



DEVELOPING **THE FUTURE**

HALF YEARLY REPORT
DECEMBER 31, 2018



DEVELOPING **THE FUTURE**

Lucky Cement Limited is committed to developing the future with its tireless efforts to improve performance for all its stakeholders.

We are devoted to keep moving ahead with time and pushing our boundaries even further. As we continue to expand and grow into new markets, we ensure sustainability in all our practices and envision a future with endless possibilities.

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

MANAGEMENT TEAM

Chief Executive Officer	Muhammad Ali Tabba
Executive Director	Noman Hasan
Director Finance & Chief Financial Officer	Irfan Chawala
Chief Operating Officer	Amin Ganny
Chief Operating Officer - International Businesses	Adnan Ahmed
Company Secretary	Faisal Mahmood

BOARD COMMITTEES

Audit Committee

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

Human Resource and Remuneration Committee

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

Budget Committee

Muhammad Sohail Tabba – Chairman
Muhammad Ali Tabba
Jawed Yunus Tabba
Mariam Tabba Khan

BANKERS

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

AUDITORS

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

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

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

HEAD OFFICE

6-A, Muhammad Ali Housing Society,
A.Aziz Hashim Tabba Street,
Karachi – 75350
UAN: (021) 111-786-555
Website: www.lucky-cement.com
Email: info@lucky-cement.com

PRODUCTION FACILITIES

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

SHARE REGISTRAR/TRANSFER AGENT

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B, S.M.C.H.S
Main Shakra-e-Faisal, Karachi, Pakistan
(Toll Free): 0800 23275

Directors' Report (Condensed)

The Directors have the pleasure in presenting to you the financial results of your Company which include both, **stand-alone** (duly reviewed by the auditors) and **consolidated unaudited financial statements** for the half year ended December 31, 2018.

Overview

Cement industry in Pakistan grew by 3.9% to 23.12 million tons during the half year ended December 31, 2018 in comparison to 22.24 million tons during the same period last year. While local sales volume registered a decline of 1.4% to 19.56 million tons during the half year in comparison to 19.84 million tons during the same period last year; export sales volume registered an increase of 47.9% to 3.56 million tons during the half year under review as compared to 2.41 million tons reported in the same period last year.

In comparison to the Cement Industry, your **Company's** overall sales grew by 6.8% to reach 4.01 million tons during the current half year under review; where, local cement sales volume registered a decline of 6.8% (North 10.8% and South 2.1%) in the current half year to reach 2.99 million tons in comparison to 3.21 million tons in the same period last year. On the other hand, export sales volumes of your Company more than doubled in the current half year and improved by 109.0% to reach 1.02 million tons as compared to 0.49 million tons during the same period last year.

On a **consolidated basis**, your Company achieved a gross turnover of PKR 67.85 billion which is 13.5% higher as compared to the same period last year's turnover of PKR 59.77 billion.

Moreover, **consolidated** Net Profit of the Company was PKR 6.14 billion of which PKR 0.34 billion is attributable to non-controlling interests which translates into an EPS of PKR 17.92 during the current half year ended December 31, 2018 as compared to PKR 24.47 during the same period last year.

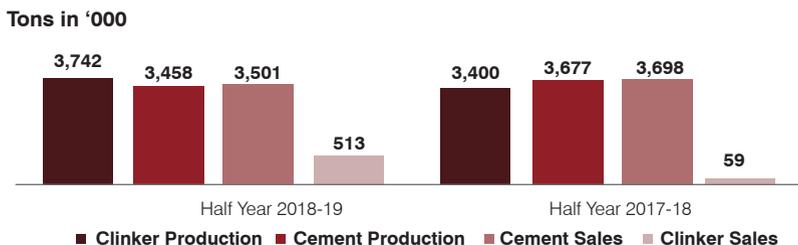
Business Performance

a. Production & Sales Volume Performance - Standalone

The **standalone** production and sales statistics of your Company for the current half year ended December 31, 2018 compared to the same period last year are as follows:

Particulars	Half Year 2018-19	Half Year 2017-18	Growth/ (Decline) (%)
	(Tons in '000')		
Clinker Production	3,742	3,400	10.1%
Cement Production	3,458	3,677	(6.0%)
Cement Sales	3,501	3,698	(5.3%)
Clinker Sales	513	59	769.5%

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



A comparison of the dispatches of the **industry*** and your **Company's standalone business** for the current half year of the financial year 2018-19 with the same period last year is presented below:

Particulars	Half Year 2018-19	Half Year 2017-18	Growth/(Decline)	
	(Tons in '000')	(Tons in '000')	(Tons in '000')	(%)
Cement Industry				
Local Sales	19,558	19,836	(278)	(1.4%)
Export Sales				
- Bagged	2,205	2,326	(121)	5.2%
- Loose	39	81	(42)	(51.9%)
- Clinker	1,316	-	1,316	100.0%
Total Exports	3,560	2,407	1,153	47.9%
Grand Total	23,118	22,243	875	3.9%
Lucky Cement				
Local Sales				
- Cement	2,992	3,209	(217)	(6.8%)
- Clinker	-	59	(59)	(100.0%)
Total Local Sales	2,992	3,268	(276)	(8.4%)
Export Sales				
- Bagged	470	408	62	15.2%
- Loose	39	81	(42)	(51.9%)
- Clinker	513	-	513	100.0%
Total Exports	1,022	489	533	109.0%
Grand Total	4,014	3,757	257	6.8%
Market Share				
	Half Year 2018-19	Half Year 2017-18	Growth/ (Decline) (%)	
Local Sales	15.3%	16.5%	(7.3%)	
Export Sales				
- Bagged	21.3%	17.5%	21.7%	
- Loose	100.0%	100.0%	-	
- Clinker	39.0%	-	100.0%	
Total Export	28.7%	20.3%	41.4%	
Grand Total	17.4%	16.9%	3.0%	

b. Financial Performance

The **standalone financial performance** of your Company for the half year ended December 31, 2018 as compared to the same period last year is presented below:

Particulars	PKR in millions except EPS		
	Half Year 2018-19	Half Year 2017-18	Growth/ (Decline) (%)
Gross Revenue	34,885	32,852	6.2%
Net Revenue	24,955	23,254	7.3%
GP	7,424	8,886	(16.5%)
OP	5,490	7,516	(27.0%)
EBITDA	7,157	8,910	(19.7%)
NP	5,501	6,547	(16.0%)
EPS	17.01 /Share	20.25 /Share	(16.0%)

*Industry Source: APCMA Website

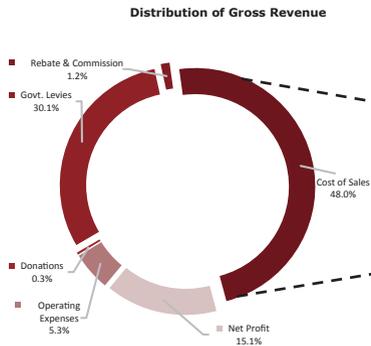
Revenue

During the half year of 2018-19 under review, your Company achieved an overall gross sales revenue growth of 6.2% as compared to the same period last year. This was mainly attributable to higher export volumes for clinker and cement.

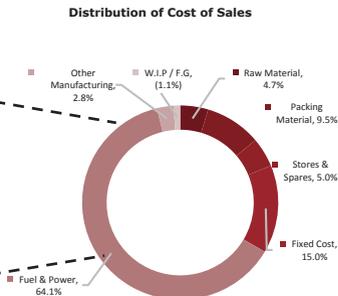
Cost of Sales

During the half year under review, per ton cost of sales of your Company increased by 14.2% as compared to the same period last year. This increase was mainly on account of increase in coal, packing material and other fuel prices.

Distribution of Gross Revenue

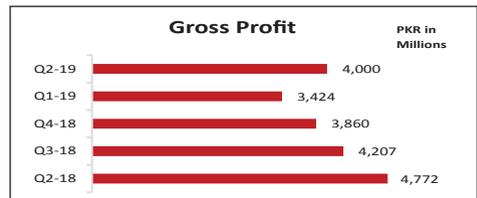


Distribution of Cost of Sales



Gross Profit

Your Company achieved a gross profit margin of 29.7% for the half year under review as compared to 38.2% reported during the same period last year.



Net Profit

Your Company achieved a profit before tax of PKR 6,525.8 million during the half year under review as compared to PKR 8,094.6 million reported during the same period last year. Similarly, after tax profit of PKR 5,500.8 million was achieved during the half year under review as compared to PKR 6,547.1 million reported during the same period last year.



Earnings per share

The earnings per share of your Company for the half year ended December 31, 2018 was PKR 17.01 in comparison to PKR 20.25 reported during the same period last year.



Projects – New and Ongoing

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

The civil works are progressing as per schedule and plant & machinery shipments have started arriving at the project site. The erection and fabrication work is also progressing satisfactorily and as per schedule to achieve commercial operations in the second quarter of financial year 2019-20.

Investments

Investment in 1 x 660 MW, supercritical, coal based power project

The construction activity for setting up 660 MW super critical, lignite coal based power plant is progressing well and as per project implementation schedule. Target to achieve commercial operations remains 1st March 2021.

Investment in automotive manufacturing plant – Kia Lucky Motors Pakistan Limited [KLM]

On 1st June 2018, KLM started its Complete Built Up (CBU) operations. It has opened up, company owned / third party operated dealerships in some of the metro cities of Pakistan. Target to start commercial production is for the first quarter of financial year 2019-20.

Greenfield clinker production facility in Samawah, Iraq – 1.2 million tons per annum

The project has achieved financial close and the letter of credit to import plant and machinery was opened in the month of December 2018. Levelling work at project site started in the month of January 2019 and civil works are expected to commence in March 2019. Target to achieve commercial production is for the last quarter of financial year 2019-20.

Corporate Social Responsibility

Your Company remains committed to value creation in the society and the communities in which it operates, with primary focus of its CSR initiatives in Education, Women empowerment, Community development, Health and Environment conservation.

Education / Scholarships

Continuing on the agenda to support deserving students, during the first half of the financial year under review, your Company extended a number of scholarships to various students of LUMS, IBA and other leading universities in Pakistan and abroad.

Women Empowerment

Prioritizing its emphasis on women empowerment, your Company continued to extend its full support for two leading Government girls' schools in Karachi in collaboration with Zindagi Trust. With the primary objective of social intervention in the development of women's education in the Country, your Company has transformed these schools into model educational institutions for girls of Pakistan.

Community development

Working on the key agenda of Community development, your Company sponsored certain events of World Memon Organization, which is known for its charitable initiatives and donations for community development. Furthermore, your Company also made contributions for certain annual events organized by Special Olympics Pakistan.

Health Initiatives

Provision of quality healthcare has remained your Company's priority, especially through financial support to Aziz Tabba Foundation: a prominent philanthropic institution that is running Tabba Heart and Tabba Kidney institutes, which provide vital support in bridging the gap of specialized and modern medical care in the Country. In this regard, your Company also provided financial support to the First International Pediatric Urology Congress, held by the Tabba Kidney Institute.

Environment Conservation

Your Company always takes serious responsibility towards the environment. In an effort to highlight the importance of environment conservation during the first half of the financial year under review, a tree plantation drive was launched and free tree saplings were distributed amongst the employees to contribute towards making Pakistan greener and environment friendly.

Outlook

The future outlook for the Cement industry remains promising and your Company remains hopeful for improvement in domestic sales going forward on account of Government's key initiatives to build both small and mega-capacity / multipurpose water reservoirs / dams and '5 million housing scheme' to construct affordable houses for public at large, whereas, export sales are anticipated to remain strong in view of favorable market dynamics and increasing demand for Clinker in the regional countries.

Your Company believes that its strong financial position and free cash flow generating ability can continue to support investments in projects and avenues which can bring in further operational efficiencies and enhance shareholders' value.

Acknowledgement

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

On behalf of the Board



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD ALI TABBA
Chief Executive / Director

Karachi: January 31, 2019

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Lucky Cement Limited as at December 31, 2018 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the financial statements for the half year ended (here-in-after referred to as the 'unconsolidated interim financial statements'). Management is responsible for the preparation and presentation of these unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated interim financial statements based on our review.

The figures of the unconsolidated interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

Scope of Review

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

Conclusion

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

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



A.F. Ferguson & Co.,
Chartered Accountants
Karachi
Dated: January 31, 2019

**INTERIM
FINANCIAL
STATEMENTS**

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2018

		(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
	Note	(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	44,961,909	40,913,168
Intangible assets		39,622	55,023
		45,001,531	40,968,191
Long-term investments	6	31,417,700	24,981,078
Long-term loans and advances		103,596	90,996
Long-term deposits		3,175	3,175
		76,526,002	66,043,440
CURRENT ASSETS			
Stores and spares		8,050,866	7,783,111
Stock-in-trade		2,915,297	2,796,658
Trade debts		2,410,197	2,424,470
Loans and advances		423,023	420,671
Trade deposits and short term prepayments		78,062	67,577
Accrued return		197,352	142,881
Other receivables		1,512,116	1,311,180
Tax refunds due from the Government		538,812	538,812
Short term investments		525,329	34,956
Cash and bank balances		22,169,822	27,435,361
		38,820,876	42,955,677
TOTAL ASSETS		115,346,878	108,999,117
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		3,233,750	3,233,750
Reserves		86,037,563	83,133,072
		89,271,313	86,366,822
NON-CURRENT LIABILITIES			
Long-term deposits		90,994	94,394
Deferred liabilities	7	7,032,294	7,300,639
		7,123,288	7,395,033
CURRENT LIABILITIES			
Trade and other payables		15,415,516	13,121,005
Short term running finance	8	1,000,000	-
Unclaimed dividend		59,716	47,945
Unpaid dividend		91,119	82,960
Taxation - net		2,385,926	1,985,352
		18,952,277	15,237,262
CONTINGENCIES AND COMMITMENTS	9	26,075,565	22,632,295
TOTAL EQUITY AND LIABILITIES		115,346,878	108,999,117

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Irfan Chawala
Chief Financial Officer

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

For the half year ended December 31, 2018 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		(PKR in '000')		(PKR in '000')	
Gross sales	10	34,885,341	32,852,077	18,874,278	17,156,894
Less: Sales tax and federal excise duty		9,484,395	9,149,825	5,093,783	4,857,234
Rebates and commission		445,871	448,424	230,488	249,613
		9,930,266	9,598,249	5,324,271	5,106,847
Net sales		24,955,075	23,253,828	13,550,007	12,050,047
Cost of sales		(17,531,060)	(14,368,087)	(9,550,411)	(7,277,550)
Gross profit		7,424,015	8,885,741	3,999,596	4,772,497
Distribution cost		(1,374,509)	(813,183)	(716,990)	(443,832)
Administrative expenses		(559,645)	(556,503)	(285,869)	(275,235)
Other expenses		(570,602)	(616,749)	(325,146)	(322,494)
Other income	11	1,606,571	1,195,338	962,242	662,942
Profit before taxation		6,525,830	8,094,644	3,633,833	4,393,878
Taxation					
-current		(1,433,590)	(1,486,683)	(883,235)	(553,578)
-deferred		408,549	(60,828)	257,360	(310,450)
		(1,025,041)	(1,547,511)	(625,875)	(864,028)
Profit after taxation		5,500,789	6,547,133	3,007,958	3,529,850
Other comprehensive income:					
Other comprehensive loss which will not be reclassified to statement of profit or loss in subsequent periods					
Unrealized loss on remeasurement of equity investment at fair value through other comprehensive income		(10,938)	(5,805)	(4,602)	(690)
Deferred tax thereon		1,640	871	690	104
		(9,298)	(4,934)	(3,912)	(586)
Total comprehensive income for the period		5,491,491	6,542,199	3,004,046	3,529,264
		(PKR)		(PKR)	
Earnings per share - basic and diluted		17.01	20.25	9.30	10.92

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Irfan Chawala
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the half year ended December 31, 2018 (Un-audited)

	Note	December 31, 2018 (PKR in '000')	December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	8,809,236	9,295,470
Income tax paid		(1,033,016)	(1,475,398)
Gratuity paid		(51,359)	(43,753)
Income from desposits with Islamic banks		930,522	977,453
Increase in long-term loans and advances		(12,600)	(2,262)
(Decrease) / increase in long-term deposits (liabilities)		(3,400)	6,085
Net cash generated from operating activities		8,639,383	8,757,595
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(5,721,193)	(4,239,750)
Long term investments		(6,436,622)	(1,412,574)
Sale proceeds on disposal of property, plant and equipment		137,342	16,834
Dividend received from short term investments		522	301
Dividend received from associated company		183,410	-
Short term investments		(501,311)	-
Bank balance held as lien - net		(512,985)	-
Net cash used in investing activities		(12,850,837)	(5,635,189)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(2,567,070)	(4,575,535)
Net decrease in cash and cash equivalentents		(6,778,524)	(1,453,129)
Cash and cash equivalentents at the beginning of the period		19,548,346	33,738,377
Cash and cash equivalentents at the end of the period	12.1	12,769,822	32,285,248

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Irfan Chawala
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the half year ended December 31, 2018 (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 1, 2017	3,233,750	7,343,422	55,511,916	13,695,893	76,551,231	79,784,981
Transfer to general reserves	-	-	9,815,393	(9,815,393)	-	-
Transfer from general reserves	-	-	(1,616,875)	1,616,875	-	-
Transactions with owners in their capacity as owners						
Final dividend at the rate of PKR 12/- per share each for the year ended June 30, 2017	-	-	-	(3,880,500)	(3,880,500)	(3,880,500)
Interim dividend at the rate of PKR 5/- per share each for the year ended June 30, 2018	-	-	-	(1,616,875)	(1,616,875)	(1,616,875)
	-	-	-	(5,497,375)	(5,497,375)	(5,497,375)
Total comprehensive income for the half year ended December 31, 2017	-	-	-	6,542,199	6,542,199	6,542,199
Balance as at December 31, 2017	<u>3,233,750</u>	<u>7,343,422</u>	<u>63,710,434</u>	<u>6,542,199</u>	<u>77,596,055</u>	<u>80,829,805</u>
Balance as at July 1, 2018	3,233,750	7,343,422	63,710,434	12,079,216	83,133,072	86,366,822
Transfer to general reserves	-	-	9,492,216	(9,492,216)	-	-
Transactions with owners in their capacity as owners						
Final dividend at the rate of PKR 8/- per share each for the year ended June 30, 2018	-	-	-	(2,587,000)	(2,587,000)	(2,587,000)
Total comprehensive income for the half year ended December 31, 2018	-	-	-	5,491,491	5,491,491	5,491,491
Balance as at December 31, 2018	<u>3,233,750</u>	<u>7,343,422</u>	<u>73,202,650</u>	<u>5,491,491</u>	<u>86,037,563</u>	<u>89,271,313</u>

The annexed notes from 1 to 15 form an integral part of these unconsolidated condensed interim financial statements.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Irfan Chawala
Chief Financial Officer

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2018 (Un-audited)

1 THE COMPANY AND ITS OPERATION

- 1.1** Lucky Cement Limited (the Company) was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984 (the Ordinance) [now Companies Act, 2017] and is listed on the Pakistan Stock Exchange. The Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange. The principal activity of the Company is manufacturing and marketing of cement.

The registered office of the Company is located at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and the head office is situated at Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street in Karachi. The Company has two production facilities at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and at Main Super Highway in Karachi, Sindh. Further, the Company's liaison offices are situated in Islamabad, Quetta, Multan, D.I.Khan, Lahore and Peshawar.

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

2 STATEMENT OF COMPLIANCE

- 2.1** These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the unconsolidated annual audited financial statements, and should be read in conjunction with Company's unconsolidated annual audited financial statements for the year ended June 30, 2018.
- 2.3** The figures included in the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2018 and 2017 and in the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended December 31, 2018 and 2017.

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, 2018 except those stated in note 3.2 (a) below.

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

(a) New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the half year ended December 31, 2018

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

In addition to that two new standards (i.e. IFRS 9 and IFRS 15) have become applicable to the Company effective July 1, 2018. Because of these new standards certain changes to the Company's accounting policies have been made in light of the following paragraphs:

- IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standard do not have any significant impact on these unconsolidated condensed interim financial statements of the Company.

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

There is a new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

However, the management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these unconsolidated condensed interim financial statements.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2018 (Un-audited)

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the Company's unconsolidated annual audited financial statements for the year ended June 30, 2018.

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's unconsolidated annual audited financial statements for the year ended June 30, 2018.

5 PROPERTY, PLANT AND EQUIPMENT

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

		(Un-audited)	(Audited)
		December 31,	June 30,
	Note	2018	2018
		(PKR in '000')	
Operating fixed assets (WDV) - opening balance		38,550,862	33,086,307
Add: Additions during the period/year	5.2	2,481,999	8,467,733
		41,032,861	41,554,040
Less: Disposals during the period/year (WDV)		20,914	28,294
Depreciation charge for the period/year		1,644,542	2,974,884
Operating fixed assets (WDV) - closing balance		39,367,405	38,550,862
Add: Capital work-in-progress	5.3	5,594,504	2,362,306
		44,961,909	40,913,168

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

	Additions (Cost)	Deletions (Cost)
	(PKR in '000')	
Operating fixed assets		
Freehold land	31,317	-
Buildings on freehold land		
- Cement plant	101,858	-
- Power plant	1,165	-
- Others	1,241	-
Buildings on leasehold land		
- Cement plant	190,404	-
Machinery	1,666,699	1,219
Generators	60,804	1,809
Quarry equipment	113,118	247
Vehicles including cement bulkers	237,073	112,937
Furniture and fixtures	7,082	-
Office equipment	14,425	116
Computer and Accessories	13,503	4,486
Other assets (Laboratory equipment, etc.)	43,310	658
	2,481,999	121,472

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

	(Un-audited)	(Audited)
	December 31,	June 30,
	2018	2018
	(PKR in '000')	
Opening balance	2,362,306	4,401,830
Add: Additions during the period/year	5,721,193	6,430,906
	8,083,499	10,832,736
Less: Transferred to operating fixed assets	2,481,999	8,453,808
Transferred to intangible assets	6,996	16,622
Closing balance	5,594,504	2,362,306

		(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
	Note	(PKR in '000')	
6 LONG-TERM INVESTMENTS - at cost			
Subsidiaries			
Lucky Holdings Limited	6.1	5,619,000	5,619,000
LCL Investment Holdings Limited	6.2	4,580,500	4,580,500
LCL Holdings Limited	6.3	10,621,439	10,216,139
Kia Lucky Motors Pakistan Limited	6.4	9,985,296	3,954,074
Lucky Cement Holdings (Private) Limited	6.5	100	-
		30,806,335	24,369,713
Associate			
Yunus Energy Limited	6.6	611,365	611,365
		31,417,700	24,981,078

- 6.1** Lucky Holdings Limited ('LHL') is a public unlisted company incorporated in Pakistan. As of the statement of financial position date, the Company owned 75 percent shareholding of LHL.

LHL owns 72.97 percent shares of ICI Pakistan Limited (ICI) as of the said date.

During the period under review, a restructuring of LHL has been proposed through a Scheme of Arrangement (the Scheme) involving a wholly owned subsidiary of the Company, i.e. Lucky Cement Holdings (Private) Limited (LCHL) and wholly owned subsidiary companies of other shareholders of LHL.

The Scheme, amongst other arrangements, determines LHL Demerged Undertakings as primarily comprising the assets, liabilities and obligations of LHL relating to its underlying investment in ICI. Under the Scheme, the share of LHL Shareholders in LHL Demerged Undertakings proportionate to their respective shareholding in LHL shall be amalgamated with and into their respective wholly owned subsidiary companies and their proportionate shares in LHL to that extent shall be cancelled.

The petition for sanctioning the Scheme was filed with the Honourable High Court of Sindh by LHL and the Subsidiary Companies on November 27, 2018. Once sanctioned, a certified copy of an order of the Court shall be filed by LHL with Securities and Exchange Commission of Pakistan (SECP). On filing of the order with SECP as aforesaid, the Scheme shall come into effect from start of business on July 01, 2018 or from a date as approved by the Court.

- 6.2** Represents equity investment in LCL Investment Holdings Limited (LCLIHL), a wholly owned subsidiary of the Company, incorporated and domiciled in Mauritius. LCLIHL has entered into joint venture agreements for constructing a cement grinding unit in the Republic of Iraq and a fully integrated cement manufacturing unit in the Democratic Republic of Congo. LCLIHL holds 50 percent ownership interest in the aforesaid joint ventures.
- 6.3** Represents equity investment in LCL Holdings Limited (LCLHL), a wholly owned subsidiary of the Company, incorporated in Pakistan. As of the statement of financial position date, LCLHL owns 100 percent shares in Lucky Electric Power Company Limited.
- 6.4** Represents equity investment in Kia Lucky Motors Pakistan Limited (KLM), a public unlisted company incorporated in Pakistan. The Company will hold 70 percent shares of KLM at its commercial operations date. The amount includes advance against future issuance of shares amounting to PKR 2,100 million.

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2018 (Un-audited)

- 6.5** Represents equity investment in Lucky Cement Holdings (Private) Limited, a private limited company incorporated in Pakistan under the Companies Act, 2017 (the Act) as a wholly owned subsidiary of the Company. The company has been incorporated to affect restructuring of LHL, a subsidiary of the Company. Refer note 6.1 above.
- 6.6** Represents equity investment in Yunus Energy Limited (YEL), a public unlisted company incorporated in Pakistan. As of the statement of financial position date, the Company owns 20 percent shares of YEL.

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
	Note	(PKR in '000')	
7 DEFERRED LIABILITIES			
Staff gratuity		1,773,963	1,632,119
Deferred tax liability	7.1	5,258,331	5,668,520
		7,032,294	<u>7,300,639</u>
7.1 Deferred tax liability			
This comprises the following :			
- Taxable temporary differences arising due to accelerated tax depreciation allowance		5,745,173	6,149,671
- Deductible temporary differences arising in respect of provisions		(486,842)	(481,151)
		5,258,331	<u>5,668,520</u>

- 8** This represents Islamic Export Refinance Facility which carry profit at SBP rate +0.1% spread per annum.

9 CONTINGENCIES AND COMMITMENTS

9.1 CONTINGENCIES

There are no significant changes in the status of contingencies as reported in note 25 to the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2018.

		(Un-audited) December 31, 2018	(Audited) June 30, 2018
		(PKR in '000')	
9.2 COMMITMENTS			
Machinery under letters of credit		9,421,844	10,853,999
Stores, spares and packing material under letters of credit		1,631,421	2,631,479
Bank guarantees issued by the Company on behalf of the subsidiary companies		27,766,398	30,699,438
Bank guarantees issued on behalf of the Company		1,990,516	1,917,572
Post dated cheques		792,516	315,791

		(Un-audited)	
		For the half year ended	
		December 31, 2018	December 31, 2017
		(PKR in '000')	
10	GROSS SALES		
	Local	29,487,864	30,397,777
	Export	5,397,477	2,454,300
		34,885,341	32,852,077

11 OTHER INCOME

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

		(Un-audited)	
		For the half year ended	
		December 31, 2018	December 31, 2017
		(PKR in '000')	
	Note		

12 CASH GENERATED FROM OPERATIONS

Profit before taxation		6,525,830	8,094,644
Adjustments for non cash charges and other items			
Depreciation	5.1	1,644,542	1,372,163
Amortization of intangible assets		22,397	22,278
Gain on disposal of property, plant and equipment		(116,428)	(8,753)
Provision for staff gratuity		193,203	153,579
Dividend income from short term investments		(522)	(301)
Dividend income from associated company		(183,410)	(137,557)
Income from deposits with Islamic banks		(984,993)	(982,690)
		7,100,619	8,513,363

(Increase) / decrease in current assets

Stores and spares		(267,755)	(1,334,362)
Stock in trade		(118,639)	614,575
Trade debts		14,273	(515,122)
Loans and advances		(2,352)	62,507
Trade deposits and short term prepayments		(10,485)	(32,588)
Other receivables		(200,936)	(191,706)
		(585,894)	(1,396,696)

Increase in current liabilities

Trade and other payables		2,294,511	2,178,803
Cash generated from operations		8,809,236	9,295,470

12.1 CASH AND CASH EQUIVALENTS

Cash and bank balances		22,169,822	32,285,248
Bank balance marked as lien		(8,400,000)	-
Short term running finance	8	(1,000,000)	-
		12,769,822	32,285,248

NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2018 (Un-audited)

13 TRANSACTIONS WITH RELATED PARTIES

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

	For the half year ended	
	December 31, 2018	December 31, 2017
	(PKR in '000')	
Transactions with Subsidiaries		
Reimbursement of expenses to the Company	720	4,198
Sales	186,877	23,410
Purchases	6,040	437
Purchase of fixed assets	26,771	-
Sale of fixed asset	1,550	5,586
Investment made during the period	6,436,622	1,412,564
Bank guarantees released	3,822,706	-
Bank guarantee issued	600,000	-
Transactions with Directors and their close family members		
Dividend paid	573,354	1,039,248
Meeting fee	719	750
Transactions with Associated Undertakings		
Sales	511,525	275,848
Reimbursement of expenses to the Company	9,508	4,520
Reimbursement of expenses from the Company	522	459
Sale of fixed assets	1,875	-
Donation	80,000	-
Services	16,373	13,978
Dividend paid	582,768	684,839
Dividend received	183,410	-
Transactions with other key management personnel		
Salaries and benefits	103,863	92,231
Post employment benefits	14,454	14,626
Dividend paid	56	68

14 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on January 31, 2019 by the Board of Directors of the Company.

15 GENERAL

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



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Irfan Chawala
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at December 31, 2018

	Note	(Un-audited) December 31, 2018 (PKR in '000')	(Audited) June 30, 2018
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	6	92,449,115	73,865,002
Intangible assets		7,775,543	7,943,988
		100,224,658	81,808,990
Long-term investments	7	15,373,556	13,642,987
Long-term loans and advances		565,605	534,786
Long-term deposits and prepayments		47,192	53,325
		116,211,011	96,040,088
CURRENT ASSETS			
Stores, spares and consumables		9,194,878	8,854,536
Stock-in-trade		12,849,417	12,088,621
Trade debts		4,814,834	5,142,591
Loans and advances		1,760,554	1,117,485
Trade deposits and short-term prepayments		3,149,789	1,108,185
Other receivables		3,727,796	3,431,926
Tax refunds due from the Government		538,812	538,812
Taxation receivable		2,145,076	2,221,851
Accrued return		206,077	161,742
Short term investments		525,329	34,956
Cash and bank balances		25,707,497	34,382,272
		64,620,059	69,082,977
TOTAL ASSETS		180,831,070	165,123,065
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		3,233,750	3,233,750
Reserves		98,836,312	93,913,157
Attributable to the owners of the Holding Company		102,070,062	97,146,907
Non-controlling interests		14,864,553	12,428,264
Total equity		116,934,615	109,575,171
NON-CURRENT LIABILITIES			
Long-term finances	8	11,494,906	8,789,887
Long-term deposits		90,994	94,394
Deferred liabilities	9	10,113,142	10,640,736
Other long term liabilities		4,130,772	3,431,948
		25,829,814	22,956,965
CURRENT LIABILITIES			
Trade and other payables		24,595,554	20,242,935
Unclaimed dividend		59,716	47,945
Unpaid dividend		91,119	82,960
Provision for taxation		2,385,926	1,992,278
Accrued return		326,697	272,146
Short-term borrowings and running finance		7,977,487	7,332,327
Current portion of liabilities against assets subject to finance lease		134	822
Current portion of long-term finances	8	2,630,008	2,619,516
		38,066,641	32,590,929
CONTINGENCIES AND COMMITMENTS	10	63,896,455	55,547,894
TOTAL EQUITY AND LIABILITIES		180,831,070	165,123,065

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

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Irfan Chawala
Chief Financial Officer

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

For the half year ended December 31, 2018 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		(PKR in '000')		(PKR in '000')	
Revenue	11	67,854,061	59,766,088	36,538,607	31,082,652
Less: Sales tax and excise duty		11,301,849	10,554,415	6,058,883	5,592,056
Rebates and commission		2,832,361	2,457,306	1,604,495	1,319,084
		14,134,210	13,011,721	7,663,378	6,911,140
		53,719,851	46,754,367	28,875,229	24,171,512
Cost of sales		(42,020,952)	(33,587,614)	(22,764,288)	(17,093,671)
Gross profit		11,698,899	13,166,753	6,110,941	7,077,841
Distribution cost		(2,837,830)	(2,152,288)	(1,454,128)	(1,140,194)
Administrative expenses		(1,531,627)	(1,442,077)	(775,797)	(821,054)
Finance cost		(774,333)	(314,595)	(417,120)	(149,498)
Other expenses		(901,980)	(1,111,190)	(560,207)	(712,471)
Other income	12	1,923,716	2,196,681	770,974	972,943
Profit before taxation		7,576,845	10,343,284	3,674,663	5,227,567
Taxation					
- current		(2,123,114)	(1,916,509)	(1,059,506)	(654,580)
- deferred		683,531	150,104	360,315	(163,839)
		(1,439,583)	(1,766,405)	(699,191)	(818,419)
Profit after taxation		6,137,262	8,576,879	2,975,472	4,409,149
Attributable to:					
Owners of the Holding Company		5,795,505	7,914,236	2,839,705	4,067,067
Non-controlling interests		341,757	662,643	135,767	342,082
		6,137,262	8,576,879	2,975,472	4,409,149
Other comprehensive income for the period					
Other comprehensive income which may be reclassified to statement of profit or loss in subsequent periods					
Foreign exchange differences on translation of foreign operations		1,200,556	363,078	1,011,443	327,092
Other comprehensive loss which will not be reclassified to statement of profit or loss in subsequent periods					
Unrealized loss on remeasurement of equity investment at fair value through other comprehensive income		(10,938)	(5,805)	(4,602)	(690)
Deferred tax thereon		1,640	871	690	104
		(9,298)	(4,934)	(3,912)	(586)
Total comprehensive income for the period		7,328,520	8,935,023	3,983,003	4,735,654
Attributable to:					
Owners of the Holding Company		6,986,763	8,272,380	3,847,236	4,393,572
Non-controlling interests		341,757	662,643	135,767	342,082
		7,328,520	8,935,023	3,983,003	4,735,654
			(PKR)		(PKR)
Earnings per share - basic and diluted		17.92	24.47	8.78	12.58

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



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Irfan Chawala
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

For the half year ended December 31, 2018 (Un-audited)

	Note	December 31, 2018 (PKR in '000')	December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	13	11,183,037	11,873,788
Finance costs paid		(714,335)	(290,735)
Income tax paid		(1,650,064)	(1,962,309)
Staff retirement benefits paid		(89,238)	(81,225)
Income from deposits with Islamic banks and other financial institutions		1,021,908	1,027,121
Long-term loans and advances		(30,819)	(49,684)
Long-term deposits and prepayments		2,733	(14,326)
Net cash generated from operating activities		9,723,222	10,502,630
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(21,628,995)	(7,880,787)
Investment in joint ventures		(38,187)	-
Business acquisition		-	(1,935,700)
Dividend from associate		363,410	312,015
Short term investment		(501,311)	-
Dividend received from short term investments		522	301
Bank balance held as lien - net		(512,985)	-
Sale proceeds on disposal of property, plant and equipment		142,261	17,189
Net cash used in investing activities		(22,175,285)	(9,486,982)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance - net		2,565,845	1,988,319
Payment against finance lease liability		(1,180)	(1,733)
Issuance of shares to non controlling interest		2,820,760	844,926
Dividends paid		(2,766,282)	(4,813,292)
Net cash generated from / (used in) financing activities		2,619,143	(1,981,780)
Net increase in cash and cash equivalents		(9,832,920)	(966,132)
Cash and cash equivalents at the beginning of the period		19,162,930	34,144,414
Cash and cash equivalents at the end of the period		9,330,010	33,178,282
Cash and cash equivalents at December 31 comprise of:			
Cash and bank balances		25,707,497	35,425,269
Short-term finances		(7,977,487)	(2,246,987)
Bank balance marked as lien		(8,400,000)	-
		9,330,010	33,178,282

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

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Irfan Chawala
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

For the half year ended December 31, 2018 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserves			Total reserves	Non-Controlling Interests	Total equity
			General reserves	Foreign currency translation reserve	Unappropriated profit			
(PKR in '000')								
Balance as at July 01, 2017	3,233,750	7,343,422	55,511,916	152,106	20,729,031	83,736,475	9,235,325	96,205,550
Transfer to general reserves	-	-	8,198,518	-	(8,198,518)	-	-	-
Final dividend at the rate of PKR 12/- per share for the year ended June 30, 2017	-	-	-	-	(3,880,500)	(3,880,500)	-	(3,880,500)
Interim dividend at the rate of PKR 5/- per share for the year ended June 30, 2018	-	-	-	-	(1,616,875)	(1,616,875)	-	(1,616,875)
Dividends paid to non-controlling interests of ICI	-	-	-	-	-	-	(238,631)	(238,631)
Share of non-controlling interests of KLM	-	-	-	-	1,243	1,243	843,683	844,926
Profit after taxation	-	-	-	-	7,914,236	7,914,236	662,643	8,576,879
Other comprehensive income	-	-	-	363,078	(4,934)	358,144	-	358,144
Total comprehensive income for the half year ended December 31, 2017	-	-	-	363,078	7,909,302	8,272,380	662,643	8,935,023
Balance as at December 31, 2017	<u>3,233,750</u>	<u>7,343,422</u>	<u>63,710,434</u>	<u>515,184</u>	<u>14,943,682</u>	<u>86,512,723</u>	<u>10,503,020</u>	<u>100,249,493</u>
Balance as at July 01, 2018	3,233,750	7,343,422	63,710,434	1,258,268	21,601,033	93,913,157	12,428,264	109,575,171
Transfer to general reserves	-	-	9,492,216	-	(9,492,216)	-	-	-
Final dividend at the rate of PKR 8/- per share for the year ended June 30, 2018	-	-	-	-	(2,587,000)	(2,587,000)	-	(2,587,000)
Dividends paid to non-controlling interests of ICI	-	-	-	-	-	-	(202,836)	(202,836)
Decrease in ownership interest in ICI	-	-	-	-	523,680	523,680	276,130	799,810
Share of non-controlling interests of KLM	-	-	-	-	(288)	(288)	2,021,238	2,020,950
Profit after taxation	-	-	-	-	5,795,505	5,795,505	341,757	6,137,262
Other comprehensive income	-	-	-	1,200,556	(9,298)	1,191,258	-	1,191,258
Total comprehensive income for the half year ended December 31, 2018	-	-	-	1,200,556	5,786,207	6,986,763	341,757	7,328,520
Balance as at December 31, 2018	<u>3,233,750</u>	<u>7,343,422</u>	<u>73,202,650</u>	<u>2,458,824</u>	<u>15,831,416</u>	<u>98,836,312</u>	<u>14,864,553</u>	<u>16,934,615</u>

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



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Irfan Chawala
Chief Financial Officer

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2018 (Un-audited)

1 THE GROUP AND ITS OPERATIONS

The Group consists of Lucky Cement Limited ("the Holding Company") and its subsidiary companies LCL Investment Holdings Limited, Lucky Holdings Limited, LCL Holdings Limited, Lucky Cement Holdings (Private) Limited and KIA Lucky Motors Pakistan Limited. Brief profiles of the Holding company, its subsidiary companies are as follows :

1.1 Lucky Cement Limited

The Holding Company was incorporated in Pakistan on September 18, 1993 under the Companies Ordinance, 1984 (the Ordinance). The shares of the Holding Company are quoted on the Pakistan Stock Exchange. The Holding Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange. The principal activity of the Holding Company is manufacturing and marketing of cement. The registered office of the Holding Company is located at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and the head office is situated at Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street in Karachi. The Holding Company has two production facilities at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and at Main Super Highway in Karachi, Sindh. Further, the Holding Company's liaison offices are situated in Islamabad, Quetta, Multan, D.I.Khan, Lahore and Peshawar.

1.2 LCL Investment Holdings Limited

The Holding Company has made an investment in LCL Investment Holdings Limited (LCLIHL), incorporated and domiciled in Mauritius. LCLIHL has entered into joint venture agreements with Al Shamookh group, i.e. Lucky Al Shamookh Holdings Limited (LASHL) for operating a cement grinding unit in Basra, Iraq and Al Shamookh Lucky Investment Limited (ASLIL) for constructing a clinker manufacturing facility in Samawah, Iraq. LASHL and ASLIL are companies with limited liability in Jebel Ali Free Zone, United Arab Emirates. LCLIHL holds 50 percent ownership aforesaid joint ventures.

LCLIHL has also entered into a joint venture agreement with Rawsons Investments Limited (registered in Cayman Islands) for establishing LuckyRawji Holdings Limited (LRHL), incorporated with limited liability under laws of British Virgin Islands, for constructing a fully integrated cement manufacturing unit in the Democratic Republic of Congo. LCLIHL holds 50 percent ownership interest in LRHL.

1.3 Lucky Holdings Limited

Lucky Holdings Limited (LHL) was incorporated in Pakistan on September 6, 2012 as a public unlisted Company limited by shares under the Companies Ordinance, 1984. The registered office of LHL is situated at Room No 5, 6 and 7, Third Floor, Syed Towers, University Road, Opp: Custom House, Peshawar, Khyber Pakhtunkhwa.

During the period under review, a restructuring of LHL has been proposed through a Scheme of Arrangement (the Scheme) involving a wholly owned subsidiary of the Company, i.e. Lucky Cement Holdings (Private) Limited (LCHL) and wholly owned subsidiary companies of other shareholders of LHL. For details please refer note 2.

Details of the investments of LHL are as follows:

1.3.1 ICI Pakistan Limited

ICI Pakistan Limited (ICI) was incorporated in Pakistan and is listed on the Pakistan Stock Exchange. ICI is engaged in the manufacture of polyester staple fiber, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchandising of general chemicals. It also acts as an indenting agent and toll manufacturer. The registered office of ICI is situated at 5 West Wharf, Karachi.

1.3.2 ICI Pakistan PowerGen Limited

ICI Pakistan PowerGen Limited (ICI PowerGen) was incorporated in Pakistan as an unlisted public company and is a wholly owned subsidiary company of ICI. ICI PowerGen is engaged in generating, selling and supplying electricity to ICI. The registered office of ICI PowerGen is situated at 5 West Wharf, Karachi.

1.3.3 Cirin Pharmaceutical (Private) Limited

Cirin Pharmaceuticals (Private) Limited (Cirin) is a private limited company incorporated in Pakistan and is a wholly owned subsidiary of ICI. Cirin is engaged in manufacturing and sale of pharmaceutical products. The registered office of Cirin is situated at ICI House, 5 West Wharf, Karachi.

1.3.4 NutriCo Morinaga (Private) Limited

NutriCo Morinaga (Private) Limited (NutriCo) is a private limited company incorporated in Pakistan. ICI has 51% ownership interest in NutriCo. NutriCo is engaged in manufacturing of infant milk powder. The registered office of NutriCo is situated at ICI House, 5 West Wharf, Karachi.

1.4 LCL Holdings Limited

LCL Holdings Limited (LCLHL) was incorporated in Pakistan as public unlisted company. LCLHL is a wholly owned subsidiary of the Holding Company. LCLHL has been incorporated with the objective to invest in the Coal Based Power project to be setup by Lucky Electric Power Company Limited (LEPCL). The registered office of the Company is situated at 6-A, Muhammad Ali Society, A. Aziz Hashim Tabba Street, Karachi in the province of Sindh.

Details of investments of LCLHL are as follows

1.4.1 Lucky Electric Power Company Limited

Lucky Electric Power Company Limited (LEPCL) was incorporated in Pakistan on June 13, 2014, as a public unlisted company. LEPCL is a wholly owned subsidiary of LCLHL. The operations of LEPCL have not yet started. LEPCL will invest in setting up a 660 MW coal based power project in Karachi. Its registered office is situated at 6-A, Muhammad Ali Society, A. Aziz Hashim Tabba Street, Karachi in the province of Sindh.

1.5 KIA Lucky Motors Pakistan Limited

KIA Lucky Motors Pakistan Limited (KLM) was incorporated in Pakistan as a public unlisted company. The principal line of business of KLM is to carry on the manufacturing, assembling, distribution, marketing, sale, after-sale-service, import and export of all types of KIA motor vehicles, parts and accessories under license from KIA Motors Corporation.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2018 (Un-audited)

1.6 Lucky Cement Holdings (Private) Limited

Lucky Cement Holdings (Private) Limited (LCHL) is a private limited company incorporated in Pakistan. LCHL is a wholly owned subsidiary of the Holding Company. The company has been incorporated to affect restructuring of LHL through Scheme of Arrangement as detailed in note 2.

2 SCHEME OF ARRANGEMENT

As mentioned in notes 1.3 and 1.6, the Scheme, amongst other arrangements, determines LHL Demerged Undertakings as primarily comprising the assets, liabilities and obligations of LHL relating to its underlying investment in ICI. Under the Scheme, the share of LHL Shareholders in LHL Demerged Undertakings proportionate to their respective shareholding in LHL shall be amalgamated with and into their respective wholly owned subsidiary companies and their proportionate shares in LHL to that extent shall be cancelled.

The petition for sanctioning the Scheme was filed with the Honourable High Court of Sindh by LHL and the Subsidiary Companies on November 27, 2018. Once sanctioned, a certified copy of an order of the Court shall be filed by LHL with Securities and Exchange Commission of Pakistan (SECP). On filing of the order with SECP as aforesaid, the Scheme shall come into effect from start of business on July 01, 2018 or from a date as approved by the Court.

3 STATEMENT OF COMPLIANCE

3.1 These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 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 Holding Company's consolidated annual audited financial statements for the year ended June 30, 2018.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 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, 2018 except those stated in note 4.2 (a) below.

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

(a) New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the half year ended December 31, 2018

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these consolidated condensed interim financial statements.

In addition to that two new standards (i.e. IFRS 9 and IFRS 15) have become applicable to the Company effective July 1, 2018. Because of these new standards certain changes to the Holding Company's accounting policies have been made in light of the following paragraphs:

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standard do not have any significant impact on these consolidated condensed interim financial statements of the Company.

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

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

5 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. Actual results may differ from these judgements, estimates and assumptions.

However, the management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in these consolidated condensed interim financial statements.

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those applied in the Company's consolidated annual audited financial statements for the year ended June 30, 2018.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2018 (Un-audited)

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's consolidated annual audited financial statements for the year ended June 30, 2018.

6 PROPERTY, PLANT AND EQUIPMENT

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

		(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
	Note	(PKR in '000')	
Operating fixed assets (WDV) - opening balance		60,619,288	49,689,176
Add: Additions during the period/year	6.2	3,136,060	16,508,608
		63,755,348	66,197,784
Less: Disposals during the period/year (WDV)		32,043	74,484
Impairment charge for the period/year		-	36,758
Depreciation charge for the period/year		3,067,142	5,467,254
Operating fixed assets (WDV) - closing balance		60,656,163	60,619,288
Add: Capital work-in-progress	6.3	31,792,952	13,245,714
		92,449,115	73,865,002

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

	Additions (Cost)	Deletions (Cost)
	(PKR in '000')	
Operating fixed assets		
Land	47,404	-
Lime beds on freehold land	13,244	-
Buildings on free hold land		
- Cement plant	101,858	-
- Power plant	1,165	-
- Others	5,382	-
Buildings on leasehold land		
- Cement plant	190,404	-
- Others	122,041	400
Machinery	2,049,844	43,192
Generators	60,804	1,809
Quarry equipments	113,118	247
Vehicles including cement bulkers	291,921	118,770
Furniture and fixtures	34,627	1,694
Office equipments	22,009	176
Computer & Accessories	38,929	4,567
Other assets	43,310	658
	3,136,060	171,513

6.3 The following is the movement in capital work-in-progress during the period/year:

	(Un-audited)	(Audited)
	December 31, 2018	June 30, 2018
	(PKR in '000')	
Opening balance	13,245,714	9,912,057
Add: Additions during the period/year	21,550,200	18,114,978
	34,795,914	28,027,035
Less: Transferred to operating fixed assets	2,995,966	14,764,699
: Transferred to intangible assets	6,996	16,622
Closing balance	31,792,952	13,245,714

		(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
	Note	(PKR in '000')	
7 LONG TERM INVESTMENT			
Equity accounted investment			
Joint ventures			
Lucky Al Shumookh Holdings Limited	7.1	4,392,232	3,560,404
LuckyRawji Holdings Limited	7.2	9,036,537	8,106,046
Al Shumookh Lucky Investments Limited	7.3	35,997	-
		13,464,766	11,666,450
Associates			
NutriCo Pakistan (Pvt) Limited	7.4	1,118,535	1,130,004
Yunus Energy Limited	7.5	787,755	844,033
		1,906,290	1,974,037
		15,371,056	13,640,487
Unquoted - at cost			
Equity security available-for-sale			
Arabian Sea Country Club Limited (250,000 ordinary shares of PKR 10 each)		2,500	2,500
		15,373,556	13,642,987
7.1 Lucky Al Shumookh Holdings Limited			
Investment at cost		1,912,283	1,912,283
Share of cumulative profit at the beginning of the year		1,067,601	536,384
Share of profit during the period/year		301,531	861,131
Dividend received during the period/year		-	(329,914)
		1,369,132	1,067,601
Foreign currency translation reserve		1,110,817	580,520
		4,392,232	3,560,404
The Group's interest in LASHL's assets and liabilities is as follows:			
Total assets		9,380,110	7,541,074
Total liabilities		(595,646)	(420,267)
Net assets (100%)		8,784,464	7,120,807
Group's share of net assets (50%)		4,392,232	3,560,404
The Group's share in LASHL's profit or loss is as follows:			
Revenue		3,590,602	7,491,670
Net profit (100%)		603,063	1,722,262
Group's share of net profit (50%)		301,531	861,131
7.2 LuckyRawji Holdings Limited			
Investment at cost		6,870,050	6,870,050
Share of cumulative loss at the beginning of the year		(74,603)	(231,226)
Share of (loss) / profit during the period/year		(212,911)	156,623
		(287,514)	(74,603)
Foreign currency translation reserve		2,454,001	1,310,599
		9,036,537	8,106,046

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2018 (Un-audited)

	(Un-audited) December 31, 2018 (PKR in '000')	(Audited) June 30, 2018
The Group's interest in LRHL's assets and liabilities is as follows:		
Total assets	35,449,059	33,720,710
Total liabilities	(17,375,986)	(17,508,618)
Net assets (100%)	18,073,073	16,212,092
Group's share of net assets (50%)	9,036,537	8,106,046
The Group's share in LRHL's profit or loss is as follows:		
Revenue	4,306,641	7,786,559
Net (loss) / profit (100%)	(425,823)	313,245
Group's share of net (loss) / profit (50%)	(212,911)	156,623
7.3 AI Shumookh Lucky Investments Limited		
Investment at cost	38,187	-
Share of loss during the period	(2,045)	-
Foreign currency translation reserve	(145)	-
	35,997	-
The Group's interest in ASLIL's assets and liabilities is as follows:		
Total assets	2,592,490	-
Total liabilities	(2,520,496)	-
Net assets (100%)	71,994	-
Group's share of net assets (50%)	35,997	-
The Group's share in ASLIL's profit or loss is as follows:		
Revenue	-	-
Net loss (100%)	(4,089)	-
Group's share of net loss (50%)	(2,045)	-
7.4 NutriCo Pakistan (Pvt) Limited		
Investment at cost	960,000	960,000
Share of profit opening balance	170,004	4,034
Share of profit during the period/year	168,531	585,970
Dividend received during the period/year	(180,000)	(420,000)
	158,535	170,004
	1,118,535	1,130,004

The Group has a 40% interest in NutriCo Pakistan (Private) Limited (the associate), which is involved in marketing and distribution of infant milk and nutritional products.

	(Un-audited)	(Audited)
	December 31,	June 30,
	2018	2018
Note	(PKR in '000')	
7.5 Yunus Energy Limited		
Investment at cost	611,365	611,365
Share of cumulative profit at the beginning of the year	232,668	108,472
Share of profit during the period/year	127,132	261,753
Dividend received during the period/year	(183,410)	(137,557)
	176,390	232,668
	787,755	844,033

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

8 LONG TERM FINANCES

	(Un-audited)	(Audited)
	December 31,	June 30,
	2018	2018
Note	(PKR in '000')	
Long-term finances	14,124,914	11,409,403
Current portion of long term finances	(2,630,008)	(2,619,516)
	11,494,906	8,789,887

8.1 There is no change in the terms and conditions of long-term loans as disclosed in the Group's consolidated annual audited financial statements, except that during the period, ICI availed a further long term loan amounting to PKR 300 million bearing a mark up rate on LTFF ranges upto SBP rate + 0.5% spread, with other Long Term Loans ranging from 3 month KIBOR to 6 months KIBOR bearing spreads ranging upto 0.25%. The profit rate on Islamic term finance is 6 months KIBOR + 0.05%. The markup is payable on quarterly and semi-annual basis. ICI further availed Islamic term loan diminishing musharaka facility amounting to PKR 1,723 million. The profit rate on facility ranges from 3 months KIBOR + upto 1.15% spread. The profit is payable on quarterly basis whereas loan repayment will start after expiry of one year grace period. Further, Lucky Holdings Limited has paid off its outstanding balance of Musharika Finance as at June 30, 2018 amounting to PKR 984.375 million.

8.2 LEPCL entered into a PKR Facility Agreement aggregating to PKR 55.97 billion on May 31, 2018 with consortium of Banks led by United Bank Limited as 'InterCreditorAgent'. As on December 31, 2018 LEPCL has availed long term loan aggregating to PKR 2 billion. Transaction cost aggregates to PKR 23.981 million which is netted off from the said loan.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2018 (Un-audited)

		(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
	Note	(PKR in '000')	
9	DEFERRED LIABILITIES		
	Staff gratuity and eligible retired employees' medical scheme	1,927,779	1,770,164
	Deferred tax liability	8,185,363	8,870,572
		10,113,142	10,640,736
9.1	Deferred tax liability		
	This comprises of the following :		
	- Taxable temporary differences arising due to accelerated tax depreciation allowance	9,127,715	9,777,194
	- Deductible temporary differences arising in respect of provisions	(942,352)	(906,622)
		8,185,363	8,870,572

10 CONTINGENCIES AND COMMITMENTS

10.1 CONTINGENCIES

There are no major changes in the status of contingencies as reported in the annual audited consolidated financial statements for the year ended June 30, 2018.

		(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
		(PKR in '000')	
10.2	COMMITMENTS		
	Machinery under letters of credit and others	81,975,080	78,556,891
	Stores, spares and packing material under letters of credit	1,631,421	2,631,479
	Bank guarantees issued on behalf of the Holding Company and its subsidiaries	29,756,914	32,617,010
	Standby Letter of Credit	4,165,857	3,644,916
	Post dated cheques	792,516	315,791

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

		(Un-audited)	(Audited)
		December 31, 2018	June 30, 2018
		(PKR in '000')	
	Local bodies	96,536	166,501
	Others	11,318	11,318
		107,854	177,819

	(Un-audited)	(Audited)
	December 31, 2018	June 30, 2018
	(PKR in '000')	
10.4	Commitments for rentals under operating lease / ljarah agreements in respect of vehicles are as follows:	
Year		
2018-19	39,472	76,101
2019-20	84,076	80,895
2020-21	89,541	85,991
2021-22	95,361	91,409
2022-23	52,257	-
	360,707	334,396
Payable not later than one year	81,510	76,101
Payable later than one year but not later than five years	279,197	258,295
	360,707	334,396

	For the half year ended	
	December 31, 2018	December 31, 2017
	(PKR in '000')	

11 SEGMENT REPORTING

TURNOVER

Cement	34,885,341	32,852,077
Polyester	11,366,885	8,815,185
Soda Ash	9,915,361	7,147,495
Life Sciences	6,837,603	6,824,805
Chemicals and Agri Sciences	4,381,108	4,109,283
Others (ICI PowerGen, KLM)	1,033,013	292,812
	67,854,061	59,766,088

	For the half year ended	
	December 31, 2018	December 31, 2017
	(PKR in '000')	

11.1 OPERATING RESULT

Cement	5,489,861	7,515,738
Polyester	(107,964)	41,553
Soda Ash	1,657,062	1,351,466
Life Sciences	166,014	705,233
Chemicals and Agri Sciences	236,107	1,495
Others	(77,460)	(44,087)
	7,329,442	9,572,388

11.2 Inter-segment sales and purchases have been eliminated from the total.

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

	For the half year ended	
	December 31, 2018	December 31, 2017
	(PKR in '000')	

11.4 GROSS SALES

Local	61,672,525	57,179,663
Export	6,181,536	2,586,425
	67,854,061	59,766,088

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2018 (Un-audited)

12 OTHER INCOME

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

	Note	For the half year ended	
		December 31, 2018	December 31, 2017
		(PKR in '000)	
13 CASH GENERATED FROM OPERATIONS			
Profit before taxation		7,576,845	10,343,284
Adjustments for non cash charges and other items			
Depreciation	6.1	3,028,682	2,489,654
Amortization on intangible assets		174,951	200,001
Provision for slow moving spares		250	555
Provision for slow moving and obsolete stock-in-trade		139,378	143,355
Provision for doubtful debts		17,002	115,680
Provisions and accruals no longer required written back		(3,974)	(253)
(Gain) / Loss on disposal of fixed assets		(110,263)	(8,796)
Provision for staff retirement plan		230,468	191,637
Share of profit from equity accounted investees		(382,238)	(1,052,224)
Return from deposits with islamic banks and other financial institutions		(1,063,171)	(1,022,585)
Dividend income from short term investments		(522)	(301)
Adjustment of pre-paid arrangement fee to loan account		(23,981)	-
Finance cost		766,796	309,690
Profit before working capital changes - carried forward		10,350,223	11,709,697
(Increase) / decrease in current assets			
Stores, spares and consumables		(340,592)	(1,281,177)
Stock in trade		(896,619)	(137,022)
Trade debts		314,728	(318,431)
Loans and advances		(642,774)	(164,604)
Trade deposits and short term prepayments		(1,817,691)	(65,974)
Other receivables		(473,701)	(132,720)
		(3,856,649)	(2,099,928)
Increase in current liabilities			
Trade and other payables		4,689,463	2,264,019
Cash generated from operations		11,183,037	11,873,788

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:

	(Un-audited) For the half year ended	
	December 31, 2018	December 31, 2017
	(PKR in '000')	
Transactions with Associated Undertakings		
Sales	1,356,983	1,142,804
Purchase of goods, materials and services	52,752	33,443
Reimbursement of expenses to Company	55,047	41,477
Reimbursement of expenses from Company	522	459
Sale of fixed asset	5,430	-
Donation	80,000	5,000
Dividends received	363,410	312,020
Dividends paid	676,762	795,420
Services	16,373	13,978
Purchase of shares of subsidiary Company	-	10
Investment made in joint ventures	38,187	-
Transactions with Directors		
Meeting fee	719	750
Dividends paid	573,354	1,039,248
Transactions with key management personnel		
Salaries and benefits	330,978	282,481
Post employment benefits	34,068	31,369
Dividends paid	4,907	5,487
Staff retirement benefit plan		
Contribution	119,865	123,472

15 GENERAL

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

16 DATE OF AUTHORISATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on January 31, 2019 by the Board of Directors of the Holding Company.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Irfan Chawala
Chief Financial Officer

صحت

اعلیٰ معیاری سہولیات صحت کی فراہمی آپ کی کمپنی کی اولین ترجیحات میں شامل ہے اور اس سلسلے میں بالخصوص عزیز ذہن فاؤنڈیشن کی مالی امداد کی جارہی ہے جو کہ انسانی ہمدردی کے تحت فہ ہارٹ اور فہ کڈنی انسٹیٹیوٹس کا انتظام سنبھالے ہوئے ہے۔ یہ ادارے ہمارے ملک میں خصوصی اور جدید علاج کی سہولیات کے فقدان کو ختم کرنے میں اہم کردار ادا کر رہے ہیں۔ اس سلسلے میں آپ کی کمپنی کی جانب سے فہ کڈنی انسٹیٹیوٹ کو ان کے پلیٹ فارم سے پہلی بین الاقوامی پیڈیاٹرک یورولوجی کانگریس کے انعقاد کیلئے بھی مالی معاونت فراہم کی گئی ہے۔

ماحولیات

آپ کی کمپنی ماحولیات کی حفاظت اور بقا کیلئے انتہائی سنجیدہ کوششوں پر یقین رکھتی ہے اور زہن نشین مانی ہے دوران ماحولیات کی حفاظت کے شعور کو اجاگر کرنے کی غرض سے شجر کاری کی مہم کا آغاز کیا گیا جس کے سلسلے میں ملازمین کو مفت پودے فراہم کئے گئے تاکہ سرسبز اور ماحول دوست پاکستان میں ہم اپنا حصہ ملا سکیں۔

مستقبل پر نظر

سینٹ کی صنعت کا مستقبل امید افزاء نظر آتا ہے اور حکومت وقت کی جانب سے بڑے اور چھوٹے پیمانے پر پانی کو ذخیرہ کرنے اور دیگر مقاصد کیلئے بنائے جانے والے ڈیموں اور پبلک سکیر میں پچاس لاکھ گھروں کی تعمیر کے منصوبے کیلئے کئے جانے والے اقدامات کے پیش نظر آپ کی کمپنی اس بات سے پر امید ہے کہ مقامی سطح پر آنے والے دنوں میں سینٹ کی فروخت میں اضافہ ہوگا۔ جبکہ دوسری جانب سازگار کاروباری رجحانات اور خطے اور اطراف کے ممالک میں کلکٹر کی طلب میں اضافے کی بنیاد پر کہا جاسکتا ہے کہ برآمدات میں استحکام برقرار رہے گا۔

آپ کی کمپنی کی مضبوط مالیاتی پوزیشن اور نقد قومی کی ترسیل کی قابلیت کی وجہ سے منصوبوں اور پروجیکٹس میں سرمایہ کاری کا عمل بھی جاری رہے گا جس کی بنیاد پر کاروباری افعال کی کارکردگی مزید موثر ہوگی اور حصص داران کی سرمایہ کاری کی قدر میں بھی اضافہ ہوگا۔

اظہار تشکر

اس موقع پر کمپنی کے ڈائریکٹرز کمپنی کے تمام افراد کے بے حد مشکور ہیں کہ ان کی انتھک محنت اور کاوشیں کمپنی کی خدمات کیلئے پیش پیش رہیں اور کمپنی تمام شراکت داروں کے بھی تہ دل سے مشکور ہیں کہ ان کی حمایت اور حوصلہ افزائی ہمیشہ ہمارے شامل حال رہی۔



محمد علی فہ

چیف ایگزیکٹو/ڈائریکٹر

منجانب بورڈ



محمد یونس فہ

چئیرمین/ڈائریکٹر

سرمایہ کاری برائے آٹومیٹیو نیو چیترنگ پلانٹ - KIA موزر پاکستان لمیٹڈ (کے ایل ایم)

کے ایل ایم کی جانب سے یکم جون 2018 کو کمپلیٹ بلٹ اپ (سی بی یو) آپریشنز کا آغاز کیا گیا تھا۔ کمپنی کی جانب سے پاکستان کے مختلف شہروں میں کمپنی ملکیت میں اور تیسرے فریق کے زیر انتظام پاکستان کے چند بڑے شہروں میں ڈیلرشپ قائم کی جا چکی ہیں۔ اہداف کے مطابق یہ پروجیکٹ مالی سال 2019-20 کی پہلی سہ ماہی تک کمرشل بنیادوں پر کام کا آغاز کر دے گا۔

سوا، عراق میں کلنکر کی پیداوار کیلئے گرین فیلڈ کا قیام - 1.2 ملین ٹن سالانہ

پروجیکٹ کے سلسلے میں مالی معاملات طے پا چکے ہیں اور پلانٹ اور مشینری درآمد کرنے کی غرض سے دسمبر 2018 میں لیٹر آف کریڈٹ بھی کھولا جا چکا ہے۔ سائٹ پر مقام کو ہموار کرنے کا کام جنوری 2019 میں شروع کیا جا چکا ہے اور امید کی جاتی ہے کہ مارچ 2019 تک سول ورکس کا آغاز بھی کر دیا جائے گا۔ اس پروجیکٹ کی جانب سے کمرشل پیداوار کا آغاز مالی سال 2019-20 کی آخری سہ ماہی تک شروع کئے جانے کا ہدف مقرر کیا گیا ہے۔

کارپوریٹ معاشرتی ذمہ داری

آپ کی کمپنی اس معاشرے کی قدر و قیمت میں اضافے کیلئے پرعزم ہے جس معاشرے میں یہ اپنے کاروباری افعال سرانجام دے رہی ہے اور کمپنی کی توجہ بنیادی طور پر تعلیم، خواتین کی خود مختاری و صحت سے متعلق اقدامات اور ماحولیات کی حفاظت پر مرکوز ہے۔

تعلیم / وظائف

معاشرے میں مستحق طلباء کی امداد کے مشن اپنے ساتھ لئے زیر نظر شش ماہی کے دوران آپ کی کمپنی کی جانب سے IBA، LUMS اور ملکی اور غیر ملکی دیگر نامور جامعات میں زیر تعلیم طلباء کو وظائف جاری کئے گئے۔

خواتین کی خود مختاری

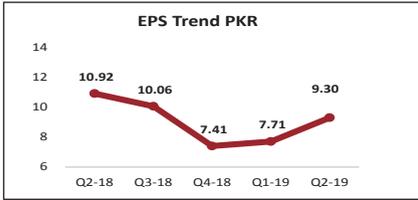
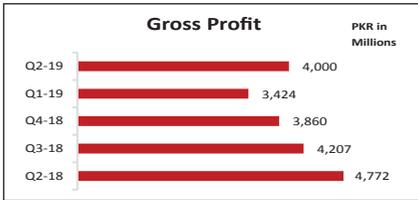
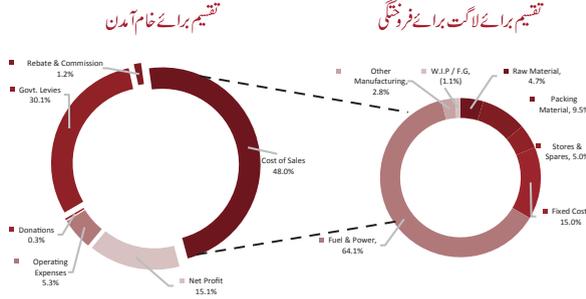
پاکستان میں خواتین کو خود مختار بنانے کا عزم لئے زندگی ٹرسٹ کے تعاون سے آپ کی کمپنی نے کراچی میں دو معروف گورنمنٹ گرلز اسکولوں میں امدادی سرگرمیاں جاری رکھیں۔ وطن عزیز میں خواتین کی تعلیم و تربیت کے ضمن میں اپنا معاشرتی کردار ادا کرنے کیلئے آپ کی کمپنی اس بات کا عزم کئے ہوئے کہ ان اسکولوں کو پاکستان میں لڑکیوں کے ماڈل تعلیمی اداروں کے بطور پیش کیا جائے۔

کیونٹی کی ترقی

کیونٹی کی ترقی کیلئے کوشاں اہم اقدامات اٹھاتے ہوئے آپ کی کمپنی کی جانب سے ورلڈ بین آرگنائزیشن کے چند پروگراموں کو اسپانسر کیا گیا ہے، یہ تنظیم اپنے فلاحی کاموں اور کیونٹی کی ترقی کیلئے عطیات فراہم کرنے میں ایک مقام رکھتی ہے۔ اس کے علاوہ اسپیشل اوپنیکس پاکستان کی جانب سے منعقد کئے جانے والے سالانہ کھیلوں کیلئے بھی آپ کی کمپنی کی جانب سے عطیات فراہم کئے گئے۔

لاگت برائے فروختگی

زیر نظر شش ماہی کے دوران آپ کی کمپنی کی فی ٹن لاگت برائے فروختگی میں گزشتہ سال اسی عرصے کے دوران کے مقابلے میں 14.2% اضافہ ہوا ہے۔ لاگت برائے فروختگی میں اس اضافے کی بنیادی وجہ کوئلے، ایندھن اور پیکنگ کے سامان کی قیمتوں میں اضافہ تھا۔



خام منافع

آپ کی کمپنی نے زیر نظر شش ماہی کے دوران 29.7% خام منافع حاصل کیا جو گزشتہ سال اسی عرصے کے دوران 38.2% درج کیا گیا تھا۔

صافی منافع

زیر نظر شش ماہی کے دوران آپ کی کمپنی نے 6,525.8 ملین روپے کا منافع قبل از ٹیکس کمایا جبکہ گزشتہ سال اسی عرصے کے دوران یہ منافع 8,094.6 ملین روپے تھا۔ اسی طرح اس شش ماہی کے دوران منافع بعد از ٹیکس 5,500.8 ملین روپے رہا جو کہ گزشتہ سال اسی عرصے کے دوران 6,547.1 ملین روپے درج کیا گیا تھا۔

آمدن فی حصص

مالی سال 31 دسمبر 2018 کی شش ماہی کے اختتام پر آپ کی کمپنی کی آمدن فی حصص 17.01 روپے رہی جبکہ گزشتہ سال اسی عرصے کے دوران آمدن فی حصص 20.25 روپے تھی۔

پروجیکٹس - نئے و جاری

براؤن فیلڈ سیمنٹ پلانٹ توسیع منصوبہ بمقام صوبہ خیبر پختونخوا پاکستان - 2.6 ملین ٹن سالانہ

منصوبے کے عین مطابق سول ورکس جاری ہیں اور پروجیکٹ کی سائٹ پر پلانٹ و مشینری کی سپینٹ آنا شروع ہو چکی ہیں۔ تعمیراتی و تزقیاتی کاموں کی رفتار بھی اطمینان بخش ہے اور امید کی جاتی ہے کہ مالی سال 2019-20 کی دوسری سہ ماہی تک یہ پروجیکٹ کمرشل بنیادوں پر کام کا آغاز کر دے گا۔

سرمایہ کاری

سرمایہ کاری برائے 1x660 میگا واٹ سپر کریٹیکل کوئلے پرائی پاور پروجیکٹ

کوئلے پرائی 660 میگا واٹ کے سپر کریٹیکل پاور پلانٹ کی تنصیب کیلئے تعمیراتی کام منصوبے کے عین مطابق جاری ہے۔ منصوبے کے کمرشل بنیادوں پر آپریشنز کا آغاز منصوبے کے عین مطابق یکم مارچ 2021 سے کیا جائے گا۔

اضافہ/ (کی) فیصد میں

شش ماہی

شش ماہی

تفصیلات

2017-18

2018-19

ہزاروں ٹن میں

اضافہ/ (کی) فیصد میں	شش ماہی	شش ماہی	شش ماہی
	2017-18	2018-19	2018-19
15.2%	62	408	470
(51.9%)	(42)	81	39
100.0%	513	-	513
109.0%	533	489	1,022
6.8%	257	3,757	4,014

برآمدات

بوری بند سیمنٹ

کھلا سیمنٹ

کلنکر

کل برآمدات

مجموعی کل

اضافہ/ (کی) فیصد میں

شش ماہی

شش ماہی

مارکیٹ میں حصہ

2017-18

2018-19

(7.3%)

16.5%

15.3%

مقامی فروختگی

برآمدات

بوری بند سیمنٹ

کھلا سیمنٹ

کلنکر

کل برآمدات

مجموعی کل

21.7%
-
100.0%
41.4%
3.0%

17.5%
100.0%
-
20.3%
16.9%

21.3%
100.0%
39.0%
28.7%
17.4%

ذرائع: اے پی سی ایم اے ویب سائٹ۔

ب۔ مالیاتی کارکردگی - مفرد

آپ کی کمپنی کی مفرد مالیاتی کارکردگی برائے پہلی شش ماہی اختتامیہ 31 دسمبر 2018 بہ مقابلہ گزشتہ سال کی شش ماہی کا جائزہ ذیل میں پیش کیا جا رہا ہے:

عدالتوں روپے میں ماسوائے آمدن فی حصص

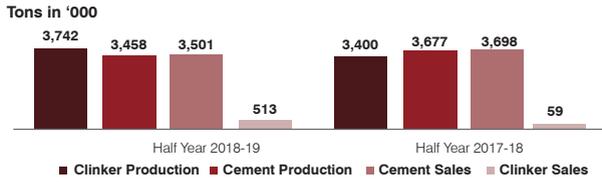
تفصیلات	شش ماہی	شش ماہی	تبدیلی فیصد میں
	2017-18	2018-19	
خام آمدن	32,852	34,885	6.2%
صافی آمدن	23,254	24,955	7.3%
خام منافع	8,886	7,424	(16.5%)
آپریٹنگ منافع	7,516	5,490	(27.0%)
آمدن قبل از سود، ٹیکس و فرسودگی	8,910	7,157	(19.7%)
صافی آمدن	6,547	5,501	(16.0%)
آمدن فی حصص	20.25/ فی حصص	17.01/ فی حصص	(16.0%)

آمدن

مالی سال 2018-19 کی زیر نظر شش ماہی کے دوران آپ کی کمپنی کی مجموعی آمدن از فروختگی میں گزشتہ سال اسی عرصے کے دوران کے مقابلہ میں 6.2% کی شرح نمو کا اضافہ درج کیا گیا ہے۔ اس اضافے کی بنیادی وجہ سیمنٹ اور کلنکر کی برآمدات میں ہونے والا اضافہ تھا۔

تفصیلات	شش ماہی 2018-19	شش ماہی 2017-18	اضافہ/(کمی) فیصد میں
پیداوار برائے کلنکر	3,742	3,400	10.1%
پیداوار برائے سیمنٹ	3,458	3,677	(6.0%)
فروختگی برائے سیمنٹ	3,501	3,698	(5.3%)
فروختگی برائے کلنکر	513	59	769.5%

حجم برائے فروختگی و پیداوار کو ذیل میں گراف کی صورت میں پیش کیا جا رہا ہے:



آپ کی کمپنی کی مفرد اور صنعت کی جانب سے مالی سال 2018-19 کی شش ماہی بمقابلہ شش ماہی گزشتہ سال مال کی ترسیل کا جائزہ ذیل میں پیش کیا جا رہا ہے:

تفصیلات	شش ماہی 2018-19	شش ماہی 2017-18	اضافہ/(کمی) فیصد میں
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سیمنٹ کی صنعت				
مقامی فروختگی	19,558	19,836	(278)	(1.4%)
برآمدات:				
بوری بند سیمنٹ	2,205	2,326	(121)	5.2%
کھلا سیمنٹ	39	81	(42)	(51.9%)
کلنکر	1,316	-	1,316	100.0%
کل برآمدات	3,560	2,407	1,153	47.9%
مجموعی کل	23,118	22,243	875	3.9%
کل سیمنٹ				
مقامی فروختگی:				
سیمنٹ	2,992	3,209	(217)	(6.8%)
کلنکر	-	59	(59)	(100.0%)
کل مقامی فروختگی	2,992	3,268	(276)	(8.4%)

ڈائریکٹرز جائزہ (یکجا)

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ آپ کی کمپنی کے مالیاتی نتائج بشمول مفرد (آڈیٹرز کی جانب سے باقاعدہ نظر ثانی شدہ) اور مجموعی غیر آڈٹ شدہ مالیاتی دستاویزات برائے پہلی سش ماہی 31 دسمبر 2018 آپ کی خدمت میں پیش کر رہے ہیں۔

جائزہ

پاکستان میں 31 دسمبر 2018 کو ختم ہونے والی سش ماہی کے دوران سیمنٹ کی صنعت کی شرح نمو 3.9% رہی جس کے تحت کل پیداواری حجم 23.12 ملین ٹن رہا جبکہ گزشتہ سال اسی عرصے کے دوران صنعت کا پیداواری حجم 22.24 ملین ٹن تھا۔ ایک جانب تو مقامی سطح پر سیمنٹ کی فروختگی کا کل حجم اس سش ماہی کے دوران % 1.4 کی کمی کے ساتھ 19.56 ملین ٹن رہا جو کہ گزشتہ سال اسی عرصے کے دوران 19.84 ملین ٹن تھا تو دوسری جانب برآمدات کا حجم % 47.9 کے ساتھ 3.56 ملین ٹن رہا جو کہ گزشتہ سال اسی عرصے کے دوران 2.41 ملین ٹن تھا۔

سیمنٹ انڈسٹری کے مقابلے میں زینٹرشش ماہی کے دوران آپ کی کمپنی کی مجموعی فروخت میں % 6.8 کا اضافہ درج کیا گیا ہے جس کے ساتھ فروخت کا حجم 4.01 ملین ٹن درج کیا گیا ہے۔ جبکہ مقامی سطح پر سیمنٹ کی فروخت کے حجم میں زینٹرشش ماہی کے دوران % 6.8 کی کمی کے بعد فروخت کا حجم 2.99 ملین ٹن ریکارڈ کیا گیا ہے (شمال میں % 10.8 اور جنوب میں % 2.1) جبکہ گزشتہ مالی سال کی سش ماہی کے دوران یہ حجم 3.21 ملین ٹن ریکارڈ کیا گیا تھا۔ جبکہ دوسری جانب زینٹرشش ماہی کے دوران برآمدات میں دلگنا اضافہ ہوا اور اس کے ساتھ برآمدات کا حجم % 109.0 کے اضافے کے ساتھ 1.02 ملین ٹن درج کیا گیا ہے، جبکہ گزشتہ مالی سال کی سش ماہی کے دوران برآمدات کا حجم 0.49 ملین درج کیا گیا تھا۔

کلی طور پر آپ کی کمپنی کی جانب سے مجموعی خام آمدن 67.85 ملین روپے ریکارڈ کی گئی ہے جو کہ گزشتہ مالی سال کی سش ماہی کے 59.77 ملین روپے کی خام آمدن کے مقابلے میں % 13.5 زائد ہے۔

مزید برآں، مجموعی صافی منافع برائے کمپنی 6.14 ملین روپے ریکارڈ کیا گیا ہے جس میں سے 0.34 ملین روپے کا تعلق اقلیتی حصص داران (نان کنٹرولنگ انٹرسٹ) سے ہے جو کہ زینٹرشش ماہی اختتامیہ 31 دسمبر 2018 کے دوران 17.92 روپے فی حصص بنتا ہے جبکہ گزشتہ سال اسی عرصے کے دوران فی حصص قدر 24.47 روپے درج کی گئی تھی۔

کاروباری جائزہ

الف۔ کارکردگی برائے فروختگی و پیداوار۔ مفرد

آپ کی کمپنی کی جانب سے سش ماہی اختتامیہ 31 دسمبر 2018 کے دوران مفرد پیداوار و فروختگی سے متعلق شریات بمقابلہ گزشتہ سال کی سش ماہی ذیل میں پیش ہیں:

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