



EMBRACING THE **CHANGE**

ADVOCATES OF SUSTAINABILITY
FOR A BETTER TOMORROW

**20
21**

HALF YEARLY REPORT
DECEMBER 31, 2020

EMBRACING THE **CHANGE**

ADVOCATES OF SUSTAINABILITY
FOR A BETTER TOMORROW

Our belief in bringing a positive change based on our values is the testament of our philosophy for a better tomorrow. Our dynamic workforce and concrete business ethics have not only resulted in market leadership but also help us unlock more avenues for progression.

With our diversified business portfolio, we aim to strengthen the economy with innovation, growth and sustainability.



CONTENTS

Company Information	02
Directors' Report	04
Independent Auditor's Review Report	10
Unconsolidated Condensed Interim Statement of Financial Position	12
Unconsolidated Condensed Interim Statement of Profit or Loss And Other Comprehensive Income	13
Unconsolidated Condensed Interim Statement of Cash Flows	14
Unconsolidated Condensed Interim Statement of Changes In Equity	15
Notes to the Unconsolidated Condensed Interim Financial Statements	16
Consolidated Condensed Interim Statement of Financial Position	25
Consolidated Condensed Interim Statement of Profit or Loss And Other Comprehensive Income	26
Consolidated Condensed Interim Statement of Cash Flows	27
Consolidated Condensed Interim Statement of Changes In Equity	28
Notes to the Consolidated Condensed Interim Financial Statements	29

COMPANY INFORMATION

Board of Directors

Muhammad Yunus Tabba
(Chairman)

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

Management Team

Muhammad Ali Tabba
(Chief Executive)

Noman Hasan
(Executive Director)

Muhammad Atif Kaludi
(Director Finance & Chief Financial Officer)

Amin Ganny
(Chief Operating Officer)

Adnan Ahmed
(Chief Operating Officer, International Businesses)

Murtaza Abbas
(Chief Strategy Officer & Director Investment)

Faisal Mahmood
(GM Finance & Company Secretary)

Board Committees AUDIT COMMITTEE

Manzoor Ahmed
(Chairman)

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Masood Karim Shaikh
(Chairman)

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

BUDGET COMMITTEE

Muhammad Sohail Tabba
(Chairman)

Muhammad Ali Tabba
Jawed Yunus Tabba
Mariam Tabba Khan

Bankers

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

Auditors

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

Shariah Advisor

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

Registered Office

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

Head Office

📍 6-A, Muhammad Ali Housing Society,
A. Aziz Hashim Tabba Street,
Karachi – 75350
UAN: (+92-21) 111-786-555
🌐 Website: www.lucky-cement.com
✉ Email: info@lucky-cement.com

Production Facilities

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

Share Registrar

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

Directors' Report

The Directors have the pleasure in presenting to you the financial results of your Company which include both, **unconsolidated** (duly reviewed by the auditors) and **consolidated unaudited financial statements** for the half year ended December 31, 2020.

Overview

Financial Performance – Consolidated

On a **consolidated** basis, your Company achieved a gross turnover of PKR 123.72 billion which is 55.51% higher as compared to the same period last year's turnover of PKR 79.56 billion.

Moreover, **consolidated** Net Profit of the Company was PKR 12.44 billion of which PKR 2.08 billion is attributable to non-controlling interests. The consolidated net profit attributable to owners of the Holding Company translates into an EPS of PKR 32.05 during the current half year ended December 31, 2020 as compared to PKR 9.93 during the same period last year.

The **consolidated** financial performance of your Company for the half year ended December 31, 2020 as compared to last year is presented below:

Particulars	PKR in millions except EPS		
	Half Year 2020-21	Half Year 2019-20	Change (%)
Gross Revenue	123,717	79,558	56%
Net Revenue	95,815	60,739	58%
GP	20,211	9,647	110%
OP	12,535	3,859	225%
EBITDA	16,873	7,652	121%
NP (Attributable to Owners' of the holding company)	10,365	3,212	223%
EPS (PKR/share)	32.05	9.93	223%

During the half year 2020-21 under review, your Company's overall Consolidated Net Profit increased by 2.17 times as compared to the same period last year.

The increase in Net profit was mainly attributable to increase in net profitability of Cement segment (Holding Company) which grew by 134% due to higher turnover supported by absorption of fixed costs and efficiencies achieved from new production line in the North (as explained in details below). The increase in Net Profit of holding company was also supported by considerable increase in Net Profits of Lucky Motor Corporation (formerly KIA Lucky Motors Pakistan Limited) on account of strong growth in automobile sales. Also, LCL Investment Holdings Limited delivered a healthy performance as compared to same period last year owed to growth in sales volume, coupled with improved retention price and decrease in input costs from both Congo & Iraq projects.

Industry and Company Performance – Unconsolidated

Cement industry in Pakistan grew by 15.7% to 28.64 million tons during the half year ended December 31, 2020 in comparison to 24.75 million tons during the same period last year. The local sales volume registered a healthy growth of 15.9% to reach 23.61 million tons during the half year under review versus 20.37 million tons during same period last year. Export sales volumes also registered an increase of 14.7% to reach 5.02 million tons during 1HY 2020-21 compared to 4.38 million tons during same period last year.

This increase in industry sales volume is mainly attributable to surge in economic activity duly supported by various business friendly initiatives introduced by the Government and resumption of various infrastructure projects under CPEC as well as introduction of low cost housing projects.

In comparison to the Cement Industry, your **Company's** overall sales volumes posted a high double digit growth of 35.9% to reach 4.99 million tons during 1HY 2020-21. The local sales volumes grew by 41.2% to reach 3.66 million tons in comparison to 2.59 million tons during the same period last year. Also, the export sales volumes of the Company increased by 23.3% to 1.34 million tons as compared to 1.08 million tons during the same period last year.

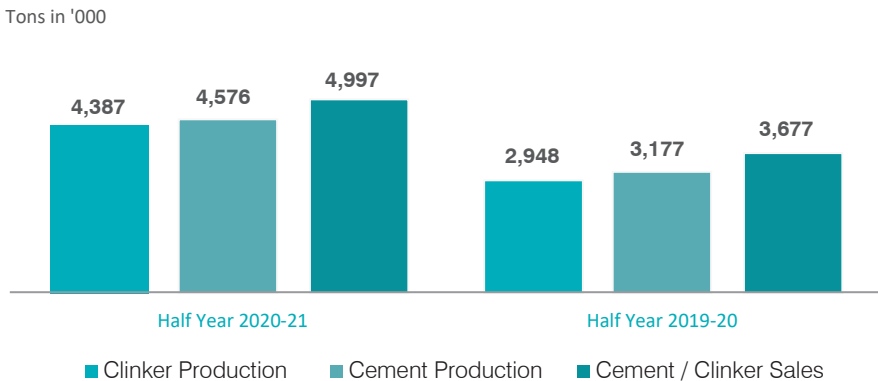
The increase in Company's local sales volume during the period under review is mainly due to enhancement of operational capacity at Pezu Plant coupled with higher demand due to upsurge in economic activities. Moreover, growth in export sales volume is mainly due to higher exports of loose cement owed to improved demand.

Production & Sales Volume Performance – Unconsolidated

The **unconsolidated** production and sales statistics of your Company for the half year ended December 31, 2020 compared to the same period last year are as follows:

Particulars	Half Year 2020-21 (Tons in '000)	Half Year 2019-20 (Tons in '000)	Growth (%)
Clinker Production	4,387	2,948	48.8%
Cement Production	4,576	3,177	44.0%
Cement / Clinker Sales	4,997	3,677	35.9%

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



A comparison of the dispatches of the **Industry** and your **Company's unconsolidated business** for the half year ended December 31, 2020 in comparison with the same period last year is presented below:

Particulars	Half Year 2020-21	Half Year 2019-20	Growth/(Decline)	
	(Tons in '000')		(Tons in '000')	(%)

Cement Industry*

Local Sales	23,615	20,373	3,242	15.9%
Export Sales				
- Bagged	2,182	2,279	(97)	(4.3%)
- Loose	226	21	205	976.2%
- Clinker	2,614	2,077	537	25.9%
Total Exports	5,022	4,377	645	14.7%
Grand Total	28,637	24,750	3,887	15.7%

Lucky Cement

Local Sales				
- Cement	3,662	2,549	1,113	43.7%
- Clinker	-	45	(45)	(100.0%)
Total Local Sales	3,662	2,594	1,068	41.2%
Export Sales				
- Bagged	660	600	60	10.0%
- Loose	226	21	205	976.2%
- Clinker	449	462	(13)	(2.8%)
Total Exports	1,335	1,083	252	23.3%
Grand Total	4,997	3,677	1,320	35.9%

Market Share	Half Year 2020-21	Half Year 2019-20	Growth/ (Decline) (%)
Local Sales	15.5%	12.7%	22.0%
Export Sales			
- Bagged	30.2%	26.3%	14.8%
- Loose	100.0%	100.0%	0.0%
- Clinker	17.2%	22.2%	(22.5%)
Total Export	26.6%	24.7%	7.7%
Grand Total	17.4%	14.9%	16.8%

*Industry data is based on best available market estimates

Financial Performance - Unconsolidated

The **unconsolidated** financial performance of your Company for the half year ended December 31, 2020 as compared to the same period last year is presented below:

Particulars	PKR in millions except EPS		
	Half Year 2020-21	Half Year 2019-20	Change (%)
Gross Revenue	42,114	31,096	35.4%
Net Revenue	30,075	21,211	41.8%
GP	8,585	3,224	166.3%
OP	5,312	732	625.7%
EBITDA	7,463	2,471	202.0%
NP	4,541	1,937	134.4%
EPS	14.04 / Share	5.99 / Share	134.4%

Revenue

During the half year 2020-21 under review, your Company's overall gross sales revenue increased by 35.4% as compared to the same period last year. Where both export and local sales revenue showed an increase of 22.5% (PKR 7.87 billion vs PKR 6.43 billion) and 38.8% (PKR 34.24 billion vs PKR 24.67 billion) respectively.

Gross Profit

The Gross profit margins of the company for the half year under review were 28.5% as compared to 15.2% reported during the same period last year.

Net Profit

Similarly, your Company achieved a profit before tax of PKR 5.52 billion during the half year under review as compared to PKR 2.19 billion reported during the same period last year.

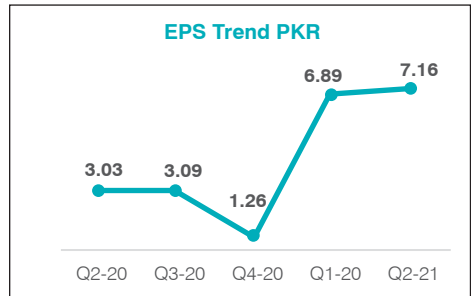
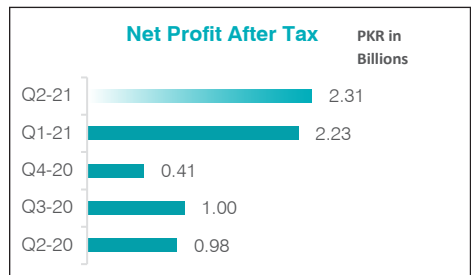
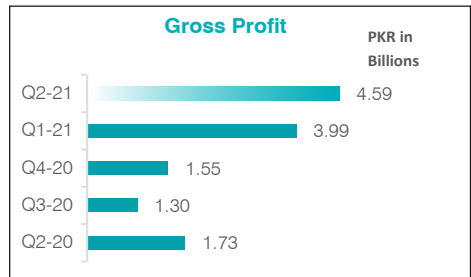
Accordingly, after tax profit of PKR 4.54 billion was achieved during the half year under review as compared to PKR 1.94 billion reported during the same period last year.

Earnings per share

The earnings per share of your Company for the half year ended December 31, 2020 was PKR 14.04 in comparison to PKR 5.99 reported during the same period last year.

Cost of Sales

During the half year 2020-21 under review, per ton cost of sales of your Company decreased by 12.1% as compared to the same period last year. This was due to better absorption of fixed cost as a result of increase in volumes and efficiencies achieved from new production line in the North.



Investment Projects – New and Ongoing

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

Keeping pace with the increasing demand in the domestic Cement industry, on the back of revival of economic activity and uptick in construction projects including both retail level projects as well as mega infrastructure development projects, your Company has decided to enhance its cement production capacity at its Pezu Plant by 3.15 million tons per annum.

The total project cost for the above expansion shall be finalized after conclusion of negotiations with the suppliers / contractors. The construction work on the project is expected to commence within current financial year and is expected to have a construction period of 1.5 to 2 years.

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

The construction activity for setting up 660 MW super critical, lignite coal-based power plant was moving as per Schedule before the outbreak of COVID-19 in China with the targeted Commercial Operation on March 1, 2021. The Contractor as a result of the removal of certain restrictions by the Government of Pakistan has notified the cessation of FME (Force Majeure Event) on September 3, 2020, which was earlier notified on February 6, 2020. The Company accordingly notified the same to the Central Power Purchasing Agency (CPPA) and Private Power Infrastructure Board (PPIB) and stated that despite FME, the Company is striving to achieve its COD as per the targeted timeline. The project has achieved completion status of approximately 95% by end of this quarter.

The CPPA, based on FME notice received by it from National Transmission and Dispatch Company (NTDC), notified the Company about FME through its letter dated March 25, 2020, stating therein that COVID-19 outbreak has caused a complete halt to transmission planning, design, engineering, project development and execution of the inter-connection works. Subsequently CPPA has also notified cessation of OFME (Other Force Majeure Event) vide their letter dated October 16, 2020. In the said notice it was also intimated that Interconnection related activities have recommenced from October 1, 2020 while the period till September 30, 2020 shall be treated as excused. The Company in consultation with its legal counsel has not accepted the CPPA's OFME claim because delay in interconnection works comes under the ambit of concurrent delay as per PPA due to NTDC's inability to resolve right of way issues with PQA, FOTCO, Pakistan Steel and Board of Revenue Sindh.

At present, the Company is following up with CPPA, NTDC and PPIB for the earliest availability of an interconnection facility which is essential for achieving the COD. Based on the current level of readiness by NTDC for providing interconnection facility and the Government eagerness to extend necessary support to power purchaser in this respect, it appears that project may achieve its Commercial Operation by mid of first quarter FY 2022.

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

Plant is complete in all respect. Kiln was fired in 1st week of January 2021 and trial production has commenced on 15th January 2021. Despite the impacts of Covid-19 pandemic situation, project has successfully achieved its' milestones on time and expected to start commercial production in February 2021.

Corporate Social Responsibility

Your Company is committed to continuing its support towards Education, Women empowerment, and Health. Development of society and the communities in which your Company operates has always been a priority.

Education / Scholarships

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

Furthermore, your company also launched two dedicated scholarship programs for the deserving youth of District Lakki Marwat. The aim of these programs is to make education accessible and affordable for deserving students especially from the rural areas regardless of their financial background.

Women Empowerment

Women empowerment through education has been an ongoing process in which your Company with the collaboration of Zindagi Trust has been supporting two leading Government girls' schools in Karachi. These schools have been transformed into model girls' educational institutions in Pakistan.

Further to this, your Company has also collaborated with Shahid Afridi Foundation (SAF) and adopted primary school in the remote area of Karachi to improve primary level education for the less privileged.

Health Initiatives

The facilitation of quality healthcare for society at large continues to remain your Company's priority, particularly 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 of specialized and modern medical care available in the Country.

Environment Conservation

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

Outlook

After the moderation of first wave of Covid-19 in recent past, the second wave of this infection has started to pose challenges. The Government is countering the spike of the second wave through smart lockdowns instead of general shutdown to keep the economic wheel rolling.

Barring this, in the short to medium term, the Outlook of the Cement industry remains positive. Due to increase in economic activity, the local demand has shown healthy growth both in the North and South regions compared to same period last year. As a result, price improvement can be seen mainly in the North region. Export demand is also expected to remain steady in the near future. On the other hand, there will be a pressure on margins due to rise in international coal and crude oil prices.

Moreover, we also expect that the package announced for the construction industry by the Federal Government coupled with various initiatives taken by State Bank of Pakistan to support the local industry will continue to have a positive impact on the local demand of cement in the country.

Your Company's strong financial position and free cash flow generating ability are anticipated to further support its Vision to improve operational efficiencies as well as make new investments, which can bring in further improvement in efficiencies and enhance shareholders' value.

Acknowledgement

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

On behalf of the Board



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD ALI TABBA
Chief Executive / Director

Karachi: January 29, 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF LUCKY CEMENT LIMITED

REPORT ON REVIEW OF UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Lucky Cement Limited as at December 31, 2020 and the related unconsolidated condensed interim statement of profit or loss and other comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the half year then ended (here-in-after referred to as the "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

The figures of the unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

Scope of Review

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

Conclusion

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

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



A. F. Ferguson & Co.,
Chartered Accountants
Karachi

Date: February 4, 2021

STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

FINANCIAL STATEMENTS

For the Half Year ended Dec 31, 2020

Unconsolidated & Consolidated

Unconsolidated Condensed Interim Statement of Financial Position

As at December 31, 2020

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
(PKR in '000')			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	60,452,024	60,247,570
Intangible assets		5,652	11,323
		60,457,676	60,258,893
Long-term investments	6	50,194,485	47,144,485
Long-term loans and advances		92,401	87,008
Long-term deposits		3,175	3,175
		110,747,737	107,493,561
CURRENT ASSETS			
Stores and spares		8,986,276	6,520,170
Stock-in-trade		2,264,489	2,915,552
Trade debts		2,660,582	3,422,767
Loans and advances		667,631	390,966
Trade deposits and short term prepayments		80,592	81,169
Accrued return		23,385	47,572
Other receivables		2,136,835	3,670,300
Tax refunds due from the Government		538,812	538,812
Short term investments		10,012,633	2,970,999
Cash and bank balances		4,055,664	7,816,606
		31,426,899	28,374,913
TOTAL ASSETS		142,174,636	135,868,474
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued subscribed and paid-up share capital		3,233,750	3,233,750
Reserves		100,498,685	95,950,111
		103,732,435	99,183,861
NON-CURRENT LIABILITIES			
Long-term deposits		238,112	233,062
Long-term liabilities		4,017,965	320,461
Deferred income - Government grant		570,005	59,720
Deferred liabilities	7	7,464,573	7,116,018
		12,290,655	7,729,261
CURRENT LIABILITIES			
Trade and other payables		16,622,061	19,354,794
Current maturity of long-term loan		506,908	126,727
Short term borrowings		7,050,000	7,931,444
Unclaimed dividend		54,579	55,767
Unpaid dividend		17,580	17,580
Accrued markup		73,438	46,173
Taxation - net		1,826,980	1,422,867
		26,151,546	28,955,352
		38,442,201	36,684,613
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		142,174,636	135,868,474

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



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the half year ended December 31, 2020 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		December 31, 2020 (PKR in '000')	December 31, 2019 (PKR in '000')	December 31, 2020 (PKR in '000')	December 31, 2019 (PKR in '000')
Gross sales	9	42,114,420	31,095,561	22,383,151	17,165,579
Less: Sales tax and federal excise duty		11,310,614	9,360,807	6,227,479	5,277,187
Rebates, incentive and commission		728,313	523,374	415,308	305,988
		12,038,927	9,884,181	6,642,787	5,583,175
Net sales		30,075,493	21,211,380	15,740,364	11,582,404
Cost of sales		(21,490,252)	(17,987,142)	(11,149,722)	(9,849,995)
Gross profit		8,585,241	3,224,238	4,590,642	1,732,409
Distribution cost		(2,670,911)	(1,894,420)	(1,313,976)	(919,103)
Administrative expenses		(602,756)	(597,328)	(316,280)	(296,901)
Finance cost		(155,624)	(47,946)	(87,520)	(28,080)
Other expenses		(474,968)	(194,311)	(274,858)	(89,774)
Other income	10	836,321	1,709,031	233,926	778,800
Profit before taxation		5,517,303	2,199,264	2,831,934	1,177,351
Taxation					
-current		(771,191)	(366,683)	(399,831)	(196,619)
-deferred		(204,940)	103,995	(117,379)	-
		(976,131)	(262,688)	(517,210)	(196,619)
Profit after taxation		4,541,172	1,936,576	2,314,724	980,732
Other comprehensive income:					
Other comprehensive income / (loss) which will not be reclassified to profit or loss in subsequent periods					
Unrealized income / (loss) on remeasurement of equity instrument at fair value through other comprehensive income		8,708	(920)	(2,974)	7,169
Deferred tax thereon		(1,306)	138	446	(1,075)
		7,402	(782)	(2,528)	6,094
Total comprehensive income for the period		4,548,574	1,935,794	2,312,196	986,826
			(PKR)	(PKR)	
Earnings per share - basic and diluted		14.04	5.99	7.16	3.03

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



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Cash Flows

For the half year ended December 31, 2020 (Un-audited)

	Note	December 31, 2020	December 31, 2019
(PKR in '000)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	6,998,888	3,761,561
Income tax paid		(367,078)	(246,385)
Gratuity paid		(52,045)	(54,212)
Finance cost paid		(128,359)	(35,696)
Income from deposits with islamic banks		291,749	963,972
(Increase) / decrease in long-term loans and advances		(5,393)	8,688
Increase in long-term deposits (liabilities)		5,050	142,178
Net cash generated from operating activities		6,742,812	4,540,106
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,379,896)	(6,642,259)
Long term investment		(3,050,000)	(2,304,999)
Sale proceeds on disposal of property, plant and equipment		83,385	49,264
Dividend received from subsidiary companies		382,690	568,448
Dividend received from associated company		-	122,273
Dividend received on short term investments		156,378	64,189
Release / (marking) of bank balance held as lien		1,628,000	(81,111)
Net cash used in investing activities		(3,179,443)	(8,224,195)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loan obtained		2,219,247	-
Dividends paid		(1,188)	(2,165,539)
		2,218,059	(2,165,539)
Net increase/(decrease) in cash and cash equivalents		5,781,428	(5,849,628)
Cash and cash equivalents at the beginning of the period		888,638	5,904,430
Cash and cash equivalents at the end of the period	11.1	6,670,066	54,802

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



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Changes in Equity

For the half year ended December 31, 2020 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserves		Total reserves	Total equity
			General reserves	Unappropriated profit		
(PKR in '000')						
Balance as at July 01, 2019	3,233,750	7,343,422	73,202,650	10,538,595	91,084,667	94,318,417
Transfer to general reserves	-	-	8,436,657	(8,436,657)	-	-
<i>Transactions with owners in their capacity as owners</i>						
Final dividend at the rate of PKR 6.5/- per share each for the year ended June 30, 2019	-	-	-	(2,101,938)	(2,101,938)	(2,101,938)
Total comprehensive income for the half year ended December 31, 2019	-	-	-	1,935,794	1,935,794	1,935,794
Balance as at December 31, 2019	<u>3,233,750</u>	<u>7,343,422</u>	<u>81,639,307</u>	<u>1,935,794</u>	<u>90,918,523</u>	<u>94,152,273</u>
Balance as at July 01, 2020	3,233,750	7,343,422	81,639,307	6,967,382	95,950,111	99,183,861
Transfer to general reserves	-	-	3,508,483	(3,508,483)	-	-
Total comprehensive income for the half year ended December 31, 2020	-	-	-	4,548,574	4,548,574	4,548,574
Balance as at December 31, 2020	<u>3,233,750</u>	<u>7,343,422</u>	<u>85,147,790</u>	<u>8,007,473</u>	<u>100,498,685</u>	<u>103,732,435</u>

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



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2020 (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 (the Ordinance) [now Companies Act, 2017] and is listed on the Pakistan Stock Exchange. The Company has also issued Global Depository Receipts (GDRs) which are listed and traded on the Professional Securities Market of the London Stock Exchange. The principal activity of the Company is manufacturing and marketing of cement.

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

- 1.2** These unconsolidated condensed interim financial statements are separate financial statements of the Company in which investments in subsidiaries and an associated company have been accounted for at cost less accumulated impairment losses, if any.
- 1.3** During the period, the Supreme Court of Pakistan has upheld the Gas Infrastructure Development Cess Act, 2015 to be constitutional and intravires. The Supreme Court has allowed settlement of GIDC over a period of time. The Company has followed the relevant accounting standards and ICAP guidelines in this regard.

2 STATEMENT OF COMPLIANCE

- 2.1** These unconsolidated condensed interim financial statements of the Company for the half year ended December 31, 2020 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 Company's unconsolidated annual audited financial statements for the year ended June 30, 2020.
- 2.3** The figures included in unconsolidated condensed interim statement of profit or loss and other comprehensive income for the quarters ended December 31, 2020 and December 31, 2019 and the notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the accumulated figures for the half years ended December 31, 2020 and December 31, 2019.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those applied in the preparation of the unconsolidated annual audited financial statements for the year ended June 30, 2020.

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

(a) Standards and amendments to accounting and reporting standards which became effective during the half year ended December 31, 2020

There were certain amendments to accounting and reporting standards which became mandatory for the Company's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these unconsolidated condensed interim financial statements.

(b) Standards and amendments to accounting and reporting standards that are not yet effective

There is a new standard an interpretation and 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, 2021. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated condensed interim financial statements.

4 ACCOUNTING ESTIMATES 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 Company's unconsolidated annual audited financial statements for the year ended June 30, 2020.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2020 (Un-audited)

5 PROPERTY, PLANT AND EQUIPMENT

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

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
(PKR in '000')			
Operating fixed assets (WDV) - opening balance		59,650,770	43,118,520
Add: Additions during the period / year	5.2	1,374,403	20,412,640
		61,025,173	63,531,160
Less: Disposals during the period/year (WDV)		29,418	36,822
Depreciation charge for the period / year		2,146,024	3,843,568
Operating fixed assets (WDV) - closing balance		58,849,731	59,650,770
Add: Capital work-in-progress	5.3	1,280,185	334,192
Add: Capital spares		322,108	262,608
		60,452,024	60,247,570

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

	Additions (Cost)	Deletions (Cost)
(PKR in '000')		
Operating fixed assets		
Buildings on freehold land		
- Cement plant	200,970	-
- Power plant	864	-
Buildings on leasehold land		
- Cement plant	58,584	-
- Head office	5,686	-
Machinery	1,023,603	-
Generators	19,574	-
Vehicles	38,876	85,729
Furniture and fixtures	2,529	64
Office equipment	7,806	104
Computer and Accessories	9,316	8,885
Other assets (Laboratory equipment, etc.)	6,595	239
	1,374,403	95,021
	(Un-audited) December 31, 2020	(Audited) June 30, 2020
(PKR in '000')		

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

Opening balance	334,192	13,987,976
Add: Additions during the period / year	2,320,396	6,762,896
	2,654,588	20,750,872
Less: Transferred to operating fixed assets	1,374,403	20,416,680
Closing balance	1,280,185	334,192

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020 (PKR in '000')
6 LONG-TERM INVESTMENTS - at cost			
Subsidiaries			
Lucky Holdings Limited	6.1	32,145	32,145
LCL Investment Holdings Limited	6.2	4,580,500	4,580,500
Lucky Motor Corporation Limited (formerly Kia Lucky Motors Pakistan Limited)	6.3	12,876,384	12,876,384
ICI Pakistan Limited	6.4	9,594,091	9,594,091
Lucky Electric Power Company Limited	6.5	22,500,000	19,450,000
		<u>49,583,120</u>	<u>46,533,120</u>
Associate			
Yunus Energy Limited	6.6	611,365	611,365
		<u>50,194,485</u>	<u>47,144,485</u>

6.1 Lucky Holdings Limited (LHL) is a public unlisted Company incorporated in Pakistan. As of the statement of financial position date, the Company owns 75 percent shares of Lucky Holdings Limited.

6.2 Represents equity investment in LCL Investment Holdings Limited (LCLIHL), a wholly owned subsidiary of the Company, incorporated and domiciled in Mauritius. LCLIHL has entered into joint venture agreements with Al Shamookh group to form Lucky Al Shamookh Holdings Limited (LASHL) for operating a cement grinding unit in Basra, Iraq and Al Shamookh Lucky Investment Limited (ASLIL) for constructing a fully integrated cement manufacturing unit in Samawah, Iraq. LASHL and ASLIL are companies with limited liability registered in Jebel Ali Free Zone, United Arab Emirates. LCLIHL holds 50 percent ownership in the aforesaid joint ventures.

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

6.3 Represents equity investment in Lucky Motor Corporation Limited (LMC) [formerly Kia Lucky Motors Pakistan Limited], a public unlisted company incorporated in Pakistan. The Company holds 71.55 percent shares of LMC.

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2020 (Un-audited)

6.5 Lucky Electric Power Company Limited (LEPCL) was incorporated in Pakistan on June 13, 2014, as a public unlisted company. The Company holds 100 percent shares (2,250,000,000 shares of PKR 10 each) of LEPCL. This includes advance against issuance of shares amounting to PKR 1,200 million. The operations of LEPCL have not yet started. LEPCL is investing in setting up a 660 MW coal based power project in Karachi. Its registered office is situated at 6-A, Muhammad Ali Society, A. Aziz Hashim Tabba Street, Karachi in the province of Sindh.

6.6 Represents equity investment in Yunus Energy Limited (YEL), a public unlisted company incorporated in Pakistan. As of the statement of financial position date, the Company owns 20 percent shares of YEL.

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
(PKR in '000')			
7			
DEFERRED LIABILITIES			
Staff gratuity		2,090,766	1,948,457
Deferred tax liability	7.1	5,373,807	5,167,561
		<u>7,464,573</u>	<u>7,116,018</u>
7.1			
Deferred tax liability			
This comprises the following :			
- Taxable temporary differences arising due to accelerated tax depreciation allowance		6,925,175	5,605,449
- Deductible temporary differences arising in respect of provisions and minimum tax		(1,551,368)	(437,888)
		<u>5,373,807</u>	<u>5,167,561</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, 2020.

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
(PKR in '000')			
8.2			
Machinery under letters of credit		2,078,814	816,405
Stores, spares, packing material and other supplies / services under letters of credit		2,430,818	1,636,056
Bank guarantees issued by the Company on behalf of subsidiary companies		19,114,000	19,114,000
Bank guarantees issued on behalf of the Company		2,665,029	2,589,829
Post dated cheques		665,527	883,551
Commitment on behalf of subsidiary company in respect of cost over-run and PSRA support		22,004,404	23,135,522

		For the half year ended	
		December 31, 2020	December 31, 2019
		(PKR in '000')	
9	GROSS SALES		
	Local	34,239,645	24,668,065
	Export	7,874,775	6,427,496
		<u>42,114,420</u>	<u>31,095,561</u>

10 OTHER INCOME

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

		For the half year ended	
		December 31, 2020	December 31, 2019
		(PKR in '000')	

11 CASH GENERATED FROM OPERATIONS

	Profit before taxation	5,517,303	2,199,264
	Adjustments for non cash charges and other items		
	Depreciation	2,146,024	1,737,080
	Amortization of intangible assets	5,671	4,907
	Gain on disposal of property, plant & equipment	(53,967)	(25,604)
	Provision for gratuity	194,354	240,175
	Provision for slow moving spares	248,343	-
	Provision for doubtful debts	2,815	-
	Dividend income from subsidiaries	(382,690)	(568,448)
	Dividend income from associate	-	(122,273)
	Dividend income from short term investments	(156,378)	(64,189)
	Income from deposits with islamic banks	(267,562)	(943,818)
	Finance cost	155,624	47,946
	Profit before working capital changes	<u>7,409,537</u>	<u>2,505,040</u>
	(Increase) / decrease in current assets		
	Stores and spares	(2,714,449)	(851,891)
	Stock in trade	651,063	1,887,359
	Trade debts	759,370	(1,020,412)
	Loans and advances	(276,665)	96,882
	Trade deposits and short term prepayments	577	(9,762)
	Other receivables	1,533,465	13,968
		<u>(46,639)</u>	<u>116,144</u>
	Increase in current liabilities		
	Trade and other payables	(364,010)	1,140,377
	Cash generated from operations	<u>6,998,888</u>	<u>3,761,561</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2020 (Un-audited)

	For the half year ended	
	December 31, 2020	December 31, 2019
	(PKR in '000')	
11.1 CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,055,664	12,852,797
Bank balance marked as lien	(322,000)	(7,966,671)
Short term borrowings	(7,050,000)	(5,218,628)
Short term investments	9,986,402	387,304
	<u>6,670,066</u>	<u>54,802</u>

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 unconsolidated financial statements, are as follows:

	For the half year ended	
	December 31, 2020	December 31, 2019
	(PKR in '000')	
Transactions with Subsidiary Companies:		
Reimbursement of expenses to Company	60	31,566
Sales	13,369	9,747
Purchases	11,382	4,346
Purchase of vehicles	19,636	91,139
Investment made during the period	3,050,000	2,307,500
Dividend received	382,690	568,448
Payment against claim of tax loss	34,759	1,166,350
Services received	729	160
Transactions with Directors and their close family members		
Dividend paid	-	465,883
Sales	124	-
Meeting fee	969	750
Transactions with Associated Undertakings:		
Sales	164,028	479,802
Purchases	-	1,312,112
Reimbursement of expenses to Company	8,271	11,296
Reimbursement of expenses from Company	7,004	549
Dividend received	-	122,273
Dividend paid	-	463,451
Sale of fixed asset	-	1,974
Donation	80,000	31,175
Charity	-	8,825
Services received	15,951	16,606

	For the half year ended		
	Note	December 31, 2020	December 31, 2019
			(PKR in '000')
Transactions with other key management personnel			
Salaries and benefits		136,235	125,147
Post employment benefits		21,834	10,487
Dividend paid		-	53

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 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 (level1);
- 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).

Assets	Level 1	Level 2	Level 3	Total
(PKR in '000')				
Financial assets - fair value through Profit or loss				
- Short - term investment (units of mutual funds)	-	9,986,402	-	9,986,402
Financial assets - fair value through other comprehensive income				
- Short term investment (shares of PSX)	26,231	-	-	26,231

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2020 (Un-audited)

14 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on January 29, 2021 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.

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.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer

Consolidated Condensed Interim Statement of Financial Position

As at December 31, 2020

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
(PKR in '000')			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	199,949,404	190,881,880
Intangible assets		7,190,702	7,341,737
Right-of-use assets	6	276,005	318,279
		207,416,111	198,541,896
Long-term investments	7	25,878,131	23,970,762
Long-term loans and advances		677,175	617,130
Long-term deposits and prepayments		48,600	46,672
		234,020,017	223,176,460
CURRENT ASSETS			
Stores, spares and consumables		10,743,597	8,072,831
Stock-in-trade		23,562,990	21,292,185
Trade debts		5,124,010	5,834,590
Loans and advances		2,531,720	1,636,587
Trade deposits and short-term prepayments		1,501,609	1,000,279
Other receivables		6,873,383	9,202,663
Tax refunds due from the Government		538,812	538,812
Taxation receivable		1,408,607	2,335,223
Accrued return		38,566	94,208
Short term investments		10,012,633	2,970,999
Cash and bank balances		30,310,256	15,731,810
		92,646,183	68,710,187
TOTAL ASSETS		326,666,200	291,886,647
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up share capital		3,233,750	3,233,750
Reserves		120,175,050	110,543,591
Attributable to the owners of the Holding Company		123,408,800	113,777,341
Non-controlling interests		19,778,674	17,709,710
Total equity		143,187,474	131,487,051
NON-CURRENT LIABILITIES			
Long-term liabilities		93,253,526	82,427,884
Long-term deposits		398,112	357,855
Deferred liabilities	8	11,131,177	11,133,530
Deferred income - Government grant		688,458	96,256
Leases		242,671	253,591
Other long term liabilities		5,071,098	5,331,774
		110,785,042	99,600,890
CURRENT LIABILITIES			
Current portion of long-term finances		3,412,428	2,637,451
Trade and other payables		57,069,331	42,536,979
Provision for taxation		2,185,479	1,792,626
Accrued return		234,836	848,931
Short-term borrowings and running finance		9,573,900	12,830,116
Current portion of leases		57,752	79,256
Unclaimed dividend		142,378	55,767
Unpaid dividend		17,580	17,580
		72,693,684	60,798,706
		183,478,726	160,399,596
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		326,666,200	291,886,647

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

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the half year ended December 31, 2020 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		(PKR in '000')		(PKR in '000')	
Revenue	10	123,717,385	79,558,047	65,866,542	45,128,401
Less: Sales tax and excise duty		22,555,576	15,451,506	14,669,091	9,768,404
Rebates, incentives and commission		5,346,520	3,367,235	495,929	1,800,630
		27,902,096	18,818,741	15,165,020	11,569,034
		95,815,289	60,739,306	50,701,522	33,559,367
Cost of sales		(75,604,492)	(51,092,724)	(39,263,700)	(28,256,427)
Gross profit		20,210,797	9,646,582	11,437,822	5,302,940
Distribution cost		(4,658,432)	(3,749,366)	(2,380,328)	(1,902,621)
Administrative expenses		(3,016,924)	(2,037,901)	(1,820,430)	(1,019,081)
Finance cost		(761,823)	(1,185,524)	(336,204)	(560,521)
Other expenses		(774,808)	(395,250)	(290,864)	(203,610)
Other income	11	3,309,440	2,792,289	1,801,506	1,406,594
Profit before taxation		14,308,250	5,070,830	8,411,502	3,023,701
Taxation					
- current		(2,025,343)	(1,402,122)	(1,130,560)	(653,295)
- deferred		161,858	254,107	31,588	25,386
		(1,863,485)	(1,148,015)	(1,098,972)	(627,909)
Profit after taxation		12,444,765	3,922,815	7,312,530	2,395,792
Attributable to:					
Owners of the Holding Company		10,365,155	3,212,118	6,015,664	1,939,939
Non-controlling interests		2,079,610	710,697	1,296,866	455,853
		12,444,765	3,922,815	7,312,530	2,395,792
Other comprehensive income for the period					
Other comprehensive loss which may be reclassified to statement of profit or loss in subsequent periods					
Foreign exchange differences on translation of foreign operations		(728,670)	(375,425)	(526,895)	(114,005)
Other comprehensive income / (loss) which will not be reclassified to statement of profit or loss in subsequent periods					
Unrealized gain / (loss) on remeasurement of equity investment at fair value through other comprehensive income		8,708	(920)	(2,974)	7,169
Deferred tax thereon		(1,306)	138	446	(1,075)
		7,402	(782)	(2,528)	6,094
Total comprehensive income for the period		11,723,497	3,546,608	6,783,107	2,287,881
Attributable to:					
Owners of the Holding Company		9,643,887	2,835,911	5,486,241	1,832,028
Non-controlling interests		2,079,610	710,697	1,296,866	455,853
		11,723,497	3,546,608	6,783,107	2,287,881
			(PKR)		(PKR)
Earnings per share - basic and diluted		32.05	9.93	18.60	6.00

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



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows

For the half year ended December 31, 2020 (Un-audited)

	Note	December 31, 2020	December 31, 2019
		(PKR in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	27,606,526	13,090,048
Finance costs paid		(3,870,865)	(3,320,627)
Income tax paid		(705,880)	(730,695)
Staff retirement benefits paid		(93,750)	(88,068)
Income from deposits with Islamic banks and other financial institutions		626,502	1,089,744
Increase in long-term loans and advances		(60,045)	(73,557)
Decrease in long-term deposits and prepayments		5,209	140,574
Net cash generated from operating activities		23,507,697	10,107,419
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(8,626,082)	(31,180,659)
Long-term advance		-	(1,070)
Investment in joint ventures		(719,255)	(929,086)
Business acquisition		(17,369)	-
Dividend received from associated companies		-	814,273
Dividend received from short term investments		156,378	64,189
Release / (marking) of bank balance held as lien		1,628,000	(81,111)
Sale proceeds on disposal of property, plant and equipment		113,606	52,018
Net cash used in investing activities		(7,464,722)	(31,261,446)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance - net		10,510,279	21,660,933
Payment against finance lease liability		(50,252)	(34,920)
Advance against issuance of shares to non-controlling interest		245,000	1,013,065
Dividends paid		(252,415)	(2,682,541)
Net cash generated from financing activities		10,452,612	19,956,537
Net increase / (decrease) in cash and cash equivalents		26,495,587	(1,197,490)
Cash and cash equivalents at the beginning of the period		3,905,171	(743,734)
Cash and cash equivalents at the end of the period		30,400,758	(1,941,224)
Cash and cash equivalents at December 31 comprise of:			
Cash and bank balances		30,310,256	16,075,095
Short-term finances		(9,573,900)	(10,436,953)
Bank balance marked as lien		(322,000)	(7,966,671)
Short term investments		9,986,402	387,305
		30,400,758	(1,941,224)

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


Muhammad Yunus Tabba
 Chairman / Director


Muhammad Ali Tabba
 Chief Executive


Atif Kaludi
 Chief Financial Officer

Consolidated Condensed Interim Statement of Changes in Equity

For the half year ended December 31, 2020 (Un-audited)

	Issued, subscribed and paid up capital	Capital reserve Share premium	Revenue reserves			Total reserves	Non-controlling interests	Total equity
			General reserves	Foreign currency translation reserve	Unappropriated profit			
(PKR in '000')								
Balance as at July 01, 2019	3,233,750	7,343,422	73,202,650	3,936,146	21,305,260	105,787,478	16,249,228	125,270,456
Transfer to general reserves	-	-	8,436,657	-	(8,436,657)	-	-	-
Transactions with owners								
Final dividend at the rate of PKR 6.5/- per share for the year ended June 30, 2019	-	-	-	-	(2,101,938)	(2,101,938)	-	(2,101,938)
Dividends paid to non-controlling interests of ICI	-	-	-	-	-	-	(188,157)	(188,157)
Dividends paid to non-controlling interests of LHL	-	-	-	-	-	-	(125,483)	(125,483)
Advance against right issue of ICI	-	-	-	-	-	-	122,500	122,500
Share of non-controlling interests of KLM	-	-	-	-	-	-	890,565	890,565
Profit after taxation	-	-	-	-	3,212,118	3,212,118	710,697	3,922,815
Other comprehensive income	-	-	-	(375,425)	(782)	(376,207)	-	(376,207)
Total comprehensive income for the half year ended December 31, 2019	-	-	-	(375,425)	3,211,336	2,835,911	710,697	3,546,608
Balance as at December 31, 2019	<u>3,233,750</u>	<u>7,343,422</u>	<u>81,639,307</u>	<u>3,560,721</u>	<u>13,978,001</u>	<u>106,521,451</u>	<u>17,659,350</u>	<u>127,414,551</u>
Balance as at July 01, 2020	3,233,750	7,343,422	81,639,307	4,625,020	16,935,842	110,543,591	17,709,710	131,487,051
Transfer to general reserves	-	-	3,508,483	-	(3,508,483)	-	-	-
Dividends paid to non-controlling interests of ICI	-	-	-	-	-	-	(207,805)	(207,805)
Dividends paid to non-controlling interests of LHL	-	-	-	-	-	-	(42,900)	(42,900)
Shares issued to non-controlling interest of ICI	-	-	-	-	-	-	245,000	245,000
Effect of merger of Lucky Auto Industries in LMC	-	-	-	-	(12,428)	(12,428)	(4,941)	(17,369)
Profit after taxation	-	-	-	-	10,365,155	10,365,155	2,079,610	12,444,765
Other comprehensive income	-	-	-	(728,670)	7,402	(721,268)	-	(721,268)
Total comprehensive income for the half year ended December 31, 2020	-	-	-	(728,670)	10,372,557	9,643,887	2,079,610	11,723,497
Balance as at December 31, 2020	<u>3,233,750</u>	<u>7,343,422</u>	<u>85,147,790</u>	<u>3,896,350</u>	<u>23,787,488</u>	<u>120,175,050</u>	<u>19,778,674</u>	<u>143,187,474</u>

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



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2020 (Un-audited)

1 THE GROUP AND ITS OPERATIONS

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

1.1 Lucky Cement Limited

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

1.2 Lucky Holdings Limited

Lucky Holdings Limited (LHL) was incorporated in Pakistan on September 6, 2012 as a public unlisted company limited by shares under the Companies Ordinance, 1984. The registered office of LHL is situated at Third Floor, Syed Towers, University Road, Opp: Custom House, Peshawar, Khyber Pakhtunkhwa. As of the statement of financial position date, the Holding Company owns 75 percent shares of Lucky Holdings Limited (LHL).

1.3 LCL Investment Holdings Limited

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

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

1.4 Lucky Motor Corporation Limited

Lucky Motor Corporation Limited (LMC) [formerly KIA Lucky Motors Pakistan Limited] was incorporated in Pakistan as a public unlisted company. The principal line of business of LMC is to carry on the manufacturing, assembling, distribution, marketing, sale, after-sale-service, import and export of all types of KIA motor vehicles, parts and accessories under license from KIA Motors Corporation. As of the statement of financial position date the Holding Company holds 71.55 percent shares of LMC.

1.5 ICI Pakistan Limited

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

Details of the investments of ICI are as follows:

1.5.1 ICI Pakistan PowerGen Limited

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

1.5.2 NutriCo Morinaga (Private) Limited

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

1.6 Lucky Electric Power Company Limited

Lucky Electric Power Company Limited (LEPCL) was incorporated in Pakistan on June 13, 2014, as a public unlisted company. The Holding Company holds 100 percent shares (2,250,000,000 shares of PKR 10 each) of LEPCL. This includes advance against issuance of shares amounting to PKR 1,200 million. The operations of LEPCL have not yet started. LEPCL is investing in setting up a 660 MW coal based power project in Karachi. Its registered office is situated at 6-A, Muhammad Ali Society, A. Aziz Hashim Tabba Street, Karachi in the province of Sindh.

1.7 During the period, the Supreme Court of Pakistan has upheld the Gas Infrastructure Development Cess Act, 2015 to be constitutional and intravires. The Supreme Court has allowed settlement of GIDC over a period of time. The Group has followed the relevant accounting standards and ICAP guidelines in this regard.

2 STATEMENT OF COMPLIANCE

2.1 These consolidated condensed interim financial statements of the Group for the half year ended December 31, 2020 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.

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2020 (Un-audited)

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, 2020.

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, 2020.

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

- (a) Standards and amendments to accounting and reporting standards which became effective during the half year ended December 31, 2020**

There were certain amendments to accounting and reporting standards which became mandatory for the Group's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the Group's financial reporting and, therefore, have not been detailed in these consolidated condensed interim financial statements.

- (b) Standards and amendments to accounting and reporting standards that are not yet effective**

There is a new standard, an interpretation and 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, 2021. However, these 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, 2020.

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, 2020. Further, there were no transfers in fair value hierarchy levels during the period.

5 PROPERTY, PLANT AND EQUIPMENT

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

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
(PKR in '000')			
Operating fixed assets (WDV) - opening balance		103,464,039	83,666,110
Add: Additions during the period / year	5.2	2,409,863	27,604,790
		105,873,902	111,270,900
Less: Disposals during the period / year (WDV)		39,179	75,470
Depreciation charge for the period / year		4,129,504	7,731,391
Operating fixed assets (WDV) - closing balance		101,705,219	103,464,039
Add: Capital work-in-progress	5.3	97,922,077	87,155,233
Add: Capital spares		322,108	262,608
		199,949,404	190,881,880

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

	Additions (Cost)	Deletions (Cost)
(PKR in '000')		
Operating fixed assets		
Land	14,782	-
Buildings on free hold land		
- Cement plant	200,970	-
- Power plant	864	-
- Others	3,958	-
Buildings on leasehold land		
- Cement plant	58,582	-
- Others	58,977	2,984
Limebeds on free hold land	9,854	-
Machinery	1,823,228	11,890
Generators	19,574	-
Vehicles including cement bulkers	72,952	112,118
Furniture and fixtures	85,508	6,767
Office equipments	8,134	104
Computer and accessories	30,627	9,261
Other assets	21,853	239
	2,409,863	143,363

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

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

Opening balance	87,155,233	51,639,998
Add: Additions during the period / year	12,964,780	62,890,327
	100,120,013	114,530,325
Less: Transferred to operating fixed assets	2,197,936	27,345,907
Transferred to intangible assets	-	29,185
Closing balance	97,922,077	87,155,233

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2020 (Un-audited)

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
(PKR in '000')			
6			
RIGHT-OF-USE ASSETS			
Cost		318,279	402,827
Less: Depreciation charged during the period / year		42,274	84,548
Closing net book value		<u>276,005</u>	<u>318,279</u>
7			
LONG-TERM INVESTMENTS			
Equity accounted investment			
Joint ventures			
Lucky AI Shumookh Holdings Limited (LASHL)	7.1	7,444,680	6,927,802
LuckyRawji Holdings Limited (LRHL)	7.2	11,966,791	11,471,453
AI Shumookh Lucky Investments Limited (ASLIL)	7.3	3,865,232	3,319,116
		<u>23,276,702</u>	<u>21,718,371</u>
Associates			
NutriCo Pakistan (Pvt) Limited	7.4	1,321,820	1,106,787
Yunus Energy Limited	7.5	1,277,109	1,143,104
		<u>2,598,929</u>	<u>2,249,891</u>
		<u>25,875,631</u>	<u>23,968,262</u>
Unquoted - at cost			
Equity security available-for-sale			
Arabian Sea Country Club Limited (250,000 ordinary shares of PKR 10 each)		2,500	2,500
		<u>25,878,131</u>	<u>23,970,762</u>
7.1			
Lucky AI Shumookh Holdings Limited			
Investment at cost		1,912,283	1,912,283
Share of cumulative profit at the beginning of the period / year		2,870,544	1,584,931
Share of profit during the period / year		877,072	1,285,613
		<u>3,747,616</u>	<u>2,870,544</u>
Foreign currency translation reserve		1,784,781	2,144,975
		<u>7,444,680</u>	<u>6,927,802</u>
The Group's interest in LASHL's assets and liabilities is as follows:			
Total assets		15,736,936	14,360,913
Total liabilities		(847,577)	(505,309)
Net assets (100%)		<u>14,889,359</u>	<u>13,855,604</u>
Group's share of net assets (50%)		<u>7,444,680</u>	<u>6,927,802</u>
The Group's share in LASHL's profit or loss is as follows:			
Revenue		6,772,498	10,658,479
Net profit (100%)		1,754,143	2,571,226
Group's share of net profit (50%)		<u>877,072</u>	<u>1,285,613</u>

	Note	(Un-audited) December 31, 2020	(Audited) June 30, 2020
(PKR in '000')			
7.2 Lucky Rawji Holdings Limited			
Investment at cost		6,870,050	6,870,050
Share of cumulative profit / (loss) at the beginning of the period / year		237,439	(494,136)
Share of profit during the period / year		1,082,714	731,575
		1,320,153	237,439
Foreign currency translation reserve		3,776,588	4,363,964
		<u>11,966,791</u>	<u>11,471,453</u>
The Group's interest in LRHL's assets and liabilities is as follows:			
Total assets		37,560,294	40,765,483
Total liabilities		(13,626,712)	(17,822,578)
Net assets (100%)		<u>23,933,582</u>	<u>22,942,905</u>
Group's share of net assets (50%)		<u>11,966,791</u>	<u>11,471,453</u>
The Group's share in LRHL's profit or loss is as follows:			
Revenue		7,464,601	11,131,345
Net profit (100%)		2,165,428	1,463,149
Group's share of net profit (50%)		1,082,714	731,575
7.3 Al Shumookh Lucky Investments Limited			
Investment at cost - Opening		2,798,978	446,270
Investment made during the period / year		719,255	2,352,708
		3,518,233	2,798,978
Share of cumulative profit at the beginning of the period / year		374,794	105,343
Share of (loss) / profit during the period / year		(11,138)	269,451
		363,656	374,794
Foreign currency translation reserve		(16,657)	145,344
		<u>3,865,232</u>	<u>3,319,116</u>
The Group's interest in ASLIL's assets and liabilities is as follows:			
Total assets		20,119,972	16,785,363
Total liabilities		(12,389,509)	(10,147,131)
Net assets (100%)		<u>7,730,463</u>	<u>6,638,232</u>
Group's share of net assets (50%)		<u>3,865,232</u>	<u>3,319,116</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2020 (Un-audited)

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

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

Net profit (100%)	(22,276)	538,902
Group's share of net profit (50%)	(11,138)	269,451

7.4 NutriCo Pakistan (Pvt) Limited

Investment at cost	960,000	960,000
Share of profit opening balance	146,787	515,773
Share of profit during the period / year	215,033	431,014
Dividend received during the period / year	-	(800,000)
	361,820	146,787
	1,321,820	1,106,787

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

Revenue	5,102,396	9,523,528
Net profit (100%)	537,583	1,077,534
Group's share of net profit (40%)	215,033	431,014

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

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

7.5 Yunus Energy Limited

Investment at cost	611,365	611,365
Share of cumulative profit at the beginning of the year	531,739	333,219
Share of profit during the period / year	134,005	320,793
Dividend received during the period / year	-	(122,273)
	665,744	531,739
	1,277,109	1,143,104

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

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

8 DEFERRED LIABILITIES

Staff gratuity and eligible retired employees' medical scheme		2,262,957	2,104,551
Deferred tax liability	8.1	8,868,220	9,028,979
		<u>11,131,177</u>	<u>11,133,530</u>
8.1 Deferred tax liability			
This comprises the following :			
- Taxable temporary differences arising due to accelerated tax depreciation allowance		11,558,048	10,397,926
- Deductible temporary differences arising in respect of provisions and minimum tax		(2,689,828)	(1,368,947)
		<u>8,868,220</u>	<u>9,028,979</u>

9 CONTINGENCIES AND COMMITMENTS

9.1 CONTINGENCIES

There are no major changes in the status of contingencies as reported in the annual audited consolidated financial statements for the year ended June 30, 2020.

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

9.2 COMMITMENTS

Machinery and other capital commitments	13,086,152	13,333,475
Stores, spares, raw / packing material and other supplies / services under letters of credit	18,318,346	1,636,056
Bank guarantees issued on behalf of the Holding Company and its subsidiaries	33,036,547	22,716,009
Standby Letters of Credit	8,036,415	21,171,741
Post-dated cheques	1,417,955	2,036,197
Commitment in connection with LEPCL's project's cost over-run and Payment Service Reserve Account (PSRA) support	22,004,404	23,135,522
9.3 Claims against the Group not acknowledged as debts are as follows:		
Local bodies	81,500	81,500
Others	22,979	22,979
	<u>104,479</u>	<u>104,479</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2020 (Un-audited)

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

9.4 Commitments for rentals under operating lease / Ijarah agreements in respect of vehicles are as follows:

Year		
2020-21	277	646
2021-22	123	287
	<u>400</u>	<u>933</u>
Payable not later than one year	339	646
Payable later than one year but not later than five years	61	287
	<u>400</u>	<u>933</u>

	For the Half Year Ended	
	December 31, 2020	December 31, 2019

(PKR in '000')

10 SEGMENT REPORTING

TURNOVER

Cement	42,114,420	31,095,561
Polyester	13,434,800	13,783,271
Soda Ash	9,915,407	10,408,036
Pharma	4,897,701	4,323,698
Animal Health	2,993,342	2,291,815
Chemicals and Agri Sciences	5,036,314	5,497,493
Automobiles	44,424,599	12,405,594
NutriCo Morinaga	1,030,175	-
Others	776,506	498,993
Inter-segment eliminations	(905,879)	(746,414)
	<u>123,717,385</u>	<u>79,558,047</u>

10.1 OPERATING RESULT

Cement	5,311,574	732,490
Polyester	1,224,877	493,777
Soda Ash	1,848,957	2,194,445
Pharma	321,132	247,047
Animal Health	195,344	121,678
Chemicals and Agri Sciences	472,721	451,744
Automobiles	3,560,904	(284,413)
Nutrico Morinaga	(341,002)	-
Power Generation	(74,556)	(57,221)
Others	87,902	(30,471)
Inter-segment eliminations	(72,413)	(9,761)
	<u>12,535,441</u>	<u>3,859,315</u>

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

	For the Half Year Ended	
	December 31, 2020	December 31, 2019
	(PKR in '000')	

10.3 GROSS SALES

Local	115,323,073	72,457,409
Export	8,394,312	7,100,638
	<u>123,717,385</u>	<u>79,558,047</u>

11 OTHER INCOME

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

	For the Half Year Ended	
	December 31, 2020	December 31, 2019
	(PKR in '000')	

12 CASH GENERATED FROM OPERATIONS

Profit before taxation	14,308,250	5,070,830
Adjustments for non-cash charges and other items		
Depreciation	4,124,350	3,606,997
Amortization on intangible assets	213,516	186,452
Provision for slow moving spares	311,519	-
Provision for slow moving and obsolete stock-in-trade	28,203	34,666
Reversal for doubtful debts	(2,380)	(30,311)
Gain on disposal of fixed assets	(74,427)	(24,510)
Provision for staff retirement plan	231,997	290,880
Share of profit from equity accounted investees	(2,297,687)	(1,594,612)
Return from deposits with islamic banks and and other financial institutions	(710,593)	(992,081)
Dividend income from short term investments	(156,378)	(64,189)
Finance cost	772,500	1,126,394
Profit before working capital changes	16,748,870	7,610,516
Increase in current assets		
Stores, spares and consumables	(2,764,908)	(922,689)
Stock-in-trade	(2,516,384)	495,071
Trade debts	712,960	(957,703)
Loans and advances	(900,728)	(259,829)
Trade deposits and short term prepayments	(104,748)	(372,913)
Other receivables	1,888,726	1,430,636
	(3,685,082)	(587,427)
Increase in current liabilities		
Trade and other payables	14,542,738	6,066,959
Cash generated from operations	<u>27,606,526</u>	<u>13,090,048</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2020 (Un-audited)

13 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 Half Year Ended	
	December 31, 2020	December 31, 2019 (PKR in '000')
Transactions with Associated Undertakings		
Sales	1,262,395	1,998,451
Purchase of goods, materials and services	889,560	2,979,278
Reimbursement of expenses to Company	12,496	172,131
Reimbursement of expenses from Company	7,004	549
Sale of fixed assets	-	1,957
Donation	120,816	31,175
Charity	-	8,825
Dividends received	-	622,273
Dividends paid	88,659	589,032
Rent paid	8,592	8,068
Services	71,243	16,764
Consideration paid for acquisition of Lucky Auto Industries	155,000	-
Investment made in joint ventures	719,255	929,086
Transactions with Directors and with their close family members		
Meeting fee	969	750
Rent paid	1,000	3,000
Sales	124	-
Dividends paid	-	465,883
Transactions with other key management personnel		
Salaries and benefits	445,163	414,164
Post employment benefits	46,011	41,565
Dividends paid	2,369	2,233
Staff retirement benefit plan		
Contribution	176,477	130,241

14 GENERAL

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

14.2 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.

15 DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on January 29, 2021 by the Board of Directors of the Holding Company.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer



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