



UNLEASHING  
**POTENTIAL,**  
FOSTERING  
**GROWTH**

FIRST QUARTERLY  
REPORT 2023

# Company Information

## Board of Directors

**Muhammad Sohail Tabba**  
(Chairman)

**Muhammad Ali Tabba**

**Jawed Yunus Tabba**

**Mariam Tabba Khan**

**Masood Karim Shaikh**

**Khawaja Iqbal Hassan**

**Shabbir Hamza Khandwala**

## Management Team

**Muhammad Ali Tabba**  
(Chief Executive)

**Noman Hasan**  
(Executive Director)

**Muhammad Atif Kaludi**  
(Executive Director Finance and Chief Financial Officer)

**Amin Ganny**  
(Chief Operating Officer)

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

## Company Secretary

**Faisal Mahmood**

## Head of Internal Audit

**Ahmad Waseem Khan**

## Board Committees

### Audit Committee

**Masood Karim Shaikh**  
(Chairman)

**Jawed Yunus Tabba**

**Mariam Tabba Khan**

**Khawaja Iqbal Hassan**

**Shabbir Hamza Khandwala**

### Human Resource and Remuneration Committee

**Khawaja Iqbal Hassan**  
(Chairman)

**Muhammad Ali Tabba**

**Jawed Yunus Tabba**

**Mariam Tabba Khan**

**Masood Karim Shaikh**

**Shabbir Hamza Khandwala**

## 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

Dubai Islamic Bank Pakistan Limited

Faysal Bank Limited  
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  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Standard Chartered Bank (Pakistan) Limited – Sadiq – Islamic Banking  
Saudi Pak Industrial & Agricultural Investment Company 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](http://www.lucky-cement.com)  
✉ Email: [info@lucky-cement.com](mailto:info@lucky-cement.com)

## Production Facilities

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

## Share Registrar

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

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The Directors take pleasure in presenting to you the financial results of your Company which include both, unaudited **consolidated** and **unconsolidated financial statements** for the first quarter ended September 30, 2023.

### Overview of Economy & Consolidated Financial Performance

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Throughout the first quarter of FY24, Pakistan's economy continued to face persistent challenges that have affected it for over a year. These challenges encompass soaring inflation driven by escalating fuel and food prices, the depreciation of the Pakistani Rupee (PKR) against the US Dollar, and the mounting circular debt in the energy sector. In response to these pressing issues and in an effort to reduce the fiscal deficit, the government, as part of its commitment to the IMF program, has embarked on implementing recommended measures. These measures include incrementally raising utility prices and gradually phasing out subsidies. The overarching objective of these steps is to guide the economy toward a sustainable path to recovery.

On the other hand, after the completion of five-year term of the outgoing coalition government setup, the interim caretaker government took charge with a mandate to hold fresh elections. This new interim setup promptly initiated various administrative measures to bolster the fiscal economy. These measures include taking stringent actions against the undocumented economy, broadening the tax base by curbing smuggling, controlling the outflow of foreign exchange through illegal channels and the Afghan border. These steps have gradually begun to strengthen the PKR's parity against foreign currencies. Additionally, several other strategic measures including the rationalization of subsidies in the power sector to manage the energy circular debt are nearing implementation. These comprehensive actions are aimed to enhance economic stability and resilience in the face of multifaceted challenges.

On a consolidated basis, your Company achieved gross revenue of PKR 124.9 billion which is 16.5% higher as compared to the Same Period Last Year's (SPLY)'s revenue of PKR 107.2 billion. The increase in gross revenue is primarily attributable to the increase in gross revenue of Lucky Cement's domestic sale and higher revenue from its subsidiaries, LEPCL and LCI.

Furthermore, the Company's consolidated net profit stands at PKR 19.4 billion with PKR 1.7 billion attributable to non-controlling interests. The consolidated net profit attributable to the owners of the Holding Company translates into an EPS of PKR 57.80 during the current quarter ended September 30, 2023, as compared to PKR 16.85 during the SPLY.

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The consolidated financial performance of your Company for the quarter ended September 30, 2023, as compared to SPLY is presented below:

PKR million except EPS	1Q FY24	1Q FY23	Change (%)
Gross Revenue	<b>124,932</b>	107,222	16.5%
Net Revenue	<b>104,075</b>	90,633	14.8%
Gross Profit	<b>31,457</b>	18,131	73.5%
GP as % of Net Revenue	<b>30.2%</b>	20.0%	51.0%
Operating Profit	<b>25,783</b>	13,941	84.9%
EBITDA	<b>30,220</b>	17,786	69.9%
Net Profit*	<b>19,357</b>	6,933	179.2%
NP (Attributable to Owners of the holding company)	<b>17,706</b>	5,449	224.9%
Earnings Per Share (PKR) *	<b>57.80</b>	16.85	243.0%

The company's net profit for the current quarter has seen a substantial increase compared to the same period last year (SPLY). This noteworthy growth can be attributed to increased profitability across all group companies, as well as improved performance in both local and foreign cement operations.

### **Local Cement Operations**

During the quarter under review, the company achieved an impressive 55% increase in total gross sales revenue compared to the same period last year (SPLY). This growth was driven by higher sales volumes in both domestic and export markets. Unprecedented rains and floods adversely affected the corresponding quarter last year. While domestic sales volumes climbed by 40%, export volumes saw a 25% increase.

A successful milestone was achieved during this quarter with the commencement of operations of a 25 MW solar power project at Karachi Plant on August 21, 2023. Aligned with our objectives this investment aims to promote renewable energy, reduce the country's reliance on imported fuel, and make the Company more cost-efficient.

### **Foreign Cement Operations**

The cement production facilities in Iraq and Congo, operated under joint venture agreements, continued to bolster the Group's profitability. Iraq's cement demand remained stable. Additionally, the full capacity utilization at Najmat-Al-Samawah, Iraq, and the conversion of the Kiln from HFO to Gas further enhanced the company's profitability.

### **Polyester, Soda Ash, & Chemicals**

Net Turnover of Lucky Core Industries Limited for the quarter at PKR 29.0 billion is 19% higher compared to the same period last year (SPLY) primarily resulting from additional volumes and cost-push price adjustments across all businesses due to inflationary increases on account of devaluation of Pak Rupee. Net Turnover for the Soda Ash business was higher by 29% compared to the SPLY on the back of additional export volumes owing to the successful commissioning of the 60,000 tons per annum (TPA) Soda Ash

expansion project in the prior fiscal year. Net Turnover of the Chemical & Agri Sciences, Pharmaceuticals, Animal Health and Polyester businesses also witnessed an increase of 50%, 24%, 10% and 5% respectively versus the SPLY.

The Operating Result for the quarter at PKR 4.1 billion is 32% above the SPLY. All business segments contributed to this robust performance. Chemicals & Agri Sciences, Pharmaceuticals, Soda Ash and Animal Health businesses delivered higher Operating Results by 222%, 68%, 30% and 15% respectively as compared to the SPLY. Operating result for the Polyester business was lower by 26% compared to the SPLY as volumes were negatively impacted on account of slow-down in textile exports and sluggish domestic market conditions, increase in energy cost and volatile commodity prices throughout the quarter.

During the period in review, the Board of Directors of the subsidiary granted an in-principle approval for a capacity expansion of 200,000 tons per annum (TPA) at the subsidiary's Soda Ash plant in Khewra. Following the successful completion of the proposed expansion the total installed capacity of the Soda Ash plant will increase from the current 560,000 TPA to 760,000 TPA.

### **Automobiles & Mobile Phones**

Since the beginning of July 2023, the automobile sector has experienced a sharp decline in volumes. This downturn can be attributed to Several factors: currency fluctuations between the PKR and USD, the introduction of a 1% CVT on cars with engine capacities 1300 CC, increased Sales Tax rates from 17% to 25% on cars with engine capacities of 1400 CC and above, and for SUVs irrespective of their engine capacities. Moreover, challenges have been compounded by high-interest rates, stricter auto financing regulations by the State Bank of Pakistan (SBP), and rising inflation and fuel prices. In 1Q FY24, the automobile sector saw an overall decline of approximately 40% in volumes compared to SPLY.

Likewise, the mobile phone market has seen an approximate 40% decline in volumes compared to SPLY. This decline can be attributed to the volatility of the PKR against the USD.

### **Power**

LEPCL is a 660 MW Supercritical Coal-Fired Power Plant at Bin Qasim, Karachi. It is Pakistan's first indigenous fuel power plant outside Thar. The project is ushering in a new era of indigenous fuel utilization for baseload power generation, in line with the national objective of reducing reliance on imported fuel. The latest technology for emission control has been installed, which includes Flue Gas Desulphurization (FGD), Electrostatic Precipitators (ESP) with associated environmentally friendly equipment. The commercial availability of the plant remained 100% during 1Q FY24.

## Cement Industry & Company's Performance – Unconsolidated

During 1Q FY 24, the local cement industry in Pakistan saw a 17.9% volumetric growth, reaching 10.1 million tons up from 8.6 million tons in the SPLY. Moreover, exports surged by 71.9%, to 1.8 million tons during the current quarter compared to 1.0 million tons in the SPLY. Consequently, the overall industry volume grew by 23.6% reaching 11.9 million tons in this quarter up from 9.6 million tons in the SPLY. The increase in industry sales volumes stems from a resurgence in construction activities and the lower base from the previous year - affected by widespread rains, unprecedented floods and overall economic slowdown.

In comparison with the cement industry, your Company experienced an increase in overall sales volume, by 36.7% to reach 2.2 million tons, as compared to 1.6 million tons in the SPLY. Local sales volume grew by 39.4%, reaching 1.8 million tons in the 1Q FY24, compared to 1.3 million tons in the 1Q FY23. Furthermore, export volumes increased by 25.0%, to 0.4 million tons during the period under review, in contrast to 0.3 million tons in the 1Q FY23. Exports witnessed an increase due to a decline in international coal prices and devaluation of PKR, which has increased the feasibility of cement exports from Pakistan.

### Cement Production & Sales Volume Performance

The local cement production and sales statistics of your Company for the quarter ended September 30, 2023, compared to the SPLY are as follows:

Particulars	1Q FY24	1Q FY23	Growth / (Decline)	
	Tons in '000'			%
Clinker Production	2,268	1,436	↑	58.0%
Cement Production	2,040	1,504	↑	35.7%
Cement / Clinker Sales	2,154	1,576	↑	36.7%

A comparison of **Pakistan's Cement Industry** and your **Company's dispatches** for the quarter ended September 30, 2023, in comparison with SPLY, is presented below:

Particulars (Tons in '000')	1Q FY24	1Q FY23	Change %	
<b>Cement Industry</b>				
<b>Local Sales</b>	<b>10,139</b>	<b>8,602</b>	<b>1,538</b>	<b>17.9%</b>
<b>Export Sales</b>				
- Bagged	963	725	238	32.9%
- Loose	-	-	-	-
- Clinker	788	294	494	167.8%
<b>Total Exports</b>	<b>1,751</b>	<b>1,019</b>	<b>732</b>	<b>71.9%</b>
<b>Grand Total</b>	<b>11,891</b>	<b>9,621</b>	<b>2,270</b>	<b>23.6%</b>
<b>Lucky Cement</b>				
<b>Local Sales</b>				
- Cement	1,778	1,276	503	39.4%
- Clinker	-	-	-	-
	1,778	1,276	503	39.4%
<b>Export Sales</b>				
- Bagged	243	208	35	16.9%
- Loose	-	-	-	-
- Clinker	133	93	40	43.2%
<b>Total Exports</b>	<b>376</b>	<b>301</b>	<b>75</b>	<b>25.0%</b>
<b>Grand Total</b>	<b>2,154</b>	<b>1,576</b>	<b>578</b>	<b>36.7%</b>
<b>Market Share</b>				
	<b>1Q FY24</b>	<b>1Q FY23</b>	<b>Change %</b>	
<b>Local Sales</b>	<b>17.5%</b>	<b>14.8%</b>	<b>18.3%</b>	
<b>Export Sales</b>				
- Bagged	25.2%	28.7%	(12.2%)	
- Loose	-	-	-	
- Clinker	16.9%	31.6%	(46.5%)	
<b>Total Export</b>	<b>21.5%</b>	<b>29.5%</b>	<b>(27.1%)</b>	
<b>Grand Total</b>	<b>18.1%</b>	<b>16.4%</b>	<b>10.4%</b>	

### **Financial Performance – Unconsolidated**

The unconsolidated financial performance of your Company for the quarter ended September 30, 2023, as compared to the SPLY is presented below:

PKR million except EPS	1Q FY24	1Q FY23	Change (%)
Gross Revenue	<b>39,289</b>	25,436	54.5%
Net Revenue	<b>29,382</b>	19,743	48.8%
Cost of Sales	<b>18,551</b>	13,712	35.3%
Gross Profit	<b>10,830</b>	6,032	79.6%
GP as % of Net Revenue	<b>36.9%</b>	30.6%	20.6%
Operating Profit	<b>8,607</b>	4,224	103.8%
EBITDA	<b>10,073</b>	5,410	86.2%
Net Profit	<b>6,929</b>	3,852	79.9%
EPS	<b>22.62</b>	11.91	89.9%

### Revenue

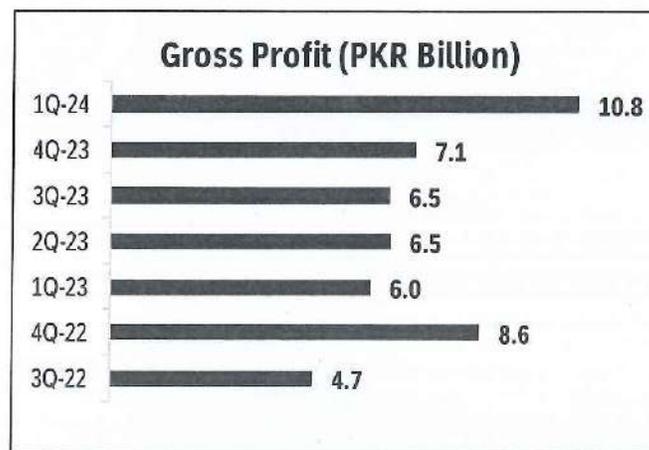
During the quarter under review, your Company's overall gross revenue increased by 54.5% as compared to the SPLY. Where local sales revenue showed an increase of 59.4% (PKR 35.0 billion vs PKR 22.0 billion), which was attributable to a resurgence in construction activity and low base effect as explained above. Export sales revenue also increased by 23.3% (PKR 4.3 billion vs PKR 3.5 billion).

### Cost of Sales

During the quarter under review, cost of sales increased to PKR 18.6 billion as compared to PKR 13.7 billion in the SPLY, an increase of 35.3%. The major reason for this increase was higher production and sales volume compared to SPLY.

### Gross Profit

The gross profit margin of the company for 1Q FY24 was 36.9% compared to 30.6% in the same period last year. Your Company's constant focus on cost and operational efficiencies led to an increase in gross profit margins.



### Dividend Income

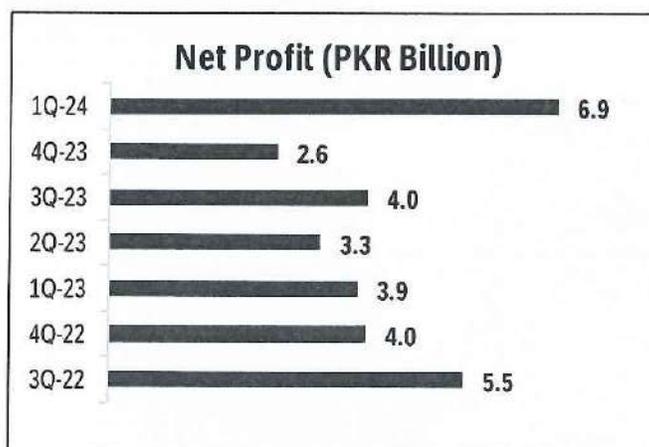
During 1Q FY24, the dividend income received by your Company from its subsidiaries was PKR 1.7 billion vs PKR 1.5 billion during the SPLY.

Subsidiary/ Associate	1Q FY24	4Q FY23	3Q FY23	2Q FY23	1Q FY23	4Q FY22	3Q FY22
PKR Billion							
LCI	1.6	-	0.5	-	0.8	-	1.0
LHL	-	-	0.2	-	-	0.1	
YEL	0.1	-	0.1	0.1	-	-	0.1
LMC	-	-	-	-	0.7	-	1.0
<b>Total</b>	<b>1.7</b>	<b>0.0</b>	<b>0.8</b>	<b>0.1</b>	<b>1.5</b>	<b>0.1</b>	<b>2.1</b>

### Net Profit

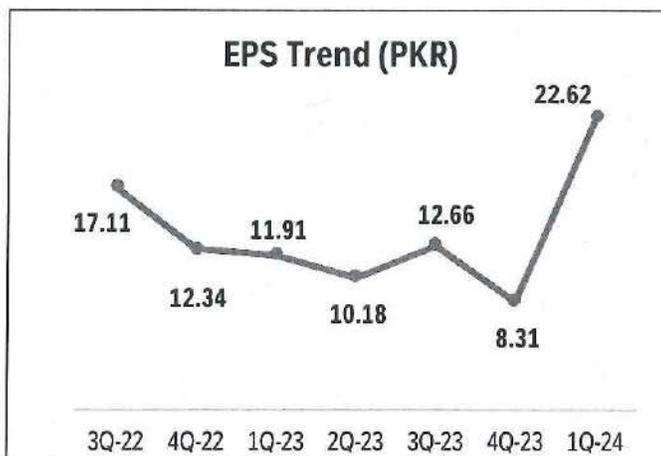
Your Company achieved a profit before tax of PKR 10.5 billion during 1Q FY24 as compared to PKR 5.4 billion reported during the SPLY.

Accordingly, an after-tax profit of PKR 6.9 billion was achieved during the quarter under review as compared to PKR 3.9 billion reported during the SPLY.



### Earnings Per Share (EPS)

The earnings per share of your Company for 1Q FY24 was PKR 22.62 in comparison to PKR 11.91 reported during the SPLY.



## **Growth & Expansion**

### **Lotte Chemical Pakistan Limited**

The subsidiary entered into a Share Purchase Agreement with Lotte Chemicals Corporation on January 26, 2023, which was subsequently assigned to Lucky Core Ventures (Private) Limited (LCV) (wholly owned subsidiary) for the acquisition of approximately 75.01% of the issued share capital of Lotte Chemical Pakistan Limited, comprising 1,135,860,105 ordinary shares. The completion of the transaction remains subject to the terms of the Share Purchase Agreement, including receipt of requisite approvals and completion of other closing conditions. Going forward, up to 49% shareholding of LCV may be collectively acquired by Yunus Textile Mills Limited (YTML), Lucky Textile Mills Limited (LTML) and Lucky Cement Limited (LCL). An amended and restated public announcement of intention was issued by LCV in this regard. The shareholding proportion of each of the said entities shall be determined at a later stage. Direct majority shareholding and control of the Acquirer is however intended to remain with LCI.

The Board of Directors of the Company has, subject to the approval of shareholders, approved and authorized the Company to make an investment in the form of equity of an amount up to PKR 3 billion in its associated Company, M/s. Lucky Core Ventures (Private) Limited (LCV).

### **Share Buyback of Lucky Cement Limited**

In 1Q FY23, the Company announced a share buy-back of up to 10 million ordinary shares, which was subsequently approved by the shareholders in EOGM dated September 20, 2022. The said purchase was made from Pakistan Stock Exchange Limited (PSX) at the prevailing spot prices and was completed within the stipulated time at an average price of PKR 435.6 per share.

With a view to creating further value for the shareholders, a second buy-back of up to 23.8 million ordinary shares was also announced by the Company in 4Q FY23, which was subsequently approved by the shareholders in an EOGM held on May 24, 2023. The purchase period commenced during the last month of FY23 and as of 30th September, 10.9 million ordinary shares were purchased under this buy-back.

### **Renewable Energy Initiatives**

A testament to your Company's commitment to energy conservation and promotion of green energy resources is evident in the various new renewable energy projects initiated during the quarter under review.

- **Wind Energy at Karachi Plant:**

The Company has decided to undertake a 28.8 MW captive wind power project at the Karachi Plant. We expect to complete the project before the end of the current fiscal year.

- **Expansion of solar capacity at Karachi & Pezu Plant:**

The Company has decided to increase the solar capacities at the Karachi and Pezu Plant by 6.3 MW and 6 MW, respectively. The resulting expansion will bring the Company-wide solar capacity to 74.3 MW.

### **Corporate Social Responsibility**

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Your Company is resolute in its commitment to continue its efforts to support education, women's empowerment, health, environmental conservation, and community development as part of its Corporate Social Responsibility (CSR) initiatives.

#### **Education / Scholarships:**

As part of its long-term goal to provide merit-based assistance to deserving and underprivileged segments of society, your company has awarded scholarships to numerous talented students from leading universities in Pakistan.

Your company maintains its collaboration with respected non-profit organizations like the Shahid Afridi Foundation, Million Smiles Foundation, and Citizen Foundation, with a special emphasis on improving primary level education in the country for underprivileged children.

In a bid to make education accessible and affordable for deserving students, especially those from rural areas, irrespective of their financial backgrounds, your company has also launched dedicated scholarship programs and vocational training initiatives.

**Women Empowerment:**

Your company remains dedicated to girls' education and continues its collaboration with Zindagi Trust to support two prominent government girls' schools in Karachi. This ongoing effort aims to transform girls' educational institutions in Pakistan.

**Health Initiatives:**

Your company ensures the provision of quality healthcare for society. This commitment is demonstrated through financial support to the Aziz Tabba Foundation, a renowned philanthropic institution that operates the Tabba Heart and Tabba Kidney institutes. These institutes are crucial in bridging the gap in specialized and contemporary medical care available in the country.

**Social Empowerment for underprivileged:**

Your company made a generous donation to a renowned NGO to empower orphans by providing them with a sense of belonging and facilitating their integration into society. The organization's objective is to establish a fully equipped facility to meet their residential and educational needs.

**Environmental Conservation:**

Your company emphasizes its environmental responsibilities. To highlight the importance of environmental conservation, your company persists with its eco-friendly initiatives, such as tree-planting campaigns near its manufacturing sites.

**Outlook**

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Owing to strengthened administrative measures targeting speculation and hoarding in the commodity and foreign exchange markets, the PKR, which weakened significantly against the USD in FY23, is now showing signs of recovery as of this report's date. Assuming these administrative measures persist until comprehensive reforms are implemented to address these issues, the positive outcomes are expected to yield multifaceted benefits for the country.

Optimistically, assuming that the above-referred administrative measures are sustained and reforms are implemented, the stability in PKR vs. USD parity is expected to lead to a long-awaited reduction in fuel prices, which will support in halting the increasing trend of inflation and interest rates. This, in turn, is likely to boost remittances. However, the strengthening PKR may widen the trade deficit, as exports will be adversely

impacted. On the other hand, energy reforms are anticipated, which would phase out subsidies and lead to increased energy costs for both industrial consumers and households. It's important to note that the economy has faced severe challenges, and even with improvements in these macroeconomic factors, it will take some time for a full recovery.

Establishing political stability is crucial for fostering confidence in the economy and ensuring long-term growth. Anticipated general elections hold the promise of providing this stability, a key factor in revitalizing the economic landscape. The new government can kickstart this process by implementing sustainable, confidence-boosting measures for a prosperous future.

Additionally, the ongoing volatility in the Palestine-Israel conflict may have far-reaching repercussions for global economies. The full extent of this conflict's impact will become clearer over time.

### **Local Cement Operations**

Although cement demand remained strong in 1Q FY24 compared to SPLY, going forward, the high inflation and interest rate environment will continue to exert a negative influence on cement demand in the short term. On the other hand for the medium-term, the potential for political stability and foreign investment in Pakistan, and the redirection of resources towards public sector development, including major infrastructure projects, could serve as pivotal catalysts for the economy, potentially reinvigorating domestic demand for cement.

As part of Pakistan's ongoing energy reforms and in alignment with the International Monetary Fund (IMF) program, energy prices are anticipated to see substantial increases. These measures are essential steps in addressing the circular debt issue, but they will also lead to higher production costs, placing pressure on our company's profit margins.

Nonetheless, the management of your Company expresses confidence that due to the substantial investments made by the company in renewable energy and efforts to enhance manufacturing efficiency, we will be able to partially mitigate the impact of elevated energy costs in the future.

### **Foreign Cement Operations**

International cement operations are expected to experience robust demand, and the companies are well-positioned to benefit from increased utilization of existing operational lines in the forthcoming financial periods. Moreover, the addition of a new clinker line, with a capacity of 1.82 MTPA, in Samawah, Iraq, will greatly enhance the operational efficiencies of our business. This strategic move plays a crucial role in achieving self-reliance in terms of clinker availability within Iraq.

### **Polyester, Soda Ash, & Chemicals**

Looking ahead, the economic outlook will be shaped by the continued implementation of reforms aimed at stabilizing the economy to restore fiscal and external buffers, restoration of political stability, flood relief support from the international community, assistance from friendly nations, along continuance of the IMF programme. However, these measures will keep demand in check and inflation high in the short term. The above factors will continue to impact overall industrial activity and the demand for LCI's products. The

### **Automobiles & Mobile Phones**

The outlook for the automobile sector in Pakistan for FY 2024 is sluggish. Sales volumes are expected to remain under pressure due to economic slowdown, higher taxes on cars and SUVs, and fluctuations in the PKR to USD parity. These factors will dampen demand for new vehicles and continue to put pressure on the margins of automobile manufacturers. However, the subsidiary's focus on optimizing its operations and localization will help reduce reliance on imported components and protecting margins and enhancing competitiveness.

As for the forecast for Pakistan's mobile industry in fiscal year 2024, the industry is expected to encounter similar challenges stemming from the ongoing economic slowdown and the rising cost of smartphones due to PKR's depreciation. The economic downturn is expected to suppress consumer demand for smartphones, as discretionary spending may be curtailed. In response to these challenges the company is shifting its focus towards the production and promotion of low-cost phones. This strategy would help maintain sales volumes, thereby mitigating some of the negative impacts.

In conclusion, although FY 2024 poses challenges for both the automobile and mobile sectors in Pakistan, strategic adjustments like increased localization and cost optimization will be pivotal in navigating these headwinds.

### **Power**

LEPCL aspires to be the leading energy producer in the private sector, dedicated to delivering cost-effective, secure, and dependable power while creating sustainable value for all stakeholders. Our subsidiary's main objective is to ensure uninterrupted plant operation, maintaining a 100% availability rate for supply to the National Grid.

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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.

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### **Acknowledgment**

The Board would like to thank all our stakeholders, employees, customers, suppliers, shareholders, and bankers for their support. The confidence and goodwill of the stakeholders have allowed the Company to sustain and grow over the years.



We continue to pray to Allah for the success of the Company and the benefit of all stakeholders, and the country in general.

On behalf of the Board

**MUHAMMAD SOHAIL TABBA**  
Chairman / Director

**MUHAMMAD ALI TABBA**  
Chief Executive / Director

Karachi: October 27, 2023



**LUCKY CEMENT LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED**  
**SEPTEMBER 30, 2023**

**LUCKY CEMENT LIMITED**  
**Unconsolidated Condensed Interim Statement of Financial Position**  
**As at September 30, 2023**

		(Un-audited) September 30, 2023	(Audited) June 30, 2023
	Note	(PKR in '000')	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	97,377,748	95,620,306
Intangible assets		<u>75,591</u>	<u>85,588</u>
		97,453,339	95,705,894
Long-term investments		57,594,485	57,594,485
Long-term loans and advances		191,453	194,204
Long-term deposits		<u>7,842</u>	<u>7,842</u>
		<u>155,247,119</u>	<u>153,502,425</u>
<b>CURRENT ASSETS</b>			
Stores and spares		<u>14,488,814</u>	<u>14,084,018</u>
Stock-in-trade		7,979,340	6,048,507
Trade debts		5,180,549	5,089,667
Loans and advances		1,009,160	749,292
Trade deposits and short-term prepayments		699,384	2,153,705
Accrued return		237,841	100,079
Other receivables		5,630,286	4,797,885
Tax refunds due from the Government		538,812	538,812
Short-term investments	14.2	<u>25,416,746</u>	<u>21,898,496</u>
Cash and bank balances		<u>3,798,342</u>	<u>4,116,181</u>
		<u>64,979,274</u>	<u>59,576,642</u>
<b>TOTAL ASSETS</b>		<u><u>220,226,393</u></u>	<u><u>213,079,067</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up share capital		3,024,937	3,118,386
Reserves		<u>130,292,860</u>	<u>134,247,940</u>
		<u>133,317,797</u>	<u>137,366,326</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term deposits		<u>254,812</u>	<u>252,837</u>
Long-term loans	6	14,223,522	14,557,294
Deferred Government grant		2,056,489	2,121,307
Deferred liabilities			
- Staff gratuity		<u>2,639,163</u>	<u>2,574,925</u>
- Deferred tax liability	7	<u>10,519,164</u>	<u>10,025,499</u>
		<u>13,158,327</u>	<u>12,600,424</u>
		<u>29,693,150</u>	<u>29,531,862</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<u>31,547,384</u>	<u>29,918,702</u>
Current maturity of long-term loans		947,269	599,653
Short-term borrowings	8	6,961,636	5,885,000
Unclaimed dividend		50,024	50,115
Unpaid dividend		5,452,117	-
Accrued markup		296,126	497,745
Taxation - net		<u>11,960,890</u>	<u>9,229,664</u>
		<u>57,215,446</u>	<u>46,180,879</u>
		<u>86,908,596</u>	<u>75,712,741</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>220,226,393</u></u>	<u><u>213,079,067</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	9		

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

  
Chairman / Director

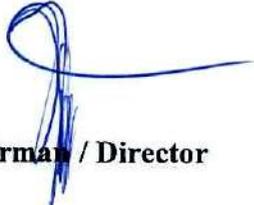
  
Chief Executive

  
Chief Financial Officer

**LUCKY CEMENT LIMITED**  
**Unconsolidated Condensed Interim Statement of Profit or Loss**  
**For the quarter ended September 30, 2023 (Un-audited)**

		<b>Quarter ended</b>	
	Note	<b>September 30, 2023</b>	September 30, 2022
		(PKR in '000')	
<b>Gross sales</b>	10	39,288,918	25,435,635
Less: Sales tax and federal excise duty		9,378,004	5,380,762
Rebates, incentives and commission		529,107	311,539
		9,907,111	5,692,301
<b>Net sales</b>		29,381,807	19,743,334
Cost of sales		(18,551,468)	(13,711,579)
<b>Gross profit</b>		10,830,339	6,031,755
Distribution cost		(1,734,869)	(1,362,208)
Administrative expenses		(488,562)	(445,831)
Finance costs		(381,871)	(252,722)
Other expenses		(915,249)	(616,506)
Other income	11	3,151,047	2,009,817
<b>Profit before taxation</b>		10,460,835	5,364,305
Taxation		(3,531,502)	(1,511,892)
<b>Profit after taxation</b>		6,929,333	3,852,413
		(PKR)	
<b>Earnings per share - basic and diluted</b>		22.62	11.91

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

  
**Chairman / Director**

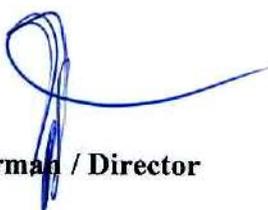
  
**Chief Executive**

  
**Chief Financial Officer**

**LUCKY CEMENT LIMITED**  
**Unconsolidated Condensed Interim Statement of Comprehensive Income**  
**For the quarter ended September 30, 2023 (Un-audited)**

	<b>Quarter ended</b>	
	<b>September 30,</b>	<b>September 30,</b>
	<b>2023</b>	<b>2022</b>
	<b>(PKR in '000')</b>	
<b>Profit after taxation</b>	<b>6,929,333</b>	<b>3,852,413</b>
<b>Other comprehensive loss:</b>		
Other comprehensive loss which will not be reclassified to profit or loss in subsequent periods:		
Unrealized gain / (loss) on remeasurement of equity instrument at fair value through other comprehensive income	867	(673)
Deferred tax thereon	(108)	84
	759	(589)
<b>Total comprehensive income for the period</b>	<b>6,930,092</b>	<b>3,851,824</b>

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

  
**Chairman / Director**

  
**Chief Executive**

  
**Chief Financial Officer**

**LUCKY CEMENT LIMITED**  
**Unconsolidated Condensed Interim Statement of Cash Flows**  
**For the quarter ended September 30, 2023 (Un-audited)**

	Note	September 30, 2023	September 30, 2022
		(PKR in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated / (utilized in) from operations	12	10,683,799	(2,065,061)
Income tax paid		(306,719)	(291,558)
Gratuity paid		(150,000)	(17,089)
Finance cost paid		(583,490)	(90,624)
Income from deposits with Islamic banks		90,886	147,907
Decrease in long-term loans and advances		2,751	10,054
Increase in long-term deposits (liabilities)		1,975	1,150
<b>Net cash generated / (used in) from operating activities</b>		<b>9,739,202</b>	<b>(2,305,221)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(3,217,296)	(10,834,060)
Sale proceeds on disposal of property, plant and equipment		33,924	37,670
Dividend received from subsidiary company		-	711,390
Dividend received from associated company		61,137	-
Dividend received on short-term investments		1,083,510	306,713
Placement of balances held as lien		(1,421,000)	-
<b>Net cash used in investing activities</b>		<b>(3,459,725)</b>	<b>(9,778,287)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term loans obtained		-	4,453,533
Long-term loans repaid		(50,974)	(253,454)
Short term borrowing obtained		1,476,636	7,385,586
Short term borrowing repaid		(400,000)	(1,000,000)
Own shares purchased for cancellation		(5,526,504)	-
Dividends paid		(91)	(282)
<b>Net cash generated from financing activities</b>		<b>(4,500,933)</b>	<b>10,585,383</b>
Net increase / (decrease) in cash and cash equivalents		<b>1,778,544</b>	<b>(1,498,125)</b>
Cash and cash equivalents at the beginning of the period		<b>26,001,579</b>	<b>15,493,016</b>
Cash and cash equivalents at the end of the period	12.1	<b>27,780,123</b>	<b>13,994,891</b>

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

  
Chairman / Director

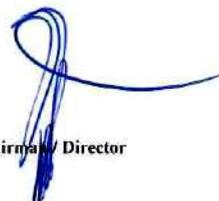
  
Chief Executive

  
Chief Financial Officer

**LUCKY CEMENT LIMITED**  
**Unconsolidated Condensed Interim Statement of Changes in Equity**  
**For the quarter ended September 30, 2023 (Un-audited)**

	Issued, subscribed and paid-up share capital	Capital reserve					Revenue reserves		Total reserves	Total equity
		Share premium	Capital re-purchase reserve account	Capacity expansions capital reserve	Long-term investment capital reserve	Capital redemption reserve	General reserves	Unappropriated Profit		
<i>PKR in '000'</i>										
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
<b>Balance as at September 30, 2022</b>	<b>3,233,750</b>	<b>7,343,422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,504,253</b>	<b>7,310,723</b>	<b>129,158,398</b>	<b>132,392,148</b>
Balance as at July 01, 2023	3,118,386	7,343,422	115,364	40,000,000	40,000,000	35,815,875	-	10,973,279	134,247,940	137,366,326
Transfer to general reserves	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the quarter ended September 30, 2023	-	-	-	-	-	-	-	6,930,092	6,930,092	6,930,092
Final Dividend @ Rs. 18 per share for the year ended June 30, 2023	-	-	-	-	-	-	-	(5,452,117)	(5,452,117)	(5,452,117)
Own shares purchased for cancellation	(93,449)	-	93,449	-	-	(5,526,504)	-	-	(5,433,055)	(5,526,504)
<b>Balance as at September 30, 2023</b>	<b>3,024,937</b>	<b>7,343,422</b>	<b>208,813</b>	<b>40,000,000</b>	<b>40,000,000</b>	<b>30,289,371</b>	<b>-</b>	<b>12,451,254</b>	<b>130,292,860</b>	<b>133,317,797</b>

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

  
Chairman / Director

  
Chief Executive

  
Chief Financial Officer

**LUCKY CEMENT LIMITED**  
**Notes to the Unconsolidated Condensed Interim Financial Statements**  
**For the quarter ended September 30, 2023 (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 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, 2023 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, 2023.

**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, 2023.

**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, 2024. 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, 2023.

#### 5 PROPERTY, PLANT AND EQUIPMENT

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

		<u>(Un-audited)</u> September 30, 2023	<u>(Audited)</u> June 30, 2023
	Note	(PKR in '000')	
Operating fixed assets (WDV) - opening balance		89,745,225	59,972,785
Add: Additions during the period / year	5.2	5,251,860	35,096,428
		<u>94,997,085</u>	<u>95,069,213</u>
Less: Disposals during the period / year (WDV)		3,505	42,768
Depreciation charge for the period / year		1,456,349	5,281,220
Operating fixed assets (WDV) - closing balance		<u>93,537,231</u>	<u>89,745,225</u>
Add: Capital work-in-progress	5.3	3,527,839	5,562,145
Add: Capital spares		312,678	312,936
		<u>97,377,748</u>	<u>95,620,306</u>

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

	<u>(Un-audited)</u> September 31, 2023	
	Additions (Cost)	Deletions (Cost)
	(PKR in '000')	
<b>Operating fixed assets</b>		
<u>Buildings on freehold land</u>		
- Cement plant	20,584	-
Plant and machinery	1,278,599	-
Generators and other power generation equipment	3,770,892	-
Quarry equipments	1,648	-
Vehicles including cement bulkers	141,431	23,345
Furniture and fixtures	295	-
Office equipment	6,375	40
Computer and Accessories	14,769	1,049
Other assets (Laboratory equipment, etc.)	17,267	1,289
	<u>5,251,860</u>	<u>25,723</u>

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

	<u>(Un-audited)</u> September 30, 2023	<u>(Audited)</u> June 30, 2023
	(PKR in '000')	
Opening balance	5,562,145	21,911,214
Add: Additions during the period / year	3,217,554	18,815,137
	<u>8,779,699</u>	<u>40,726,351</u>
Less: Transferred to operating fixed assets	5,251,860	35,096,428
Less: Transferred to intangible assets	-	67,778
Closing balance	<u>3,527,839</u>	<u>5,562,145</u>

## 6 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, 2023.

## 7 DEFERRED TAX LIABILITY

Deferred tax liability comprises the following :

	<u>(Un-audited)</u> <u>September 30,</u> <u>2023</u>	<u>(Audited)</u> <u>June 30,</u> <u>2023</u>
	(PKR in '000')	
- Taxable temporary differences arising due to accelerated tax depreciation allowance	11,347,377	11,179,358
- Deductible temporary differences arising in respect of provisions	<u>(828,213)</u>	<u>(1,153,859)</u>
	<u>10,519,164</u>	<u>10,025,499</u>

## 8 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, 2023 except that:

- the Company has obtained Foreign Currency Import Finance (FCIF) Facility under Islamic mode amounting to PKR 1,477 million from Bank Alfalah - Islamic. The facility is secured by way of hypothecation charge over plant & machinery. The facility carries mark-up rate at 7.50% per annum.

## 9 CONTINGENCIES AND COMMITMENTS

- 9.1 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, 2023, except as disclosed in notes 9.2 and 9.3.

	<u>(Un-audited)</u> <u>September 30,</u> <u>2023</u>	<u>(Audited)</u> <u>June 30,</u> <u>2023</u>
	(PKR in '000')	
<b>9.2 Capital commitments</b>		
Plant, machinery and equipment under letters of credit	<u>2,651,274</u>	<u>4,921,828</u>
<b>9.3 Other commitments</b>		
Stores, spares, packing material and other supplies / services under letters of credit	<u>6,914,537</u>	<u>3,989,776</u>
Corporate guarantee issued on behalf of subsidiary company	<u>282,025</u>	<u>-</u>
Bank guarantees issued on behalf of the Company	<u>2,899,464</u>	<u>2,800,837</u>
Post-dated cheques	<u>3,912,041</u>	<u>4,075,985</u>
Commitment on behalf of a subsidiary company in respect of cost over-run and PSRA support	<u>54,535,824</u>	<u>52,839,594</u>

	For the quarter ended	
	September 30, 2023	September 30, 2022
	(PKR in '000')	
<b>10 GROSS SALES</b>		
Local	35,035,053	21,984,865
Export	4,253,865	3,450,770
	<u>39,288,918</u>	<u>25,435,635</u>
<b>11 OTHER INCOME</b>		
Gain on disposal of property, plant and equipment	30,419	34,112
Dividend from subsidiaries	1,676,334	1,473,360
Dividend / other income from associate	61,137	-
Exchange gain - net	64,902	-
Dividend from mutual funds and other investments	1,083,510	306,713
Income from deposits with Islamic banks	228,648	170,653
Others	6,097	24,979
	<u>3,151,047</u>	<u>2,009,817</u>
<b>12 CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	10,460,835	5,364,305
<b>Adjustments for non-cash charges and other items</b>		
Depreciation	1,456,349	1,180,929
Amortization of intangible assets	9,997	5,224
Gain on disposal of property, plant & equipment	(30,419)	(34,112)
Provision for gratuity	214,238	150,833
Reversal of provision for doubtful debts	-	(915)
Dividend income from subsidiaries	(1,676,334)	(1,473,360)
Dividend income from associate	(61,137)	-
Dividend income from short-term investments	(1,083,510)	(306,713)
Income from deposits with islamic banks	(228,648)	(170,653)
Finance costs	381,871	252,722
Profit before working capital changes	<u>9,443,242</u>	<u>4,968,260</u>
<b>(Increase) / Decrease in current assets</b>		
Stores and spares	(404,796)	(6,097,737)
Stock-in-trade	(1,930,833)	(1,956,104)
Trade debts	(90,882)	349,346
Loans and advances	(259,868)	(183,101)
Trade deposits and short-term prepayments	1,454,321	37,793
Other receivables	843,933	(313,339)
	<u>(388,125)</u>	<u>(8,163,142)</u>
<b>Increase in current liabilities</b>		
Trade and other payables	1,628,682	1,129,821
	<u>10,683,799</u>	<u>(2,065,061)</u>

<b>For the quarter ended</b>	
<b>September 30, 2023</b>	<b>September 30, 2022</b>

(PKR in '000')

## 12.1 CASH AND CASH EQUIVALENTS

Cash and bank balances	3,798,342	5,417,879
Balances held as lien	(1,421,000)	(1,111,111)
Short-term investments	25,402,781	9,688,123
	<u>27,780,123</u>	<u>13,994,891</u>

## 13 TRANSACTIONS WITH RELATED PARTIES

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

<b>For the quarter ended</b>	
<b>September 30, 2023</b>	<b>September 30, 2022</b>

(PKR in '000')

### Transactions with Subsidiary Companies

Reimbursement of expenses to the Company	2,833	2,886
Sales	11,284	15,891
Purchases	10,021	12,688
Purchase of vehicles	108,177	58,442
Business Development Technical Fee	99,197	-
Dividend received	-	711,390
Services received	-	21

### Transactions with Directors and their close family members

Sales	-	168
Meeting fee	2,625	1,969

### Transactions with Associated Undertakings

Sales	217,655	124,160
Reimbursement of expenses to Company	17,072	5,571
Reimbursement of expenses from Company	12,212	11,066
Donation	60,000	60,000
Dividend received	61,137	-

### Transactions with other key management personnel

Salaries and benefits	98,650	88,705
Post employment benefits	23,912	17,081

### Other related parties

Payment made to retirement benefit fund	150,000	-
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## 14 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 14.1 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.

## 14.2 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).

	September 30, 2023 (Un-audited)			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
Financial assets - fair value through profit or loss				
- Short-term investments (units of mutual fund)	-	25,402,781	-	25,402,781
Financial assets - fair value through other comprehensive income				
- Short-term investment (shares of PSX)	13,965	-	-	13,965
	<u>13,965</u>	<u>25,402,781</u>	<u>-</u>	<u>25,416,746</u>

## 15 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors of the Company.

## 16 GENERAL

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

16.2 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.



Chairman / Director



Chief Executive



Chief Financial Officer



**LUCKY CEMENT LIMITED**  
**CONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED**  
**SEPTEMBER 30, 2023**

**LUCKY CEMENT LIMITED**  
**Consolidated Condensed Interim Statement of Financial Position**  
**As at September 30, 2023**

	Note	(Un-audited) September 30, 2023	(Audited) June 30, 2023
(PKR in '000')			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	295,055,359	294,838,879
Intangible assets		6,654,804	6,682,998
Right-of-use assets		<u>92,608</u>	<u>116,707</u>
		<b>301,802,771</b>	<b>301,638,584</b>
Long-term investments	6	69,078,725	67,118,403
Long-term loans and advances		754,958	731,165
Long-term deposits		<u>98,232</u>	<u>94,898</u>
		<b>371,734,686</b>	<b>369,583,050</b>
<b>CURRENT ASSETS</b>			
Stores, spares and consumables		21,560,120	22,608,453
Stock-in-trade		54,843,713	48,660,510
Trade debts		63,381,624	59,903,590
Loans and advances		7,233,986	3,220,177
Trade deposits and short-term prepayments		4,494,338	6,270,645
Other receivables		14,294,817	14,141,981
Tax refunds due from the Government		653,064	538,812
Taxation receivable		83,823	193,198
Accrued return		237,841	100,097
Short-term investments		47,147,149	44,199,457
Cash and bank balances		<u>39,246,008</u>	<u>38,939,424</u>
		<b>253,176,483</b>	<b>238,776,344</b>
<b>TOTAL ASSETS</b>		<b><u>624,911,169</u></b>	<b><u>608,359,394</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up capital		3,024,937	3,118,386
Reserves		<u>231,433,540</u>	<u>224,365,635</u>
Attributable to the owners of the Holding Company		234,458,477	227,484,021
Non-controlling interest		<u>33,794,822</u>	<u>33,515,038</u>
Total equity		<b>268,253,299</b>	<b>260,999,059</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans		132,523,790	135,857,715
Long-term deposits and other liabilities		9,611,445	9,532,879
Lease liabilities		12,338	29,064
Deferred income - Government grant		4,199,646	4,305,281
Deferred liabilities			
- Staff Gratuity		3,006,262	2,696,191
- Deferred tax liability	7	<u>19,863,629</u>	<u>19,225,117</u>
		<b>22,869,891</b>	<b>21,921,308</b>
		<b>169,217,110</b>	<b>171,646,247</b>
<b>CURRENT LIABILITIES</b>			
Current portion of long-term finance		9,540,052	9,009,157
Trade and other payables		81,278,803	80,574,343
Provision for taxation		17,661,079	13,910,125
Accrued return		4,035,361	5,046,314
Short-term borrowings and running finance		69,362,940	67,043,227
Current portion of lease liabilities		60,384	80,807
Unclaimed dividend		50,024	50,115
Unpaid dividend		<u>5,452,117</u>	<u>-</u>
		<b>187,440,760</b>	<b>175,714,088</b>
		<b>356,657,870</b>	<b>347,360,335</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>624,911,169</u></b>	<b><u>608,359,394</u></b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		

The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.

Chairman / Director

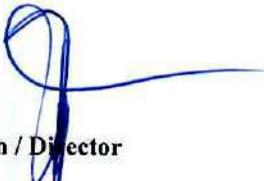
Chief Executive

Chief Financial Officer

**LUCKY CEMENT LIMITED**  
**Consolidated Condensed Interim Statement of Profit or Loss**  
**For the quarter ended September 30, 2023 (Un-audited)**

	Note	Quarter Ended	
		September 30, 2023	September 30, 2022
(PKR in '000')			
Revenue	9	124,932,385	107,221,607
Less: Sales tax and excise duty		17,740,828	14,281,793
Rebates, incentives and commission		3,116,513	2,307,167
		20,857,341	16,588,960
<b>Net Revenue</b>		<b>104,075,044</b>	<b>90,632,647</b>
Cost of sales		(72,618,245)	(72,501,307)
<b>Gross profit</b>		<b>31,456,799</b>	<b>18,131,340</b>
Distribution cost		(3,442,313)	(2,723,506)
Administrative expenses		(2,231,928)	(1,466,711)
Finance cost		(9,707,917)	(6,484,743)
Other expenses		(1,133,897)	(1,173,429)
Other income	10	5,256,702	1,453,495
Share of profit - joint ventures and associates		4,202,109	1,180,677
<b>Profit before taxation</b>		<b>24,399,555</b>	<b>8,917,123</b>
Taxation		(5,042,256)	(2,270,160)
<b>Profit after taxation from continuing operations</b>		<b>19,357,299</b>	<b>6,646,963</b>
Profit after taxation from discontinued operations		-	285,562
<b>Profit after Taxation</b>		<b>19,357,299</b>	<b>6,932,525</b>
<b>Attributable to:</b>			
Owners of the Holding Company		17,706,000	5,449,352
Non-controlling interest		1,651,299	1,483,173
		19,357,299	6,932,525
(PKR)			
<b>Earnings per share - basic and diluted</b>			
- continuing operations		57.80	16.60
- discontinued operations		-	0.25
		57.80	16.85

The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.

  
**Chairman / Director**

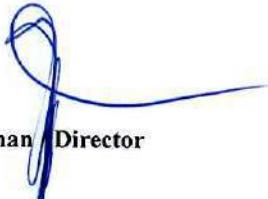
  
**Chief Executive**

  
**Chief Financial Officer**

**LUCKY CEMENT LIMITED**  
**Consolidated Condensed Interim Statement of Other Comprehensive Income**  
**For the quarter ended September 30, 2023 (Un-audited)**

Note	Quarter Ended	
	September 30, 2023	September 30, 2022
	(PKR in '000')	
Profit after taxation from continuing operations	19,357,299	6,646,963
Other comprehensive income / (loss) which will not be reclassified to profit or loss in subsequent periods:		
Foreign exchange differences on translation of foreign operations	246,318	3,288,629
Realized gain / (loss) on remeasurement of equity investment at fair value	867	(673)
Other comprehensive income	(108)	84
Deferred tax thereon	759	(589)
	247,077	3,288,040
<b>Total comprehensive income for the period from continuing operations</b>	<b>19,604,376</b>	<b>9,935,003</b>
Discontinued operations		
Profit after taxation from discontinued operations	-	285,562
Other comprehensive income for the period	-	-
<b>Total comprehensive income for the period</b>	<b>19,604,376</b>	<b>10,220,565</b>
Attributable to:		
Owners of the Holding Company	17,953,077	8,737,392
Non-controlling interest	1,651,299	1,483,173
	19,604,376	10,220,565

The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.

  
Chairman / Director

  
Chief Executive

  
Chief Financial Officer

**LUCKY CEMENT LIMITED**  
**Consolidated Condensed Interim Statement of Cash Flows**  
**For the quarter ended September 30, 2023 (Un-audited)**

Note	Quarter Ended		
	September 30, 2023	September 30, 2022	
(PKR in '000')			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	11	19,219,595	117,138
Finance cost paid		(10,691,003)	(4,961,816)
Income tax paid		(618,318)	(1,169,625)
Staff retirement benefits paid		(174,049)	(38,049)
Income from deposits with Islamic banks and other financial institutions		1,405,577	554,547
Increase in long-term loans and advances		(21,548)	(13,548)
Long term deposits - net		(1,969)	
Decrease in long-term deposits and prepayments		610	172
Discontinued operations		-	555,206
<b>Net cash generated from / (used in) operating activities</b>		<b>9,118,895</b>	<b>(4,955,975)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(4,257,229)	(13,701,921)
Dividend received from equity accounted investments		2,506,969	1,079,796
Dividend received from short-term investments		1,728,125	306,713
Release of placements / balances held as lien		(1,421,000)	-
Sale proceeds on disposal of property, plant and equipment		59,098	44,045
Discontinued operations		-	3,082
<b>Net cash used in investing activities</b>		<b>(1,384,037)</b>	<b>(12,268,285)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term finance obtained		1,703,978	5,026,856
Long-term finance repaid		(2,621,887)	(1,411,000)
Payment against finance lease liability		(39,486)	(30,469)
Dividends paid to owners of the Holding Company		(91)	(282)
Dividends paid to Non-controlling interest		(1,124)	(181,259)
Short-term borrowings and running finance		530,611	11,125,304
Own shares purchased for cancellation		(5,526,504)	(181,407)
<b>Net cash (used in) / generated from financing activities</b>		<b>(5,954,503)</b>	<b>14,347,743</b>
Net increase / (decrease) in cash and cash equivalents		1,780,355	(2,876,517)
Cash and cash equivalents at the beginning of the period		83,074,650	28,898,105
Effect of foreign currency translation on cash		48,878	(99,678)
<b>Cash and cash equivalents at the end of the period</b>		<b>84,903,883</b>	<b>25,921,910</b>
<b>Cash and cash equivalents at September 30 comprise of:</b>			
Cash and bank balances		39,246,008	17,344,898
Bank balance marked as lien		(1,421,000)	(1,111,111)
Short term investments		47,078,875	9,688,123
		<b>84,903,883</b>	<b>25,921,910</b>

The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.

Chairman / Director

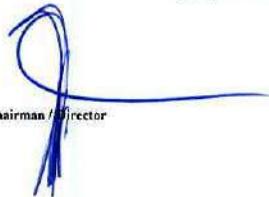
Chief Executive

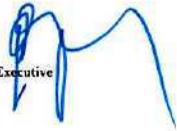
Chief Financial Officer

**LUCKY CEMENT LIMITED**  
**Consolidated Condensed Interim Statement of Changes in Equity**  
**For the quarter ended September 30, 2023 (Un-audited)**

	Issued, subscribed and paid-up capital	Capital reserve						Revenue reserves		Total reserves	Non-controlling interest	Total equity
		Share premium	Capital re-purchase reserve account	Foreign currency translation reserve	Capacity expansions capital reserve	Long-term investments capital reserve	Capital redemption reserve	General reserves	Unappropriated Profit			
-PKR in '000'												
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 LCI	-	-	-	-	-	-	-	-	-	-	(623,416)	(623,416)
Dividends paid to non-controlling interest 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	3,233,750	7,343,422	-	12,721,687	-	-	-	114,504,253	41,798,794	176,368,156	29,465,122	209,067,028
Balance as at July 01, 2023	3,118,386	7,343,422	115,364	22,184,577	40,000,000	40,000,000	35,815,875	-	78,906,397	214,365,635	33,515,038	260,999,059
Transfer to general reserves	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid to non-controlling interest of LCI	-	-	-	-	-	-	-	-	-	-	(1,371,515)	(1,371,515)
Own shares purchased for cancellation	(93,449)	-	93,449	-	-	-	(5,526,504)	-	-	(5,433,055)	-	(5,526,504)
Non-controlling interest recognised on acquisition of NutrCo Pakistan Limited	-	-	-	-	-	-	-	-	-	-	-	-
Final Dividend @ Rs. 18 per share for the year ended June 30, 2023	-	-	-	-	-	-	-	-	(5,452,117)	(5,452,117)	-	(5,452,117)
Profit after taxation	-	-	-	-	-	-	-	-	17,706,000	17,706,000	1,651,299	19,357,299
Other comprehensive income	-	-	-	246,318	-	-	-	-	759	247,077	-	247,077
Total comprehensive income for the quarter ended September 30, 2023	-	-	-	246,318	-	-	-	-	17,706,759	17,953,077	1,651,299	19,604,376
Balance as at September 30, 2023	3,024,937	7,343,422	208,813	22,430,895	40,000,000	40,000,000	30,289,371	-	91,161,039	231,433,540	33,794,822	268,253,299

The annexed notes from 1 to 14 form an integral part of these consolidated condensed interim financial statements.

  
Chairman / Director

  
Chief Executive

  
Chief Financial Officer

**LUCKY CEMENT LIMITED**  
**Notes to the Consolidated Condensed Interim Financial Statements**  
**For the quarter ended September 30, 2023 (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, Lucky Core Industries Limited (Formerly 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 Act) and is listed on the Pakistan Stock Exchange. The principal activity of the Holding Company is manufacturing and marketing of cement. The registered office of the Holding Company is located at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and the corporate office is situated at Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street in Karachi. The Holding 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 Holding Company's liaison offices are situated in Islamabad, Quetta, Multan, Faisalabad, Lahore and Peshawar.

**1.2 Lucky Holdings Limited**

Lucky Holdings Limited (LHL) was incorporated in Pakistan on September 6, 2012 as a public unlisted company under the Act. The head office of the 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 the LHL is situated at Lucky Cement Factory, Main Indus Highway, Pezu, District Lakki Marwat, Khyber Pakhtunkhwa. LHL is a subsidiary of the Holding Company and its 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.

LHL's license for the trademark of ICI word mark and roundel device has expired on December 28, 2022.

The Holding Company held 75% shares of LHL as at September 30, 2023 (June 30, 2023: 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 incorporate 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, 2023 (June 30, 2023: 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 Act. LMC is engaged in assembly, marketing, distribution and sale of various types of Kia and Stellantis N.V. branded vehicles, parts, accessories and related services. LMC's manufacturing facility for vehicles was completed in June 2019 following which the commercial operations commenced.

LMC has entered into an agreement with Samsung Gulf Electronic Co. FZE for producing Samsung branded mobile devices in Pakistan. The mobile production facility for Samsung devices, which is located at Port Qasim Industrial Park, Special Economic Zone, was completed in November 2021, and commercial production began in December 2021.

The registered office and manufacturing facility of LMC are 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, 2023 (June 30, 2023: 71.14% holding).

#### **1.5 Lucky Core Industries Limited (Formerly ICI Pakistan Limited)**

Lucky Core Industries Limited (Formerly ICI Pakistan Limited) (LCI) was incorporated in Pakistan under the Act and is listed on Pakistan Stock Exchange Limited. LCI is engaged in the manufacture of polyester staple fibre, partially oriented yarn (POY) chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; merchandising of general chemicals and manufacturing of master batch. It also acts as an indenting agent and toll manufacturer. LCI's registered office is situated at 5 West Wharf, Karachi. The Holding Company held 55% of shares of ICI as at September 30, 2023 (June 30, 2023: 55% holding). Details of LCI's equity investments are as follows:

##### **1.5.1 Lucky Core PowerGen Limited (Formerly ICI PowerGen Limited)**

Lucky Core PowerGen Limited (Formerly ICI PowerGen Limited) (LCI PowerGen) is incorporated in Pakistan as an unlisted public company and is a wholly owned subsidiary of LCI. LCI PowerGen is engaged in generating, selling and supplying electricity to LCI.

##### **1.5.2 Lucky TG (Private) Limited**

Lucky TG (Private) Limited (Lucky TG) was incorporated in Pakistan on October 25, 2022 as an unlisted public company as part of the Joint Venture and Shareholders Agreement with Tariq Glass Industries Limited to set up a green field state-of-the-art float glass manufacturing facility. LCI holds 51% of the shares of Lucky TG.

##### **1.5.3 Lucky Core Venture (Private) Limited**

Lucky Core Venture (Private) Limited was incorporated in Pakistan on March 9, 2023 as a private company and is a wholly owned subsidiary of LCI. The principal line of the business is to function as holding company of its subsidiaries and associated companies and render advisory services for promotion of their business, development and marketing for the group.

#### **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 Tappa Street, Karachi and its plant site is situated at Deh Ghangiario, Taluka Ibrahim Hyderi, District Malir, Karachi.

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

The Holding Company held 100% shares of LEPCL as at September 30, 2023 (June 30, 2023: 100% holding).

## **2 STATEMENT OF COMPLIANCE**

**2.1** These consolidated condensed interim financial statements of the Group for the quarter ended September 30, 2023 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, 2023.

### **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, 2023.

#### **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, 2024. 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, 2023.

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, 2023. Further, there were no transfers in fair value hierarchy levels during the quarter.

## 5 PROPERTY, PLANT AND EQUIPMENT

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

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
Note	(PKR in '000')	
Operating fixed assets (WDV) - opening balance	285,306,839	246,416,524
Add: Additions during the period / year	5.2 <u>7,421,620</u>	<u>60,669,430</u>
	292,728,459	307,085,954
Less: Disposals during the period / year (WDV)	16,437	254,672
Disposal of subsidiary	-	5,121,364
Depreciation charge for the period / year	<u>4,375,621</u>	<u>16,403,079</u>
Operating fixed assets (WDV) - closing balance	288,336,401	285,306,839
Add: Capital work-in-progress	5.3 <u>6,406,280</u>	<u>9,219,104</u>
Add: Capital spares	<u>312,678</u>	<u>312,936</u>
	<u><u>295,055,359</u></u>	<u><u>294,838,879</u></u>

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

	(Un-audited) September 30, 2023 (PKR in '000')	
	Additions (Cost)	Deletions (Cost)
<b>Operating fixed assets</b>		
<u>Buildings on free hold land</u>		
- Cement plant	20,584	-
- Others	24,655	
<u>Buildings on leasehold land</u>		
- Others	304,965	234
Machinery	2,921,247	24,858
Generators and other power generation equipments	3,770,892	-
Quarry equipments	1,648	-
Vehicles including cement bulkers	315,044	40,153
Furniture and fixtures	15,408	-
Office equipments	6,487	40
Computer and accessories	22,448	14,013
Other assets	<u>18,242</u>	<u>1,289</u>
	<u><u>7,421,620</u></u>	<u><u>80,587</u></u>

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

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	(PKR in '000')	
Opening balance	9,219,104	29,196,375
Add: Additions during the period / year	<u>3,853,887</u>	<u>23,201,694</u>
	13,072,991	52,398,069
Less: Transferred to operating fixed assets	6,666,711	43,089,848
Less: Transferred to intangible assets	-	67,778
Less: Disposal of subsidiary	-	21,339
Closing balance	<u><u>6,406,280</u></u>	<u><u>9,219,104</u></u>

		(Un-audited)	(Audited)
		September 30, 2023	June 30, 2023
	Note	(PKR in '000')	
<b>6 LONG-TERM INVESTMENTS</b>			
<b>Equity accounted investment</b>			
<b>Joint ventures</b>			
Lucky Al-Shumookh Holdings Limited	6.1	7,939,771	9,769,762
LuckyRawji Holdings Limited	6.2	30,442,906	28,626,729
Al-Shumookh Lucky Investments Limited	6.3	17,654,000	15,844,762
LR International Trading FZCO	6.4	63,253	63,522
		<u>56,099,930</u>	<u>54,304,775</u>
<b>Associates</b>			
NutriCo Morinaga (Private) Limited	6.5	10,980,834	10,992,415
Yunus Energy Limited	6.6	1,995,461	1,818,713
		<u>12,976,295</u>	<u>12,811,128</u>
<b>Equity securities</b>			
Arabian Sea Country Club Limited (250,000 ordinary shares of PKR 10 each)		2,500	2,500
		<u>69,078,725</u>	<u>67,118,403</u>
<b>6.1 Lucky Al-Shumookh Holdings Limited (LASHL)</b>			
Investment at cost		1,912,283	1,912,283
Share of cumulative profit at the beginning of the period / year		139,841	3,393,895
Share of profit during the period / year		417,692	1,779,872
Dividend received during the period / year		(2,294,189)	(5,033,926)
		<u>(1,736,656)</u>	<u>139,841</u>
Foreign currency translation reserve		7,764,144	7,717,638
		<u>7,939,771</u>	<u>9,769,762</u>
The Group's interest in LASHL's assets and liabilities is as follows:			
Total assets		18,035,973	20,584,101
Total liabilities		(2,156,434)	(1,044,577)
Net assets (100%)		<u>15,879,539</u>	<u>19,539,524</u>
Group's share of net assets (50%)		<u>7,939,771</u>	<u>9,769,762</u>
The Group's share in LASHL's profit or loss is as follows:			
Revenue		5,976,812	19,537,830
Net profit (100%)		835,384	3,559,744
Group's share of net profit (50%)		<u>417,692</u>	<u>1,779,872</u>

	(Un-audited) September 30, 2023	(Audited) June 30, 2023
	(PKR in '000')	
<b>6.2 Lucky Rawji Holdings Limited (LRHL)</b>		
Investment at cost	6,870,050	6,870,050
Share of cumulative profit at the beginning of the period / year	6,703,648	2,808,132
Share of profit during the period / year	1,823,587	4,328,282
Dividend received during the year	(151,642)	(432,766)
	8,375,593	6,703,648
Foreign currency translation reserve	15,197,263	15,053,031
	<u>30,442,906</u>	<u>28,626,729</u>
The Group's interest in LRHL's assets and liabilities is as follows:		
Total assets	77,750,131	75,988,088
Total liabilities	(16,864,321)	(18,734,631)
Net assets (100%)	<u>60,885,810</u>	<u>57,253,457</u>
Group's share of net assets (50%)	<u>30,442,906</u>	<u>28,626,729</u>
The Group's share in LRHL's profit or loss is as follows:		
Revenue	<u>11,977,394</u>	<u>35,853,687</u>
Net profit (100%)	<u>3,647,174</u>	<u>8,656,564</u>
Group's share of net profit (50%)	<u>1,823,587</u>	<u>4,328,282</u>
<b>6.3 Al-Shumookh Lucky Investments Limited (ASLIL)</b>		
Investment at cost - Opening	3,399,022	3,399,022
Share of cumulative profit at the beginning of the period / year	6,975,533	3,014,847
Share of profit during the period / year	1,735,191	3,960,686
	8,710,724	6,975,533
Foreign currency translation reserve	5,544,253	5,470,207
	<u>17,654,000</u>	<u>15,844,762</u>
The Group's interest in ASLIL's assets and liabilities is as follows:		
Total assets	49,789,308	47,750,811
Total liabilities	(14,481,307)	(16,061,285)
Net assets (100%)	<u>35,308,001</u>	<u>31,689,526</u>
Group's share of net assets (50%)	<u>17,654,000</u>	<u>15,844,762</u>
The Group's share in ASLIL's profit or loss is as follows:		
Revenue	<u>7,004,588</u>	<u>22,590,286</u>
Net profit (100%)	<u>3,470,382</u>	<u>7,921,372</u>
Group's share of net profit (50%)	<u>1,735,191</u>	<u>3,960,686</u>

	<u>(Un-audited)</u> September 30, 2023	<u>(Audited)</u> June 30, 2023
(PKR in '000')		
<b>6.4 LR International Trading FZCO (LRIGT)</b>		
Investment at cost	1,115	1,115
Share of cumulative loss at the beginning of the period / year	54,792	(3,446)
Share of loss during the period / year	(666)	58,238
	54,126	54,792
Foreign currency translation reserve	8,012	7,615
	63,253	63,522

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

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

Total assets	140,939	300,468
Total liabilities	(14,434)	(173,424)
Net assets (100%)	126,505	127,044
Group's share of net assets (50%)	63,253	63,522

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

Revenue	-	295,847
Net loss (100%)	(1,332)	116,476
Group's share of net loss (50%)	(666)	58,238

#### 6.5 NutriCo Morinaga (Private) Limited

Fair value of investment on date of recognition - Equity held 20,121,621 shares of face value of PKR 100/- each	11,004,115	11,004,115
Share of cumulative profit at beginning of the period / year	(11,700)	-
Share of loss during the period / year	(11,581)	(11,700)
Dividend received during the period / year	-	-
	(23,281)	(11,700)
	10,980,834	10,992,415

#### 6.6 Yunus Energy Limited (YEL)

Investment at cost	611,365	611,365
Share of cumulative profit at the beginning of the period / year	1,207,348	1,056,688
Share of profit during the period / year	237,885	406,173
Other comprehensive loss	-	(10,967)
Dividend received during the period / year	(61,137)	(244,546)
	1,384,096	1,207,348
	1,995,461	1,818,713

Represents 20% equity investment of 61,136,500 shares @ PKR 10/- each in Yunus Energy Limited.



		<b>For the quarter ended</b>	
		<b>September 30,</b>	<b>September 30,</b>
		<b>2023</b>	<b>2022</b>
		<b>(PKR in '000')</b>	
<b>9</b>	<b>SEGMENT REPORTING</b>	<b>Note</b>	
<b>9.1</b>	<b>GROSS TURNOVER</b>		
	Cement	39,288,918	25,435,635
	Polyester	11,046,861	10,381,329
	Soda Ash	14,607,027	11,160,606
	Pharma	3,465,807	2,967,660
	Life Sciences & Chemicals	6,262,174	4,580,235
	Automobiles & mobile phones assembling	19,972,750	29,321,798
	Power Generation	30,754,315	23,529,670
	Others	575,718	772,648
	Adjustments and elimination of inter-segment balances	<u>(1,041,185)</u>	<u>(927,974)</u>
		<b>9.3</b>	<b>107,221,607</b>
			<b>124,932,385</b>
<b>9.2</b>	<b>OPERATING RESULT</b>		
	Cement	8,606,908	4,223,716
	Polyester	411,630	556,666
	Soda Ash	2,445,707	1,880,327
	Pharma	465,191	276,946
	Life Sciences & Chemicals	777,629	378,987
	Automobiles & mobile phones assembling	796,625	1,645,346
	Power Generation	12,382,172	4,701,538
	Others	32,600	194,225
	Adjustments and elimination of inter-segment balances	<u>(135,904)</u>	<u>83,372</u>
		<b>9.3</b>	<b>13,941,123</b>
			<b>25,782,558</b>
<b>9.3</b>	Transactions among the business segments are recorded at arm's length prices using admissible valuation methods.		
<b>9.4</b>	<b>GROSS SALES</b>		
	Local	117,869,418	102,409,744
	Export	<u>7,062,967</u>	<u>4,811,863</u>
		<b>124,932,385</b>	<b>107,221,607</b>
<b>10</b>	<b>OTHER INCOME</b>		

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

**11 CASH GENERATED FROM OPERATIONS**

	<b>For the quarter ended</b>	
	<b>September 30, 2023</b>	<b>September 30, 2022</b>
	<b>(PKR in '000')</b>	
Profit before taxation	24,399,555	8,917,123
<b>Adjustments for non-cash charges and other items</b>		
Depreciation and amortization	4,437,238	3,844,649
Provision for / (reversal of) slow moving and obsolete stock-in-trade	(8,717)	25,586
Provision for / (reversal of) doubtful debts	(8,433)	17,410
Provisions and accruals no longer required written back	-	(200)
Gain on disposal of fixed assets	(42,661)	(30,241)
Provision for staff retirement plan	252,066	177,588
Share of profit from equity accounted investees	(4,202,109)	(1,180,677)
Return from deposits with islamic banks and and other financial institutions	(1,764,834)	(632,887)
Dividend income from short-term investments	(1,731,694)	(306,713)
Finance cost	9,677,628	6,478,402
Profit before working capital changes	31,008,039	17,310,040
<b>Increase / (decrease) in current assets</b>		
Stores, spares and consumables	1,048,333	(6,293,497)
Stock-in-trade	(6,174,485)	2,487,831
Trade debts	(4,971,993)	(5,261,455)
Loans and advances	(2,626,450)	(3,161,178)
Trade deposits and short-term prepayments	515,903	(862,349)
Other receivables	(116,883)	2,730,576
	(12,325,575)	(10,360,072)
<b>(Increase) / decrease in current liabilities</b>		
Trade and other payables	537,131	(6,832,830)
Cash generated from operations	19,219,595	117,138

## 42 TRANSACTIONS WITH RELATED PARTIES

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

	For the quarter ended	
	September 30, 2023	September 30, 2022
	(PKR in '000')	
<b>Transactions with Associated Undertakings</b>		
Sales	1,456,783	1,517,378
Purchase of goods, materials and services	4,036	1,746
Reimbursement of expenses to the Group	24,876	5,571
Reimbursement of expenses from the Group	12,212	11,066
Dividend and Other income received	61,137	-
Donation and Charity	185,494	144,669
Dividends paid	-	515,796
Dividend received from Joint Venture	2,445,832	1,079,796
Fee for Technical Services from Joint Venture	598,870	431,125
Rent paid	5,673	4,012
Loan obtained from Joint Venture	1,703,978	610,332
Services rendered	96	-
<b>Transactions with Directors and their close family members</b>		
Meeting fee	2,625	1,969
Sales	-	168
<b>Transactions with other key management personnel</b>		
Salaries and benefits	395,968	461,498
Post employment benefits	36,309	34,562
Dividends paid	-	35,512
<b>Staff retirement benefit plan</b>		
Contribution	273,294	87,250

## 13 GENERAL

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

13.2 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.

## 14 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on October 27, 2023 by the Board of Directors of the Holding Company.

Chairman / Director

Chief Executive

Chief Financial Officer