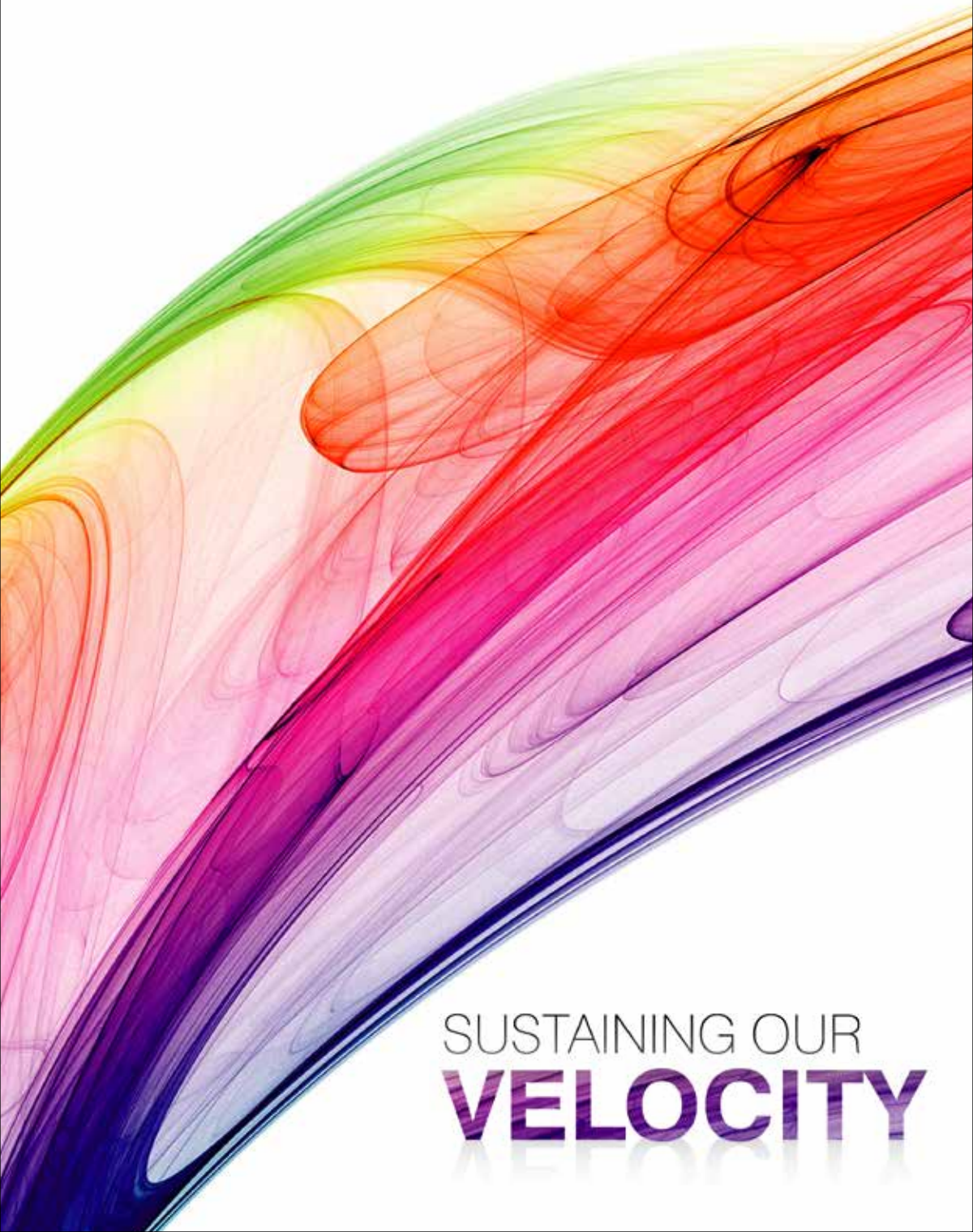


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THIRD QUARTERLY REPORT  
MARCH 31, 2020

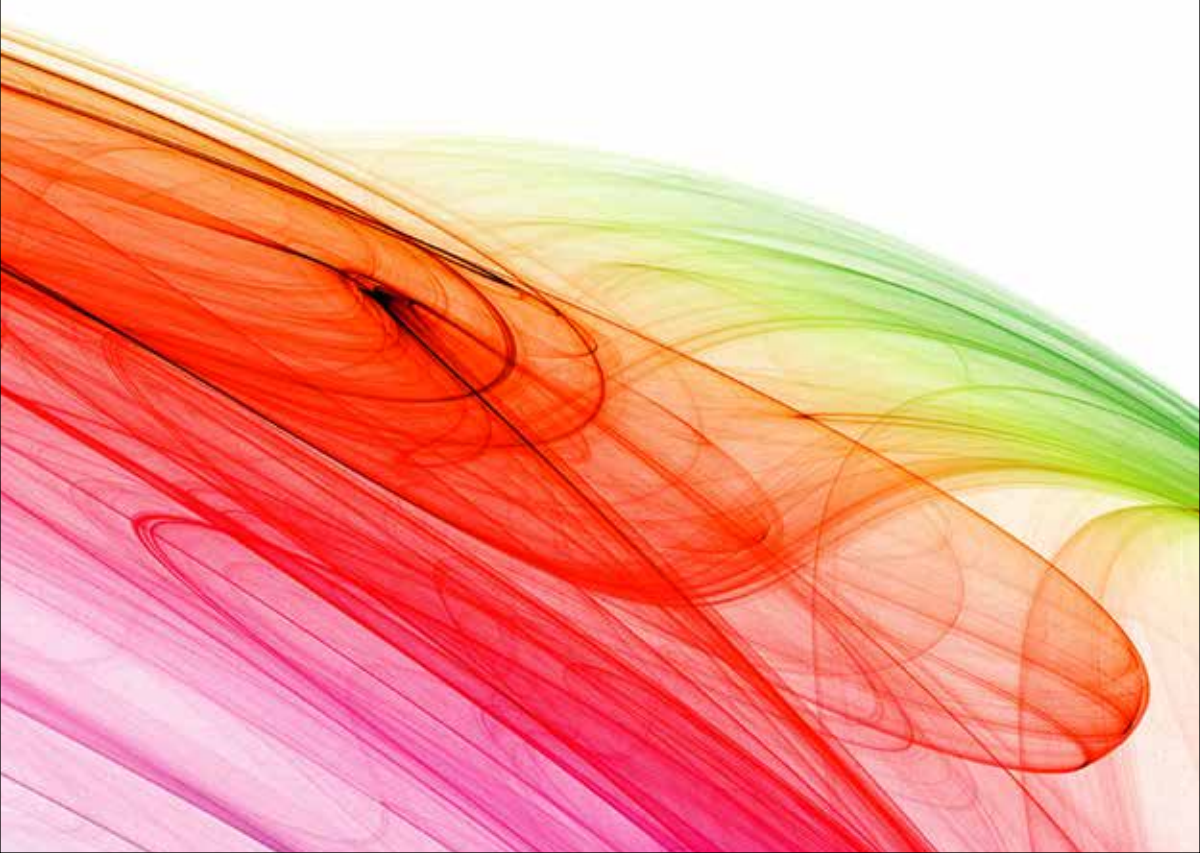


SUSTAINING OUR  
**VELOCITY**

# 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	Masood Karim Shaikh
Jawed Yunus Tabba	

## MANAGEMENT TEAM

Chief Executive Officer	Muhammad Ali Tabba
Executive Director	Noman Hasan
Director Finance & Chief Financial Officer	Atif Kaludi
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  
Masood Karim Shaikh

### Human Resource and Remuneration Committee

Masood Karim Shaikh – 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 – Aitemaad 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** and **consolidated financial statements** for the nine months ended March 31, 2020.

## Overview

**Cement industry** in Pakistan grew by 7.1% to 37.04 million tons during the nine months ended March 31, 2020 in comparison to 34.58 million tons during the same period last year. Local sales volume registered a growth of 3.9% to 30.59 million tons during the current nine months in comparison to 29.44 million tons during the same period last year. Export sales volumes registered an increase of 25.7% to 6.45 million tons during the nine months under review as compared to 5.13 million tons reported in the same period last year.

In comparison to the Cement Industry, your **Company's** overall sales volumes declined by 2.6% to 5.80 million tons during the current nine months ended March 31, 2020. This was due to decline in local sales volumes by 7.0% which were 4.11 million tons in comparison to 4.42 million tons during the same period last year, due to competition arising from new capacities coming online. On the other hand, export sales volumes of the Company improved by 10.4% to 1.69 million tons as compared to 1.53 million tons during the same period last year.

On a **consolidated basis**, your Company achieved a gross turnover of PKR 123.99 billion which is 20.0% higher as compared to the same period last year's turnover of PKR 103.32 billion. The increase in turnover is mainly attributable to commencement of operations of KIA Lucky Motors.

Moreover, consolidated Net Profit of the Company was PKR 5.68 billion of which PKR 1.03 billion is attributable to non-controlling interests which translates into an EPS of PKR 14.38 during the current nine months ended March 31, 2020 as compared to PKR 28.64 during the same period last year.

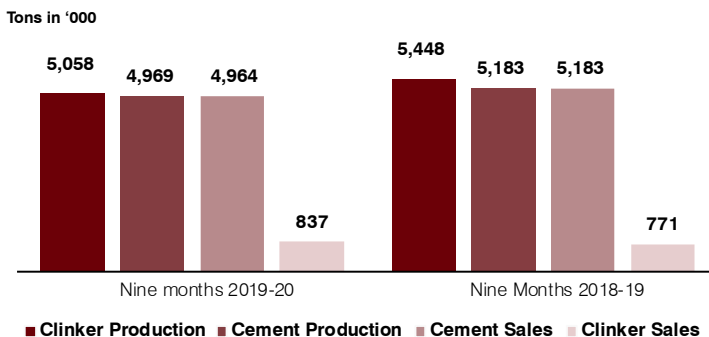
## Business Performance

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

The **standalone** production and sales statistics of your Company for the nine months ended March 31, 2020, compared to the same period last year are as follows:

Particulars	Nine Months 2019-20	Nine Months 2018-19	(Growth/Decline) (%)
	(Tons in '000')		
Clinker Production	5,058	5,448	(7.2%)
Cement Production	4,969	5,183	(4.1%)
Cement Sales	4,964	5,183	(4.2%)
Clinker Sales	837	771	8.6%

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



A comparison of the dispatches of the **Industry** and your **Company's standalone business** for the nine months ended March 31, 2020 compared with the same period last year is presented below:

Particulars	Nine months 2019-20	Nine months 2018-19	Growth/(Decline)	
	(Tons in '000')	(Tons in '000')	(Tons in '000')	(%)
<b>Cement Industry*</b>				
<b>Local Sales</b>	<b>30,588</b>	<b>29,461</b>	<b>1,127</b>	<b>3.8%</b>
Export Sales				
- Bagged	3,211	3,353	(142)	(4.2%)
- Loose	39	95	(56)	(58.9%)
- Clinker	3,197	1,684	1,513	89.8%
<b>Total Exports</b>	<b>6,447</b>	<b>5,132</b>	<b>1,315</b>	<b>25.6%</b>
<b>Grand Total</b>	<b>37,035</b>	<b>34,593</b>	<b>2,442</b>	<b>7.1%</b>
<b>Lucky Cement</b>				
Local Sales				
- Cement	4,061	4,423	(362)	(8.2%)
- Clinker	51	-	51	100.0%
<b>Total Local Sales</b>	<b>4,112</b>	<b>4,423</b>	<b>(311)</b>	<b>(7.0%)</b>
Export Sales				
- Bagged	865	665	200	30.1%
- Loose	39	95	(56)	(58.9%)
- Clinker	786	771	15	1.9%
<b>Total Exports</b>	<b>1,690</b>	<b>1,531</b>	<b>159</b>	<b>10.4%</b>
<b>Grand Total</b>	<b>5,802</b>	<b>5,954</b>	<b>(152)</b>	<b>(2.6%)</b>

Market Share	Nine months 2019-20	Nine months 2018-19	Growth/ (Decline) (%)
<b>Local Sales</b>	<b>13.4%</b>	<b>15.0%</b>	<b>(10.7%)</b>
Export Sales			
- Bagged	26.9%	19.8%	35.9%
- Loose	100.0%	100.0%	0.0%
- Clinker	24.6%	45.8%	(46.3%)
<b>Total Export</b>	<b>26.2%</b>	<b>29.8%</b>	<b>(12.1%)</b>
<b>Grand Total</b>	<b>15.7%</b>	<b>17.2%</b>	<b>(8.7%)</b>

\*Industry Source: APCMA Website

## b. Financial Performance

The standalone financial performance of your Company for the nine months ended March 31, 2020, as compared to the same period last year is presented below:

Particulars	PKR in millions except EPS		
	Nine months 2019-20	Nine months 2018-19	Change (%)
Gross Revenue	47,948	52,315	(8.3%)
Net Revenue	32,448	37,521	(13.5%)
Gross Profit	4,526	11,260	(59.8%)
Operating Profit	672	8,289	(91.9%)
EBITDA	3,457	10,773	(67.9%)
Profit before Tax	3,278	9,750	(66.4%)
Net Profit	2,935	8,294	(64.6%)
EPS	9.08 / Share	25.65 / Share	(64.6%)

## Revenue

During the nine months of 2019-20 under review, your Company's overall gross sales revenue declined by 8.3% as compared to the same period last year. Where, although the export sales revenue showed an increase of 18.6% (PKR 9.87 billion vs PKR 8.32 billion) but the local sales revenue decline of 13.4% (PKR 38.08 billion vs PKR 43.99 billion) lead to the overall drop of 8.3% in the gross sales revenue.

This was mainly due to lower sales volumes as a result of competition arising from new capacities and low 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 nine months under review were 13.9% as compared to 30.0% reported during the same period last year.

## Net Profit

Similarly, your Company achieved a profit before tax of PKR 3,278.3 million during the nine months under review as compared to PKR 9,750.4 million reported during the same period last year.

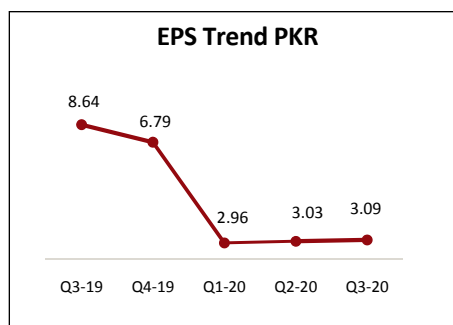
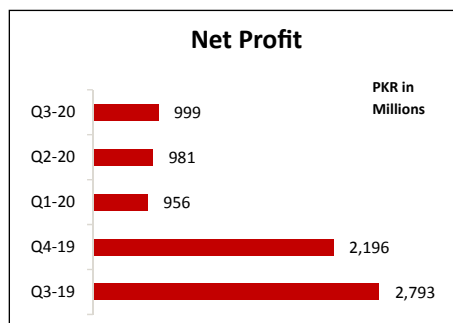
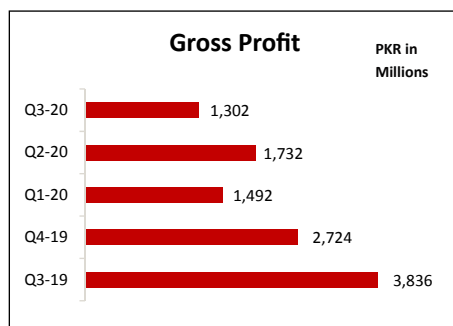
Accordingly, after tax profit of PKR 2,935.4 million was achieved during the nine months under review as compared to PKR 8,293.9 million reported during the same period last year.

## Earnings per share

As a result of factors discussed above, the earnings per share of your Company for the nine months ended March 31, 2020 was PKR 9.08 in comparison to PKR 25.65 reported during the same period last year.

## Cost of Sales

Moreover, during the nine months under review, per ton cost of sales of your Company increased by 9.1% 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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### 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 was moving as per Schedule before the outbreak of COVID-19 in China with the targeted Commercial Operation on 1st March, 2021. On 6th February 2020, the Construction and Supply Contractors of the Company declared other Force Majeure Event (FME) under the provisions of their respective agreements due to outbreak of COVID-19 and notified that there is possible risk of delay in Project implementation. On 27th March, 2020, the Company also received FME notice on the same account from Central Power Purchasing Agency (CPPA) notifying possible delay in COD of Lahore Matiari transmission Line and thus may cause delayed provision of interconnection facility which is required to be provided by CPPA not later than 120 days prior to Commercial Operation Date. The precise assessment of FME on the project commercial operation timeline could not be made at this stage as FME is still in place. However, the Company in coordination with its Contractors and the CPPA is taking mitigating measures to contain the delay.

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

While major shipments of plant and machinery have reached site and erection work is under progress, some critical refractory, mechanical and electrical items are however under shipment and will reach during the month of June as per current understanding with the suppliers. Other necessary materials and resources are available at SITE and work is in progress during the locked down period arising out of COVID-19 pandemic situation.

As earlier envisaged, project completion is still targeted in the 2nd quarter of financial year 2020-21. However, if the situation of COVID-19 pandemic worsens, project completion timelines would be delayed.

### Corporate Social Responsibility

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

#### Education / Scholarships

In continuation of 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

To empower women through education has been an ongoing process with the collaboration of Zindagi Trust in which your Company has been 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 pro-environment initiatives including tree-plantation drives in and around its manufacturing sites.



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## Outlook

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Post relaxation of COVID-19 lockdown in the North, dispatches have reached 80% of pre-lockdown volumes. Dispatches in the South however continue to suffer due to lock down in Sindh province and are at one third of normal volumes. Export volumes are also very thin due to low demand from foreign buyers.

Based on the demand projections in North and the fact that majority of players are presently operating in losses, management expects that the prices in North will recover. In South due to lower economic activity as a result of COVID-19 lock down, volumes will remain under pressure. However, once the pandemic situation eases, we also expect that the package announced for the construction industry by the Federal Government will have a positive impact on the cement demand.

## Acknowledgement

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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: April 23, 2020

**INTERIM  
FINANCIAL  
STATEMENTS**

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2020

		(Un-audited)	(Audited)
		<b>March 31,</b>	June 30,
	Note	<b>2020</b>	2019
		(PKR in '000')	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Property, plant and equipment	5	<b>60,856,953</b>	57,276,184
Intangible assets		<b>14,205</b>	18,152
		<b>60,871,158</b>	57,294,336
Long-term investments	6	<b>44,044,485</b>	34,313,588
Long-term loans and advances		<b>91,213</b>	99,316
Long-term deposits		<b>3,175</b>	3,175
		<b>105,010,031</b>	91,710,415
<b>CURRENT ASSETS</b>			
Stores and spares		<b>7,598,535</b>	6,809,724
Stock-in-trade		<b>2,802,882</b>	4,253,020
Trade debts		<b>2,613,238</b>	2,058,719
Loans and advances		<b>523,370</b>	686,525
Trade deposits and short term prepayments		<b>81,672</b>	74,223
Accrued return		<b>105,409</b>	113,869
Other receivables		<b>2,547,157</b>	2,130,907
Tax refunds due from the Government		<b>538,812</b>	538,812
Short term investment		<b>2,917,749</b>	1,055,754
Cash and bank balances		<b>11,803,046</b>	15,657,246
		<b>31,531,870</b>	33,378,799
<b>TOTAL ASSETS</b>		<b>136,541,901</b>	125,089,214
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share Capital		<b>3,233,750</b>	3,233,750
Reserves		<b>95,369,371</b>	91,084,667
		<b>98,603,121</b>	94,318,417
<b>NON-CURRENT LIABILITIES</b>			
Long-term deposits		<b>230,597</b>	90,264
Deferred liabilities	7	<b>7,131,996</b>	7,102,483
		<b>7,362,593</b>	7,192,747
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>21,170,544</b>	19,195,617
Short term borrowings	8	<b>7,846,639</b>	2,900,000
Unclaimed dividend		<b>55,989</b>	53,953
Unpaid dividend		<b>23,706</b>	91,119
Taxation - net		<b>1,479,309</b>	1,337,361
		<b>30,576,187</b>	23,578,050
<b>CONTINGENCIES AND COMMITMENTS</b>	9	<b>37,938,780</b>	30,770,797
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>136,541,901</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



Atif Kaludi  
Chief Financial Officer

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

For the nine months ended March 31, 2020 (Un-audited)

	Note	Nine Month Ended		Quarter Ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(PKR in '000')		(PKR in '000')	
<b>Gross sales</b>	10	<b>47,947,798</b>	52,314,992	<b>16,852,237</b>	17,429,651
Less: Sales tax and federal excise duty		<b>14,688,143</b>	14,061,754	<b>5,327,336</b>	4,577,359
Rebates, incentive and commission		<b>811,609</b>	732,154	<b>288,235</b>	286,283
		<b>15,499,752</b>	14,793,908	<b>5,615,571</b>	4,863,642
<b>Net sales</b>		<b>32,448,046</b>	37,521,084	<b>11,236,666</b>	12,566,009
Cost of sales		<b>(27,921,847)</b>	(26,261,232)	<b>(9,934,705)</b>	(8,730,172)
<b>Gross profit</b>		<b>4,526,199</b>	11,259,852	<b>1,301,961</b>	3,835,837
Distribution cost		<b>(2,931,117)</b>	(2,101,175)	<b>(1,036,697)</b>	(726,666)
Administrative expenses		<b>(922,872)</b>	(870,017)	<b>(325,544)</b>	(312,270)
Finance cost		<b>(92,421)</b>	(11,671)	<b>(44,475)</b>	(9,773)
Other expenses		<b>(290,758)</b>	(875,770)	<b>(96,447)</b>	(305,168)
Other income	11	<b>2,989,318</b>	2,349,194	<b>1,280,287</b>	742,623
<b>Profit before taxation</b>		<b>3,278,349</b>	9,750,413	<b>1,079,085</b>	3,224,583
Taxation					
- current		<b>(568,205)</b>	(2,203,674)	<b>(201,522)</b>	(770,084)
- deferred		<b>225,272</b>	747,199	<b>121,277</b>	338,650
		<b>(342,933)</b>	(1,456,475)	<b>(80,245)</b>	(431,434)
<b>Profit after taxation</b>		<b>2,935,416</b>	8,293,938	<b>998,840</b>	2,793,149
<b>Other comprehensive income:</b>					
Other comprehensive (loss) / income which will not be reclassified to statement of profit or loss in subsequent periods					
Unrealized (loss) / income on remeasurement of equity instrument at fair value through other comprehensive income		<b>(9,027)</b>	(5,912)	<b>(8,107)</b>	5,026
Deferred tax thereon		<b>1,354</b>	887	<b>1,216</b>	(753)
		<b>(7,673)</b>	(5,025)	<b>(6,891)</b>	4,273
<b>Total comprehensive income for the period</b>		<b>2,927,743</b>	8,288,913	<b>991,949</b>	2,797,422
		(PKR)		(PKR)	
<b>Earnings per share - basic and diluted</b>		<b>9.08</b>	25.65	<b>3.09</b>	8.64

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



Atif Kaludi  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the nine months ended March 31, 2020 (Un-audited)

	Note	March 31, 2020 (PKR in '000')	March 31, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	12	<b>5,640,783</b>	14,737,117
Income tax paid		(493,944)	(1,268,353)
Gratuity paid		(102,196)	(78,278)
Income from deposits with islamic banks		1,324,743	1,569,993
Decrease / (increase) in long-term loans and advances		8,103	(16,384)
Increase / (decrease) in long-term deposits (liabilities)		140,333	(4,800)
<b>Net cash generated from operating activities</b>		<b>6,517,823</b>	14,939,295
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(6,398,867)	(9,914,493)
Long term investment including effect of scheme arrangement		(6,271,997)	(8,271,682)
Sale proceeds on short term investment		700,000	-
Short term investment		(2,571,022)	(1,011,155)
Sale proceeds on disposal of property, plant and equipment		72,598	167,331
Dividend received from subsidiary company		1,053,289	-
Dividend received from associated company		122,273	183,410
Dividend received on short term investments		142,379	12,103
Bank balance held as lien - net		3,918,889	(338,545)
<b>Net cash used in investing activities</b>		<b>(9,232,458)</b>	(19,173,031)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid		(2,167,315)	(2,568,859)
Net decrease in cash and cash equivalents		(4,881,950)	(6,802,595)
Cash and cash equivalents at the beginning of the period		4,871,686	19,548,346
<b>Cash and cash equivalents at the end of the period</b>	12.1	<b>(10,264)</b>	12,745,751

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



Atif Kaludi  
Chief Financial Officer

# UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine months ended March 31, 2020 (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 nine months ended March 31, 2019	-	-	-	8,288,913	8,288,913	8,288,913
<b>Balance as at March 31, 2019</b>	<u>3,233,750</u>	<u>7,343,422</u>	<u>73,202,650</u>	<u>8,288,913</u>	<u>88,834,985</u>	<u>92,068,735</u>
<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	-	-	<b>8,436,657</b>	<b>(8,436,657)</b>	-	-
Effect of scheme of arrangement - LCLHL (refer note. 6)	-	-	<b>(22,708)</b>	-	<b>(22,708)</b>	<b>(22,708)</b>
Effect of scheme of arrangement - LCHPL (refer note. 6)	-	-	<b>3,481,607</b>	-	<b>3,481,607</b>	<b>3,481,607</b>
<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	-	-	-	<b>(2,101,938)</b>	<b>(2,101,938)</b>	<b>(2,101,938)</b>
Total comprehensive income for the nine months ended March 31, 2020	-	-	-	<b>2,927,743</b>	<b>2,927,743</b>	<b>2,927,743</b>
<b>Balance as at March 31, 2020</b>	<u><b>3,233,750</b></u>	<u><b>7,343,422</b></u>	<u><b>85,098,206</b></u>	<u><b>2,927,743</b></u>	<u><b>95,369,371</b></u>	<u><b>98,603,121</b></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



Atif Kaludi  
Chief Financial Officer

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2020 (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**

These unconsolidated condensed interim financial statements of the Company for the nine months ended March 31, 2020 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 accounting and reporting standards**

- (a) Standards and amendments to published approved accounting standards which are effective during the nine months ended March 31, 2020**

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 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 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 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)
Note	<b>March 31, 2020</b> (PKR in '000')	June 30, 2019

**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>43,118,520</b>	38,550,862
Add: Additions during the period / year	5.2	<b>19,951,653</b>	7,880,305
		<b>63,070,173</b>	46,431,167
Less: Disposals during the period/year (WDV)		<b>33,631</b>	36,543
Depreciation charge for the period / year		<b>2,780,426</b>	3,276,104
Operating fixed assets (WDV) - closing balance		<b>60,256,116</b>	43,118,520
Add: Capital work-in-progress	5.3	<b>600,837</b>	14,157,664
		<b>60,856,953</b>	57,276,184



# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2020 (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:	
<b>Operating fixed assets</b>		
Buildings on freehold land		
- Cement plant	4,735,641	-
- Power plant	10,806	-
Buildings on leasehold land		
- Cement plant	2,425	1,176
- Power plant	2,929	-
Machinery	14,341,409	3,620
Generators	60,240	5,367
Quarry equipments	105,794	1,743
Vehicles	653,112	94,906
Furniture and fixtures	6,237	15,692
Office equipments	19,411	38,944
Computer and Accessories	5,810	25,395
Other assets (Laboratory equipment, etc.)	7,840	10,648
	<b>19,951,653</b>	<b>197,490</b>
	(Un-audited)	(Audited)
	March 31, 2020	June 30, 2019
	(PKR in '000')	
Note		

**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	6,398,867	19,683,325
	<b>20,556,531</b>	22,045,631
Less: Transferred to operating fixed assets	19,955,694	7,880,305
Transferred to intangible assets	-	7,662
Closing balance	<b>600,837</b>	<b>14,157,664</b>

## 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
Kia Lucky Motors Pakistan Limited	6.3	12,876,384	12,876,384
Lucky Cement Holdings (Private) Limited	6.4	-	5,586,955
ICI Pakistan Limited	6.5	9,594,091	-
LCL Holdings Limited	6.6	-	10,626,239
Lucky Electric Power Company Limited	6.7	16,350,000	-
		<b>43,433,120</b>	33,702,223

### Associate

Yunus Energy Limited	6.8	611,365	611,365
		<b>44,044,485</b>	<b>34,313,588</b>

- 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 shares of Lucky Holdings Limited.
- 6.2** Represents equity investment in LCL Investment Holdings Limited (LCLIHL), a wholly owned subsidiary of the Company, incorporated and domiciled in Mauritius. LCLIHL has entered into joint venture agreements with Al Shamookh group to form Lucky Al Shamookh Holdings Limited (LASHL) for operating a cement grinding unit in Basra, Iraq and Al Shamookh Lucky Investment Limited (ASLIL) for constructing a 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 LuckyRawji 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** 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 issuance of shares amounting to PKR 1,558 million (June 30, 2019: PKR 2,891 million).
- 6.4** Lucky Cement Holdings (Pvt) Limited (LCHPL) was a private limited company incorporated in Pakistan as a wholly owned subsidiary of the Company. LCHPL held 55% percent of issued shares of ICI Pakistan Limited, a public listed company. On January 22, 2020, the Board of Directors of the Company resolved to amalgamate LCHPL into the Company. Upon completion of all regulatory requirements, in accordance with Section 284 of the Companies Act, 2017, the entire undertaking comprising all the Assets, Liabilities and Obligations of LCHPL, as at July 1, 2019, stand merged with and transferred to the Company and LCHPL was dissolved without winding up.

Consequently, upon the amalgamation of LCHPL, the Company now directly holds 55 percent shares in ICI Pakistan Limited (50,798,000 ordinary shares at PKR 10/- each)

- 6.5** ICI Pakistan Limited (ICI) was incorporated in Pakistan and is listed on the Pakistan Stock Exchange. Subsequent to the amalgamation of Lucky Cement Holdings (Pvt) Ltd with Lucky Cement Limited, the Company now directly holds 55 percent shares (50,798,000 shares of PKR 10 each) of ICI. 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. Its manufacturing facilities are situated in Karachi, Lahore and Khewra and the registered office of ICI is situated at 5 West Wharf, Karachi.
- 6.6** LCL Holdings Limited was a wholly owned subsidiary of the Company, incorporated in Pakistan. The Company 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. Upon completion of all regulatory requirements, in accordance with Section 284 of the Companies Act, 2017, the entire undertaking comprising all the Assets, Liabilities and Obligations of LCL Holdings, as at July 1, 2019, stands merged with and transferred to the Company and LCL holdings Limited was dissolved without winding up.

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2020 (Un-audited)

Consequently, upon the amalgamation of LCL Holdings Limited, the Company now directly holds 100 percent shares in Lucky Electric Power Company Limited (1,635,000,000 ordinary shares at PKR 10/- each).

- 6.7** Lucky Electric Power Company Limited (LEPCL) was incorporated in Pakistan on June 13, 2014, as a public unlisted company. Subsequent to the amalgamation of LCL Holdings Limited, the Company now directly holds 100 percent shares (1,635,000,000 shares of PKR 10 each) of LEPCL. This includes advance against issuance of shares amounting to PKR 2,050 million. 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.
- 6.8** 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	March 31, 2020 (PKR in '000')	June 30, 2019
<b>7 DEFERRED LIABILITIES</b>			
Staff gratuity		2,079,342	1,823,204
Deferred tax liability	7.1	5,052,654	5,279,279
		<u>7,131,996</u>	<u>7,102,483</u>
<b>7.1 Deferred tax liability</b>			
This comprises the following :			
- Taxable temporary differences arising due to accelerated tax depreciation allowance		5,655,522	5,746,531
- Deferred tax on turnover tax		121,276	-
- Deductible temporary differences arising in respect of provisions		481,592	467,252
		<u>5,052,654</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% to 3% per annum.

## **9 CONTINGENCIES AND COMMITMENTS**

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

	(Un-audited)	(Audited)
	March 31, 2020	June 30, 2019
	(PKR in '000')	

## 9.2 COMMITMENTS

Machinery under letters of credit	<b>1,164,312</b>	3,220,748
Stores, spares and packing material under letters of credit	<b>3,158,241</b>	3,809,895
Standby letters of credit issued by the Company on behalf of subsidiary	<b>18,600,000</b>	-
Bank guarantees issued by the Company on behalf of the subsidiary companies	<b>2,780,836</b>	21,269,878
Bank guarantees issued on behalf of the Company	<b>2,488,697</b>	2,391,903
Post dated cheques	<b>883,551</b>	1,081,735
Commitment on behalf of subsidiary company in respect of cost over-run and PSRA support	<b>22,950,098</b>	22,034,373

	(Un-audited)	
	For the nine months ended	
	March 31, 2020	March 31, 2019
	(PKR in '000')	

## 10 GROSS SALES

Local	<b>38,080,526</b>	43,994,480
Export	<b>9,867,272</b>	8,320,512
	<b>47,947,798</b>	52,314,992

## 11 OTHER INCOME

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

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2020 (Un-audited)

		(Un-audited)	
		For the nine months ended	
	Note	March 31, 2020 (PKR in '000')	March 31, 2019
<b>12</b>	<b>CASH GENERATED FROM OPERATIONS</b>		
	<b>Profit before taxation</b>	<b>3,278,349</b>	9,750,413
	<b>Adjustments for non cash charges and other items</b>		
	Depreciation	2,780,426	2,451,313
	Amortization of intangible assets	7,987	33,386
	Gain on disposal of property, plant & equipment	(38,967)	(133,833)
	Provision for gratuity	358,334	282,279
	Dividend income from subsidiary	(1,053,289)	-
	Dividend income from associate	(122,273)	(183,410)
	Dividend income from short term investments	(142,379)	(12,103)
	Income from deposits with islamic banks	(1,316,283)	(1,587,097)
	Profit before working capital changes	<b>3,751,905</b>	10,600,948
	<b>(Increase) / decrease in current assets</b>		
	Stores and spares	(788,811)	386,780
	Stock in trade	1,450,138	374,161
	Trade debts	(554,519)	170,502
	Loans and advances	163,155	(21)
	Trade deposits and short term prepayments	(7,449)	(80,368)
	Other receivables	(416,250)	(578,899)
		<b>(153,736)</b>	272,155
	<b>Increase in current liabilities</b>		
	Trade and other payables	2,042,614	3,864,014
	Cash generated from operations	<b>5,640,783</b>	<b>14,737,117</b>
<b>12.1</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash and bank balances	11,803,046	23,071,311
	Bank balance marked as lien	(3,966,671)	(8,225,560)
	Short term borrowings	(7,846,639)	(2,100,000)
		<b>(10,264)</b>	<b>12,745,751</b>
<b>13</b>	<b>TRANSACTIONS WITH RELATED PARTIES</b>		
	<p>Related parties include subsidiaries, associated entities, directors, 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:</p>		

		(Un-audited)	
		For the nine months ended	
	Note	March 31, 2020 (PKR in '000')	March 31, 2019
<b>Transactions with Subsidiary Companies:</b>			
Reimbursement of expenses to Company		34,142	6,253
Reimbursement of expenses from Company		-	63
Sales		16,306	208,137
Purchases		4,836	6,480
Purchase of vehicles		190,496	26,771
Sale of fixed assets		-	1,550
Investment made during the period		5,944,601	8,271,682
Bank guarantee released		-	3,822,706
Bank guarantee issued		-	1,250,000
Standby letter of credit released		4,000,000	-
Standby letter of credit issued		4,000,000	-
Dividend received		1,142,448	-
Payment against claim of tax loss		1,166,350	-
Services received		361	23
<b>Transactions with Directors and their close family members</b>			
Dividend paid		465,883	573,354
Meeting fee		1,188	1,031
<b>Transactions with Associated Undertakings:</b>			
Sales		591,291	578,582
Purchases		3,345,968	-
Reimbursement of expenses to Company		14,015	12,216
Reimbursement of expenses from Company		789	666
Dividend received		122,273	183,410
Dividend paid		463,451	582,768
Sale of fixed asset		1,974	1,875
Donation		61,175	140,000
Charity		8,825	-
Services received		23,092	16,373
<b>Transactions with other key management personnel</b>			
Salaries and benefits		185,527	163,911
Post employment benefits		17,002	21,908
Dividend paid		53	56

# NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2020 (Un-audited)

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## 14 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 23, 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



Atif Kaludi  
Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at March 31, 2020

		(Un-audited)	(Audited)
		March 31, 2020	June 30, 2019
	Note	(PKR in '000')	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets			
Property, plant and equipment	5	178,659,389	135,475,796
Intangible assets		7,419,549	7,653,720
Right of use assets	6	216,195	-
		<b>186,295,133</b>	<b>143,129,516</b>
Long-term investments	7	22,276,009	18,554,210
Long-term loans and advances		615,517	551,354
Long-term deposits and prepayments		54,473	51,076
		<b>209,241,132</b>	<b>162,286,156</b>
<b>CURRENT ASSETS</b>			
Stores, spares and consumables		9,209,749	8,193,401
Stock-in-trade		20,113,865	18,299,229
Trade debts		6,009,864	4,508,468
Loans and advances		2,252,453	1,997,339
Trade deposits and short-term prepayments		1,580,020	2,092,112
Other receivables		7,460,469	6,935,242
Tax refunds due from the Government		538,812	538,812
Taxation receivable		2,131,056	2,687,513
Accrued return		114,364	156,948
Short term investments		2,917,749	1,055,754
Cash and bank balances		23,129,582	18,270,313
		<b>75,457,983</b>	<b>64,735,131</b>
<b>TOTAL ASSETS</b>		<b>284,699,115</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		108,755,713	105,787,478
Attributable to the owners of the Holding Company		111,989,463	109,021,228
Non-controlling interests		17,575,976	16,249,228
Total equity		<b>129,565,439</b>	<b>125,270,456</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term finances	8	69,904,395	32,771,993
Long-term deposits		230,597	90,264
Deferred liabilities	9	11,225,328	11,431,338
Lease Liabilities		178,620	-
Other long term liabilities		5,289,042	5,078,003
		<b>86,827,982</b>	<b>49,371,598</b>
<b>CURRENT LIABILITIES</b>			
Current portion of long-term finances	8	1,551,006	1,694,503
Trade and other payables		48,061,360	36,059,184
Provision for taxation		1,865,540	1,699,742
Accrued return		347,602	619,500
Short-term borrowings and running finance		16,272,116	12,161,232
Current portion of liabilities against assets subject to finance lease		39,845	-
Unclaimed dividend		144,519	53,953
Unpaid dividend		23,706	91,119
		<b>68,305,694</b>	<b>52,379,233</b>
		<b>155,133,676</b>	<b>101,750,831</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>284,699,115</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



Atif Kaludi  
Chief Financial Officer



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

For the 3rd quarter and nine months ended March 31, 2020 (Un-audited)

	Note	Nine Months Ended		Quarter Ended	
		March 31,	March 31,	March 31,	March 31,
		2020 (PKR in '000')	2019 (PKR in '000')	2020 (PKR in '000')	2019 (PKR in '000')
<b>Revenue</b>	11	<b>123,988,042</b>	103,320,389	<b>44,429,995</b>	35,466,328
Less: Sales tax and excise duty		24,234,883	16,764,874	8,783,377	5,463,025
Rebates, incentives and commission		5,319,131	4,489,902	1,951,896	1,657,541
		<b>29,554,014</b>	21,254,776	<b>10,735,273</b>	7,120,566
		<b>94,434,028</b>	82,065,613	<b>33,694,722</b>	28,345,762
Cost of sales		<b>(79,678,132)</b>	(63,799,985)	<b>(28,585,408)</b>	(21,779,033)
<b>Gross profit</b>		<b>14,755,896</b>	18,265,628	<b>5,109,314</b>	6,566,729
Distribution cost		(5,799,983)	(4,296,137)	(2,050,617)	(1,458,307)
Administrative expenses		(3,185,645)	(2,308,421)	(1,147,744)	(776,794)
Finance cost		(2,015,548)	(1,151,277)	(830,024)	(376,944)
Other expenses		(603,830)	(1,313,476)	(208,580)	(411,496)
Other income	12	4,066,636	3,061,838	1,274,347	1,138,122
<b>Profit before taxation</b>		<b>7,217,526</b>	12,258,155	<b>2,146,696</b>	4,681,310
Taxation					
- current		(2,005,596)	(3,332,147)	(603,474)	(1,209,033)
- deferred		469,905	1,071,569	215,798	388,038
		<b>(1,535,691)</b>	(2,260,578)	<b>(387,676)</b>	(820,995)
<b>Profit after taxation</b>		<b>5,681,835</b>	9,997,577	<b>1,759,020</b>	3,860,315
<b>Attributable to:</b>					
Owners of the Holding Company		4,650,969	9,260,243	1,438,851	3,464,738
Non-controlling interests		1,030,866	737,334	320,169	395,577
		<b>5,681,835</b>	<b>9,997,577</b>	<b>1,759,020</b>	<b>3,860,315</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		557,938	1,339,539	933,363	138,983
<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		(9,027)	(5,912)	(8,107)	5,026
Deferred tax thereon		1,354	887	1,216	(753)
		<b>(7,673)</b>	(5,025)	<b>(6,891)</b>	4,273
<b>Total comprehensive income for the period</b>		<b>6,232,100</b>	11,332,091	<b>2,685,492</b>	4,003,571
<b>Attributable to:</b>					
Owners of the Holding Company		5,201,234	10,594,757	2,365,323	3,607,994
Non-controlling interests		1,030,866	737,334	320,169	395,577
		<b>6,232,100</b>	<b>11,332,091</b>	<b>2,685,492</b>	<b>4,003,571</b>
			(PKR)		(PKR)
<b>Earnings per share - basic and diluted</b>		<b>14.38</b>	28.64	<b>4.45</b>	10.71

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



Atif Kaludi  
Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the nine months ended March 31, 2020 (Un-audited)

	Note	March 31, 2020 (PKR in '000')	March 31, 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	13	<b>18,286,209</b>	20,057,637
Finance costs paid		(5,853,678)	(1,000,387)
Income tax paid		(1,175,143)	(2,064,120)
Staff retirement benefits paid		(156,708)	(149,114)
Income from deposits with Islamic banks and other financial institutions		1,575,950	1,690,195
Increase in long-term loans and advances		(67,091)	(89,589)
Decrease in long-term deposits and prepayments		140,226	(2,167)
<b>Net cash generated from operating activities</b>		<b>12,749,765</b>	18,442,455
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(44,031,529)	(39,299,671)
Long-term advance		(1,070)	-
Long term investment		(2,192,315)	(38,187)
Dividend from associated companies		822,273	363,410
Proceeds from sale of short term investment		700,000	-
Short term investment		(2,571,022)	(1,011,155)
Dividend received from short term investments		142,379	12,103
Bank balance held as lien - net		3,918,889	(338,545)
Sale proceeds on disposal of property, plant and equipment		80,488	182,313
<b>Net cash used in investing activities</b>		<b>(43,131,907)</b>	(40,129,732)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term finance - net		36,900,469	13,587,496
Payment against finance lease liability		(43,503)	(1,225)
Advance against issuance of shares to non controlling interest		1,135,565	3,079,523
Dividends paid		(2,943,114)	(3,100,050)
<b>Net cash generated from financing activities</b>		<b>35,049,417</b>	13,565,744
Net decrease in cash and cash equivalents		4,667,275	(8,121,533)
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>2,890,796</b>	11,041,397
<b>Cash and cash equivalents at March 31 comprise of:</b>			
Cash and bank balances		23,129,582	27,363,958
Short-term finances		(16,272,116)	(8,097,001)
Bank balance marked as lien		(3,966,670)	(8,225,560)
		<b>2,890,796</b>	11,041,397

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



Atif Kaludi  
Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the nine months ended March 31, 2020 (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
Effect of Scheme of Arrangement	-	-	-	-	-	-	349,052	349,052
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	-	-	-	-	-	-	(536,547)	(536,547)
Decrease in ownership interest in ICI	-	-	-	-	392,760	392,760	207,098	599,858
Share of non-controlling interests of KLM	-	-	-	-	(512)	(512)	2,480,177	2,479,665
Profit after taxation	-	-	-	-	9,260,243	9,260,243	737,334	9,997,577
Other comprehensive income	-	-	-	1,339,539	(5,025)	1,334,514	-	1,334,514
Total comprehensive income for the nine months ended March 31, 2019	-	-	-	1,339,539	9,255,218	10,594,757	737,334	11,332,091
<b>Balance as at March 31, 2019</b>	<b>3,233,750</b>	<b>7,343,422</b>	<b>73,202,650</b>	<b>2,597,807</b>	<b>19,169,283</b>	<b>102,313,161</b>	<b>15,665,378</b>	<b>121,212,289</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)	-	-	-
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	-	-	-	-	-	-	(645,329)	(645,329)
Dividends paid to non-controlling interests of LHL	-	-	-	-	-	-	(125,483)	(125,483)
Increase in ownership interest in ICI	-	-	-	-	(97,419)	(97,419)	(68,871)	(166,290)
Advance against rights issue of ICI	-	-	-	-	-	-	245,000	245,000
Share of non-controlling interests of KLM	-	-	-	-	-	-	890,565	890,565
Profit after taxation	-	-	-	-	4,617,327	4,617,327	1,030,866	5,648,193
Other comprehensive income	-	-	-	557,938	(7,673)	550,265	-	550,265
Total comprehensive income for the nine months ended March 31, 2020	-	-	-	557,938	4,609,654	5,167,592	1,030,866	6,198,458
<b>Balance as at March 31, 2020</b>	<b>3,233,750</b>	<b>7,343,422</b>	<b>81,639,307</b>	<b>4,494,084</b>	<b>15,278,900</b>	<b>108,755,713</b>	<b>17,575,976</b>	<b>129,565,439</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



Atif Kaludi  
Chief Financial Officer

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2020 (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, KIA Lucky Motors Pakistan Limited, ICI Pakistan Limited and Lucky Electric Power Company 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 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).

### **1.3 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 constructing a fully integrated cement manufacturing unit in the Democratic Republic of Congo. LCLIHL holds 50 percent ownership interest in LRHL.

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#### **1.4 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%).

#### **1.5 ICI Pakistan Limited**

ICI Pakistan Limited (ICI) was incorporated in Pakistan and is listed on the Pakistan Stock Exchange. Subsequent to the amalgamation of Lucky Cement Holdings (Pvt) Ltd with Lucky Cement Limited, the Company now directly holds 55 percent shares (50,798,000 shares of PKR 10 each) of ICI. 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 as an indenting agent and toll manufacturer. Its manufacturing facilities are situated in Karachi, Lahore and Khewra and the registered office of ICI is situated at 5 West Wharf, Karachi.

Details of the investments of ICI are as follows:

##### **1.5.1 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.

##### **1.5.2 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.

##### **1.5.3 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.

#### **1.6 Lucky Electric Power Company Limited**

Lucky Electric Power Company Limited (LEPCL) was incorporated in Pakistan on June 13, 2014, as a public unlisted company. Subsequent to the amalgamation of LCL Holdings Limited, the Company now directly holds 100 percent shares (1,635,000,000 shares of PKR 10 each) of LEPCL. This includes advance against issuance of shares amounting to PKR 2,050 million. 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 Tappa Street, Karachi in the province of Sindh.

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2020 (Un-audited)

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## **2 STATEMENT OF COMPLIANCE**

- 2.1** These consolidated condensed interim financial statements of the Company for the nine months ended March 31, 2020 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 nine months ended March 31, 2020**

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)
	March 31, 2020	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		<b>83,666,110</b>	60,619,288
Add: Additions during the period/year	5.2	<b>26,712,501</b>	29,220,560
		<b>110,378,611</b>	89,839,848
Less: Disposals during the period/year (WDV)		<b>70,563</b>	51,791
Depreciation charge for the period/year		<b>5,688,744</b>	6,121,947
Operating fixed assets (WDV) - closing balance		<b>104,619,304</b>	83,666,110
Add: Capital work-in-progress	5.3	<b>74,040,085</b>	51,809,686
		<b>178,659,389</b>	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	<b>77,083</b>	-
Buildings on free hold land		
- Cement plant	<b>4,735,641</b>	1,176
- Power plant	<b>10,806</b>	-
- Others	<b>2,045,178</b>	2,032
Buildings on leasehold land		
- Cement plant	<b>2,425</b>	-
- Power plant	<b>2,929</b>	
- Others	<b>153,305</b>	6,634
Machinery	<b>18,612,532</b>	134,393
Generators	<b>60,240</b>	5,367
Vehicles including cement bulkers	<b>836,729</b>	126,155
Furniture and fixtures	<b>131,882</b>	28,396
Office equipments	<b>19,904</b>	38,944
Computer & Accessories	<b>11,521</b>	25,522
Other assets	<b>12,326</b>	10,647
	<b>26,712,501</b>	379,266

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2020 (Un-audited)

		(Un-audited)	(Audited)
	Note	March 31, 2020 (PKR in '000')	June 30, 2019
<b>5.3</b>	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		48,764,224	67,508,852
		<b>100,573,910</b>	80,754,566
Less: Transferred to operating fixed assets		26,533,825	28,887,173
Less: Transferred to intangible assets		-	57,707
Closing balance		<b>74,040,085</b>	51,809,686
<b>6</b>	<b>RIGHT OF USE ASSETS</b>		
Cost		246,724	-
Less: Depreciation charged during the period		30,529	-
Closing net book value		<b>216,195</b>	-
<b>7</b>	<b>LONG TERM INVESTMENT</b>		
	<b>Equity accounted investment</b>		
	<b>Joint ventures</b>		
Lucky AI Shumookh Holdings Limited	7.1	6,635,427	5,297,866
LuckyRawji Holdings Limited	7.2	11,157,529	10,185,585
AI Shumookh Lucky Investments Limited	7.3	2,349,190	647,902
		<b>20,142,146</b>	16,131,353
	<b>Associates</b>		
NutriCo Pakistan (Pvt) Limited	7.4	1,118,331	1,475,773
Yunus Energy Limited	7.5	1,013,032	944,584
		<b>2,131,363</b>	2,420,357
		<b>22,273,509</b>	18,551,710
	<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>2,276,009</b>	18,554,210
<b>7.1</b>	<b>Lucky AI 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		1,048,845	517,330
		<b>2,633,776</b>	1,584,931
Foreign currency translation reserve		2,089,368	1,800,652
		<b>6,635,427</b>	5,297,866



	<b>(Un-audited)</b>	(Audited)
	<b>March 31, 2020</b>	June 30, 2019
	(PKR in '000')	
The Group's interest in LASHL's assets and liabilities is as follows:		
Total assets	<b>14,158,804</b>	11,146,624
Total liabilities	<b>(887,950)</b>	(550,892)
Net assets (100%)	<b>13,270,854</b>	10,595,732
Group's share of net assets (50%)	<b>6,635,427</b>	5,297,866
The Group's share in LASHL's profit or loss is as follows:		
Revenue	<b>8,013,389</b>	7,653,512
Net profit (100%)	<b>2,097,693</b>	1,034,659
Group's share of net profit (50%)	<b>1,048,845</b>	517,330
<b>7.2 LuckyRawji Holdings Limited</b>		
Investment at cost	<b>6,870,050</b>	6,870,050
Share of cumulative loss at the beginning of the year	<b>(494,136)</b>	(74,603)
Share of profit / (loss) during the period / year	<b>514,988</b>	(419,533)
	<b>20,852</b>	(494,136)
Foreign currency translation reserve	<b>4,266,627</b>	3,809,671
	<b>11,157,529</b>	10,185,585
The Group's interest in LRHL's assets and liabilities is as follows:		
Total assets	<b>40,539,760</b>	39,875,473
Total liabilities	<b>(18,224,701)</b>	(19,504,304)
Net assets (100%)	<b>22,315,058</b>	20,371,169
Group's share of net assets (50%)	<b>11,157,529</b>	10,185,585
The Group's share in LRHL's profit or loss is as follows:		
Revenue	<b>7,935,562</b>	8,476,559
Net profit / (loss) (100%)	<b>1,029,976</b>	(839,066)
Group's share of net profit / (loss) (50%)	<b>514,988</b>	(419,533)

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2020 (Un-audited)

	(Un-audited)	(Audited)
	March 31, 2020	June 30, 2019
	(PKR in '000')	
<b>7.3 AI Shumookh Lucky Investments Limited</b>		
Investment at cost - Opening	446,270	446,270
Investment made during the period/year	1,667,037	-
	<b>2,113,307</b>	446,270
Share of cumulative profit at the beginning of the year	105,343	-
Share of profit during the period/year	5,338	105,343
	<b>110,681</b>	105,343
Foreign currency translation reserve	125,202	96,289
	<b>2,349,190</b>	647,902
The Group's interest in ASLIL's assets and liabilities is as follows:		
Total assets	13,709,244	5,161,468
Total liabilities	(9,010,865)	(3,865,664)
Net assets (100%)	<b>4,698,379</b>	1,295,804
Group's share of net assets (50%)	<b>2,349,190</b>	647,902
The Group's share in ASLIL's profit or loss is as follows:		
Revenue	-	-
Net profit (100%)	13,751	210,685
Group's share of net profit (50%)	<b>5,338</b>	105,343
<b>7.4 NutriCo Pakistan (Pvt) Limited</b>		
Investment at cost	960,000	960,000
Share of profit opening balance	515,773	170,004
Share of profit during the period/year	342,558	525,769
Dividend received during the period/year	(700,000)	(180,000)
	<b>158,331</b>	515,773
	<b>1,118,331</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)
	March 31, 2020	June 30, 2019
Note	(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>190,721</b>	283,961
Dividend received during the period/year	<b>(122,273)</b>	(183,410)
	<b>401,667</b>	333,219
	<b>1,013,032</b>	944,584

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

## 8 LONG TERM FINANCES

Long-term finances	<b>71,455,401</b>	34,466,496
Current portion of long term finances	<b>(1,551,006)</b>	(1,694,503)
	<b>69,904,395</b>	32,771,993

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 as at and for the year ended June 30, 2019.

	(Un-audited)	(Audited)
	March 31, 2020	June 30, 2019
Note	(PKR in '000')	

## 9 DEFERRED LIABILITIES

Staff gratuity and eligible retired employees' medical scheme	<b>2,223,195</b>	1,957,008
Deferred tax liability	<b>9,002,133</b>	9,474,330
	<b>11,225,328</b>	11,431,338

### 9.1 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

	<b>10,444,808</b>	10,395,765
	<b>(1,442,675)</b>	(921,435)
	<b>9,002,133</b>	9,474,330

## 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.

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2020 (Un-audited)

	(Un-audited)	(Audited)
	March 31, 2020	June 30, 2019
	(PKR in '000')	
<b>10.2 COMMITMENTS</b>		
Machinery under letters of credit and others	<b>46,857,592</b>	63,521,371
Stores, spares, raw and packing material under letters of credit	<b>10,045,898</b>	3,809,895
Bank guarantees issued on behalf of the Holding Company and its subsidiaries	<b>2,488,697</b>	2,391,903
Standby Letter of Credit	<b>10,266,382</b>	24,809,160
Standby Letter of Credit issued on behalf of subsidiaries	<b>18,600,000</b>	-
Foreign exchange contracts entered into by the group	<b>245,319</b>	-
Post dated cheques	<b>1,965,482</b>	1,649,519
Commitment in connection with LEPCL's project's cost over-run and payment service reserve account (PSRA) support	<b>22,950,098</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
	(Un-audited)	(Audited)
	March 31, 2020	June 30, 2019
	(PKR in '000')	
<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>22,003</b>	28,679
2020-21	<b>23,433</b>	30,544
2021-22	<b>24,956</b>	32,529
2022-23	<b>26,578</b>	34,644
2023-24	<b>28,306</b>	-
	<b>125,276</b>	126,396
Payable not later than one year	<b>39,578</b>	43,951
Payable later than one year but not later than five years	<b>85,698</b>	82,445
	<b>125,276</b>	126,396

		<b>For the nine months ended</b>	
		<b>March 31, 2020</b>	March 31, 2019
		(PKR in '000')	
		Note	
<b>11</b>	<b>SEGMENT REPORTING</b>		
	<b>TURNOVER</b>		
	Cement	<b>47,947,798</b>	52,314,992
	Polyester	<b>19,805,415</b>	17,649,031
	Soda Ash	<b>15,445,148</b>	14,950,999
	Pharma	<b>6,994,413</b>	7,248,883
	Animal Health	<b>3,592,215</b>	3,491,937
	Chemicals and Agri Sciences	<b>7,944,894</b>	6,969,397
	Automobiles	<b>22,150,230</b>	946,678
	Others	<b>1,222,144</b>	633,228
		<b>11.2 &amp; 11.3</b>	<b>103,320,389</b>
		<b>123,988,042</b>	<b>103,320,389</b>
<b>11.1</b>	<b>OPERATING RESULT</b>		
	Cement	<b>672,352</b>	8,276,989
	Polyester	<b>788,240</b>	(117,726)
	Soda Ash	<b>3,092,139</b>	2,580,465
	Pharma	<b>503,675</b>	123,344
	Animal Health	<b>156,832</b>	198,545
	Chemicals and Agri Sciences	<b>628,059</b>	444,674
	Automobiles	<b>149,074</b>	(46,905)
	Others	<b>(194,301)</b>	238,985
		<b>5,770,410</b>	<b>11,661,070</b>

**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.

		<b>For the nine months ended</b>	
		<b>March 31, 2020</b>	March 31, 2019
		(PKR in '000')	
<b>11.4</b>	<b>GROSS SALES</b>		
	Local	<b>112,951,986</b>	93,999,989
	Export	<b>11,036,056</b>	9,320,400
		<b>123,988,042</b>	<b>103,320,389</b>

**12 OTHER INCOME**

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

# NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the nine months ended March 31, 2020 (Un-audited)

	Note	For the nine months ended	
		March 31, 2020 (PKR in '000')	March 31, 2019
<b>13 CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		<b>7,217,526</b>	12,258,155
Adjustments for non cash charges and other items			
Depreciation	5.1	<b>5,694,184</b>	4,517,505
Amortization on intangible assets		<b>243,789</b>	262,427
Provision for slow moving spares		-	6,953
Provision for slow moving and obsolete stock-in-trade		<b>60,025</b>	150,163
(Reversal) / provision for doubtful debts		<b>(36,867)</b>	21,967
Provisions and accruals no longer required written back		<b>29</b>	(3,974)
Gain on disposal of fixed assets		<b>(38,107)</b>	(137,442)
Provision for staff retirement plan		<b>417,902</b>	331,627
Share of profit from equity accounted investees		<b>(2,103,989)</b>	(714,036)
Return from deposits with islamic banks and other financial institutions		<b>(1,489,010)</b>	(1,706,126)
Dividend income from short term investments		<b>(142,379)</b>	(12,103)
Adjustment of pre-paid arrangement fee to loan account		-	(321,628)
Finance cost		<b>1,647,531</b>	1,139,064
Profit before working capital changes		<b>11,470,634</b>	15,792,552
<b>Decrease / (Increase) in current assets</b>			
Stores, spares and consumables		<b>(846,750)</b>	324,571
Stock in trade		<b>(2,024,034)</b>	(799,803)
Trade debts		<b>(1,470,903)</b>	412,296
Loans and advances		<b>(260,462)</b>	(681,065)
Trade deposits and short term prepayments		<b>(506,168)</b>	(1,744,608)
Other receivables		<b>479,385</b>	(545,226)
		<b>(4,628,932)</b>	(3,033,835)
<b>Increase in current liabilities</b>			
Trade and other payables		<b>11,444,507</b>	7,298,920
Cash generated from operations		<b>18,286,209</b>	20,057,637

## 14 TRANSACTIONS WITH RELATED PARTIES

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

	<b>For the nine months ended</b>	
	<b>March 31, 2020</b>	March 31, 2019
	(PKR in '000')	
<b>Transactions with Associated Undertakings</b>		
Sales	<b>2,686,349</b>	1,908,070
Purchase of goods, materials and services	<b>5,786,181</b>	289,951
Reimbursement of expenses to Company	<b>186,203</b>	48,779
Reimbursement of expenses from Company	<b>789</b>	666
Sale of fixed asset	<b>1,974</b>	8,049
Donation	<b>61,175</b>	146,406
Charity	<b>8,825</b>	-
Dividends received	<b>822,273</b>	363,410
Dividends paid	<b>893,238</b>	726,523
Rent paid	<b>11,501</b>	11,967
Services	<b>23,687</b>	24,023
Recovery of expenses	<b>-</b>	5,880
Investment made in joint ventures	<b>1,667,037</b>	38,187
<b>Transactions with Directors and with their close family members</b>		
Meeting fee	<b>1,188</b>	1,031
Rent paid	<b>4,500</b>	-
Dividends paid	<b>465,883</b>	573,354
<b>Transactions with other key management personnel</b>		
Salaries and benefits	<b>502,093</b>	460,090
Post employment benefits	<b>49,158</b>	49,111
Dividends paid	<b>7,617</b>	7,087
<b>Staff retirement benefit plan</b>		
Contribution	<b>212,635</b>	177,483

## 15 GENERAL

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

## 16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on April 23, 2020 by the Board of Directors of the Holding Company.



Muhammad Yunus Tabba  
Chairman / Director



Muhammad Ali Tabba  
Chief Executive



Atif Kaludi  
Chief Financial Officer

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