

THIRD QUARTERLY REPORT  
MARCH 31, 2023



# Embarking on Sustainable Future

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

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# 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  
(Director Finance & Chief Financial Officer)

Amin Ganny  
(Chief Operating Officer)

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

## COMPANY SECRETARY

Faisal Mahmood

## HEAD OF INTERNAL AUDIT

Ahmad Waseem Khan

## BOARD COMMITTEES

### AUDIT COMMITTEE

Masood Karim Shaikh  
(Chairman)

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 – Islamic Banking  
Habib Bank Limited  
Habib Bank Limited – Islamic Banking  
Habib Metropolitan Bank Limited  
Habib Metropolitan Bank Limited – Islamic Banking  
MCB Bank Limited  
MCB Islamic Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
National Bank of Pakistan –Aitemaad Islamic Banking  
Pakistan Kuwait Investment Company (Private) Limited  
Standard Chartered Bank (Pakistan) Limited  
Standard Chartered Bank (Pakistan) Limited-Sadiq-Islamic Banking  
Saudi Pak Industrial & Agricultural Investment Company Limited  
Soneri Bank Limited  
United Bank Limited  
UBL Ameen Islamic Banking

## CREDIT RATING

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

## EXTERNAL AUDITORS

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

## COST AUDITORS

M/s. Grant Thornton Anjum Rahman – Chartered Accountants

## SHARIAH ADVISOR

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

## REGISTERED OFFICE

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

## CORPORATE OFFICE

📍 6-A, Muhammad Ali Housing Society, A. Aziz  
Hashim Tabba Street, Karachi – 75350  
📞 UAN: (+92-21) 111-786-555  
🌐 Website: [www.lucky-cement.com](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 Shahra-e-  
Faisal, Karachi, Pakistan (Toll Free): 0800 23275

## Directors' Report

The Directors take pleasure in presenting to you the financial results of your Company which include both, unaudited **consolidated** and **unconsolidated financial statements** for the nine months period ended March 31, 2023.

### Overview of Economy & Consolidated Financial Performance

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During 9M FY23, global prices of major commodities, including energy, agriculture, and metals, remained highly volatile owing to changes in supply and demand. This had a widespread impact on various industries, leading to inflationary pressures in several countries and a slowdown in global economic growth in most regions.

Very recently, there has been a decrease in commodity prices. This trend is largely driven by a global economic slowdown, which has led to a decrease in demand for commodities.

For majority part of the 9M FY23, Pakistan's economy has been impacted by the prevailing global trends, which has been further worsened by persistent political instability in the country. While the measures taken by the current government to restrict imports have reduced the current account deficit, the domestic manufacturing sector across multiple industries has been adversely affected by these administrative actions. On the other hand, both exports and workers' remittances have declined considerably compared to the same period last year. To achieve economic stability in the medium term, it is crucial for the government to introduce effective structural reforms that can bolster the export of goods and services, and thereby restore equilibrium to the economy.

On the other hand, the delay in the IMF program has resulted in constant pressure on the country's forex reserves resulting in a significant depreciation of PKR against the USD. This has caused an increase in import costs and has further fueled inflation in the country. To combat the unprecedented inflation levels, SBP in their recent monetary policy has increased the policy rate to 21%, which will further slow down the economic growth of the country, which is expected to be around 0.5% as per the latest estimates of IMF.

Your organization's leadership is proactively implementing measures to mitigate the impact of the aforementioned challenges on the company's operations and financial performance. Despite the prevailing economic headwinds, we remain committed to maintaining a strong focus on cost optimization, risk management, and innovation to deliver sustainable value to our stakeholders. As we navigate these challenging times, we remain optimistic about the long-term prospects of the business and our ability to adapt to evolving market conditions.

On a consolidated basis, for the nine months period ended March 31, 2023, your Company achieved gross revenue of PKR 340.1 billion which is 28.0% higher as compared to the same period last year's (SPLY)'s revenue of PKR 265.7 billion. The increase in gross revenue is mainly attributable to the commencement of commercial operations of Lucky Electric Power Company Limited in March 2022.

Moreover, the consolidated net profit of the Company for the nine months period ended March 31, 2023 is PKR 48.5 billion of which PKR 11.6 billion is attributable to non-controlling interests. The consolidated net profit attributable to owners of the Holding Company translates into an EPS of PKR 115.24 during the current nine months period ended March 31, 2023, as compared to PKR 64.07 during the SPLY.

The consolidated financial performance of your Company for the nine months period ended March 31, 2023, as compared to SPLY is presented below:

PKR million except EPS	9M FY23	9M FY22	Change (%)
Gross Revenue	<b>340,069</b>	265,699	28.0%
Net Revenue	<b>286,042</b>	216,577	32.1%
Gross Profit	<b>64,993</b>	39,855	63.1%
GP as % of Net Revenue	<b>22.7%</b>	18.4%	23.4%
Operating Profit	<b>52,511</b>	26,335	99.4%
EBITDA	<b>64,615</b>	34,258	88.6%
Net Profit*	<b>48,536</b>	26,533	82.9%
NP (Attributable to Owners of the holding company)	<b>36,944</b>	20,718	78.3%
Earnings Per Share (PKR) *	<b>115.24</b>	64.07	79.9%

\* Includes discontinued operations of Nutrico Morinaga Pvt. Ltd

The Company's net profit for the nine months under review has increased compared to the same period last year (SPLY) due to the profitability of Lucky Electric Power Company Limited (LEPCL), which recorded a profit this year, compared to a loss in SPLY. Additionally, the foreign cement operations also showed improved profitability. Furthermore, during the current period, Lucky Core Industries (LCI), a subsidiary company, recorded a gain of PKR 17.2 billion on the disposal of controlling interest and remeasurement of interest retained at fair value in NutriCo Morinaga (Pvt) Limited, reducing its total holding from 51% to 24.5%.

### Local Cement Operations

During the nine months under review, your Company's overall gross sales revenue increased by 15.7% as compared to SPLY. Despite experiencing a decline in both domestic as well as export sales volumes, the operational profitability of the local cement operations exhibited progress owing to increased operational efficiencies.



On December 22, 2022, your Company announced the commencement of operations of Line-2, at Pezu Plant. This addition increases the production capacity of your company's cement production by 3.15 Million Tons Per Annum (MTPA), thereby, bringing the total capacity to 15.30 MTPA. After the successful completion of the aforesaid expansion, your Company has further reinforced its rank and prominence as the largest manufacturer and exporter of cement and clinker in Pakistan.

Another successful milestone was achieved during the nine months period with the commencement of operations of a 34 MW solar power project at Pezu Plant on December 29, 2022. This investment was in line with our objectives to promote renewable energy, decrease the country's dependence on imported fuel and to make the company more cost-efficient.

### **Foreign Cement Operations**

Despite global recessionary pressure, the Company's foreign joint venture cement production facilities in Iraq and Congo continued to operate efficiently to add healthy profits to its profitability. Demand for cement has recently shown a significant growth in Congo. Furthermore, the plant situated in Najmat Al-Samawah, in Iraq, shifted from Furnace Oil to Natural Gas for its kiln operations, adding to the profitability of the venture.

### **Polyester, Soda Ash, and Chemicals**

During the period under review, ICI Pakistan Limited changed its name to Lucky Core Industries Limited with effect from December 23, 2022. Drawing on its core strengths, the new brand name embodies the subsidiary's role in delivering value through a diverse portfolio of essential products that are the 'core' of almost every industry and a part of every home in Pakistan.

The Net Turnover for the nine months under review at PKR 80.3 billion is 29% higher compared to the SPLY. Revenue from the Soda Ash, Animal Health, Polyester, Chemical & Agri Sciences and Pharmaceuticals businesses was higher by 72%, 27%, 12%, 10% and 4% respectively, as compared to the SPLY. The Operating Result for the nine months period under review at PKR 10.4 billion is 20% higher than the SPLY. The Soda Ash, Chemicals & Agri Sciences and Animal Health businesses delivered higher Operating Results by 73%, 25% and 20% respectively as compared to the SPLY, whereas the Polyester and Pharmaceuticals businesses posted a decline in Operating Results by 27% and 15% as compared to the SPLY.

During the period under review, the Subsidiary's business operations continued to face severe macroeconomic challenges in comparison to the SPLY. Significant increases in the cost of doing business, depreciation of the Pak Rupee in comparison to the US Dollar, hikes in interest rates, import restrictions, changes in the tax regime, and fluctuations in global commodity prices remained the top challenges during the period.

In January 2023, the Subsidiary successfully concluded the sale of 21,763,125 ordinary shares of NutriCo Morinaga Private Limited ('NMPL') (constituting approximately 26.5% of the issued and paid up share capital of NMPL) at an aggregate price of USD 45,082,657 to Morinaga Milk Industry Co. Ltd Japan. Consequently, a gain of PKR 17.2 billion was recorded in the consolidated financial statements of the Subsidiary. The Subsidiary continues to hold approximately 24.5% of the issued and paid up capital of NMPL, making it an 'Associated Company', whilst Morinaga Milk's shareholding has increased to 51% of the issued and paid up share capital of NMPL.

### **Automobiles and Mobile Phones**

The automobile sector right from the start of July 2022 has witnessed a significant downturn in volumes on the back of the substantial devaluation of PKR to USD which led to an increase in the prices of cars. Apart from this, other factors that caused a significant decline in automotive volumes included the State Bank of Pakistan's (SBP) requirement of prior approval for opening LCs for the import of CKD kits and parts, complete restrictions effective end of December 2022 on the import of CKD kits for automobile manufacturers, imposition of CVT @ 1% on cars having engine capacity exceeding 1300 CC, increase in Sales Tax rates from 17% to 25% on cars having engine capacity of 1400 CC & above, and SUVs irrespective of their engine capacities, high-interest rates and tightening of auto financing scheme by the SBP, high inflation and the significant increase in fuel prices. The automobile sector has witnessed an overall decline of around 47% in terms of volumes during the nine months period ended 31<sup>st</sup> March 2023 compared to SPLY. Similarly, the mobile phones market saw approximately 50%+ decline in volumes compared to SPLY due to the substantial devaluation of PKR to USD.

### **Power**

Lucky Electric Power Company Limited commenced its commercial operations in March 2022. The Power Plant is designed to operate on Thar Lignite coal. Till such time that supplies from Thar are sufficient to meet the requirements of this plant, it continues to operate on a mix of imported and local lignite coal. During the current quarter, the plant availability factor was 97% compared to 92% during 1H FY23. The subsidiary's management efforts to optimize the plant's operations have yielded significant improvements in performance. The average fuel cost of electricity for the quarter was PKR 13.24 per KWh, which remains one of the cheapest in the country.

### **Cement Industry and Company's Performance – Unconsolidated**

The local cement industry volumes in Pakistan reported an aggregate decrease of 15.5% to reach 30.6 million tons for the nine months ended March 31, 2023, vs 36.1 million tons during SPLY. Also, the exports decreased by 34.6% to reach 3.0 million tons during the nine months under review as compared to 4.6 million tons during SPLY. This led to an overall decline in industry volumes by 17.6% to 33.6 million tons during the period under review in comparison to 40.8

million tons during SPLY. Since the commencement of FY23, the construction sector has encountered various obstacles, including the aftermath of devastating floods, rising interest rates, elevated inflation, a sharp increase in commodity costs including that of steel, and a decline in government development expenditures.

In comparison with the cement industry, your Company's overall sales volume declined by 23.0% to reach 5.4 million tons during the nine months period under review as compared to 7.1 million tons during the SPLY. The local sales volume declined by 16.9%, reaching 4.6 million tons during 9M FY23 compared to 5.5 million tons in SPLY. Whereas, export volumes were reduced by 44.5%, reaching 0.9 million tons in 9M FY23 versus 1.6 million tons in SPLY.

Exports witnessed a decline due to the weak global economic situation which suppressed the demand and prices. With high coal prices during 1H FY23 exports viability remained a challenge. Recently, in 3Q FY23, due to a decrease in coal prices and PKR devaluation, exports viability has improved.

#### **Cement Production & Sales Volume Performance:**

The local cement production and sales statistics of your Company for the nine months ended March 31, 2023, compared to the SPLY are as follows:

Particulars	9M FY23	9M FY22	Growth / (Decline)	
	Tons in '000'		%	
Clinker Production	4,581	6,548	↓	(30.0%)
Cement Production	5,242	6,428	↓	(18.4%)
Cement / Clinker Sales	5,443	7,068	↓	(23.0%)

A comparison of **Pakistan's Cement Industry** and your **Company's dispatches** for the nine months ended March 31, 2023, in comparison with SPLY, is presented below:



Particulars (Tons in '000')	9M FY23	9M FY22	Change %	
<b>Cement Industry</b>				
Local Sales	30,558	36,143	(5,585)	(15.5%)
Export Sales				
- Bagged	2,009	1,648	361	21.9%
- Loose	83	405	(322)	(79.4%)
- Clinker	944	2,587	(1,643)	(63.5%)
<b>Total Exports</b>	<b>3,036</b>	<b>4,640</b>	<b>(1,604)</b>	<b>(34.6%)</b>
<b>Grand Total</b>	<b>33,594</b>	<b>40,783</b>	<b>(7,189)</b>	<b>(17.6%)</b>
<b>Lucky Cement</b>				
Local Sales				
- Cement	4,579	5,501	(922)	(16.8%)
- Clinker	-	10	(10)	(100.0%)
	4,579	5,511	(932)	(16.9%)
Export Sales				
- Bagged	600	509	91	18.0%
- Loose	83	405	(322)	(79.4%)
- Clinker	180	643	(463)	(72.0%)
<b>Total Exports</b>	<b>864</b>	<b>1,557</b>	<b>(693)</b>	<b>(44.5%)</b>
<b>Grand Total</b>	<b>5,443</b>	<b>7,068</b>	<b>(1,625)</b>	<b>(23.0%)</b>
<b>Market Share</b>				
	9M FY23	9M FY22	Change %	
Local Sales	15.0%	15.2%	(1.5%)	
Export Sales				
- Bagged	29.9%	30.9%	(3.2%)	
- Loose	100.0%	100.0%	-	
- Clinker	19.1%	24.9%	(23.3%)	
<b>Total Export</b>	<b>28.5%</b>	<b>33.6%</b>	<b>(15.2%)</b>	
<b>Grand Total</b>	<b>16.2%</b>	<b>17.3%</b>	<b>(6.4%)</b>	

### Financial Performance – Unconsolidated

The unconsolidated financial performance of your Company for the nine months ended March 31, 2023, as compared to the SPLY is presented below:

PKR million except EPS	9M FY23	9M FY22	Change (%)
Gross Revenue	91,499	79,110	15.7%
Net Revenue	70,348	58,890	19.5%
Gross Profit	18,994	13,985	35.8%
GP as % of Net Revenue	27.0%	23.7%	13.9%
Operating Profit	13,707	9,205	48.9%
EBITDA	17,508	12,561	39.4%
Net Profit	11,134	11,309	(1.6%)
EPS	34.73	34.97	(0.7%)

### Revenue

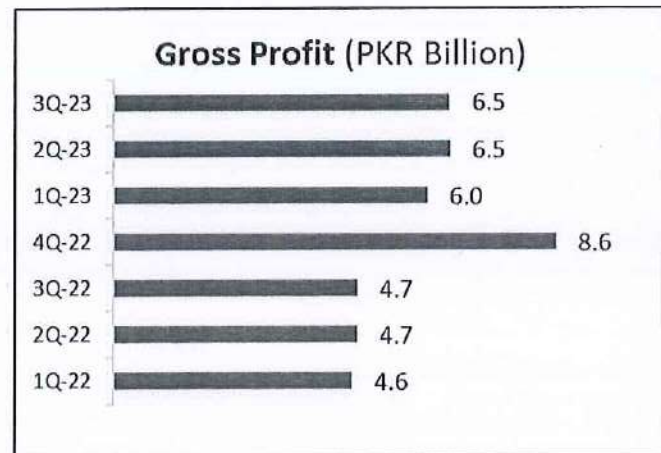
During the nine months period under review, your Company's overall gross revenue increased by 15.7% vs SPLY. While gross local sales revenue showed an increase of 18.7% (PKR 81.4 billion vs PKR 68.6 billion), the gross export sales revenue decreased by 4.1% (PKR 10.1 billion vs PKR 10.5 billion) due to decline in export volumes.

### Cost of Sales

During the nine months period under review, per ton cost of sales of your Company increased by 48.5% as compared to the SPLY. The major portion of this increase came from higher coal prices.

### Gross Profit

Your company's constant focus on cost and operational efficiencies has yielded positive results, as evidenced by the increase in our gross profit margin for 9M FY23. Through strategic cost management and optimization of our operations, we have been able to reduce our cost of goods sold and improve our manufacturing efficiencies. These efforts have led to an increase in our gross profit margin, which rose from 23.7% during the same period last year to 27.0% in the current fiscal year.



### Dividend Income

During 9M FY23, the dividend income of your Company from its subsidiaries / associate was PKR 2.4 billion vs PKR 3.4 billion during the SPLY.

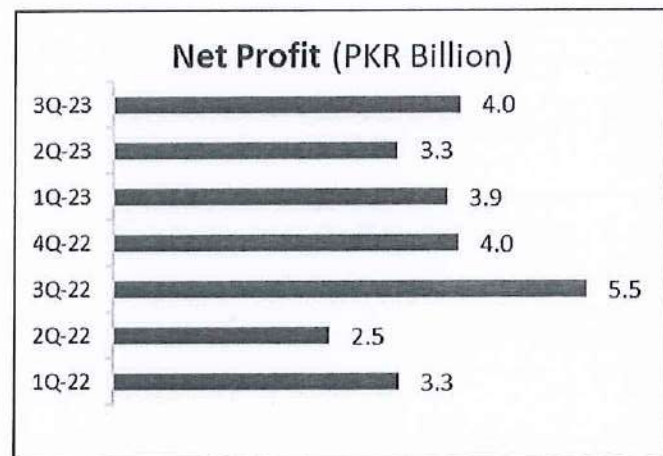
Subsidiary/ Associate PKR Billion	3Q FY23	2Q FY23	1Q FY23	4Q FY22	3Q FY22	2Q FY22	1Q FY22
LCI	0.5	-	0.8	-	1.0	-	1.0
LHL	0.2	-	-	0.1		0.2	-
YEL	0.1	0.1	-	-	0.1	0.1	-
LMC	-	-	0.7	-	1.0	-	-
<b>Total</b>	<b>0.8</b>	<b>0.1</b>	<b>1.5</b>	<b>0.1</b>	<b>2.1</b>	<b>0.3</b>	<b>1.0</b>

### Net Profit

Your Company achieved a profit before tax of PKR 15.7 billion during 9M FY23 as compared to PKR 14.2 billion reported during the SPLY.

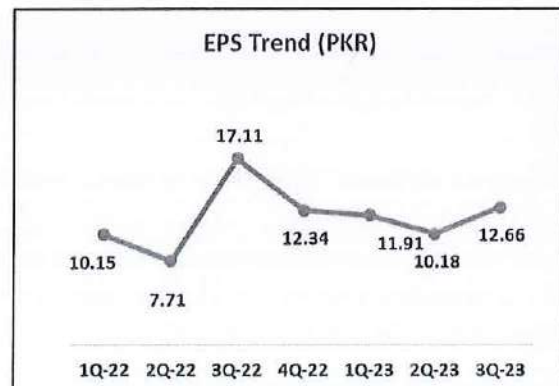
Accordingly, an after-tax profit of PKR 11.1 billion was achieved during the nine months under review as compared to PKR 11.3 billion reported during the SPLY.

The marginal decline in the company's profitability was attributed to lower dividend income from subsidiaries during the nine month period under review compared to SPLY.



### Earnings Per Share (EPS)

The earnings per share of your Company for 9M FY23 was PKR 34.73 in comparison to PKR 34.97 reported during the SPLY.



## Growth and Expansion

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### Share Purchase Agreement between Lucky Core Industries Limited (LCI) and Lotte Chemicals Corporation for acquisition of shares of Lotte Chemical Pakistan Limited by Lucky Core Industries Limited (LCI)

During the period under review, the Subsidiary entered into a Share Purchase Agreement with Lotte Chemicals Corporation on January 26, 2023, for the acquisition of approximately 75.01% of the issued and paid up 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 SPA and other transactional conditions, including receipt of requisite approvals and completion of other closing conditions. On April 28, 2023, LCI had informed PSX that the said acquisition shall be completed through its wholly-owned subsidiary, Lucky Core Ventures (Private) Limited.

### Renewable Energy Initiative at Karachi Cement Plant

A testament to your Company's commitment to energy conservation and promotion of green energy resources was the announcement of captive solar power project at its Karachi Plant.

Commercial negotiations for the 25 MW Solar Power Project at Karachi Plant have been completed and procurement process for the necessary equipment and materials commenced. The management expects to complete the project in 2Q FY24.

The company's endeavors to invest in renewable energy projects will have a significant impact on cost savings and decrease the nation's dependence on imported fuel.

### Share Buyback of Lucky Cement Limited

In 1Q FY23, the Company announced a share buyback of up to 10 million ordinary shares, which was subsequently approved by the shareholders in EOGM dated September 20, 2022. This buyback was targeted to improve the future EPS of your company. 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.

## Corporate Social Responsibility

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

### **Education / Scholarships**

With a commitment towards promoting merit based education and to facilitate the bright, deserving, and less privileged youth of the country, your Company continued to award various scholarships in the leading universities of Pakistan.

Your Company is also collaborating with leading NGOs for the establishment of primary schools in Landhi, Karachi, and Neelum Valley in order to ensure quality education for children from the less developed localities of Pakistan.

Continuing in the efforts to equip the youth of Lakki Marwat, Pezu, with skills and entrepreneurial ability, regardless of their financial background, your Company in collaboration with the Country's leading vocational training provider has selected the third batch to be provided with skill trainings in a designated vocational training institute near Rawalpindi. This will open limitless opportunities for the youth to either engage in different industries or to start fresh businesses, ultimately improving local prospects substantially.

As per your Company's collaboration with The Citizen Foundation to build a complete primary and secondary school near the Pezu plant for the general public. The construction of the school building has already been completed and the admission process is underway, the school is likely to be operational from the new academic year during 4Q FY23.

### **Women Empowerment**

To ensure women empowerment through quality education, the Company collaborated with Zindagi Trust in supporting two leading government girls' schools in Karachi. With mutual collaboration, the schools have been revamped into model girls' educational institutions.

### **Health Initiatives**

In accordance with your Company's priority, to provide quality healthcare, for society at large, especially through the financial support of Aziz Tabba Foundation; a prominent philanthropic institution that is running Tabba Heart and Tabba Kidney institutes, which provide vital support in bridging the gap between specialized and modern medical care available in the Country.

### **Environment Conservation**

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

Moreover, in line with our commitment towards environment sustainability, your Company has won CSR award in the “Green Energy Initiative” category for adopting renewable energy solutions to promote environmental conservation and ensure sustainable business operations.

## **Outlook**

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Pakistan has started FY23 in a difficult situation due to the prevailing global recessionary environment, significant inflationary pressures, monetary constraints, and environmental disasters. The country is facing further economic pressure due to delays in receiving the latest IMF tranche, which is constraining its financial flexibility. Despite the government's efforts to reassure lenders, the expected level of financial assistance from multilateral and bilateral sources has faced significant delays.

However, a few promising monetary guarantees have been received lately from the friendly countries which should pave the way to unlock the latest IMF tranche. Structural reforms, taken by the Government, to fulfill IMF conditions have contributed towards high inflation and a record low value for the PKR against the USD. Unlocking the targeted IMF tranche is crucial to jumpstart Pakistan's economy, which has been severely impacted by the unfavorable economic conditions and political instability. While taking steps towards rejuvenating the economy, it is essential to have clarity on the current uncertain political climate in Pakistan. This clarity would help in restoring the confidence of multilateral and bilateral entities in Pakistan's economy.

### **Local Cement Operations**

The current economic environment remains challenging, with high inflation and interest rates and a weakening currency, which is expected to keep demand subdued for the rest of FY23. The strict controls on imports are having a negative impact on the operating ability of large scale manufacturing industries, which in turn affects the cement sector. However, unlocking additional funding from international lenders could provide a much-needed boost to Pakistan's economy and help stimulate demand for the cement sector. Additionally, the recent decrease in international coal prices and the increased usage of local coal going forward is expected to relieve some of the cost pressures. Moreover, recent devaluation of the PKR will make our exports more competitive, further supporting the cement sector's growth.

### **Foreign Cement Operations**

As a result of growing demand in Congo, revenues from foreign operations are expected to remain strong. However, due to the volatility in exchange rate in Iraq and increasing input costs, margins would remain under pressure.

### Polyester, Soda Ash and Chemicals

Going ahead, the economic challenges facing the Country will continue to dampen overall industrial activity and the demand for the subsidiary's products. Lucky Core Industries Limited remains committed to leveraging its diverse product portfolio and cost rationalization efforts to minimize adverse impacts and deliver sustainable results.

### Automobiles and Mobile Phones

The outlook is uncertain and the sales volumes for automobile sector will remain under pressure due to the factors shared earlier in this report. The management is mindful of the prevailing challenges and to be able to remain strong, it has been continuously optimizing its operating cost and improving its localization for sustainable and competitive operations.

### Power

The Power Plant set up by Lucky Electric Power Company Limited is designed to operate on Thar Lignite coal. Till such time that supplies from Thar are sufficient to meet the requirements of this plant, it continues to operate on a mix of imported and local lignite coal the per unit cost of the power generated by LEPCL is significantly lower than imported coal plants due to lignite coal. This price is expected to reduce further when full quota of Thar coal is made available to the subsidiary.

After overcoming operational challenges faced after the plant startup in March 2022, the subsidiary's management target is to maintain plant availability at 100%.


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

## **Acknowledgment**

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

On behalf of the Board



**Muhammad Sohail Tabba**  
Chairman / Director  
Karachi, April 28, 2023,



**Muhammad Ali Tabba**  
Chief Executive / Director



**LUCKY CEMENT LIMITED**  
**UNCONSOLIDATED CONDENSED INTERIM**  
**FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED**  
**MARCH 31, 2023**



**LUCKY CEMENT LIMITED**  
**Unconsolidated Condensed Interim Statement of Financial Position**  
**As at March 31, 2023**

		<u>(Un-audited)</u> March 31, 2023	<u>(Audited)</u> June 30, 2022
	Note	(PKR in '000')	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	93,998,769	82,301,050
Intangible assets		94,809	51,352
		<u>94,093,578</u>	<u>82,352,402</u>
Long-term investments		57,594,485	57,594,485
Long-term loans and advances		210,650	191,684
Long-term deposits		7,842	8,106
		<u>151,906,555</u>	<u>140,146,677</u>
<b>CURRENT ASSETS</b>			
Stores and spares		17,481,365	11,206,843
Stock-in-trade		6,837,963	7,171,364
Trade debts		3,956,593	3,522,931
Loans and advances		637,550	735,337
Trade deposits and short-term prepayments		983,100	140,532
Accrued return		73,130	39,316
Other receivables		4,422,060	4,838,323
Tax refunds due from the Government		538,812	538,812
Short-term investments	13.2	16,688,563	12,751,155
Cash and bank balances		924,131	3,871,078
		<u>52,543,267</u>	<u>44,815,691</u>
<b>TOTAL ASSETS</b>		<u><u>204,449,822</u></u>	<u><u>184,962,368</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up share capital	10.2	3,133,750	3,233,750
Reserves		132,171,657	125,306,574
		<u>135,305,407</u>	<u>128,540,324</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term deposits		251,212	250,332
Long-term loans	6	14,602,750	14,108,446
Deferred Government grant		2,216,292	2,164,455
Deferred liabilities			
- Staff gratuity - unfunded		2,960,090	2,596,281
- Deferred tax liability	7	8,797,453	6,941,172
		<u>11,757,543</u>	<u>9,537,453</u>
		<u>28,827,797</u>	<u>26,060,686</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		30,578,702	23,191,483
Current maturity of long-term loans		513,956	487,202
Short-term borrowings		1,400,000	1,000,000
Unclaimed dividend		50,294	51,030
Accrued markup		269,938	135,452
Taxation - net		7,503,728	5,496,191
		<u>40,316,618</u>	<u>30,361,358</u>
		<u>69,144,415</u>	<u>56,422,044</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>204,449,822</u></u>	<u><u>184,962,368</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		

The annexed notes from 1 to 15 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 nine months ended March 31, 2023 (Un-audited)**

	Note	Nine months ended		Quarter Ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
		(PKR in '000')		(PKR in '000')	
<b>Gross sales</b>	9	91,498,783	79,110,490	32,792,796	28,503,707
Less: Sales tax and federal excise duty		20,077,228	19,185,536	7,412,366	6,760,312
Rebates, incentives and commission		1,073,894	1,035,244	365,850	402,301
		21,151,122	20,220,780	7,778,216	7,162,613
<b>Net sales</b>		70,347,661	58,889,710	25,014,580	21,341,094
Cost of sales		(51,353,459)	(44,904,352)	(18,543,212)	(16,629,539)
<b>Gross profit</b>		18,994,202	13,985,358	6,471,368	4,711,555
Distribution cost		(3,918,482)	(3,688,286)	(1,261,780)	(1,352,823)
Administrative expenses		(1,369,184)	(1,092,429)	(452,684)	(382,776)
Finance costs		(798,443)	(270,925)	(185,233)	(85,906)
Other expenses		(1,598,134)	(1,122,842)	(490,369)	(450,271)
Other income		4,405,678	6,354,287	1,558,195	4,136,582
<b>Profit before taxation</b>		15,715,637	14,165,163	5,639,497	6,576,361
Taxation		(4,581,983)	(2,856,104)	(1,634,462)	(1,041,794)
<b>Profit after taxation</b>		11,133,654	11,309,059	4,005,035	5,534,567
		(PKR)		(PKR)	
<b>Earnings per share - basic and diluted</b>	10	34.73	34.97	12.66	17.11

The annexed notes from 1 to 15 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 nine months ended March 31, 2023 (Un-audited)**

	Nine months ended		Quarter Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(PKR in '000')		(PKR in '000')	
<b>Profit after taxation</b>	11,133,654	11,309,059	4,005,035	5,534,567
<b>Other comprehensive (loss) / income:</b>				
Other comprehensive (loss) / income which will not be reclassified to profit or loss in subsequent periods:				
Unrealized (loss) / gain on remeasurement of equity instrument at fair value through other comprehensive income	(3,221)	(17,133)	584	(1,983)
Deferred tax thereon	403	2,570	(73)	297
	(2,818)	(14,563)	511	(1,686)
<b>Total comprehensive income for the period</b>	<u>11,130,836</u>	<u>11,294,496</u>	<u>4,005,546</u>	<u>5,532,881</u>

The annexed notes from 1 to 15 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 nine months ended March 31, 2023 (Un-audited)**

	Note	March 31, 2023	March 31, 2022
		(PKR in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	11	17,116,580	12,187,868
Income tax paid		(717,762)	(2,051,504)
Gratuity paid		(88,689)	(92,270)
Finance cost paid		(663,957)	(268,240)
Income from deposits with Islamic banks		544,855	187,752
Increase in long-term loans and advances		(18,966)	(103,523)
Decrease in long-term deposits (assets)		264	-
Increase in long-term deposits (liabilities)		880	11,499
<b>Net cash generated from operating activities</b>		16,173,205	9,871,582
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(15,585,154)	(14,304,527)
Long-term investments made		-	(4,400,000)
Sale proceeds on disposal of property, plant and equipment		242,547	203,861
Dividend received from subsidiary companies		2,134,493	3,284,976
Dividend and other income received from associated company		244,546	187,505
Dividend received on short-term investments		1,177,639	834,728
Release / (placement) of balance as lien		1,111,111	(789,111)
<b>Net cash used in investing activities</b>		(10,674,818)	(14,982,568)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term loans obtained		5,234,359	5,493,246
Long-term loans repaid		(4,661,464)	(506,908)
Dividends paid		(736)	(2,072)
Own shares purchased for cancellation	10.2	(4,365,753)	-
<b>Net cash (used in) / generated from financing activities</b>		(3,793,594)	4,984,266
 Net increase / (decrease) in cash and cash equivalents		1,704,793	(126,720)
Cash and cash equivalents at the beginning of the period		14,493,016	11,641,039
Cash and cash equivalents at the end of the period	11.1	16,197,809	11,514,319

The annexed notes from 1 to 15 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 nine months ended March 31, 2023 (Un-audited)**

	Issued, subscribed and paid-up share capital	Capital reserve		Revenue reserves		Total reserves	Total equity
		Share premium	Own shares purchased for cancellation	General reserves	Unappropriated Profit		
-----PKR in '000'-----							
<b>Balance as at July 01, 2021</b>	3,233,750	7,343,422	-	85,147,790	17,475,296	109,966,508	113,200,258
Transfer to general reserves	-	-	-	14,016,397	(14,016,397)	-	-
Total comprehensive income for the nine months ended March 31, 2022	-	-	-	-	11,294,496	11,294,496	11,294,496
<b>Balance as at March 31, 2022</b>	<u>3,233,750</u>	<u>7,343,422</u>	<u>-</u>	<u>99,164,187</u>	<u>14,753,395</u>	<u>121,261,004</u>	<u>124,494,754</u>
<b>Balance as at July 01, 2022</b>	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 nine months ended March 31, 2023	-	-	-	-	11,130,836	11,130,836	11,130,836
Own shares purchased for cancellation (note 10.2)	-	-	(4,365,753)	-	-	(4,365,753)	(4,365,753)
Cancellation of own shares purchased (note 10.2)	(100,000)	-	4,365,753	(4,265,753)	-	100,000	-
<b>Balance as at March 31, 2023</b>	<u>3,133,750</u>	<u>7,343,422</u>	<u>-</u>	<u>110,238,500</u>	<u>14,589,735</u>	<u>132,171,657</u>	<u>135,305,407</u>

The annexed notes from 1 to 15 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 nine months ended March 31, 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 Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange. The principal activity of the Company is manufacturing and marketing of cement

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

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

**2 STATEMENT OF COMPLIANCE**

- 2.1 These unconsolidated condensed interim financial statements of the Company for the nine months ended March 31, 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, 2022.

**3 SIGNIFICANT ACCOUNTING POLICIES**

- 3.1 The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated annual audited financial statements for the year ended June 30, 2022.

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

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

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

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

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2023. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

#### 4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2022.

#### 5 PROPERTY, PLANT AND EQUIPMENT

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

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
	Note	(PKR in '000')	
Operating fixed assets (WDV) - opening balance		59,972,785	58,033,791
Add: Additions during the period / year	5.2	34,516,819	6,567,383
		<u>94,489,604</u>	<u>64,601,174</u>
Less: Disposals during the period / year (WDV)		42,552	101,513
Depreciation charge for the period / year		3,777,760	4,526,876
Operating fixed assets (WDV) - closing balance		90,669,292	59,972,785
Add: Capital work-in-progress	5.3	3,000,384	21,911,214
Add: Capital spares		329,093	417,051
		<u>93,998,769</u>	<u>82,301,050</u>

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

	(Un-audited) March 31, 2023	
	Additions (Cost)	Deletions (Cost)
	(PKR in '000')	
<b>Operating fixed assets</b>		
<u>Buildings on freehold land</u>		
- Cement plant	963,166	-
- Power plant	42,910	-
<u>Buildings on leasehold land</u>		
- Cement plant	20,721	-
- Power plant	825	-
- Others	7,417	-
Plant and machinery	26,811,903	-
Generators and other power generation equipment	6,307,972	66,834
Quarry equipments	10,960	-
Vehicles including cement bulkers	122,647	164,257
Furniture and fixtures	18,348	-
Office equipment	27,166	611
Computer and Accessories	144,483	11,560
Other assets (Laboratory equipment, etc.)	38,301	430
	<u>34,516,819</u>	<u>243,692</u>

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

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	(PKR in '000')	
Opening balance	21,911,214	4,015,044
Add: Additions during the period / year	15,673,112	24,515,120
	<u>37,584,326</u>	<u>28,530,164</u>
Less: Transferred to operating fixed assets	34,516,819	6,567,383
Less: Transferred to intangible assets	67,123	51,567
Closing balance	<u>3,000,384</u>	<u>21,911,214</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, 2022 except that:

- the Company further obtained long-term loans aggregating to PKR 637 million during the period from United Bank Limited - Islamic and National Bank of Pakistan under the Temporary Economic Refinance Facility (TERF) of the State Bank of Pakistan. The loans are repayable in quarterly and semi-annual installments over a period of ten years which include a grace period of two years and are secured by way of hypothecation charge over specific plant and machinery of the Company. These loans carry mark-up ranging from 2.25% to 2.50% per annum payable in arrears;
- the Company further obtained long-term loans aggregating to PKR 210 million during the period from Soneri Bank Limited and Dubai Islamic Bank under the Renewable Energy Scheme of the State Bank of Pakistan. The loans are repayable in quarterly installments over a period of twelve years which include a grace period of two years and are secured by way of hypothecation charge over specific plant & machinery of the Company. These loans carries mark-up at 4.75% per annum payable in arrears; and
- the Company obtained long-term loan aggregating to PKR 106 million during the period from Saudi Pak Industrial and Agricultural Investment Company under the Long-Term Financing Facility (LTFF) of the State Bank of Pakistan. The loan is repayable in semi-annual installments over a period of ten years which include a grace period of two years and are secured by way of hypothecation charge over specific plant and machinery of the Company. This loan carries mark-up at 8% per annum payable in arrears.

## 7 DEFERRED TAX LIABILITY

	<u>(Un-audited)</u> March 31, 2023	<u>(Audited)</u> June 30, 2022
	(PKR in '000')	
Deferred tax liability comprises the following :		
- Taxable temporary differences arising due to accelerated tax depreciation allowance	10,875,761	7,737,372
- Deductible temporary differences arising in respect of provisions and minimum tax	<u>(2,078,308)</u>	<u>(796,200)</u>
	<u>8,797,453</u>	<u>6,941,172</u>

## 8 CONTINGENCIES AND COMMITMENTS

8.1 There are no significant changes in the status of contingencies and commitments as reported in note 27 to the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2022, except as disclosed in notes 8.2 and 8.3.

	<u>(Un-audited)</u> March 31, 2023	<u>(Audited)</u> June 30, 2022
	(PKR in '000')	
8.2 Capital commitments		
Plant, machinery and equipment under letters of credit	<u>5,947,840</u>	<u>8,788,299</u>
8.3 Other commitments		
Stores, spares, packing material and other supplies / services under letters of credit	<u>5,182,198</u>	<u>4,530,101</u>
Bank guarantees issued by the Company on behalf of subsidiary company	<u>4,550,000</u>	<u>4,550,000</u>
Bank guarantees issued on behalf of the Company	<u>1,688,990</u>	<u>1,404,716</u>
Post-dated cheques	<u>1,910,807</u>	<u>1,642,422</u>
Commitment on behalf of a subsidiary company in respect of cost over-run, PSRA, CSA and excess debt support	<u>52,444,836</u>	<u>28,201,245</u>



**For the nine months ended**

March 31, 2023	March 31, 2022
(PKR in '000')	

**9 GROSS SALES**

Local	81,440,730	68,621,851
Export	10,058,053	10,488,639
	91,498,783	79,110,490

**For the nine months ended**

March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
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**For the quarter ended**

**10 BASIC AND DILUTED EARNINGS PER SHARE**

Profit after taxation (PKR in thousands)	11,133,654	11,309,059	4,005,035	5,534,567
Weighted average number of ordinary shares (in thousands) (note 10.1)	320,594	323,375	316,406	323,375
Basic and diluted earnings per share (PKR)	34.73	34.97	12.66	17.11

**10.1 Weighted average number of ordinary shares**

Outstanding number of shares before own shares purchased	323,375	323,375	323,375	323,375
Less: Impact of own shares purchased during the period (note 10.2)	(2,781)	-	(6,969)	-
	320,594	323,375	316,406	323,375

**10.2** The Company cancelled 10 million of its own ordinary shares of Rs. 10/- each purchased during the period from September 29, 2022 to March 17, 2023. The purchase was made pursuant to the special resolution passed in the Extraordinary General Meeting held on September 20, 2022, where the Company was allowed to purchase / buy back its issued ordinary shares up to the maximum of 10 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from September 29, 2022 to March 27, 2023 (both days inclusive) or till such date the purchase is complete, whichever is earlier.

**For the nine months ended**

March 31, 2023	March 31, 2022
(PKR in '000')	

**11 CASH GENERATED FROM OPERATIONS**

Profit before taxation	15,715,637	14,165,163
<b>Adjustments for non-cash charges and other items</b>		
Depreciation	5.1	3,777,760
Amortization of intangible assets		23,666
Gain on disposal of property, plant & equipment		(199,995)
Provision for gratuity		452,498
Reversal of provision for doubtful debts		(915)
Dividend income from subsidiaries		(2,134,493)
Dividend income from other investments		-
Dividend and other income from associate		(244,546)
Dividend income from short-term investments		(1,177,639)
Income from deposits with islamic banks		(578,669)
Finance costs		798,443
Profit before working capital changes	16,431,747	13,527,687
<b>(Increase) / Decrease in current assets</b>		
Stores and spares	(6,274,522)	(2,626,914)
Stock-in-trade	333,401	(946,485)
Trade debts	(432,747)	(156,686)
Loans and advances	97,787	(2,326,096)
Trade deposits and short-term prepayments	(842,568)	(38,748)
Other receivables	416,263	(677,852)
	(6,702,386)	(6,772,781)
<b>Increase in current liabilities</b>		
Trade and other payables	7,387,219	5,432,962
	17,116,580	12,187,868

	For the nine months ended	
	March 31, 2023	March 31, 2022
	(PKR in '000')	
Cash and bank balances	924,131	1,474,853
Balances held as lien	-	(1,111,111)
Short-term borrowings	(1,400,000)	(1,300,000)
Short-term investments	16,673,678	12,450,577
	<u>16,197,809</u>	<u>11,514,319</u>

## 11.1 CASH AND CASH EQUIVALENTS

## 12 TRANSACTIONS WITH RELATED PARTIES

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

	For the nine months ended	
	March 31, 2023	March 31, 2022
	(PKR in '000')	
<b>Transactions with Subsidiary Companies</b>		
Reimbursement of expenses to the Company	7,304	66
Sales	29,781	108,071
Sales of fixed assets	25,740	-
Purchases	32,076	2,090
Purchase of vehicles	123,666	294,602
Investment made during the period	-	4,400,000
Dividend received	2,134,493	3,284,976
Payment against claim of tax loss	-	613,992
Services received	34	111
<b>Transactions with Directors and their close family members</b>		
Sales	349	531
Meeting fee	4,594	2,125
<b>Transactions with Associated Undertakings</b>		
Sales	489,781	615,944
Dividend and other income received	244,546	187,506
Reimbursement of expenses to Company	15,541	15,038
Reimbursement of expenses from Company	34,513	25,067
Donation	162,500	150,000
Purchases	-	66
Fee for technical services income	-	1,483,157
<b>Transactions with other key management personnel</b>		
Salaries and benefits	273,993	229,629
Post employment benefits	45,947	35,046

## 13 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 13.1 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.

### 13.2 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).

	March 31, 2023 (Un-audited)			Total
	Level 1	Level 2	Level 3	
(PKR in '000')				
<b>Assets</b>				
Financial assets - fair value through profit or loss				
- Short-term investments (units of mutual fund)	-	16,673,678	-	16,673,678
Financial assets - fair value through other comprehensive income				
- Short-term investment (shares of PSX)	14,885	-	-	14,885
	<u>14,885</u>	<u>16,673,678</u>	<u>-</u>	<u>16,688,563</u>

### 14 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 28, 2023 by the Board of Directors of the Company.

### 15 GENERAL

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

  
Chairman / Director

  
Chief Executive

  
Chief Financial Officer



**LUCKY CEMENT LIMITED  
CONSOLIDATED CONDENSED INTERIM  
FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED  
MARCH 31, 2023**

**LUCKY CEMENT LIMITED**  
**Consolidated Condensed Interim Statement of Financial Position**  
**As at March 31, 2023**

	Note	(Un-audited) March 31, 2023	(Audited) June 30, 2022
(PKR in '000')			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	296,385,236	276,029,950
Intangible assets		6,681,752	14,602,075
Right-of-use assets		104,016	163,074
		<u>303,171,004</u>	<u>290,795,099</u>
Long-term investments	6	63,626,219	36,544,627
Long-term loans and advances		698,543	551,695
Long-term deposits and prepayments		95,788	70,340
		<u>367,591,554</u>	<u>327,961,761</u>
<b>CURRENT ASSETS</b>			
Stores, spares and consumables		21,134,729	13,656,865
Stock-in-trade		51,878,569	72,021,896
Trade debts		52,459,283	36,355,113
Loans and advances		8,444,464	3,486,666
Trade deposits and short-term prepayments		2,808,161	1,035,845
Other receivables		14,011,599	18,590,025
Tax refunds due from the Government		538,812	538,812
Taxation receivable		162,473	123,926
Accrued return		73,142	39,791
Short-term investments		37,288,422	12,976,155
Cash and bank balances		24,902,213	16,900,459
		<u>213,701,867</u>	<u>175,725,553</u>
<b>TOTAL ASSETS</b>		<u><u>581,293,421</u></u>	<u><u>503,687,314</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up capital		3,133,750	3,233,750
Reserves		212,418,899	167,630,764
Attributable to the owners of the Holding Company		215,552,649	170,864,514
Non-controlling interest		34,060,811	28,893,975
Total equity		<u>249,613,460</u>	<u>199,758,489</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans		135,948,309	127,874,326
Long-term deposits and other liabilities		9,480,134	7,170,303
Lease liabilities		36,296	88,182
Deferred income - Government grant		4,635,219	4,361,931
Deferred liabilities			
- Staff Gratuity - unfunded		3,163,350	2,804,294
- Deferred tax liability	7	13,326,793	12,307,123
		<u>16,490,143</u>	<u>15,111,417</u>
		<u>166,590,101</u>	<u>154,606,159</u>
<b>CURRENT LIABILITIES</b>			
Current portion of long-term loans		8,775,680	5,081,071
Trade and other payables		82,515,426	78,407,163
Taxation - net		9,996,230	6,957,350
Accrued markup		933,839	576,471
Short-term borrowings and running finance		62,757,744	58,153,464
Current portion of lease liabilities		60,647	96,117
Unclaimed dividend		50,294	51,030
		<u>165,089,860</u>	<u>149,322,666</u>
		<u>331,679,961</u>	<u>303,928,825</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>581,293,421</u></u>	<u><u>503,687,314</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		

The annexed notes from 1 to 16 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 nine months ended March 31, 2023 (Un-audited)**

	Note	Nine Months Ended		Quarter Ended	
		March 31,	March 31,	March 31,	March 31,
		2023	2022	2023	2022
		(PKR in '000')		(PKR in '000')	
Revenue	9	340,069,447	265,698,737	120,537,742	111,196,109
Less: Sales tax and excise duty		46,159,748	40,092,286	17,069,270	14,876,057
Rebates, incentives and commission		7,868,078	9,029,525	3,016,430	3,122,879
		54,027,826	49,121,811	20,085,700	17,998,936
<b>Net Revenue</b>		<b>286,041,621</b>	<b>216,576,926</b>	<b>100,452,042</b>	<b>93,197,173</b>
Cost of sales		(221,048,484)	(176,721,610)	(74,522,438)	(78,730,252)
<b>Gross profit</b>		<b>64,993,137</b>	<b>39,855,316</b>	<b>25,929,604</b>	<b>14,466,921</b>
Distribution cost		(7,979,850)	(8,022,797)	(2,717,209)	(2,842,242)
Administrative expenses		(4,502,758)	(5,497,819)	(1,639,357)	(2,071,477)
Finance cost		(21,618,863)	(2,170,955)	(7,903,309)	(1,257,305)
Other expenses		(3,599,753)	(2,614,762)	(1,738,224)	(971,894)
Other income	10	5,664,564	4,331,412	2,580,818	975,798
Share of profit - joint ventures and associates		5,976,909	5,817,308	2,326,703	2,880,835
Gain on partial disposal of NutriCo Morinaga (Pvt) Limited	11.1	8,911,412	-	8,911,412	-
Gain on remeasurement of interest retained in NutriCo Morinaga (Pvt) Limited	11.2	8,239,260	-	8,239,260	-
<b>Profit before taxation</b>		<b>56,084,058</b>	<b>31,697,703</b>	<b>33,989,698</b>	<b>11,180,636</b>
Taxation		(7,992,281)	(5,165,151)	(3,713,999)	(1,802,098)
<b>Profit after taxation from continuing operations</b>		<b>48,091,777</b>	<b>26,532,552</b>	<b>30,275,699</b>	<b>9,378,538</b>
Profit / (loss) after taxation from discontinued operations	11.5	444,421	-	(63,086)	-
<b>Profit after Taxation</b>		<b>48,536,198</b>	<b>26,532,552</b>	<b>30,212,613</b>	<b>9,378,538</b>
<b>Attributable to:</b>					
Owners of the Holding Company		36,944,188	20,718,442	21,030,810	7,571,742
Non-controlling interest		11,592,010	5,814,110	9,181,803	1,806,796
		48,536,198	26,532,552	30,212,613	9,378,538
		(PKR)	(PKR)	(PKR)	(PKR)
<b>Earnings per share - basic and diluted</b>	12				
- continuing operations		114.85	64.07	66.52	23.41
- discontinued operations		0.39	-	(0.06)	-
		115.24	64.07	66.47	23.41

The annexed notes from 1 to 16 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 Comprehensive Income**  
**For the nine months ended March 31, 2023 (Un-audited)**

Note	Nine Months Ended		Quarter Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(PKR in '000')		(PKR in '000')	
<b>Profit after taxation from continuing operations</b>	48,091,777	26,532,552	30,275,699	9,378,538
<b>Other comprehensive income for the period</b>				
<b>Other comprehensive gain which may be reclassified to profit or loss in subsequent periods:</b>				
Unrealized gain on cash flow hedges	-	26,672	-	33,131
<b>Other comprehensive income / (loss) which will not be reclassified to profit or loss in subsequent periods:</b>				
Foreign exchange differences on translation of foreign operations	12,112,518	2,977,795	9,162,908	883,778
Unrealized loss on remeasurement of equity investment at fair value through other comprehensive income	(3,221)	(17,133)	584	(1,983)
Deferred tax thereon	403	2,570	(73)	297
	(2,818)	(14,563)	511	(1,686)
	12,109,700	2,963,232	9,163,419	882,092
<b>Total comprehensive income for the period from continuing operations</b>	60,201,477	29,522,456	39,439,118	10,293,761
<b>Discontinued operations</b>				
Profit / (loss) after taxation from discontinued operations	11.5	444,421	-	(63,086)
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>60,645,898</u>	<u>29,522,456</u>	<u>39,376,032</u>	<u>10,293,761</u>
<b>Attributable to:</b>				
Owners of the Holding Company	49,053,888	23,696,344	30,194,229	8,472,058
Non-controlling interest	11,592,010	5,826,112	9,181,803	1,821,704
	<u>60,645,898</u>	<u>29,522,456</u>	<u>39,376,032</u>	<u>10,293,762</u>

The annexed notes from 1 to 16 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 nine months ended March 31, 2023 (Un-audited)**

	Note	Nine Months Ended	
		March 31, 2023	March 31, 2022
(PKR in '000')			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	13	59,554,482	7,287,654
Finance cost paid		(20,581,274)	(8,481,476)
Income tax paid		(3,258,411)	(4,068,404)
Staff retirement benefits paid		(173,247)	(161,892)
Income from deposits with Islamic banks and and other financial institutions		1,641,594	1,528,237
Increase in long-term loans and advances		(169,438)	(105,118)
Increase in long-term deposits and prepayments		(25,643)	(4,129)
Increase in long-term deposits (liabilities)		880	-
Discontinued operations	11.6	341,898	-
<b>Net cash generated from / (used in) operating activities</b>		<b>37,330,841</b>	<b>(4,005,128)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(20,358,982)	(39,334,010)
Impact of acquisition of NutriCo Pakistan Limited		-	(481,023)
Dividend received from equity accounted investments		3,859,273	187,505
Dividend received from short-term investments		1,185,554	834,728
Release / (placement) of balance as lien		1,111,111	(789,111)
Sale proceeds from disposal of shares of subsidiary	11.1	11,901,821	-
Sale proceeds on disposal of property, plant and equipment		399,713	259,395
Discontinued operations	11.6	4,745	-
<b>Net cash used in investing activities</b>		<b>(1,896,765)</b>	<b>(39,322,516)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term finance obtained		5,918,702	23,887,379
Long-term finance repaid		(9,588,838)	(4,509,269)
Payment against finance lease liability		(95,875)	(91,954)
Dividends paid to owners of the Holding Company		(736)	-
Dividends paid to Non-controlling interest		(1,261,258)	(2,616,662)
Own shares purchased for cancellation	12.2	(4,365,753)	-
Discontinued operations	11.6	(616,552)	-
<b>Net cash (used in) / generated from financing activities</b>		<b>(10,010,310)</b>	<b>16,669,494</b>
Net increase / (decrease) in cash and cash equivalents		25,423,766	(26,658,150)
Cash and cash equivalents at the beginning of the period		(29,406,067)	27,353,606
Cash and cash equivalent of subsidiary at disposal date		2,551,519	
Effect of foreign currency translation on cash		848,788	(348,592)
<b>Cash and cash equivalents at the end of the period</b>		<b>(581,994)</b>	<b>346,864</b>
<b>Cash and cash equivalents at March 31 comprise of:</b>			
Cash and bank balances		24,902,213	22,232,319
Short-term borrowings and running finance		(62,708,517)	(33,224,921)
Bank balance marked as lien		-	(1,111,111)
Short term investments		37,224,310	12,450,577
		<b>(581,994)</b>	<b>346,864</b>

The annexed notes from 1 to 16 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 nine months ended March 31, 2023 (Un-audited)**

	Issued, subscribed and paid-up capital	Capital reserve			Revenue reserves		Total reserves	Non-controlling interest	Total equity
		Share premium	Own shares purchased for cancellation	Foreign currency translation reserve	General reserves	Unappropriated Profit			
-----PKR in '000-----									
Balance as at July 01, 2021	3,233,750	7,343,422	-	3,692,151	85,147,790	36,206,024	132,389,387	21,403,155	157,026,292
Transfer to general reserves	-	-	-	-	14,016,397	(14,016,397)	-	-	-
Dividends paid to non-controlling interest of LCI	-	-	-	-	-	-	-	(1,662,442)	(1,662,442)
Dividends paid to non-controlling interest of LMC	-	-	-	-	-	-	-	(432,915)	(432,915)
Dividends paid to non-controlling interest of LHL	-	-	-	-	-	-	-	(61,991)	(61,991)
Non-controlling interest recognized on the acquisition of NutriCo Pakistan Limited	-	-	-	-	-	-	-	1,147,635	1,147,635
Profit after taxation	-	-	-	-	-	20,718,442	20,718,442	5,814,110	26,532,552
Other comprehensive income	-	-	-	2,977,795	-	107	2,977,902	12,002	2,989,904
Total comprehensive income for nine months ended March 31, 2022	-	-	-	2,977,795	-	20,718,549	23,696,344	5,826,112	29,522,456
Balance as at March 31, 2022	3,233,750	7,343,422	-	6,669,946	99,164,187	42,908,176	156,085,731	26,219,554	185,539,035
<b>Balance as at July 01, 2022</b>	<b>3,233,750</b>	<b>7,343,422</b>	<b>-</b>	<b>9,433,058</b>	<b>99,164,187</b>	<b>51,690,097</b>	<b>167,630,764</b>	<b>28,893,975</b>	<b>199,758,489</b>
Transfer to general reserves	-	-	-	-	15,340,066	(15,340,066)	-	-	-
Dividends paid to non-controlling interest of LCI	-	-	-	-	-	-	-	(1,039,026)	(1,039,026)
Dividends paid to non-controlling interests of LMC	-	-	-	-	-	-	-	(288,610)	(288,610)
Dividends paid to non-controlling interests of LHL	-	-	-	-	-	-	-	(51,051)	(51,051)
Own shares purchased for cancellation (note 12.2)	-	-	(4,365,753)	-	-	-	(4,365,753)	-	(4,365,753)
Cancellation of own shares purchased (note 12.2)	(100,000)	-	4,365,753	-	(4,265,753)	-	100,000	-	-
Derecognition due to step disposal (note 11.3)	-	-	-	-	-	-	-	(5,046,487)	(5,046,487)
Profit after taxation	-	-	-	-	-	36,944,188	36,944,188	11,592,010	48,536,198
Other comprehensive income	-	-	-	12,112,518	-	(2,818)	12,109,700	-	12,109,700
Total comprehensive income for nine months ended March 31, 2023	-	-	-	12,112,518	-	36,941,370	49,053,888	11,592,010	60,645,898
<b>Balance as at March 31, 2023</b>	<b>3,133,750</b>	<b>7,343,422</b>	<b>-</b>	<b>21,545,576</b>	<b>110,238,500</b>	<b>73,291,401</b>	<b>212,418,899</b>	<b>34,060,811</b>	<b>249,613,460</b>

The annexed notes from 1 to 16 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 half year ended March 31, 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 shares of the Holding Company are listed on the Pakistan Stock Exchange (PSX). The Holding Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange. The principal activity of the Holding Company is manufacturing and marketing of cement. The registered office of the Holding Company is located at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa. The Holding Company has two production facilities at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and at Main Super Highway in Karachi, Sindh.

**1.2 Lucky Holdings Limited**

Lucky Holdings Limited (LHL) was incorporated in Pakistan on September 6, 2012 as a public unlisted company under the Companies Ordinance, 1984 (now the Companies Act, 2017). 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 been expired on December 28, 2022. Accordingly, the sub-license agreement signed with ICI Pakistan Limited for the trademark is also expired on the same date.

The Holding Company held 75% shares of LHL as at March 31, 2023 (June 30, 2022: 75% holding).

**1.3 LCL Investment Holdings Limited**

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

LCLIHL has entered into joint venture agreements with Al-Shumookh group to form Lucky Al-Shumookh Holdings Limited (LASHL) for operating a cement grinding unit in Basra, Iraq and Al-Shumookh Lucky Investment Limited (ASLIL) for operating a fully integrated cement manufacturing unit in Samawah, Iraq. LASHL and ASLIL are companies with limited liability registered in Jebel Ali Free Zone, United Arab Emirates. LCLIHL holds 50 percent ownership in the aforesaid joint ventures.

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

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

The Holding Company held 100% shares of LCLIHL as at March 31, 2023 (June 30, 2022: 100% holding).

**1.4 Lucky Motor Corporation Limited**

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

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

The Holding Company held 71.14% shares of LMC as at March 31, 2023 (June 30, 2022: 71.14% holding).

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

Particulars	Address
Kia Motors Lucky One	Lucky One Mall, Federal B. Industrial Area, Block 21, Gulberg Town, Karachi.
Kia Motors Township	41-10/B-1, Main PECO Road, Near Akbar Chowk, Township Lahore.

During the period, Kia Motors Shahrah-e-Faisal dealership has been permanently closed effective from December 31, 2022 due to the expiry of the lease agreement which was not renewed for further period.

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

Lucky Core Industries Limited (Formerly ICI Pakistan Limited) (LCI) was incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. LCI is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products, merchanting of general chemicals; and manufacturing of Masterbatches. It also acts as an indenting agent and toll manufacturer. Its manufacturing facilities are situated in Karachi, Lahore and Khewra and the registered office of LCI is situated at 5 West Wharf, Karachi. The Holding Company held 55% of shares of LCI as at March 31, 2023 (June 30, 2022: 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 is incorporated in Pakistan as a private company and is a subsidiary of the LCI with 51% shareholding. Lucky TG (Private) Limited would undertake the manufacturing, distribution and sales and marketing of float glass and its variants.

### 1.5.3 Lucky Core Venture (Private) Limited

Lucky Core Venture (Private) Limited is incorporated in Pakistan as a private company and is a wholly owned subsidiary of LCI.

### 1.5.4 Change of the Subsidiary Company name

The Board of Directors of LCI considered and approved the change of name from ICI Pakistan Limited to Lucky Core Industries Limited in their meeting held on August 01, 2022 and the same has been approved in AGM held on September 27, 2022. This decision has been taken primarily to align the name with the Holding Company, which is a part of the Yunus Brothers Group (YBG). The proposed name draws on the strength of the Lucky brand, a leading, progressive, and diversified Pakistani Conglomerate. The proposed name embodies the LCI's central role in delivering enduring value for its stakeholders and improving lives across the socio-economic fabric of Pakistan. Certificate of incorporation has also been issued by the Securities and Exchange Commission of Pakistan (SECP) on December 23, 2022 in respect of change of name of the LCI.

### 1.6 Lucky Electric Power Company Limited

Lucky Electric Power Company Limited (LEPCL) was incorporated in Pakistan, on June 13, 2014, as a public unlisted company limited by shares, under the Companies Ordinance, 1984 (now the Companies Act, 2017). The registered office of LEPCL is situated at 6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi and its plant site is situated at Deh Ghangiaro, Taluka Ibrahim Hyderi, District Malir, Karachi.

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

The Holding Company held 100% shares of LEPCL as at March 31, 2023 (June 30, 2022: 100% holding).

## 2 STATEMENT OF COMPLIANCE

2.1 These consolidated condensed interim financial statements of the Group for the nine months ended March 31, 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, 2022.

## 3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are consistent with those applied in the preparation of the consolidated annual audited financial statements for the year ended June 30, 2022.

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

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

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

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

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

## 4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

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

Judgements and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those applied in the Group's consolidated annual audited financial statements for the year ended June 30, 2022.

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

5 PROPERTY, PLANT AND EQUIPMENT

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

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
	Note	(PKR in '000')	
Operating fixed assets (WDV) - opening balance		246,416,524	102,227,387
Less: Assets attributable to discontinued operations - opening balance	11	5,364,030	-
Add: Additions during the period / year	5.2	60,777,634	155,786,401
		301,830,128	258,013,788
Less: Disposals during the period / year (WDV)		284,778	282,495
Depreciation charge for the period / year		11,815,333	11,314,769
Operating fixed assets (WDV) - closing balance		289,730,017	246,416,524
Add: Capital work-in-progress	5.3	6,326,126	29,196,375
Add: Capital spares		329,093	417,051
		<u>296,385,236</u>	<u>276,029,950</u>

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

	(Un-audited) March 31, 2023 (PKR in '000')	
	Additions (Cost)	Deletions (Cost)
<b>Operating fixed assets</b>		
<u>Buildings on free hold land</u>		
- Cement plant	963,166	-
- Power plant	42,910	-
- Others	62,471	-
<u>Buildings on leasehold land</u>		
- Cement plant	20,721	-
- Power plant	825	-
- Others	1,389,077	108,696
Limebeds on free hold land	74,811	-
Machinery	51,264,098	164,253
Generators and other power generation equipments	6,307,972	66,834
Quarry equipments	10,960	-
Vehicles including cement bulkers	245,810	329,272
Furniture and fixtures	91,218	142,789
Office equipments	36,323	866
Computer and accessories	154,084	22,365
Other assets	113,188	60,805
	<u>60,777,634</u>	<u>895,880</u>

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

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	(PKR in '000')	
Opening balance	29,196,375	113,013,987
Add: Additions during the period / year	19,921,870	65,227,762
	49,118,245	178,241,749
Less: Transferred to operating fixed assets	42,724,996	149,045,374
Less: Transferred to intangible assets	67,123	-
Closing balance	<u>6,326,126</u>	<u>29,196,375</u>

		(Un-audited)	(Audited)
		March 31,	June 30,
		2023	2022
	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	10,600,047	9,625,612
LuckyRawji Holdings Limited	6.2	26,394,062	17,168,498
Al-Shumookh Lucky Investments Limited	6.3	13,972,289	8,079,964
LR International General Trading FZCO	6.4	-	-
		<u>50,966,398</u>	<u>34,874,074</u>
<b>Associates</b>			
Yunus Energy Limited	6.5	1,650,053	1,668,053
NutriCo Morinaga (Private) Limited	6.6	11,007,268	-
		<u>63,623,719</u>	<u>36,542,127</u>
<b>Equity securities</b>			
Arabian Sea Country Club Limited (250,000 ordinary shares of PKR 10 each)		2,500	2,500
		<u>63,626,219</u>	<u>36,544,627</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		3,393,895	4,538,114
Share of profit during the period / year		1,266,196	1,666,543
Dividend received during the period / year		(3,614,727)	(2,810,762)
		1,045,364	3,393,895
Foreign currency translation reserve		7,642,400	4,319,434
		<u>10,600,047</u>	<u>9,625,612</u>
The Group's interest in LASHL's assets and liabilities is as follows:			
Total assets		22,997,967	19,915,760
Total liabilities		(1,797,873)	(664,536)
Net assets (100%)		<u>21,200,094</u>	<u>19,251,224</u>
Group's share of net assets (50%)		<u>10,600,047</u>	<u>9,625,612</u>
The Group's share in LASHL's profit or loss is as follows:			
Revenue		13,717,850	14,583,776
Net profit (100%)		2,532,392	3,333,086
Group's share of net profit (50%)		1,266,196	1,666,543
<b>6.2 LuckyRawji Holdings Limited (LRHL)</b>			
Investment at cost		6,870,050	6,870,050
Share of cumulative profit at the beginning of the period / year		2,808,132	1,606,586
Share of profit during the period / year		2,170,930	1,492,336
Dividend received during the year		-	(290,790)
		4,979,062	2,808,132
Foreign currency translation reserve		14,544,950	7,490,316
		<u>26,394,062</u>	<u>17,168,498</u>
The Group's interest in LRHL's assets and liabilities is as follows:			
Total assets		69,604,027	47,455,394
Total liabilities		(16,815,904)	(13,118,398)
Net assets (100%)		<u>52,788,123</u>	<u>34,336,996</u>
Group's share of net assets (50%)		<u>26,394,062</u>	<u>17,168,498</u>
The Group's share in LRHL's profit or loss is as follows:			
Revenue		24,499,023	18,990,201
Net profit (100%)		4,341,860	2,984,671
Group's share of net profit (50%)		2,170,930	1,492,336

	(Un-audited) March 31, 2023	(Audited) June 30, 2022
	(PKR in '000')	
<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	3,014,847	958,736
Share of profit during the period / year	2,311,850	2,056,111
	5,326,697	3,014,847
Foreign currency translation reserve	5,246,570	1,666,095
	<u>13,972,289</u>	<u>8,079,964</u>
The Group's interest in ASLIL's assets and liabilities is as follows:		
Total assets	47,520,390	31,958,264
Total liabilities	(19,575,812)	(15,798,336)
Net assets (100%)	<u>27,944,578</u>	<u>16,159,928</u>
Group's share of net assets (50%)	<u>13,972,289</u>	<u>8,079,964</u>
The Group's share in ASLIL's profit or loss is as follows:		
Revenue	15,614,310	14,480,159
Net profit (100%)	5,432,439	4,112,222
Other Comprehensive income/ interest expense (100%)	(808,739)	-
Group's share of net profit (50%)	<u>2,311,850</u>	<u>2,056,111</u>
<b>6.4 LR International General Trading FZCO (LRIGT)</b>		
Investment at cost	1,115	1,115
Share of cumulative loss at the beginning of the period / year	(3,446)	-
Share of loss during the period / year	(5,213)	(3,446)
	4,098	2,331
Foreign currency translation reserve	-	-
	<u>-</u>	<u>-</u>
The Group's share of loss in excess of its cost of investment in LRIGT is recognised as a liability.		
The Group's interest in LRIGT's assets and liabilities is as follows:		
Total assets	70,482	6,378
Total liabilities	(67,653)	(11,522)
Net assets (100%)	<u>2,829</u>	<u>(5,144)</u>
Group's share of net assets (50%)	<u>1,415</u>	<u>(2,572)</u>
The Group's share in LRIGT's profit or loss is as follows:		
Revenue	-	-
Net loss (100%)	(3,533)	(6,892)
Group's share of net loss (50%)	<u>(1,767)</u>	<u>(3,446)</u>
<b>6.5 Yunus Energy Limited (YEL)</b>		
Investment at cost	611,365	611,365
Share of cumulative profit at the beginning of the period / year	1,056,688	762,249
Share of profit during the period / year	226,546	462,564
Dividend received during the period / year	(244,546)	(168,125)
	1,038,688	1,056,688
	<u>1,650,053</u>	<u>1,668,053</u>
Represents 20% equity investment of 61,365,500 shares @ PKR 10/- each in Yunus Energy Limited.		

		(Un-audited) March 31, 2023	(Audited) June 30, 2022
		(PKR in '000')	
6.6	<b>NutriCo Morinaga (Private) Limited</b>		
	Fair value of investment on date of recognition - Equity held 20,121,621 shares (June 30, 2022; Nil shares) of face value of PKR 100 each	11,004,115	-
	Share of cumulative profit at the beginning of the period / year	-	-
	Share of profit during the period / year	3,153	-
	Dividend received during the period / year	-	-
		3,153	-
		<u>11,007,268</u>	<u>-</u>
<b>7</b>	<b>DEFERRED TAX LIABILITY</b>		
	This comprises of the following :		
	- Taxable temporary differences	15,955,720	14,637,775
	- Deductible temporary differences	<u>(2,628,927)</u>	<u>(2,330,652)</u>
		<u>13,326,793</u>	<u>12,307,123</u>
<b>8</b>	<b>CONTINGENCIES AND COMMITMENTS</b>		
<b>8.1</b>	<b>CONTINGENCIES</b>		
	There are no significant changes in the status of contingencies and commitments as reported the consolidated annual audited financial statements of the Company for the year ended June 30, 2022, except as disclosed in notes 8.2, 8.3 and 8.4.		
		(Un-audited) March 31, 2023	(Audited) June 30, 2022
		(PKR in '000')	
<b>8.2</b>	<b>COMMITMENTS</b>		
<b>8.2.1</b>	<b>Capital commitments</b>		
	Plant and machinery under letters of credit and others	<u>7,350,376</u>	<u>13,638,851</u>
<b>8.2.2</b>	<b>Other commitments</b>		
	Stores, spares and packing material under letters of credit	<u>16,060,016</u>	<u>4,530,101</u>
	Bank guarantees issued	<u>21,196,981</u>	<u>20,586,982</u>
	Standby Letters of Credit	<u>7,229,151</u>	<u>24,776,933</u>
	Post dated cheques	<u>2,907,636</u>	<u>2,194,504</u>
	Commitment in connection with LEPCL's project's cost over-run and Payment Service Reserve Account (PSRA) support	<u>52,444,836</u>	<u>28,201,245</u>
<b>8.3</b>	<b>Claims against the Group not acknowledged as debts are as follows:</b>		
	Local bodies	84,500	84,500
	Others	6,192	6,192
		<u>90,692</u>	<u>90,692</u>
<b>8.4</b>	<b>Commitments for rentals under operating Ijarah contracts in respect of vehicles are as follows:</b>		
	<b>Year</b>		
	2021-22	-	2,123
	2022-23	6,693	8,491
	2023-24	7,128	9,043
	2024-25	7,591	9,630
	2025-26	8,084	10,256
		<u>29,496</u>	<u>39,543</u>
	Payable not later than one year	3,347	2,123
	Payable later than one year but not later than five years	<u>26,149</u>	<u>37,420</u>
		<u>29,496</u>	<u>39,543</u>

		For the Nine Months Ended (Un-audited)	
		March 31, 2023	March 31, 2022
		(PKR in '000')	

## 9 SEGMENT REPORTING

### 9.1 GROSS TURNOVER

	Note	March 31, 2023	March 31, 2022
Cement		91,498,783	79,110,490
Polyester		34,639,075	31,052,972
Soda Ash		35,418,724	20,991,101
Pharma		9,244,225	9,562,841
Life Sciences & Chemicals		17,303,390	25,330,317
Automobiles & mobile phones assembling		76,113,105	96,737,510
Power Generation		76,272,838	3,468,260
Others		1,608,755	1,857,578
Adjustments and elimination of inter-segment balances		(2,029,448)	(2,412,332)
	9.3	<u>340,069,447</u>	<u>265,698,737</u>

### 9.2 OPERATING RESULT

Cement		13,706,536	9,204,643
Polyester		2,179,793	3,000,310
Soda Ash		5,455,979	3,152,864
Pharma		811,756	949,923
Life Sciences & Chemicals		1,969,317	3,032,226
Automobiles & mobile phones assembling		4,487,589	5,981,790
Power Generation		23,192,543	527,421
Others		407,701	489,616
Adjustments and elimination of inter-segment balances		299,315	(4,093)
	9.3	<u>52,510,529</u>	<u>26,334,700</u>

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

### 9.4 GROSS SALES

Local	325,692,636	251,855,412
Export	<u>14,376,811</u>	<u>13,843,325</u>
	<u>340,069,447</u>	<u>265,698,737</u>

## 10 OTHER INCOME

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

## 11 DISCONTINUED OPERATIONS

On September 16, 2022, LCI entered into a Share Purchase Agreement (SPA) with Morinaga Milk Industry Co. Ltd Japan (Morinaga Milk) for partial divestment of its 26.5% shareholding in NutriCo Morinaga (Private) Limited (NMPL) at an aggregate sale price of USD 45,082,657 (approximately USD 2.07 per share). The transaction was approved by shareholders in the Annual General Meeting dated September 27, 2022. The effective date of the disposal was January 28, 2023. After the completion of the transaction, LCI continues to hold approximately 24.5% of the share capital of NMPL and NMPL is treated as an associate of the Group. The implication of the gain is as follows:

	Note	(Un-audited) March 31, 2023 (PKR in '000')
11.1 Total consideration received		11,901,821
Less: Carrying value of net assets net of non controlling interest (represents 26.5%)	11.3	(2,990,409)
Gain on disposal of investment (26.5%)		<u>8,911,412</u>
11.2 Fair value of interest retained		11,004,115
Less: Carrying value of net assets net of non controlling interest (represents 24.5%)	11.3	(2,764,855)
Remeasurement gain on interest retained (24.5%)		<u>8,239,260</u>
11.3 Carrying value of net assets on the date of disposal	11.4	10,801,751
Less: Non controlling interest on the date of disposal		(5,046,487)
Net assets of the subsidiary net of non controlling interest (represents 51%)		<u>5,755,264</u>



(Un-audited)  
March 31,  
2023  
(PKR in '000')

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

<b>Assets attributable to discontinued operations</b>		
Property & Equipment		5,142,703
Intangible Assets and goodwill		7,773,796
Long-term loans		25,259
Long-term deposits and prepayments		195
Stores, spares and consumables		57,779
Stock-in-trade		4,315,912
Trade debts		1,073,584
Loans and advances		245,186
Trade deposits and short-term prepayments		300,461
Other receivables		1,862,121
Taxation - net		452,720
Cash and bank balances		32,728
<b>Total Assets</b>		<b>21,282,444</b>
<b>Liabilities associated with discontinued operations</b>		
Long term loan		1,316,330
Trade & other payables		5,109,313
Short-term running finance		2,584,247
Current portion of long term loans		448,103
Deferred tax liability		1,022,700
<b>Total Liabilities</b>		<b>10,480,693</b>
<b>Net assets attributable to discontinued operations</b>		<b>10,801,751</b>

	For the Nine Months Ended		For the Quarter Ended	
	(Un-audited)		(Un-audited)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(PKR in '000')		(PKR in '000')	
Turnover - net	8,536,961	10,080,391	1,187,259	3,395,497
Cost of sales	<u>(6,531,073)</u>	<u>(7,843,248)</u>	<u>(928,378)</u>	<u>(2,604,477)</u>
<b>Gross Profit</b>	<b>2,005,888</b>	<b>2,237,143</b>	<b>258,881</b>	<b>791,020</b>
Selling and distribution expenses	(522,791)	(641,357)	(74,348)	(263,177)
Administrative and general expenses	<u>(159,828)</u>	<u>(162,855)</u>	<u>(27,268)</u>	<u>(60,940)</u>
<b>Operating profit</b>	<b>1,323,269</b>	<b>1,432,931</b>	<b>157,265</b>	<b>466,903</b>
Other charges	(882)	(542)	(398)	(90)
Financial charges	(373,892)	(298,345)	(60,194)	(111,819)
Exchange loss - net	(294,777)	(113,418)	(205,091)	(52,236)
Other income	<u>9,602</u>	<u>21,342</u>	<u>2,859</u>	<u>10,946</u>
<b>Profit / (loss) before taxation</b>	<b>663,320</b>	<b>1,041,968</b>	<b>(105,559)</b>	<b>313,704</b>
Taxation	<u>(218,899)</u>	<u>(302,493)</u>	<u>42,473</u>	<u>(90,973)</u>
<b>Profit / (loss) after taxation</b>	<b>444,421</b>	<b>739,475</b>	<b>(63,086)</b>	<b>222,731</b>

11.5 Financial performance of discontinued operations is as follows:

For the Nine Months Ended  
(Un-audited)  
March 31,  
2023      March 31,  
2022  
(PKR in '000')

11.6 Cash flows attributable to discontinued operations:

Net cash generated / (used in) from operating activities	341,898	(221,708)
Net cash generated from investing activities	4,745	931
Net cash used in financing activities	<u>(616,552)</u>	<u>(819,293)</u>
<b>Net cash used in discontinued operations</b>	<b>(269,909)</b>	<b>(1,040,070)</b>

	For the Nine Months Ended (Un-audited)		For the Quarter Ended (Un-audited)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(PKR in '000')		(PKR in '000')	
<b>12 EARNINGS PER SHARE - BASIC AND DILUTED</b>				
Profit attributable to owners of the Holding Company	36,944,188	20,718,442	21,030,810	7,571,742
Weighted average number of ordinary shares (note 12.1)	320,594	323,375	316,406	323,375
Basic and diluted earnings per share (PKR)	115.24	64.07	66.47	23.41
<b>12.1 Weighted average number of ordinary shares</b>				
Outstanding number of shares before own shares purchased	323,375	323,375	323,375	323,375
Less: Impact of own shares purchased during the period (note 12.2)	(2,781)	-	(6,969)	-
	320,594	323,375	316,406	323,375

12.2 The Holding Company cancelled 10 million of its own ordinary shares of Rs. 10/- each purchased during the period from September 29, 2022 to March 17, 2023. The purchase was made pursuant to the special resolution passed in the Extraordinary General Meeting held on September 20, 2022, where the Holding Company was allowed to purchase / buy back its issued ordinary shares up to the maximum of 10 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from September 29, 2022 to March 27, 2023 (both days inclusive) or till such date the purchase is complete, whichever is earlier.]

	For the Nine Months Ended (Un-audited)	
	March 31, 2023	March 31, 2022
	(PKR in '000')	
<b>13 CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	56,084,058	31,697,703
<b>Adjustments for non-cash charges and other items</b>		
Depreciation and amortization	12,104,496	7,923,661
Provision for slow moving spares	7,359	6,515
Provision for slow moving and obsolete stock-in-trade	71,722	4,246
Provision for doubtful debts	6,111	57,250
Provisions and accruals no longer required written back	(1,417)	(17,695)
Gain on partial disposal of investment	11.1 (8,911,412)	-
Gain on remeasurement of interest retained in investment	11.2 (8,239,260)	-
Gain on disposal of fixed assets	(140,638)	(105,657)
Provision for staff retirement plan	519,092	433,786
Share of profit from equity accounted investees	(5,976,909)	(5,817,308)
Return from deposits with Islamic banks and other financial institutions	(1,752,219)	(1,000,571)
Dividend income from short-term investments	(1,185,554)	(854,108)
Unrealised gain on acquisition of shares of NutriCo Pakistan Limited	-	(1,847,321)
Finance cost	21,377,173	2,170,955
Profit before working capital changes	63,962,602	32,651,456
<b>(Increase) / decrease in current assets</b>		
Stores, spares and consumables	(7,527,166)	(25,870,506)
Stock-in-trade	17,149,924	(3,920,179)
Trade debts	(17,865,767)	(18,410,019)
Loans and advances	(5,044,637)	(3,644,187)
Trade deposits and short-term prepayments	(779,779)	788,161
Other receivables	5,322,421	(2,871,844)
	(8,745,004)	(53,928,574)
<b>Increase in current liabilities</b>		
Trade and other payables	4,336,884	28,564,772
Cash generated from operations	59,554,482	7,287,654

#### 14 TRANSACTIONS WITH RELATED PARTIES

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

	For the Nine Months Ended (Un-audited)	
	March 31, 2023	March 31, 2022
	(PKR in '000')	
<b>Transactions with Associated Undertakings</b>		
Sales	4,505,281	2,167,778
Purchase of goods, materials and services	3,442,392	4,980,710
Reimbursement of expenses to the Group	29,644	82,160
Reimbursement of expenses from the Group	34,513	34,427
Donation and Charity	436,151	309,664
Dividends and other income received	244,546	187,506
Dividends paid	760,919	751,619
Dividend received from Joint Venture	3,614,727	-
Rent paid	-	22,458
Services received	-	40,722
Loan obtained from Joint Venture	2,162,524	1,406,636
Fee for Technical Services from Joint Venture	1,224,951	467,834
Services rendered	182	221
<b>Transactions with Directors and their close family members</b>		
Meeting fee	4,594	2,125
Sales	349	531
<b>Transactions with other key management personnel</b>		
Salaries and benefits	846,218	642,251
Post employment benefits	92,497	59,471
Dividends paid	59,187	51,434
<b>Staff retirement benefit plan</b>		
Contribution	306,301	281,716

#### 15 GENERAL

- 15.1 Figures have been rounded off to the nearest thousand of PKR, unless otherwise stated.
- 15.2 Corresponding figures and balances have been rearranged and / or reclassified, where considered necessary, for the purpose of comparison and better presentation the effects of which are not material.

#### 16 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on April 28, 2023 by the Board of Directors of the Holding Company.

Chairman / Director

Chief Executive

Chief Financial Officer