

1ST QUARTERLY REPORT
SEPTEMBER 30, 2022



Embarking on Sustainable Future

Focused on bringing new strategies and innovation to the business as our commitment towards environment and the Planet.



Embarking on Sustainable Future

Focused on bringing new strategies and innovation to the business as our commitment towards environment and the Planet.

Lucky Cement Limited has “Embarked on a Sustainable Future” and already adopted a futuristic approach to its business operations.

Through innovation, and adaptability to new technologies with sustainability as a key element to move forward, we not only continue to grow while also making our operations efficient and sustainable.

Taking forward the idea of “Innovate, Renew and Sustain”, this year we have started Pakistan’s largest on-site 34MW captive solar power project with a 5.59MWh Reflex energy storage solution which will be operational by the 2nd quarter of FY-2023. Also this year we have started a feasibility study to install another 50MW hybrid wind-solar renewable on-site project at one of our plants.

We strongly believe that stakeholder value maximization is possible on a long-term basis by implementing best-in-class Environment Social Governance (ESG) protocols. We continue upon our journey of Excellence and building Enterprise of the Future, by delivering towards sustainable development goals.

Our dynamic business approach has led us to become the industry leader and we are proud to be a step ahead of our industry peers.

Our resolve is to continue our duty as a socially responsible organization and we will continue investing in the betterment of our Country and commitment towards environment.



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COMPANY INFORMATION

BOARD OF DIRECTORS

Muhammad Yunus Tabba
(Chairman)

Muhammad Ali Tabba
Muhammad Sohail Tabba
Jawed Yunus Tabba
Mariam Tabba Khan
Masood Karim Shaikh
Khawaja Iqbal Hassan

MANAGEMENT TEAM

Muhammad Ali Tabba
(Chief Executive)

Noman Hasan
(Executive Director)

Muhammad Atif Kaludi
(Director Finance & Chief Financial Officer)

Amin Ganny
(Chief Operating Officer)

Murtaza Abbas
(CEO International Businesses, Chief Strategy Officer & Director Investment)

COMPANY SECRETARY

Faisal Mahmood

HEAD OF INTERNAL AUDIT

Ahmad Waseem Khan

BOARD COMMITTEES

AUDIT COMMITTEE

Masood Karim Shaikh
(Chairman)

Muhammad Sohail Tabba
Jawed Yunus Tabba
Mariam Tabba Khan
Khawaja Iqbal Hassan

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Khawaja Iqbal Hassan
(Chairman)

Muhammad Ali Tabba
Muhammad Sohail Tabba
Jawed Yunus Tabba
Mariam Tabba Khan
Masood Karim Shaikh

BUDGET COMMITTEE

Muhammad Sohail Tabba
(Chairman)

Muhammad Ali Tabba
Jawed Yunus Tabba
Mariam Tabba Khan

FINANCIAL INSTITUTIONS

Allied Bank Limited
Allied Bank Limited – Islamic Banking
Askari Bank Limited
Bank Alfalah Limited – Islamic Banking
Bank Al-Habib Limited
Bank Al-Habib Limited – Islamic Banking
BankIslami Pakistan Limited
Citibank N.A.
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited – Islamic Banking
Habib Bank Limited
Habib Bank Limited – Islamic Banking
Habib Metropolitan Bank Limited
Habib Metropolitan Bank Limited – Islamic Banking
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
National Bank of Pakistan –Aitemaad Islamic Banking
Pakistan Kuwait Investment Company (Private) Limited
Standard Chartered Bank (Pakistan) Limited
Standard Chartered Bank (Pakistan) Limited-Sadiq-Islamic Banking
Saudi Pak Industrial & Agricultural Investment Company Limited
Soneri Bank Limited
United Bank Limited
UBL Ameen Islamic Banking

CREDIT RATING

Medium to Long-term rating: AA+ (Double A Plus)
Short-term rating: A-1+ (A-One Plus)
(by VIS Credit Rating Company Limited)

EXTERNAL AUDITORS

M/s. A.F. Ferguson & Co., Chartered Accountants

COST AUDITORS

M/s. Grant Thornton Anjum Rahman – Chartered Accountants

SHARIAH ADVISOR

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

REGISTERED OFFICE

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

CORPORATE OFFICE

📍 6-A, Muhammad Ali Housing Society, A. Aziz
Hashim Tabba Street, Karachi – 75350

📞 UAN: (+92-21) 111-786-555

🌐 Website: www.lucky-cement.com

✉ Email: info@lucky-cement.com

PRODUCTION FACILITIES

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

SHARE REGISTRAR

M/s. CDC Share Registrar Services Limited (CDCSRSL)
CDC House, 99-B, Block-B, S.M.C.H.S Main Shakra-e-
Faisal, Karachi, Pakistan (Toll Free): 0800 23275

Directors' Report

The Directors take pleasure in presenting to you the financial results of your Company which include both, unconsolidated and consolidated unaudited financial statements for the first quarter ended September 30, 2022.

Overview of Economy and Consolidated Financial Performance

Commodity and Energy price trends that emerged last year, have continued to challenge the global economies throughout Q1 FY23. The uncertainty and volatility continue to be fueled by the conflict between Russia and Ukraine, which is not showing any signs of receding in the near future. The increase in inflation has led central banks around the world to tighten monetary policy, aimed at reducing demand for goods and services.

The global scenario explained above, has increased the challenges for Pakistan's economy manifold, as it was already facing its own domestic set of challenges. High inflation and the rising cost of imports coupled with foreign debt servicing have significantly impacted the country's foreign exchange reserves as well as PKR USD parity. Changes in Government and erratic implementation of macro-level policies continue to test the resilience of businesses across Pakistan. The situation has been further aggravated by recent floods destroying valuable agricultural land and produce as well as the country's infrastructure. On the other hand, the present government is taking various measures to curtail the current account deficit by keeping a check on imports. As a result, domestic manufacturing which relies on imported inputs either in the form of plant, machinery, or raw material has been severely impacted.

On a consolidated basis, your Company achieved gross revenue of PKR 107.2 billion in Q1 FY23 which is 54.8% higher as compared to the same period last year (SPLY)'s revenue of PKR 69.3 billion. The increase in gross revenue is primarily attributable to the commencement of commercial operations of Lucky Electric Power Company Limited in March 2022 and the manufacturing of mobile phones by Lucky Motor Corporation which started in December 2021.

Moreover, the consolidated Net Profit of the Company is PKR 6.9 billion of which PKR 1.5 billion is attributable to non-controlling interests. The consolidated net profit attributable to owners of the Holding Company translates into an EPS of PKR 16.85 during the current quarter that ended September 30, 2022, as compared to PKR 20.57 during the SPLY.

The consolidated financial performance of your Company for the quarter that ended September 30, 2022, as compared to SPLY is presented below:

PKR in million except EPS			
Particulars	Q1 FY23	Q1 FY22	Change (%)
Gross Revenue	107,222	69,269	54.8%
Net Revenue	90,633	54,982	64.8%
Gross Profit	18,131	11,662	55.5%
GP as a percentage of net revenue	20.00%	21.21%	(5.7%)
Operating Profit	13,941	7,819	78.3%
EBITDA	17,786	10,269	73.2%
Net Profit*	6,933	8,859	(21.7%)
NP (Attributable to Owners' of the holding company)	5,449	6,651	(18.1%)
Earnings per Share (PKR)*	16.85	20.57	(22.4%)

* Includes discontinued operations

Despite posting higher Net Revenue and Gross Profits for the current quarter by all Group Companies, the overall Net Profit of the Group is lower versus the SPLY due to the:

-
- i) re-measurement gain of PKR 1.8 billion recorded in the SPLY by ICI, a subsidiary company, on acquisition of further 11% interest in NutriCo Pakistan (Pvt.) Limited thereby increasing its total holding from 40% to 51%.
 - ii) operational challenges in the form of plant teething issues faced by Lucky Electric Power Company Limited (LEPCL), as discussed in the Power segment below.

Local Cement Operations

During the quarter under review, Company's overall gross sales revenue increased by 10.7% as compared to SPLY. Despite the reduction in volumes in both domestic and export sales, the profitability of the local cement operations improved marginally because of enhanced operational efficiencies.

Foreign Cement Operations

On the other hand, despite global recessionary pressure, the Group's foreign joint venture cement production facilities in Iraq and Congo continued to operate efficiently to add healthy profits to the Group's profitability.

Polyester, Soda Ash and Chemicals

Net revenue for the quarter at PKR 24.2 billion is 33% higher compared to the SPLY owing to strong performance by the Soda Ash business, delivering higher revenue by 84% versus the SPLY. Revenues of the Polyester, Animal Health, and Pharmaceuticals businesses were higher by 21%, 15%, and 4% respectively, whereas the Chemical & Agri Sciences business witnessed a decline of 5% versus the SPLY. The Operating Result for the quarter at PKR 3.1 billion is 25% higher than the SPLY with a major contribution from the Soda Ash business, delivering a growth of 91% from the SPLY. The Operating Result of the Animal Health business recorded an increase of 5% from the SPLY whereas the Polyester, Pharmaceuticals and Chemical & Agri Sciences businesses witnessed a decline of 18%, 17% and 42% respectively, due to challenging economic conditions amidst inflationary pressures and demand curtailment.

Power

Lucky Electric Power Company Limited commenced its commercial operations in March 2022. During the current quarter, Company dispatched 764,916 MWh of electricity to the national grid. Due to the plant teething issues, availability for the quarter remained low at 78.4%. As a result of remedial measures taken by the management to improve the availability and performance of the plant, the financial performance will improve in the coming quarters. The average fuel cost of electricity for the quarter was PKR 16.4per KWh, which is one of the cheapest in the country.

Automobiles and Mobile Phones

The automobile sector right from the start of July 2022 has witnessed a significant downturn in volumes on the back of the substantial devaluation of PKR to USD which led to an increase in the prices of cars. Apart from this, other factors that caused a significant decline in automotive volumes include the State Bank of Pakistan's (SBP) requirement of prior approval for opening LCs for the import of CKD kits and parts, imposition of CVT @ 1% on cars having engine capacity exceeding 1300 CC, high-interest rates and tightening of auto financing scheme by the SBP, high inflation and the significant increase in fuel prices. The automobile sector has witnessed an overall decline of around 60% in terms of volumes during the current quarter compared to SPLY. Similarly, the mobile phones market also saw a 30% decline in volumes compared to SPLY as the SKD imports were impacted due to limited foreign exchange availability.

Cement Industry and Company's Performance - Unconsolidated

The local cement industry volumes in Pakistan faced an aggregate decline of 23.8% to reach 8.6 million tons for the first quarter ended September 30, 2022, vs. 11.3 million tons during the SPLY. Also, the exports decreased by 33.9% to reach 1.0 million tons during the current quarter under review as compared to 1.5 million tons during SPLY. This led to an overall decline in industry volumes by 25.0% to 9.6 million tons in the current period under review in comparison to 12.8 million tons in the SPLY. The reduction of overall industry sales volume is primarily attributed to a slowdown in construction activities across the country mainly due to heavy and extended monsoon rains followed by devastating floods which significantly

deteriorated the transport infrastructure as well. In addition, the high-interest rate scenario along with rising inflation also impacted the cement demand during the period.

In comparison with the cement industry, your Company's overall sales volume declined by 30.2% to reach 1.6 million tons in the current period as compared to 2.3 million tons in the SPLY. The local sales volume declined by 26.2%, reaching 1.3 million tons during Q1 FY23 compared to 1.7 million tons in Q1 FY22 mainly on the back of floods and lower demand as mentioned above. Also, export volumes were reduced by 43.5%, reaching 0.3 million tons in Q1 FY23 versus 0.5 million tons in Q1 FY22. The decline in exports was mainly due to suppressed demand in foreign markets owing to rising inflation and the challenging fiscal landscape globally.

Cement Production & Sales Volume Performance

The local cement production and sales statistics of your Company for the quarter ended September 30, 2022, compared to the SPLY are as follows:

Particulars	Q1 FY23	Q1 FY22	Change (%)
	(Tons in '000')		
Clinker Production	1,436	2,303	(37.6%)
Cement Production	1,504	2,112	(28.8%)
Cement / Clinker Sales	1,576	2,260	(30.2%)

A comparison of Pakistan's Cement Industry and your Company's dispatches for the quarter ended September 30, 2022, in comparison with SPLY, is presented below:

Particulars (Tons in '000')	Q1 FY23	Q1 FY22	Change %	
Cement Industry*				
Local Sales	8,602	11,286	(2,684)	(23.8%)
Export Sales				
- Bagged	725	675	50	7.4%
- Loose	-	186	(186)	(100.0%)
- Clinker	294	681	(387)	(56.8%)
Total Exports	1,019	1,542	(523)	(33.9%)
Grand Total	9,621	12,828	(3,207)	(25.0%)
Lucky Cement				
Local Sales				
- Cement	1,276	1,728	(452)	(26.2%)
Export Sales				
- Bagged	208	187	21	11.1%
- Loose	-	186	(186)	(100.0%)
- Clinker	93	159	(66)	(41.5%)
Total Exports	301	532	(231)	(43.5%)
Grand Total	1,576	2,260	(684)	(30.2%)

Market Share	Q1 FY23	Q1 FY22	Change %
Local Sales	14.8%	15.3%	(3.1%)
Export Sales			
- Bagged	28.7%	27.7%	3.5%
- Loose	-	100.0%	(100.0%)
- Clinker	31.6%	23.3%	35.3%
Total Export	29.5%	34.5%	(14.5%)
Grand Total	16.4%	17.6%	(7.0%)

* Industry data is based on best available market estimates

Financial Performance - Unconsolidated

The unconsolidated financial performance of your Company for the quarter ended September 30, 2022, as compared to the SPLY is presented below:

Particulars	PKR in million except EPS		
	Q1 FY23	Q1 FY22	Change (%)
Gross Revenue	25,436	22,974	10.7%
Net Revenue	19,743	16,915	16.7%
Gross Profit	6,032	4,618	30.6%
GP as % of Net Revenue	30.6%	27.3%	11.9%
Operating Profit	4,224	3,271	29.1%
EBITDA	5,410	4,383	23.4%
Net Profit	3,852	3,284	17.3%
EPS	PKR 11.91	PKR 10.15	17.3%

Revenue

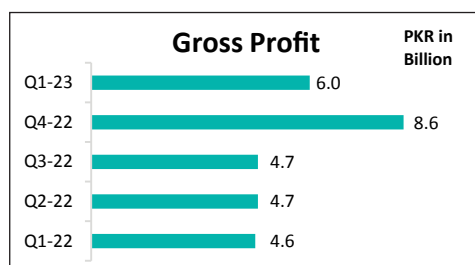
During the quarter under review, your Company's overall gross revenue increased by 10.7% from last year's Q1 FY22. Where local sales revenue showed an increase of 11.3% (PKR 22.0 billion vs PKR 19.7 billion), which was attributable to the increased cost of inputs. Export sales revenue increased by 6.8% (PKR 3.5 billion vs PKR 3.2 billion) due to the same reason, as well as the depreciation of PKR against USD.

Cost of Sales

During the quarter under review, per ton cost of sales of your Company increased by 60.4% as compared to the SPLY. The major portion of this increase came from higher coal prices and transportation costs.

Gross Profit

The gross profit margin of the company for Q1 FY23 was 30.6% compared to 27.3% during the SPLY.



Dividends

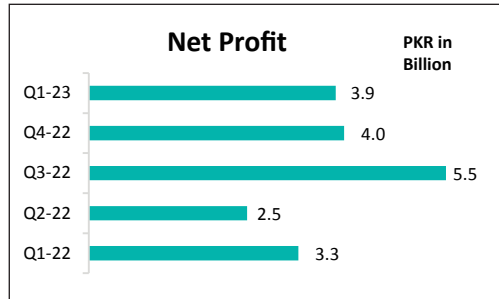
During Q1 FY23, the dividend income received by your Company from its subsidiaries was PKR 1.5 billion vs PKR 1.0 billion during the SPLY.

Subsidiary/ Associate PKR in Billion	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22
ICI	0.8	-	1.0	-	1.0
LHL	-	0.1	-	0.2	-
YEL	-	-	0.1	0.1	-
LMC	0.7	-	1.0	-	-
Total	1.5	0.1	2.1	0.3	1.0

Net Profit

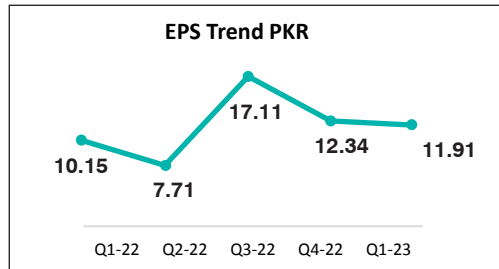
Your Company achieved a profit before tax of PKR 5.4 billion during Q1 FY23 as compared to PKR 4.3 billion reported during the SPLY.

Accordingly, an after-tax profit of PKR 3.9 billion was achieved during the quarter under review as compared to PKR 3.3 billion reported during the SPLY.



Earnings per share

The earnings per share of your Company for Q1 FY23 was PKR 11.91 in comparison to PKR 10.15 reported during the SPLY.



Growth and Expansion

Brownfield cement plant expansion in KPK Province of Pakistan – 3.15 million tons per annum

In line with the Company's growth strategy, the Board of Directors on January 29, 2021, approved a 3.15 million tons per annum, brownfield expansion project at Pezu Plant. The expansion project is progressing as per the schedule and the project remains on target to achieve its completion by December 2022.

After the completion of this project, the cement production capacity of your Company in Pakistan will reach 15.3 million tons per annum.

Renewable Energy initiatives at both Plant Sites

A recent testament to your Company's commitment to energy conservation and promotion of green energy resources was the announcement of captive solar power projects at both of its plants in Pezu and Karachi.

34 MW solar power project at Pezu Plant: The project is successfully being commissioned and will be operational by Q2 FY23 as per plan.

25.3 MW solar power project at Karachi Plant: The project commercials have been finalized and it is awaiting permission from SBP for the establishment of a Letter of Credit (LC).

The company's initiatives for investment in renewable energy projects will play a key role in cost savings as well as the reduction of the country's reliance on imported fuel.

Shares Buyback

During the quarter under review, your company announced a Share buyback of up to 10 million shares, which was subsequently approved by the shareholders in EOGM dated September 20, 2022. The said purchase has to be made from Pakistan Stock Exchange Limited (PSX) at the spot prices during the purchase period from September 29, 2022, to March 27, 2023. The shares purchased through this buyback will be canceled. This buyback is targeted to improve the future EPS of your company. As of September 30, 2022, no shares were purchased under this buyback scheme.

Corporate Social Responsibility

Your Company is committed to continue making efforts to support education, women empowerment, health, environment conservation, and community development under its CSR.

Education / Scholarships

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

To make education accessible and affordable for deserving students especially from rural areas regardless of their financial background, your Company also launched dedicated scholarships and vocational training programs.

Your Company has collaborated with The Citizen Foundation to build a complete Primary and Secondary school near our PEZU plant operations for the general public. The school is under construction and likely to be operational during Q3 FY23.

Women Empowerment

Empowering 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. Further to this, we have collaborated with the Million Smiles Foundation for the establishment of a school for "Out of School" children in the vicinity of Neelum Valley, Azad Kashmir.

Health Initiatives

The provision of quality healthcare for society at large continues to remain 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 provides 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.

Flood Relief Operations 2022

Your Company contributed towards a massive relief operation for the flood-affected areas across Pakistan especially the areas of Sindh, Balochistan, KPK &, and Swat through Food Hampers, Shelter Tents, and First Aid Medicines. Further, we also procured and supplied child nutrition products in flood-affected areas of Sindh through the Armed forces.

Outlook

This spillover of global and domestic economic challenges from last year, followed by extended monsoon season and floods in the country has resulted in a challenging start to the current financial year. According to initial estimates of several agencies, total damages from floods in Pakistan have exceeded USD 30 billion. The strategies adopted by the Government to control the Current Account Deficit and re-build foreign currency reserves, implementation of reforms under the revived International Monetary Fund program, restore fiscal buffers, and flood relief support from the international community for the rehabilitation & rebuilding of damaged infrastructure will play a critical role in the revival of the economy.

A change in recent global price trends, indicates a new supply and demand equilibrium being achieved by market forces, accredited to the contractionary policies being employed by the various economies of the world. We expect that with the prevalent monetary tightening, around the world, commodity prices would ease off in the coming quarters.

Local Cement Operations

Coal prices which touched a peak of USD 440 per ton in FY 22 have started decreasing very recently to USD 250 per ton. Relaxation of EU sanctions on Russia allowed imports of Russian coal by third-world countries, which has led to a decrease in international coal prices. The fall in prices has also been aided due to monetary tightening by global central banks. If this downtrend in coal prices continues, pressure on margins would reduce in the near future. The Government has also shown its intentions of stabilizing the Pakistani Rupee and halting the increase in interest rates and inflation.

Domestic demand for cement is improving in the period post floods, and it is expected that cement dispatches will be higher in the outgoing quarter.

Foreign Cement Operations

As a result of growing demand in Iraq and Congo, revenues are expected to increase for both locations. Furthermore, the plant situated in Najmat–Al –Samawah, Iraq, has shifted from Furnace Oil to Natural Gas, effective October 2022, as its source of energy for kiln firing, which is going to have a favorable impact on its cost and profitability.

Polyester, Soda Ash and Chemicals

Inflationary pressures, high borrowing costs, uncertainty in the domestic business climate, along with continuing monetary tightening measures, higher energy costs, and withdrawal of subsidies continue to pose a threat to demand for the Company's products and its profitability in the upcoming quarters. The management of the Company is nevertheless committed to minimizing these adverse impacts by leveraging its diverse product portfolio and cost rationalization to cultivate growth and provide sustainable results for the benefit of its stakeholders.

Automobiles and Mobile Phones

While PKR has slightly recovered against the USD in recent days, the outlook for automobiles in this segment specifically remains challenging due to the factors shared earlier in this report. The management is mindful of the current challenges and to be able to remain strong, it has been continuously optimizing its operating cost and improving its localization for sustainable and competitive operations.

The segment's balanced product portfolio and lean cost structure will enable the company to manage these challenging times and recover fast when the market improves.

Power

The Power Plant set up by Lucky Electric Power Company Limited is designed to operate on Thar Lignite coal. Till such time that supplies from Thar are sufficient to meet the requirements of this plant, it continues to operate on a mix of imported and local lignite coal. The per unit cost of power generated will reduce significantly when the full quota of Thar coal is made available to the Company. While the availability of the plant remained on the lower side during the current quarter, the management continues to focus on resolving the plant teething issues which will improve its profitability in the upcoming quarters.

Your Company's strong financial position and free cash flow generating ability are anticipated to further support its vision to maintain its leadership position in Pakistan and to capitalize on new investment opportunities to maximize shareholders' value.

Acknowledgment

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

On behalf of the Board



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD ALI TABBA
Chief Executive / Director

Karachi: October 26, 2022

UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the quarter ended September 30, 2022

Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2022

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
(PKR in '000')			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	91,922,474	82,301,050
Intangible assets		74,277	51,352
		91,996,751	82,352,402
Long-term investments	6	57,594,485	57,594,485
Long-term loans and advances		181,630	191,684
Long-term deposits		8,106	8,106
		149,780,972	140,146,677
CURRENT ASSETS			
Stores and spares		17,304,580	11,206,843
Stock-in-trade		9,127,468	7,171,364
Trade debts		3,174,500	3,522,931
Loans and advances		918,438	735,337
Trade deposits and short-term prepayments		102,739	140,532
Accrued return		62,062	39,316
Other receivables		5,913,632	4,838,323
Tax refunds due from the Government		538,812	538,812
Short-term investments	15.2	9,705,557	12,751,155
Cash and bank balances		5,417,879	3,871,078
		52,265,667	44,815,691
TOTAL ASSETS		202,046,639	184,962,368
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up share capital		3,233,750	3,233,750
Reserves		129,158,398	125,306,574
		132,392,148	128,540,324
NON-CURRENT LIABILITIES			
Long-term deposits		251,482	250,332
Long-term loans	7	18,274,825	14,108,446
Deferred Government grant		2,400,637	2,164,455
Deferred liabilities			
- Staff gratuity - unfunded	8	2,730,025	2,596,281
- Deferred tax liability		6,908,650	6,941,172
		9,638,675	9,537,453
		30,565,619	26,060,686
CURRENT LIABILITIES			
Trade and other payables		24,321,304	23,191,483
Current maturity of long-term loans		284,720	487,202
Short-term borrowings	9	7,385,586	1,000,000
Unclaimed dividend		50,748	51,030
Accrued markup		297,550	135,452
Taxation - net		6,748,964	5,496,191
		39,088,872	30,361,358
		69,654,491	56,422,044
TOTAL EQUITY AND LIABILITIES		202,046,639	184,962,368
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes from 1 to 17 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

For the quarter ended September 30, 2022 (Un-audited)

	Note	Quarter Ended	
		September 30, 2022	September 30, 2021
		(PKR in '000')	
Gross sales	11	25,435,635	22,974,404
Less: Sales tax and federal excise duty		5,380,762	5,775,817
Rebates, incentives and commission		311,539	283,354
		5,692,301	6,059,171
Net sales		19,743,334	16,915,233
Cost of sales		(13,711,579)	(12,297,667)
Gross profit		6,031,755	4,617,566
Distribution cost		(1,362,208)	(1,006,496)
Administrative expenses		(445,831)	(340,316)
Finance costs		(252,722)	(93,289)
Other expenses		(616,506)	(347,176)
Other income	12	2,009,817	1,471,983
Profit before taxation		5,364,305	4,302,272
Taxation		(1,511,892)	(1,018,412)
Profit after taxation		3,852,413	3,283,860
		(PKR)	
Earnings per share - basic and diluted		11.91	10.15

The annexed notes from 1 to 17 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 Comprehensive Income

For the quarter ended September 30, 2022 (Un-audited)

	Quarter Ended	
	September 30, 2022	September 30, 2021
	(PKR in '000')	
Profit after taxation	3,852,413	3,283,860
Other comprehensive loss:		
Other comprehensive loss which will not be reclassified to profit or loss in subsequent periods:		
Unrealized loss on remeasurement of equity instrument at fair value through other comprehensive income	(673)	(7,168)
Deferred tax thereon	84	896
	(589)	(6,272)
Total comprehensive income for the period	3,851,824	3,277,588

The annexed notes from 1 to 17 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 quarter ended September 30, 2022 (Un-audited)

	Note	September 30, 2022	September 30, 2021
(PKR in '000')			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilized in) / generated from operations	13	(2,065,061)	1,927,210
Income tax paid		(291,558)	(707,460)
Gratuity paid		(17,089)	(21,936)
Finance cost paid		(90,624)	(85,639)
Income from deposits with Islamic banks		147,907	56,079
Decrease / (Increase) in long-term loans and advances		10,054	(32,482)
Increase in long-term deposits (liabilities)		1,150	4,824
Net cash (used in) / generated from operating activities		(2,305,221)	1,140,596
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(10,834,060)	(4,524,370)
Long-term investments made		-	(750,000)
Sale proceeds on disposal of property, plant and equipment		37,670	21,563
Dividend received from subsidiary company		711,390	-
Dividend received on short-term investments		306,713	282,070
Net cash used in investing activities		(9,778,287)	(4,970,737)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loans obtained		4,453,533	2,033,586
Long-term loans repaid		(253,454)	(253,454)
Dividends paid		(282)	(146)
Net cash generated from financing activities		4,199,797	1,779,986
Net decrease in cash and cash equivalents		(7,883,711)	(2,050,155)
Cash and cash equivalents at the beginning of the period		14,493,016	11,641,039
Cash and cash equivalents at the end of the period	13.1	6,609,305	9,590,884

The annexed notes from 1 to 17 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 quarter ended September 30, 2022 (Un-audited)

	Issued, subscribed and paid-up capital	Capital reserve Share premium	Revenue reserves		Total reserves	Total equity
			General reserves	Unappropriated profit		
(PKR in '000')						
Balance as at July 01, 2021	3,233,750	7,343,422	85,147,790	17,475,296	109,966,508	113,200,258
Transfer to general reserves	-	-	14,016,397	(14,016,397)	-	-
Total comprehensive income for the quarter ended September 30, 2021	-	-	-	3,277,588	3,277,588	3,277,588
Balance as at September 30, 2021	<u>3,233,750</u>	<u>7,343,422</u>	<u>99,164,187</u>	<u>6,736,487</u>	<u>113,244,096</u>	<u>116,477,846</u>
Balance as at July 01, 2022	3,233,750	7,343,422	99,164,187	18,798,965	125,306,574	128,540,324
Transfer to general reserves	-	-	15,340,066	(15,340,066)	-	-
Total comprehensive income for the quarter ended September 30, 2022	-	-	-	3,851,824	3,851,824	3,851,824
Balance as at September 30, 2022	<u>3,233,750</u>	<u>7,343,422</u>	<u>114,504,253</u>	<u>7,310,723</u>	<u>129,158,398</u>	<u>132,392,148</u>

The annexed notes from 1 to 17 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 quarter ended September 30, 2022 (Un-audited)

1 THE COMPANY AND ITS OPERATIONS

- 1.1** Lucky Cement Limited (the Company) was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984 (now the 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 corporate office is situated at Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street in Karachi. The Company has two production facilities; one at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and the other at Main Super Highway in Karachi, Sindh. Further, the Company's liaison offices are situated in Islamabad, Quetta, Multan, Faisalabad, Lahore and Peshawar.

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

2 STATEMENT OF COMPLIANCE

- 2.1** These unconsolidated condensed interim financial statements of the Company for the quarter ended September 30, 2022 have been prepared in accordance with the accounting and reporting standards 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 34, 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- provisions of and directives issued under the Act.

Where the provisions of or directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act 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 the Company's unconsolidated annual audited financial statements for the year ended June 30, 2022.

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, 2022.

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

(a) Amendments to published accounting and reporting standards which became effective during the period:

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did 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.

(b) Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023. 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 AND JUDGEMENTS

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 unconsolidated annual audited financial statements of the Company for the year ended June 30, 2022.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
(PKR in '000')			
5.1	Following is the movement in property, plant and equipment during the period / year:		
Operating fixed assets (WDV) - opening balance		59,972,785	58,033,791
Add: Additions during the period / year	5.2	901,145	6,567,383
		60,873,930	64,601,174
Less: Disposals during the period / year (WDV)		3,558	101,513
Depreciation charge for the period / year		1,180,929	4,526,876
Operating fixed assets (WDV) - closing balance		59,689,443	59,972,785
Add: Capital work-in-progress	5.3	31,891,032	21,911,214
Add: Capital spares		341,999	417,051
		<u>91,922,474</u>	<u>82,301,050</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2022 (Un-audited)

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

	(Un-audited)	
	September 30, 2022	
	Additions (Cost)	Deletions (Cost)
	(PKR in '000')	
Operating fixed assets		
Buildings on freehold land		
- Cement plant	5,449	-
- Power plant	100	-
Buildings on leasehold land		
- Cement plant	2,801	-
- Power plant	825	-
Plant and machinery	174,296	-
Generators and other power generation equipment	549,867	-
Quarry equipments	3,130	-
Vehicles including cement bulkers	28,698	33,651
Furniture and fixtures	5,031	-
Office equipment	7,904	-
Computer and Accessories	120,593	200
Other assets (Laboratory equipment, etc.)	2,451	159
	901,145	34,010
Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	(PKR in '000')	

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

Opening balance	21,911,214	4,015,044
Add: Additions during the period / year	10,909,112	24,515,120
	32,820,326	28,530,164
Less: Transferred to operating fixed assets	901,145	6,567,383
Less: Transferred to intangible assets	28,149	51,567
Closing balance	31,891,032	21,911,214

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
Lucky Motor Corporation Limited	6.3	12,876,384	12,876,384
ICI Pakistan Limited	6.4	9,594,091	9,594,091
Lucky Electric Power Company Limited	6.5	29,900,000	29,900,000
		56,983,120	56,983,120

Associate

Yunus Energy Limited	6.6	611,365	611,365
		57,594,485	57,594,485

6.1 Lucky Holdings Limited (LHL) is a public unlisted company incorporated in Pakistan. As at the reporting date, the Company holds 75% (June 30, 2022: 75%) shares of LHL comprising of 643,500 issued, subscribed and paid up shares of PKR 10 each.

6.2 Represents 100 percent equity investment in LCL Investment Holdings Limited (LCLIHL) comprising of 45,000,002 issued, subscribed and paid up shares of USD 1 each, a wholly owned subsidiary of the Company, incorporated in Mauritius and re-domiciled from Mauritius to Dubai. LCLIHL has entered into joint venture agreements with Al Shumookh group to form Lucky Al Shumookh Holdings Limited (LASHL) for operating a cement grinding unit in Basra, Iraq and Al Shumookh Lucky Investment Limited (ASLIL) for operating 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.

LCLIHL has also entered into a joint venture agreement with Rawji Properties Limited to incorporate LR International General Trading FZCO (LRIGT) as an onshore company with limited liability in Jebel Ali Free Zone, United Arab Emirates. LCLIHL holds 50 percent ownership interest in LRIGT.

6.3 Represents equity investment in Lucky Motor Corporation Limited (LMC), a public unlisted company incorporated in Pakistan. LMC is engaged in assembly, marketing, distribution and sale of various types of Kia and Stellantis N.V. vehicles, parts, accessories and related services. LMC also manufactures Samsung mobile devices in Pakistan under an agreement with Samsung Gulf Electronic Co. FZE. The Company holds 71.14% (June 30, 2022: 71.14%) shares of LMC comprising of 1,287,638,359 issued, subscribed and paid-up shares of PKR 10 each.

6.4 ICI Pakistan Limited (ICI) was incorporated in Pakistan and is listed on the Pakistan Stock Exchange. The Company holds 55% (June 30, 2022: 55%) shares comprising of 50,798,000 shares of PKR 10 each. ICI is engaged in the manufacture of polyester staple fiber, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchanting of general chemicals. It also acts as an indenting agent and toll manufacturer. Its manufacturing facilities are situated in Karachi, Lahore and Khewra and its registered office is situated at 5 West Wharf, Karachi.

6.5 Lucky Electric Power Company Limited (LEPCL) was incorporated in Pakistan on June 13, 2014, as a public unlisted company. The Company holds 100 percent shares comprising of 2,990,000,000 (June 30, 2022: 2,990,000,000 shares) issued, paid-up and subscribed shares of PKR 10 each of LEPCL. The aforementioned shares held by the Company are pledged under a Shares Pledge Agreement in connection with the lending facilities provided by the lenders.

The commercial operations of LEPCL have started in March 2022. LEPCL has set 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.

6.6 Represents equity investment in Yunus Energy Limited (YEL), a public unlisted company incorporated in Pakistan. As of the reporting date, the Company owns 20% (June 30, 2022: 20%) shares of YEL comprising of 61,136,500 issued, subscribed and paid up shares of PKR 10 each.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2022 (Un-audited)

7 LONG-TERM LOANS

There is no material change in the terms and conditions of the long-term loans as disclosed in the unconsolidated annual audited financial statements as at and for the year ended June 30, 2022 except that:

- the Company further obtained long-term loan facilities aggregating to PKR 637 million during the period from United Bank Limited - Islamic and National Bank of Pakistan under the Temporary Economic Refinance Facility (TERF) of the State Bank of Pakistan. The loans are repayable in quarterly and semi-annual installments over a period of ten years which include a grace period of two years and are secured by way of hypothecation charge over specific plant and machinery of the Company. These facilities carry mark-up ranging from 2.25% to 2.50% per annum payable in arrears;
- the Company further obtained long-term loan facilities aggregating to PKR 210 million during the period from Soneri Bank Limited and Dubai Islamic Bank under the Renewable Energy Scheme of the State Bank of Pakistan. The loans are repayable in quarterly and semi-annual installments over a period of twelve years which include a grace period of two years and are secured by way of hypothecation charge over specific plant & machinery of the Company. These facilities carries mark-up at 4.75% per annum payable in arrears;
- the Company obtained long-term loan facilities aggregating to PKR 106 million during the period from Saudi Pak Industrial and Agricultural Investment Company. The loans are repayable in semi-annual installments over a period of ten years which include a grace period of two years and are secured by way of hypothecation charge over specific plant and machinery of the Company. The facility carries mark-up ranging from 16.09% to 16.32% per annum payable in arrears; and
- the Company obtained long-term loan facilities under diminishing musharaka mode of financing aggregating to PKR 3,500 million during the period from Habib Bank Limited - Islamic and Meezan Bank Limited. The loans are repayable in semi-annual installments over a period of ten years which include a grace period of two years and are secured by way of hypothecation charge over specific plant and machinery of the Company. These facilities carry mark-up ranging from 15.14% to 16.01% per annum payable in arrears.

(Un-audited) September 30, 2022	(Audited) June 30, 2022
(PKR in '000')	

8 DEFERRED TAX LIABILITY

Deferred tax liability comprises the following :

- Taxable temporary differences arising due to accelerated tax depreciation allowance	7,739,845	7,737,372
- Deductible temporary differences arising in respect of provisions and minimum tax	(831,195)	(796,200)
	6,908,650	6,941,172

9 SHORT-TERM BORROWINGS

There is no material change in the terms and conditions of the short-term borrowings as disclosed in the unconsolidated annual audited financial statements as at and for the year ended June 30, 2022 except that:

- the Company obtained Islamic Rupee-based discounting facilities aggregating to PKR 6,386 million from a number of banks under the Islamic Export Refinance Scheme (IERS) of the State Bank of Pakistan. These facilities are secured by way of hypothecation charge over plant and machinery, stock-in-trade and stores and spares. These facilities carry discounting rate of 2% per annum.

10 CONTINGENCIES AND COMMITMENTS

- 10.1** There are no significant changes in the status of contingencies and commitments as reported in note 27 to the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2022, except as disclosed in notes 10.2 and 10.3.

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	(PKR in '000')	
10.2 Capital commitments		
Plant, machinery and equipment under letters of credit	3,297,114	8,788,299
10.3 Other commitments		
Stores, spares, packing material and other supplies / services under letters of credit	4,751,207	4,530,101
Bank guarantees issued by the Company on behalf of subsidiary company	4,550,000	4,550,000
Bank guarantees issued on behalf of the Company	1,401,744	1,404,716
Post-dated cheques	1,776,833	1,642,422
Commitment on behalf of a subsidiary company in respect of cost over-run and PSRA support	31,423,811	28,201,245

	For the quarter ended	
	September 30, 2022	September 30, 2021
	(PKR in '000')	

11 GROSS SALES

Local	21,984,865	19,744,117
Export	3,450,770	3,230,287
	<u>25,435,635</u>	<u>22,974,404</u>

12 OTHER INCOME

Gain on disposal of property, plant and equipment	34,112	12,754
Dividend from subsidiaries	1,473,360	1,015,960
Dividend from mutual funds and other investments	306,713	282,070
Income from deposits with Islamic banks	170,653	55,540
Others	24,979	105,659
	<u>2,009,817</u>	<u>1,471,983</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2022 (Un-audited)

	Note	For the quarter ended	
		September 30, 2022	September 30, 2021
		(PKR in '000')	
13 CASH GENERATED FROM OPERATIONS			
Profit before taxation		5,364,305	4,302,272
Adjustments for non-cash charges and other items			
Depreciation	5.1	1,180,929	1,111,403
Amortization of intangible assets		5,224	505
Gain on disposal of property, plant & equipment		(34,112)	(12,754)
Provision for gratuity		150,833	119,838
Reversal of provision for doubtful debts		(915)	-
Dividend income from subsidiaries		(1,473,360)	(1,015,960)
Dividend income from short-term investments		(306,713)	(282,070)
Income from deposits with islamic banks		(170,653)	(55,540)
Finance costs		252,722	93,289
Profit before working capital changes		4,968,260	4,260,983
(Increase) / Decrease in current assets			
Stores and spares		(6,097,737)	(1,996,652)
Stock-in-trade		(1,956,104)	(1,410,553)
Trade debts		349,346	149,005
Loans and advances		(183,101)	(62,702)
Trade deposits and short-term prepayments		37,793	3,891
Other receivables		(313,339)	(354,357)
		(8,163,142)	(3,671,368)
Increase in current liabilities			
Trade and other payables		1,129,821	1,337,595
		(2,065,061)	1,927,210
13.1 CASH AND CASH EQUIVALENTS			
Cash and bank balances		5,417,879	3,087,515
Placements / balances held as lien		(1,111,111)	(322,000)
Short-term borrowings		(7,385,586)	(7,100,000)
Short-term investments		9,688,123	13,925,369
		6,609,305	9,590,884

14 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 condensed interim unconsolidated financial statements, are as follows:

	For the quarter ended	
	September 30, 2022	September 30, 2021
	(PKR in '000')	
Transactions with Subsidiary Companies		
Reimbursement of expenses to the Company	2,886	-
Sales	15,891	28,462
Purchases	12,688	-
Purchase of vehicles	58,442	74,086
Investment made during the period	-	750,000
Dividend received	711,390	-
Services received	21	80
Transactions with Directors and their close family members		
Sales	168	120
Meeting fee	1,969	375
Transactions with Associated Undertakings		
Sales	124,160	171,501
Reimbursement of expenses to Company	5,571	3,061
Reimbursement of expenses from Company	11,066	8,401
Donation	60,000	40,000
Transactions with other key management personnel		
Salaries and benefits	88,705	72,265
Post employment benefits	17,081	7,168

15 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

15.1 Financial risk factors

The Company is exposed to market risk (including return rate risk, currency risk and other price risk), credit risk and liquidity risk. The Company's finance and treasury departments oversee the management of these risks.

There have been no changes in the risk management policies during the period, consequently these unconsolidated condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

15.2 Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (level 3).

Notes to the Unconsolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2022 (Un-audited)

Assets	September 30, 2022 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	(PKR in '000')			
Financial assets - fair value through profit or loss				
- Short-term investments (units of mutual fund)	-	9,688,123	-	9,688,123
Financial assets - fair value through other comprehensive income				
- Short-term investment (shares of PSX)	17,434	-	-	17,434
	17,434	9,688,123	-	9,705,557

16 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on October 26, 2022 by the Board of Directors of the Company.

17 GENERAL

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

17.2 Corresponding figures and balances have been rearranged and / or reclassified, where considered necessary, for the purpose of comparison and better presentation the effects of which are not material.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the quarter ended September 30, 2022

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2022

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
(PKR in '000')			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	286,258,197	276,029,950
Intangible assets		6,764,936	14,602,075
Right-of-use assets	6	143,193	163,074
		293,166,326	290,795,099
Long-term investments	7	40,621,055	36,544,627
Long-term loans and advances		542,236	551,695
Long-term deposits and prepayments		71,123	70,340
		334,400,740	327,961,761
CURRENT ASSETS			
Stores, spares and consumables		19,908,420	13,656,865
Stock-in-trade		66,586,800	72,021,896
Trade debts		40,625,728	36,355,113
Loans and advances		6,469,612	3,486,666
Trade deposits and short-term prepayments		1,843,048	1,035,845
Other receivables		15,726,138	18,590,025
Tax refunds due from the Government		538,812	538,812
Taxation receivable		130,694	123,926
Accrued return		62,997	39,791
Short-term investments		9,705,557	12,976,155
Cash and bank balances		17,296,007	16,900,459
		178,893,813	175,725,553
Assets attributable to discontinued operations	8	19,738,115	-
TOTAL ASSETS		533,032,668	503,687,314
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital		3,233,750	3,233,750
Reserves		176,368,156	167,630,764
Attributable to the owners of the Holding Company		179,601,906	170,864,514
Non-controlling interest		29,465,122	28,893,975
Total equity		209,067,028	199,758,489
NON-CURRENT LIABILITIES			
Long-term loans		134,621,904	127,874,326
Long-term deposits and other liabilities		7,724,624	7,170,303
Lease liabilities		122,414	88,182
Deferred income - Government grant		4,868,459	4,361,931
Deferred liabilities			
- Staff Gratuity - unfunded		2,948,035	2,804,294
- Deferred tax liability	9	11,268,566	12,307,123
		14,216,601	15,111,417
		161,554,002	154,606,159
CURRENT LIABILITIES			
Current portion of long-term finances		4,398,329	5,081,071
Trade and other payables		72,224,371	78,407,163
Provision for taxation		8,349,774	6,957,350
Accrued return		932,285	576,471
Short-term borrowings and running finance		67,325,148	58,153,464
Current portion of lease liabilities		35,762	96,117
Unclaimed dividend		50,748	51,030
		153,316,417	149,322,666
		314,870,419	303,928,825
Liabilities associated with discontinued operations	8	9,095,221	-
TOTAL EQUITY AND LIABILITIES		533,032,668	503,687,314
CONTINGENCIES AND COMMITMENTS			
	10		

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

For the quarter ended September 30, 2022 (Un-audited)

	Note	Quarter Ended	
		September 30, 2022	September 30, 2021
		(PKR in '000')	
Revenue	11	107,221,607	69,269,156
Less: Sales tax and excise duty		14,281,793	11,379,101
Rebates, incentives and commission		2,307,167	2,908,522
		16,588,960	14,287,623
Net Revenue		90,632,647	54,981,533
Cost of sales		(72,501,307)	(43,320,001)
Gross profit		18,131,340	11,661,532
Distribution cost		(2,723,506)	(2,211,085)
Administrative expenses		(1,466,711)	(1,631,355)
Finance cost		(6,484,743)	(339,683)
Other expenses		(1,173,429)	(774,857)
Other income	12	1,453,495	2,636,387
Share of profit - joint ventures and associates		1,180,677	1,253,909
Profit before taxation		8,917,123	10,594,848
Taxation		(2,270,160)	(1,735,775)
Profit after taxation from continuing operations		6,646,963	8,859,073
Profit after taxation from discontinued operations	8	285,562	-
Profit after Taxation		6,932,525	8,859,073
Attributable to:			
Owners of the Holding Company		5,449,352	6,650,691
Non-controlling interest		1,483,173	2,208,382
		6,932,525	8,859,073
Earnings per share - basic and diluted		(PKR)	
- continuing operations		16.60	20.57
- discontinued operations		0.25	-
		16.85	20.57

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



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer

Consolidated Condensed Interim Statement of Comprehensive Income

For the quarter ended September 30, 2022 (Un-audited)

	Note	Quarter Ended	
		September 30, 2022	September 30, 2021
(PKR in '000')			
Profit after taxation from continuing operations		6,646,963	8,859,073
Other comprehensive income for the period			
Other comprehensive loss which may be reclassified to profit or loss in subsequent periods:			
Unrealized loss on cash flow hedges		-	(8,466)
Other comprehensive income / (loss) which will not be reclassified to profit or loss in subsequent periods:			
Foreign exchange differences on translation of foreign operations		3,288,629	1,412,717
Unrealized loss on remeasurement of equity investment at fair value through other comprehensive income		(673)	(7,168)
Deferred tax thereon		84	896
		(589)	(6,272)
		3,288,040	1,397,979
Total comprehensive income for the period from continuing operations		9,935,003	10,257,052
Discontinued operations			
Profit after taxation from discontinued operations	8	285,562	-
Other comprehensive income for the period		-	-
Total comprehensive income for the period		10,220,565	10,257,052
Attributable to:			
Owners of the Holding Company		8,737,392	8,052,480
Non-controlling interest		1,483,173	2,204,572
		10,220,565	10,257,052

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim 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 quarter ended September 30, 2022 (Un-audited)

	Note	September 30, 2022	September 30, 2021
(PKR in '000')			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	13	117,138	(7,865,633)
Finance cost paid		(4,961,816)	(2,586,330)
Income tax paid		(1,169,625)	(1,721,633)
Staff retirement benefits paid		(38,049)	(36,837)
Income from deposits with Islamic banks and other financial institutions		554,547	396,275
Increase in long-term loans and advances		(13,548)	(40,340)
Decrease / (increase) in long-term deposits and prepayments		172	(282)
Discontinued operations	8.3	555,206	-
Net cash used in operating activities		(4,955,975)	(11,854,780)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(13,701,921)	(8,464,051)
Impact of acquisition of NutriCo Pakistan Limited		-	(481,023)
Dividend received from equity accounted investments		1,079,796	-
Dividend received from short-term investments		306,713	284,290
Sale proceeds on disposal of property, plant and equipment		44,045	37,270
Discontinued operations	8.3	3,082	-
Net cash used in investing activities		(12,268,285)	(8,623,514)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance obtained		5,026,856	6,828,718
Long-term finance repaid		(1,411,000)	(2,067,216)
Payment against finance lease liability		(30,469)	(34,556)
Dividends paid to owners of the Holding Company		(282)	(146)
Dividends paid to Non-controlling interest		(181,259)	(475,507)
Discontinued operations	8.3	(181,407)	-
Net cash generated from financing activities		3,222,439	4,251,293
Net decrease in cash and cash equivalents		(14,001,821)	(16,227,001)
Cash and cash equivalents at the beginning of the period		(29,255,359)	27,353,607
Effect of foreign currency translation on cash		(99,678)	(103,991)
Cash and cash equivalents at the end of the period		(43,356,858)	11,022,615
Cash and cash equivalents at September 30 comprise of:			
Cash and bank balances		17,344,898	12,930,479
Short-term finances		(69,278,768)	(15,511,233)
Bank balance marked as lien		(1,111,111)	(322,000)
Short term investments		9,688,123	13,925,369
		(43,356,858)	11,022,615

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim 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 quarter ended September 30, 2022 (Un-audited)

	Issued, subscribed and paid-up capital	Capital reserve		Revenue reserves		Total reserves	Non-controlling interest	Total equity
		Share premium	Foreign currency translation reserve	General reserves	Unappropriated profit			
(PKR in '000')								
Balance as at July 01, 2021	3,233,750	7,343,422	3,692,151	85,147,790	36,206,024	132,389,387	21,403,155	157,026,292
Transfer to general reserves	-	-	-	14,016,397	(14,016,397)	-	-	-
Dividends paid to non-controlling interest of ICI	-	-	-	-	-	-	(831,221)	(831,221)
Non-controlling interest recognized on the acquisition of NutriCo Pakistan Limited	-	-	-	-	-	-	1,147,635	1,147,635
Profit after taxation	-	-	-	-	6,650,691	6,650,691	2,208,382	8,859,073
Other comprehensive income	-	-	1,412,717	-	(10,928)	1,401,789	(3,810)	1,397,979
Total comprehensive income for the quarter ended September 30, 2020	-	-	1,412,717	-	6,639,763	8,052,480	2,204,572	10,257,052
Balance as at September 30, 2021	<u>3,233,750</u>	<u>7,343,422</u>	<u>5,104,868</u>	<u>99,164,187</u>	<u>28,829,390</u>	<u>140,441,867</u>	<u>23,924,141</u>	<u>167,599,758</u>
Balance as at July 01, 2022	3,233,750	7,343,422	9,433,058	99,164,187	51,690,097	167,630,764	28,893,975	199,758,489
Transfer to general reserves	-	-	-	15,340,066	(15,340,066)	-	-	-
Dividends paid to non-controlling interest of ICI	-	-	-	-	-	-	(623,416)	(623,416)
Dividends paid to non-controlling interests of LMC	-	-	-	-	-	-	(288,610)	(288,610)
Profit after taxation	-	-	-	-	5,449,352	5,449,352	1,483,173	6,932,525
Other comprehensive income	-	-	3,288,629	-	(589)	3,288,040	-	3,288,040
Total comprehensive income for the quarter ended September 30, 2022	-	-	3,288,629	-	5,448,763	8,737,392	1,483,173	10,220,565
Balance as at September 30, 2022	<u>3,233,750</u>	<u>7,343,422</u>	<u>12,721,687</u>	<u>114,504,253</u>	<u>41,798,794</u>	<u>176,368,156</u>	<u>29,465,122</u>	<u>209,067,028</u>

The annexed notes from 1 to 16 form an integral part of these consolidated condensed interim 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 quarter ended September 30, 2022 (Un-audited)

1 THE GROUP AND ITS OPERATIONS

The Group consists of Lucky Cement Limited (the Holding Company / LCL) and its subsidiary companies namely LCL Investment Holdings Limited, Lucky Holdings Limited, Lucky Electric Power Company Limited, ICI Pakistan Limited and Lucky Motor Corporation Limited. Brief profiles of the Holding Company and its subsidiaries are as follows:

1.1 Lucky Cement Limited

The Holding Company was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984 (now the Companies Act, 2017). The shares of the Holding Company are listed on the Pakistan Stock Exchange (PSX). The Holding Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange. The principal activity of the Holding Company is manufacturing and marketing of cement. The registered office of the Holding Company is located at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa. The Holding Company has two production facilities at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and at Main Super Highway in Karachi, Sindh.

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 (now the Companies Act, 2017). The head office of LHL is situated at 6 - A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi in the province of Sindh, whereas the registered office of LHL is situated at Rooms No 5, 6 and 7, Third Floor, Syed Towers, University Road, Opp: Custom House, Peshawar, Khyber Pakhtunkhwa. LHL's main source of earning is royalty income.

In accordance with the share purchase agreement between LHL and ICI Omicron B.V. (the seller), LHL acquired the trademark of ICI word mark and roundel device along with the right to sub license the same within the territory of Pakistan for polyester fiber and soda ash products and in India for soda ash products only.

The Holding Company held 75% shares of LHL as at September 30, 2022 (June 30, 2022: 75% holding).

1.3 LCL Investment Holdings Limited

The Holding Company has made an investment in LCL Investment Holdings Limited (LCLIHL), incorporated in Mauritius and redomiciled in Dubai - United Arab Emirates where LCLIHL has been continued as an offshore Company in Jebel Ali Free Zone Authority with effect from March 30, 2022. The principal activity of LCLIHL is that of investment holding.

LCLIHL has entered into joint venture agreements with Al-Shumookh group to form Lucky Al-Shumookh Holdings Limited (LASHL) for operating a cement grinding unit in Basra, Iraq and Al-Shumookh Lucky Investment Limited (ASLIL) for operating 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.

LCLIHL has also entered into a joint venture agreement with Rawji Properties Limited to form LR International General Trading FZCO (LRIGT). LRIGT was incorporated as an onshore company with a limited liability in Jebel Ali Free Zone, United Arab Emirates. LCLIHL holds 50 percent ownership interest in LRIGT.

The Holding Company held 100% shares of LCLIHL as at September 30, 2022 (June 30, 2022: 100% holding).

1.4 Lucky Motor Corporation Limited

Lucky Motor Corporation Limited (LMC) was incorporated in Pakistan as a public unlisted company in December 2016 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). LMC is engaged in assembly, marketing, distribution and sale of various types of Kia and Stellantis N.V. vehicles, parts, accessories and related services. LMC has entered into an agreement with Samsung Gulf Electronic Co. FZE for manufacturing Samsung mobile devices in Pakistan. The mobile assembling facility, which is located at Port Qasim Industrial Park, Special Economic Zone, was completed in November 2021, and commercial production began in December 2021.

LMC started its Complete Built Up (CBU) operations from June 2018. LMC's assembling facility was completed in June 2019 following which the commercial operations commenced. The registered office and manufacturing facility of LMC is situated at Plots # LE-144-145, 154-167, 171-172, 174-175, PP 31, 48, 65, PP-83-89 Survey # NC 98, National industrial Park, Bin Qasim Town, Karachi.

The Holding Company held 71.14% shares of LMC as at September 30, 2022 (June 30, 2022: 71.14% holding).

LMC operates through a network of third-party and owned dealerships. The particulars of owned dealerships are as follows:

Particulars	Address
Kia Motors Lucky One	Lucky One Mall, Federal B. Industrial Area, Block 21, Gulberg Town, Karachi.
Kia Motors Shahrah-e-Faisal	Plot # 14, Main Shahrah-e-Faisal, Block 7/8, Bangalore Co operative Housing Society, Karachi.
Kia Motors Township	41-10/B-1, Main PECO Road, Near Akbar Chowk, Township Lahore.

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2022 (Un-audited)

1.5 ICI Pakistan Limited

ICI Pakistan Limited (ICI) was incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. ICI is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchanting of general chemicals. It also acts as an indenting agent and toll manufacturer. Its manufacturing facilities are situated in Karachi, Lahore and Khewra and the registered office of ICI is situated at 5 West Wharf, Karachi. The Holding Company held 55% of shares of ICI as at September 30, 2022 (June 30, 2022: 55% holding). Details of ICI's equity investments 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 of ICI. ICI PowerGen is engaged in generating, selling and supplying electricity to ICI.

1.5.2 NutriCo Morinaga (Private) Limited

NutriCo Morinaga (Private) Limited (NutriCo) is a private limited company incorporated in Pakistan. ICI has 51 percent ownership in NutriCo. NutriCo is engaged in manufacturing of infant and grown up formula.

As per the share purchase agreement with Morinaga Milk Industry Co. Ltd Japan, ICI has decided to dispose 26.5 % of investment held in NutriCo, further details are referred in note 8.

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 limited by shares, under the Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of LEPCL is situated at 6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi and its plant site is situated at Deh Ghangiaro, Taluka Ibrahim Hyderi, District Malir, Karachi.

The principal business of the Company is to own and operate a 660 megawatt (gross) power project at Port Qasim, Karachi. LEPCL has achieved its Commercial Operations Date (COD) on March 21, 2022.

The Holding Company held 100% shares of LEPCL as at September 30, 2022 (June 30, 2022: 100% holding).

2 STATEMENT OF COMPLIANCE

2.1 These consolidated condensed interim financial statements of the Group for the quarter ended September 30, 2022 have been prepared in accordance with the accounting and reporting standards 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 34, 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- provisions of and directives issued under the Act.

Where the provisions of or directives issued under the Act differ with the requirements of IAS 34, the provisions of and directives issued under the Act have been followed.

- 2.2** These consolidated condensed interim financial statements do not include all the information and disclosures required in the consolidated annual audited financial statements, and should be read in conjunction with the Group's consolidated annual audited financial statements for the year ended June 30, 2022.

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, 2022.

3.2 Change in accounting standards, interpretations and amendments to the accounting and reporting standards

(a) Amendments to published accounting and reporting standards which became effective during the period:

There were certain amendments to accounting and reporting standards which became mandatory for the Group during the period. However, the amendments did not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these consolidated condensed interim financial statements.

(b) Amendments to published accounting and reporting standards that are not yet effective:

There were certain amendments to the accounting and reporting standards that will be mandatory for the Group's annual accounting periods beginning on or after July 1, 2023. However, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these 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 Group's consolidated annual audited financial statements for the year ended June 30, 2022.

The Group's financial risk management objectives and policies are consistent with those disclosed in the Group's consolidated annual audited financial statements for the year ended June 30, 2022. Further, there were no transfers in fair value hierarchy levels during the quarter.

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2022 (Un-audited)

5 PROPERTY, PLANT AND EQUIPMENT

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

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
(PKR in '000')			
Operating fixed assets (WDV) - opening balance		246,416,524	102,227,387
Less: Assets attributable to discontinued operations - opening balance	8	5,364,030	-
Add: Additions during the period / year	5.2	10,698,242	155,786,401
		251,750,736	258,013,788
Less: Disposals during the period / year (WDV)		116,927	282,495
Depreciation charge for the period / year		3,730,069	11,314,769
Operating fixed assets (WDV) - closing balance		247,903,740	246,416,524
Add: Capital work-in-progress	5.3	38,012,458	29,196,375
Add: Capital spares		341,999	417,051
		286,258,197	276,029,950

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

	(Un-audited) September 30, 2022	
	Additions (Cost)	Deletions (Cost)
(PKR in '000')		
Operating fixed assets		
<u>Buildings on free hold land</u>		
- Cement plant	5,449	-
- Power plant	100	-
- Others	38,372	-
<u>Buildings on leasehold land</u>		
- Cement plant	2,801	-
- Power plant	825	-
- Others	826,641	32,276
Machinery	8,984,164	10,953
Generators and other power generation equipments	549,867	-
Quarry equipments	3,130	-
Vehicles including cement bulkers	58,103	54,260
Furniture and fixtures	40,514	106,498
Office equipments	8,447	-
Computer and accessories	122,180	8,753
Other assets	57,649	39,332
	10,698,242	252,072

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
(PKR in '000')			
5.3	Following is the movement in capital work-in-progress during the period / year:		
Opening balance		29,196,375	113,013,987
Add: Additions during the period / year		12,904,068	65,227,762
		<u>42,100,443</u>	<u>178,241,749</u>
Less: Transferred to operating fixed assets		4,059,836	149,045,374
Less: Transferred to intangible assets		28,149	-
Closing balance		<u>38,012,458</u>	<u>29,196,375</u>
6	RIGHT-OF-USE ASSETS		
Opening		163,074	234,202
Additions		-	9,527
Less: Depreciation charged during the period / year		19,881	80,655
Closing net book value		<u>143,193</u>	<u>163,074</u>
7	LONG-TERM INVESTMENTS		
	Equity accounted investment		
	Joint ventures		
Lucky Al-Shumookh Holdings Limited	7.1	9,855,686	9,625,612
LuckyRawji Holdings Limited	7.2	19,765,420	17,168,498
Al-Shumookh Lucky Investments Limited	7.3	9,232,636	8,079,964
LR International General Trading FZCO	7.4	-	-
		<u>38,853,742</u>	<u>34,874,074</u>
	Associate		
Yunus Energy Limited	7.5	1,764,813	1,668,053
		<u>40,618,555</u>	<u>36,542,127</u>
	Equity securities		
Arabian Sea Country Club Limited (250,000 ordinary shares of PKR 10 each)		2,500	2,500
		<u>40,621,055</u>	<u>36,544,627</u>
7.1	Lucky Al-Shumookh Holdings Limited (LASHL)		
Investment at cost		1,912,283	1,912,283
Share of cumulative profit at the beginning of the period / year		3,393,895	4,538,114
Share of profit during the period / year		258,656	1,666,543
Dividend received during the period / year		(1,079,796)	(2,810,762)
		<u>2,572,755</u>	<u>3,393,895</u>
Foreign currency translation reserve		5,370,648	4,319,434
		<u>9,855,686</u>	<u>9,625,612</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2022 (Un-audited)

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	(PKR in '000')	
The Group's interest in LASHL's assets and liabilities is as follows:		
Total assets	20,921,624	19,915,760
Total liabilities	(1,210,251)	(664,536)
Net assets (100%)	<u>19,711,373</u>	<u>19,251,224</u>
Group's share of net assets (50%)	<u>9,855,686</u>	<u>9,625,612</u>
The Group's share in LASHL's profit or loss is as follows:		
Revenue	<u>3,912,756</u>	<u>14,583,776</u>
Net profit (100%)	<u>517,314</u>	<u>3,333,086</u>
Group's share of net profit (50%)	<u>258,656</u>	<u>1,666,543</u>
7.2 LuckyRawji Holdings Limited (LRHL)		
Investment at cost	6,870,050	6,870,050
Share of cumulative profit at the beginning of the period / year	2,808,132	1,606,586
Share of profit during the period / year	607,996	1,492,336
Dividend received during the period / year	-	(290,790)
	<u>3,416,128</u>	<u>2,808,132</u>
Foreign currency translation reserve	<u>9,479,242</u>	<u>7,490,316</u>
	<u>19,765,420</u>	<u>17,168,498</u>
The Group's interest in LRHL's assets and liabilities is as follows:		
Total assets	54,181,057	47,455,394
Total liabilities	(14,650,217)	(13,118,398)
Net assets (100%)	<u>39,530,840</u>	<u>34,336,996</u>
Group's share of net assets (50%)	<u>19,765,420</u>	<u>17,168,498</u>
The Group's share in LRHL's profit or loss is as follows:		
Revenue	<u>8,622,508</u>	<u>18,990,201</u>
Net profit (100%)	<u>1,215,992</u>	<u>2,984,671</u>
Group's share of net profit (50%)	<u>607,996</u>	<u>1,492,336</u>

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
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(PKR in '000')

7.3 AI-Shumookh Lucky Investments Limited (ASLIL)

Investment at cost	3,399,022	3,399,022
Share of cumulative profit at the beginning of the period / year	3,014,847	958,736
Share of profit during the period / year	217,811	2,056,111
	3,232,658	3,014,847
Foreign currency translation reserve	2,600,956	1,666,095
	<u>9,232,636</u>	<u>8,079,964</u>
The Group's interest in ASLIL's assets and liabilities is as follows:		
Total assets	35,872,424	31,958,264
Total liabilities	(17,407,153)	(15,798,336)
Net assets (100%)	<u>18,465,271</u>	<u>16,159,928</u>
Group's share of net assets (50%)	<u>9,232,636</u>	<u>8,079,964</u>
The Group's share in ASLIL's profit or loss is as follows:		
Revenue	4,197,649	14,480,159
Net profit (100%)	435,622	4,112,222
Group's share of net profit (50%)	217,811	2,056,111

7.4 LR International General Trading FZCO (LRIGT)

Investment at cost	1,115	1,115
Share of cumulative loss at the beginning of the period / year	(3,446)	-
Share of loss during the period / year	(547)	(3,446)
	(3,993)	(3,446)
Foreign currency translation reserve	2,878	2,331
	<u>-</u>	<u>-</u>

The Group's share of loss in excess of its cost of investment in LRIGT is recognised as a liability.

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

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
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(PKR in '000')

Total assets	10,419	6,378
Total liabilities	(11,552)	(11,522)
Net assets (100%)	<u>(1,133)</u>	<u>(5,144)</u>
Group's share of net assets (50%)	<u>(567)</u>	<u>(2,572)</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2022 (Un-audited)

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	(PKR in '000')	
The Group's share in LRIGT's profit or loss is as follows:		
Revenue	-	-
Net loss (100%)	(1,094)	(6,892)
Group's share of net loss (50%)	(547)	(3,446)
7.5 Yunus Energy Limited (YEL)		
Investment at cost	611,365	611,365
Share of cumulative profit at the beginning of the period / year	1,056,688	762,249
Share of profit during the period / year	96,760	462,564
Dividend received during the period / year	-	(168,125)
	1,153,448	1,056,688
	1,764,813	1,668,053

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

8 Discontinued Operations

On September 16, 2022, ICI entered into a Share Purchase Agreement (SPA) with Morinaga Milk Industry Co. Ltd Japan (Morinaga Milk) for partial divestment of its 26.5% shareholding in NutriCo Morinaga (Private) Limited (NMPL) at an aggregate sale price of USD 45,082,657 (approximately USD 2.07 per share) subject to receipt of requisite corporate and regulatory approvals in addition to fulfilment of closing conditions. ICI will continue to hold approximately 24.5% of the share capital of NMPL upon the completion of the proposed transaction.

As per IFRS 5 - Non Current Asset Held for Sale and discontinued operation, NMPL is classified as held for sale and discontinued operation.

- 8.1** An analysis of assets and liabilities attributable to discontinued operations as at the reporting date is as below:

	(Un-audited) September 30, 2022
	(PKR in '000')
Assets attributable to discontinued operations	
Property & Equipment	5,262,144
Intangible Assets and goodwill	7,774,456
Long-term loans	22,041
Long-term deposits and prepayments	195
Stores, spares and consumables	45,173
Stock-in-trade	3,248,099
Trade debts	1,013,571
Loans and advances	45,348
Trade deposits and short-term prepayments	149,371
Other receivables	1,756,234
Taxation - net	372,592
Cash and bank balances	48,891
Total Assets	19,738,115
Liabilities associated to discontinued operations	
Long term loan	1,606,244
Trade & other payables	3,942,071
Accrued markup	83,046
Short term running finance	1,953,620
Current portion of long term loans	454,528
Current portion of deferred income - Government grant	92
Defer tax liability	1,055,620
Total Liabilities	9,095,221
Net assets attributable to discontinued operations	10,642,894

	(Un-audited) September 30, 2022	(Un-audited) September 30, 2021
	(PKR in '000')	

8.2 Financial performance of discontinued operations is as follows:

Turnover - net	3,594,208	3,281,684
Cost of sales	(2,754,690)	(2,553,866)
Gross Profit	839,518	727,818
Selling and distribution expenses	(199,114)	(165,144)
Administrative and general expenses	(57,815)	(53,937)
Operating profit	582,589	508,737
Other charges	(443)	(352)
Financial charges	(116,382)	(90,801)
Exchange loss - net	(43,149)	(42,217)
Other income	3,597	6,849
Profit before taxation	426,212	382,216
Taxation	(140,650)	(110,163)
Profit after taxation	285,562	272,053

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2022 (Un-audited)

	(Un-audited) September 30, 2022	(Un-audited) September 30, 2021
	(PKR in '000')	
8.3 Cash flows attributable to discontinued operations:		
Net cash generated from / (used in) operating activities	555,206	(224,747)
Net cash generated from investing activities	3,082	1,528
Net cash used in financing activities	(181,407)	(213,445)
Net cash generated from / (used in) discontinued operations	376,881	(436,664)
	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	(PKR in '000')	

9 DEFERRED TAX LIABILITY

This comprises of the following :

- Taxable temporary differences	12,574,455	14,637,775
- Deductible temporary differences	(1,305,889)	(2,330,652)
	11,268,566	12,307,123

10 CONTINGENCIES AND COMMITMENTS

10.1 CONTINGENCIES

There are no significant changes in the status of contingencies and commitments as reported in the consolidated annual audited financial statements of the Company for the year ended June 30, 2022, except as disclosed in notes 10.2, 10.3 and 10.4.

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	(PKR in '000')	

10.2 COMMITMENTS

10.2.1 Capital commitments

Plant and machinery under letters of credit and others	16,649,133	13,638,851
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10.2.2 Other commitments

Stores, spares and packing material under letters of credit	21,065,502	4,530,101
Bank guarantees issued	20,931,683	20,586,982
Standby Letters of Credit	9,349,894	24,776,933
Post dated cheques	2,367,192	2,194,504
Commitment in connection with LEPCL's project's cost over-run and Payment Service Reserve Account (PSRA) support	31,423,811	28,201,245

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	(PKR in '000')	

10.3 Claims against the Group not acknowledged as debts are as follows:

Local bodies	84,500	84,500
Others	6,192	6,192
	<u>90,692</u>	<u>90,692</u>

10.4 Commitments for rentals under operating ljarah contracts in respect of vehicles are as follows:

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	(PKR in '000')	

Year

2021-22	6,465	2,123
2022-23	9,181	8,491
2023-24	9,777	9,043
2024-25	10,413	9,630
2025-26	-	10,256
	<u>35,836</u>	<u>39,543</u>
Payable not later than one year	6,465	2,123
Payable later than one year but not later than five years	29,371	37,420
	<u>35,836</u>	<u>39,543</u>

	Note	(Un-audited) September 30, 2022	(Un-audited) September 30, 2021
		(PKR in '000')	

11 SEGMENT REPORTING

11.1 GROSS TURNOVER

Cement	25,435,635	22,974,404
Polyester	10,381,329	8,664,084
Soda Ash	11,160,606	6,294,039
Pharma	2,967,660	3,112,469
Life Sciences & Chemicals	4,580,235	7,874,729
Automobiles & mobile phones assembling	29,321,798	20,436,094
Power Generation	23,529,670	-
Others	772,648	708,894
Adjustments and elimination of inter-segment balances	(927,974)	(795,557)
	<u>107,221,607</u>	<u>69,269,156</u>

11.3

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2022 (Un-audited)

	Note	(Un-audited) September 30, 2022	(Un-audited) September 30, 2021
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(PKR in '000')

11.2 OPERATING RESULT

Cement		4,223,716	3,270,754
Polyester		556,666	679,080
Soda Ash		1,880,327	982,711
Pharma		276,946	332,866
Life Sciences & Chemicals		378,987	994,445
Automobiles & mobile phones assembling		1,645,346	1,383,163
Power Generation		4,701,538	(43,071)
Others		194,225	197,478
Adjustments and elimination of inter-segment balances		83,372	21,666
	11.3	<u>13,941,123</u>	<u>7,819,092</u>

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

	(Un-audited) September 30, 2022	(Un-audited) September 30, 2021
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(PKR in '000')

11.4 GROSS SALES

Local	102,409,744	65,329,728
Export	4,811,863	3,939,428
	<u>107,221,607</u>	<u>69,269,156</u>

12 OTHER INCOME

It mainly includes income from deposits with Islamic banks and other financial institutions, dividend income from short-term investments and fee for technical services.

	For the quarter ended	
	September 30, 2022	September 30, 2021 (PKR in '000')
13 CASH GENERATED FROM OPERATIONS		
Profit before taxation	8,917,123	10,594,848
Adjustments for non-cash charges and other items		
Depreciation and amortization	3,844,649	2,449,966
Provision for slow moving and obsolete stock-in-trade	25,586	1,668
Provision for doubtful debts	17,410	22,915
Provisions and accruals no longer required written back	(200)	(3,147)
Gain on disposal of fixed assets	(30,241)	(23,934)
Provision for staff retirement plan	177,588	143,059
Share of profit from equity accounted investees	(1,180,677)	(1,253,909)
Return from deposits with islamic banks and other financial institutions	(632,887)	(589,395)
Dividend income from short-term investments	(306,713)	-
Unrealised gain on acquisition of shares of NutriCo Pakistan Limited	-	(1,847,321)
Finance cost	6,478,402	362,531
Profit before working capital changes	<u>17,310,040</u>	<u>9,857,280</u>
Increase / (decrease) in current assets		
Stores, spares and consumables	(6,293,497)	(1,990,298)
Stock-in-trade	2,487,831	(10,441,058)
Trade debts	(5,261,455)	(760,040)
Loans and advances	(3,161,178)	(670,413)
Trade deposits and short-term prepayments	(862,349)	(21,112)
Other receivables	2,730,576	(2,269,603)
	<u>(10,360,072)</u>	<u>(16,152,524)</u>
Decrease in current liabilities		
Trade and other payables	(6,832,830)	(1,570,389)
Cash generated from / (used in) operations	<u>117,138</u>	<u>(7,865,633)</u>

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:

Notes to the Consolidated Condensed Interim Financial Statements

For the quarter ended September 30, 2022 (Un-audited)

	For the quarter ended	
	September 30, 2022	September 30, 2021
(PKR in '000')		
Transactions with Associated Undertakings		
Sales	1,517,378	451,905
Purchase of goods, materials and services	1,746	1,796,962
Reimbursement of expenses to the Group	5,571	3,162
Reimbursement of expenses from the Group	11,066	17,761
Donation and Charity	144,669	73,057
Dividends paid	515,796	490,246
Dividend received from Joint Venture	1,079,796	-
Fee for Technical Services from Joint Venture	431,125	-
Rent paid	4,012	4,333
Services received	-	35,347
Loan obtained from Joint Venture	610,332	1,406,637
Services rendered	-	44
Transactions with Directors and their close family members		
Meeting fee	1,969	375
Sales	168	120
Transactions with other key management personnel		
Salaries and benefits	461,498	423,458
Post employment benefits	34,562	17,648
Dividends paid	35,512	51,434
Staff retirement benefit plan		
Contribution	87,250	87,250

15 GENERAL

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

15.2 Corresponding figures and balances have been rearranged and / or reclassified, where considered necessary, for the purpose of comparison and better presentation the effects of which are not material.

16 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on October 26, 2022 by the Board of Directors of the Holding Company.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer

