4,638,705</b>	1,649,519
Commitment in connection with LEPCL's project's cost over-run and payment service reserve account (PSRA) support	<b>21,317,869</b>	22,034,373
<b>10.3</b> Claims against the Group not acknowledged as debts are as follows:		
Local bodies	<b>76,500</b>	71,583
Others	<b>11,318</b>	11,318
	<b>87,818</b>	82,901
<b>10.4</b> Commitments for rentals under operating lease / Ijarah agreements in respect of vehicles are as follows:		
<b>Year</b>		
2019-20	<b>49,626</b>	28,679
2020-21	<b>20,769</b>	30,544
2021-22	<b>22,119</b>	32,529
2022-23	<b>23,557</b>	34,644
2023-24	<b>25,088</b>	-
	<b>141,159</b>	126,396
Payable not later than one year	<b>60,011</b>	43,951
Payable later than one year but not later than five years	<b>81,148</b>	82,445
	<b>141,159</b>	126,396

	For the half year ended	
	December 31, 2019 (PKR in '000')	December 31, 2018

## 11 SEGMENT REPORTING

### TURNOVER

Cement	<b>31,095,561</b>	34,885,341
Polyester	<b>13,783,271</b>	11,366,885
Soda Ash	<b>10,408,036</b>	9,915,361
Pharma	<b>4,323,698</b>	4,559,392
Animal Health	<b>2,291,815</b>	2,278,211
Chemicals and Agri Sciences	<b>5,497,493</b>	4,381,108
Automobiles	<b>12,405,594</b>	637,665
Others	<b>498,993</b>	395,348
	<b>79,558,047</b>	67,854,061

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2019 (Un-audited)

	For the half year ended	
	December 31, 2019 (PKR in '000')	December 31, 2018
<b>11.1 OPERATING RESULT</b>		
Cement	732,490	5,489,861
Polyester	493,777	(107,964)
Soda Ash	2,194,445	1,657,062
Pharma	247,047	18,624
Animal Health	121,678	147,390
Chemicals and Agri Sciences	451,744	236,107
Automobiles	(284,413)	(25,517)
Others	(87,692)	(51,943)
	<u>3,859,315</u>	<u>7,329,442</u>

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.

	For the half year ended	
	December 31, 2019 (PKR in '000')	December 31, 2018
<b>11.4 GROSS SALES</b>		
Local	72,457,409	61,672,525
Export	7,100,638	6,181,536
	<u>79,558,047</u>	<u>67,854,061</u>

## 12 OTHER INCOME

It mainly includes income from deposits with Islamic banks and other financial institution and share of gain in equity-accounted investments.

	Note	For the half year ended	
		December 31, 2019 (PKR in '000')	December 31, 2018
<b>13 CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		5,070,830	7,576,845
Adjustments for non cash charges and other items			
Depreciation	5.1	3,606,997	3,028,682
Amortization on intangible assets		186,452	174,951
Provision for slow moving spares		-	250
Provision for slow moving and obsolete stock-in-trade		34,666	139,378
(Reversal) / provision for doubtful debts		(30,311)	17,002
Provisions and accruals no longer required written back		-	(3,974)
Gain on disposal of fixed assets		(24,510)	(110,263)
Provision for staff retirement plan		290,880	230,468
Share of profit from equity accounted investees		(1,594,612)	(382,238)
<b>Balance carried forward</b>		<u>7,540,392</u>	<u>10,671,101</u>

	For the half year ended	
	December 31, 2019 (PKR in '000')	December 31, 2018
<b>Balance brought forward</b>	<b>7,540,392</b>	10,671,101
Return from deposits with islamic banks and other financial institutions	<b>(992,081)</b>	(1,063,171)
Dividend income from short term investments	<b>(64,189)</b>	(522)
Adjustment of pre-paid arrangement fee to loan account	<b>-</b>	(23,981)
Finance cost	<b>1,126,394</b>	766,796
Profit before working capital changes	<b>7,610,516</b>	10,350,223
<b>(Increase)/decrease in current assets</b>		
Stores, spares and consumables	<b>(922,689)</b>	(340,592)
Stock in trade	<b>495,071</b>	(896,619)
Trade debts	<b>(957,703)</b>	314,728
Loans and advances	<b>(259,829)</b>	(642,774)
Trade deposits and short term prepayments	<b>(372,913)</b>	(1,817,691)
Other receivables	<b>1,430,636</b>	(473,701)
	<b>(587,427)</b>	(3,856,649)
<b>Increase in current liabilities</b>		
Trade and other payables	<b>6,066,959</b>	4,689,463
Cash generated from operations	<b>13,090,048</b>	11,183,037

#### 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:

	For the half year ended	
	December 31, 2019 (PKR in '000')	December 31, 2018
<b>Transactions with Associated Undertakings</b>		
Sales	<b>1,998,451</b>	1,356,983
Purchase of goods, materials and services	<b>2,979,278</b>	52,752
Reimbursement of expenses to Company	<b>172,131</b>	46,979
Reimbursement of expenses from Company	<b>549</b>	522
Sale of fixed asset	<b>1,957</b>	5,430
Donation	<b>31,175</b>	80,000
Charity	<b>8,825</b>	-
Dividends received	<b>622,273</b>	363,410
Dividends paid	<b>589,032</b>	676,762
Rent paid	<b>8,068</b>	8,068
Services	<b>16,764</b>	16,373
Investment made in joint ventures	<b>929,086</b>	38,187
<b>Transactions with Directors and with their close family members</b>		
Meeting fee	<b>750</b>	719
Rent paid	<b>3,000</b>	-
Dividends paid	<b>465,883</b>	573,354

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2019 (Un-audited)

	For the half year ended	
	December 31, 2019	December 31, 2018 (PKR in '000')
<b>Transactions with other key management personnel</b>		
Salaries and benefits	414,164	330,978
Post employment benefits	41,565	34,068
Dividends paid	2,233	4,907
<b>Staff retirement benefit plan</b>		
Contribution	130,241	119,865

## 15 GENERAL

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

## 16 DATE OF AUTHORISATION FOR ISSUE

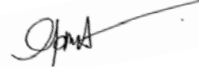
These condensed interim consolidated financial statements were authorized for issue on January 29, 2020 by the Board of Directors of the Holding Company.



Muhammad Yunus Tabba  
Chairman / Director



Muhammad Ali Tabba  
Chief Executive



Irfan Chawala  
Chief Financial Officer



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