

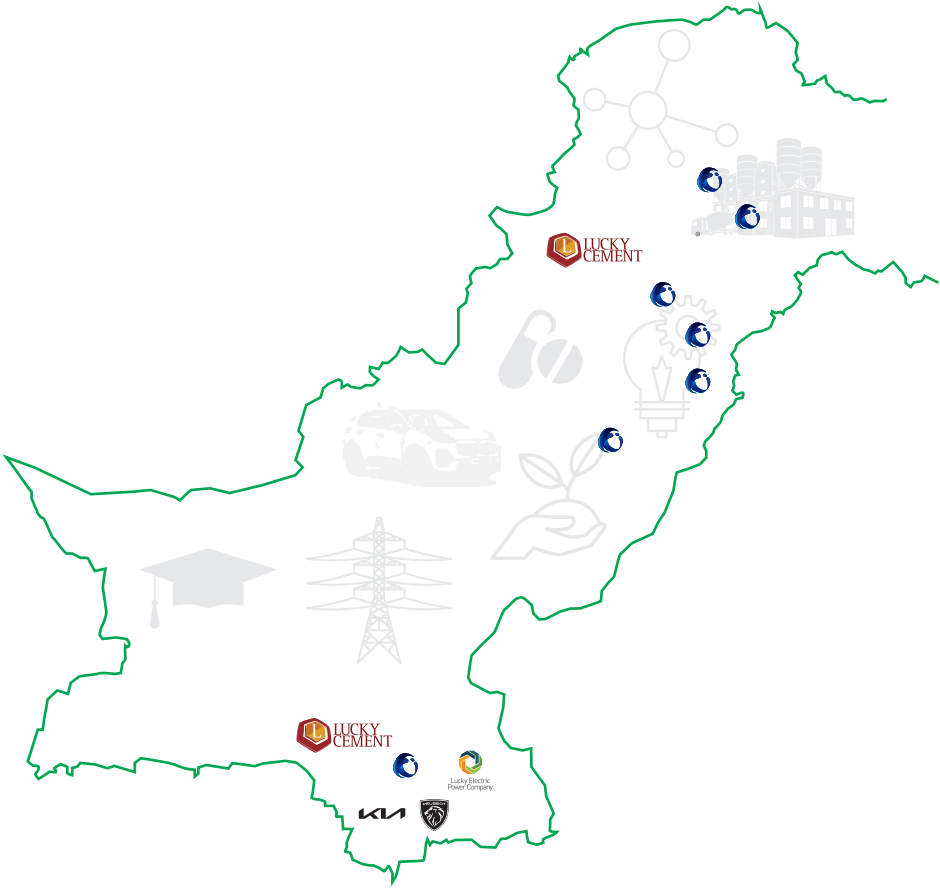
25 YEARS OF
EXCELLENCE



STRENGTHENING PAKISTAN

COMMITTED TO NATIONAL DEVELOPMENT

HALF YEARLY
REPORT 2021-22



AUTOMOBILE | AGRICULTURE | CEMENT | CHEMICALS | PHARMACEUTICAL | LIFE SCIENCES | FOOD & NUTRITION | POWER | AUTOMOBILE | AGRICULTURE



STRENGTHENING PAKISTAN

COMMITTED TO NATIONAL DEVELOPMENT

Our diversified business approach and the energetic team have facilitated us to succeed with confidence. In line with the philosophy of “Make in Pakistan”, Lucky Cement has been able to transform itself not only as a business leader but diversified into several other industries bringing the latest manufacturing technologies and strengthening the industrial base of the country.

This has further allowed us to explore new markets and export a wide range of products globally as a group. Our phenomenal exports in various sectors including cement, textiles and chemicals have given us the opportunity to significantly contribute to the national exchequer, by becoming the largest exporter of value-added products from Pakistan.

This year we are celebrating 25 years of commencement of commercial production of our plant in Pezu, District Lakki Marwat, Khyber Pakhtunkhwa.

With a team of over 6,000 direct employees and indirect employment to hundreds of thousands of people in the value chain, we are determined to further create opportunities for employment and growth in Pakistan.

Through various international projects and joint ventures, we have been able to develop the skill set of the local workforce for the global markets. Due to our strong international foothold and strategic global partnerships, we have been able to export this skilled manpower from Pakistan, creating a positive contribution towards their immediate families, their communities, and the country.

The ability to stand in tough times is what makes us the industry leader. From record-breaking value-added exports to extensive contributions to the community development programs, from sustainable business operations to a strong international footprint, we are determined to play our role in “Strengthening Pakistan”.

TURE | CEMENT | CHEMICALS | PHARMACEUTICAL | LIFE SCIENCES | FOOD & NUTRITION | POWER | AUTOMOBILE | AGRICULTURE | CEMENT | CHEMICALS



ICI PAKISTAN LTD.



Lucky Electric
Power Company



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COMPANY INFORMATION

BOARD OF DIRECTORS

Muhammad Yunus Tabba
(Chairman)

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

MANAGEMENT TEAM

Muhammad Ali Tabba
(Chief Executive)

Noman Hasan
(Executive Director)

Muhammad Atif Kaludi
(Director Finance & Chief Financial Officer)

Amin Ganny
(Chief Operating Officer)

Adnan Ahmed
(Chief Operating Officer, International Businesses)

Murtaza Abbas
(Chief Strategy Officer & Director Investment)

COMPANY SECRETARY

Faisal Mahmood

HEAD OF INTERNAL AUDIT

Ahmad Waseem Khan

BOARD COMMITTEES

AUDIT COMMITTEE

Masood Karim Shaikh
(Chairman)

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Khawaja Iqbal Hassan
(Chairman)

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

BUDGET COMMITTEE

Muhammad Sohail Tabba
(Chairman)

Muhammad Ali Tabba
Jawed Yunus Tabba
Mariam Tabba Khan

FINANCIAL INSTITUTIONS

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

CREDIT RATING

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

EXTERNAL AUDITORS

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

COST AUDITORS

M/s. Grant Thornton Anjum Rahman – Chartered Accountants

SHARIAH ADVISOR

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

REGISTERED OFFICE

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

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 Shakra-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, consolidated unaudited financial statements and unconsolidated financial statements (duly reviewed by the auditors) for the half year ended December 31, 2021.

Overview

Financial Performance – Consolidated

On a consolidated basis, your Company achieved a gross turnover of PKR 154.50 billion which is 24.9% higher as compared to the same period last year's turnover of PKR 123.72 billion.

Moreover, the consolidated Net Profit of the Company was PKR 17.15 billion of which PKR 4.01 billion is attributable to non-controlling interests. The consolidated net profit attributable to owners of the Holding Company translates into an EPS of PKR 40.66 during the current half year ended December 31, 2021 as compared to PKR 32.05 during the same period last year.

The consolidated financial performance of your Company for the half year ended December 31, 2021 as compared to last year is presented below:

Particulars	PKR in million except EPS		
	Half Year 2021-22	Half Year 2020-21	Change (%)
Gross Revenue	154,503	123,717	24.9%
Net Revenue	123,380	95,815	28.8%
Gross Profit	25,388	20,211	25.6%
GP as a percentage of net revenue	20.6%	21.1%	(2.4%)
Operating Profit	16,781	12,535	33.9%
EBITDA	21,845	16,873	29.5%
Net Profit	17,154	12,445	37.8%
NP (Attributable to Owners' of the holding company)	13,147	10,365	26.8%
EPS	40.66	32.05	26.8%

The increase in Net Profit was mainly attributable to the stellar performance of Company's Chemicals business. Apart from the one-off unrealized accounting gain recognized on acquisition of controlling shares in NutriCo Pakistan amounting to PKR 1.847 billion, the Chemical business achieved considerable improvement in net profitability on account of impressive growth in its Polyester, Pharma and Animal Health business segments. In the automobile business, Lucky Motor Corporation introduced Kia Stonic in its lineup as well as started commercial production of Samsung branded mobile phones during the half year under review. Whereas, profitability of Company's overseas operations increased mainly due to improvement in sales volume and operations of Company's Joint Venture Greenfield cement plant in Samawah, Iraq, which achieved its COD in March 2021.

Cement Industry and Company's Performance – Unconsolidated

The industry-wide local sales volume registered a growth of 1.9% to reach 24.07 million tons during the first half under review versus 23.62 million tons during the same period last year. Export sales volumes showed a large decline of 32.5% to reach 3.39 million tons during 1HY 2021-22 compared to 5.02 million tons during the same period last year. As a result the total cement sales of the industry declined by 4.1% to 27.46 million tons during the first half ended December 31, 2021 in comparison to 28.64 million tons during the same period last year.

The decline in overall dispatches is mainly attributed to decline in export volumes on the back of volatility in coal prices and freight costs internationally, which have adversely impacted the viability of cement exports from Pakistan.

Your Company's local sales volumes remained almost in line with the corresponding period last year i.e. 3.63 million tons in 1HY 2021-22 versus 3.66 million tons in 1HY 2020-21. This trend for the Company versus marginal growth of the industry was mainly attributable to certain cement plants being non-operational in the comparable period last year. Moreover, the export sales volumes of the Company decreased by 19.7% to 1.07 million tons as compared to 1.34 million tons during the same period last year, resulting in overall sales volumes declining by 5.9% to reach 4.70 million tons during 1HY 2021-22. This was due to reasons explained above which impacted the whole cement industry.

Cement Production & Sales Volume Performance – Unconsolidated

The unconsolidated production and sales statistics of your Company for the first half ended December 31, 2021 compared to the same period last year are as follows:

Particulars	Half Year 2021-22	Half Year 2020-21	Growth / (Decline) (%)
	(Tons in '000')		
Clinker Production	4,517	4,387	3.0%
Cement Production	4,288	4,576	(6.3%)
Cement / Clinker Sales	4,704	4,997	(5.9%)

A comparison of the dispatches of the industry and your Company's unconsolidated business for the first half ended December 31, 2021 in comparison with the same period last year is presented below:

Particulars (Tons in '000')	Half Year 2021-22	Half Year 2020-21	Growth / (Decline) %	
Cement Industry*				
Local Sales	24,068	23,615	453	1.9%
Export Sales				
- Bagged	1,237	2,182	(945)	(43.3%)
- Loose	299	226	73	32.3%
- Clinker	1,852	2,614	(762)	(29.2%)
Total Exports	3,388	5,022	(1,634)	(32.5%)
Grand Total	27,455	28,637	(1,182)	(4.1%)
Lucky Cement				
Local Sales				
- Cement	3,633	3,662	(29)	(0.8%)
Export Sales				
- Bagged	363	660	(297)	(45.1%)
- Loose	299	226	73	32.3%
- Clinker	410	449	(39)	(8.6%)
Total Exports	1,072	1,335	(263)	(19.7%)
Grand Total	4,704	4,997	(293)	(5.9%)

* Industry data is based on best available market estimates

Market Share	Half Year 2021-22	Half Year 2021-22	Growth/ (Decline) %
Local Sales	15.1%	15.5%	(2.6%)
Export Sales			
- Bagged	29.3%	30.2%	(3.0%)
- Loose	100.0%	100.0%	0.0%
- Clinker	22.2%	17.2%	29.1%
Total Export	31.6%	26.6%	18.8%
Grand Total	17.1%	17.4%	(1.7%)

Financial Performance - Unconsolidated

The unconsolidated financial performance of your Company for the first half ended December 31, 2021 as compared to the same period last year is presented below:

Particulars	PKR in million except EPS		
	Half Year 2021-22	Half Year 2020-21	Change (%)
Gross Revenue	50,607	42,114	20.2%
Net Revenue	37,549	30,075	24.8%
Gross Profit	9,274	8,585	8.0%
GP as % of Net Revenue	24.7%	28.5%	(13.5%)
Operating Profit	6,229	5,312	17.3%
EBITDA	8,468	7,463	13.5%
Net Profit	5,774	4,541	27.2%
EPS	17.86	14.04	27.2%

Revenue

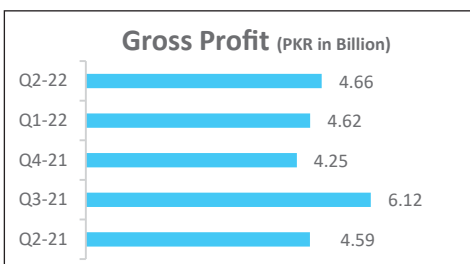
During the first half of 2021-22 under review, your Company's overall gross sales revenue increased by 20.2% as compared to the same period last year. Where local sales revenue showed an increase of 27.6% (PKR 43.68 billion vs PKR 34.24 billion), the export sales revenue declined by 12.01% (PKR 6.93 billion vs PKR 7.87 billion) respectively.

Cost of Sales

During the first half of 2021-22 under review, per ton cost of sales of your Company increased by 39.8% as compared to the same period last year. This was mainly due to an increase in coal prices along with other input costs.

Gross Profit

The gross profit margin of the company for the half under review was 24.7% as compared to 28.5% reported during the same period last year. This was due to increase in input costs, which was partially offset, by increase in prices.



Dividends

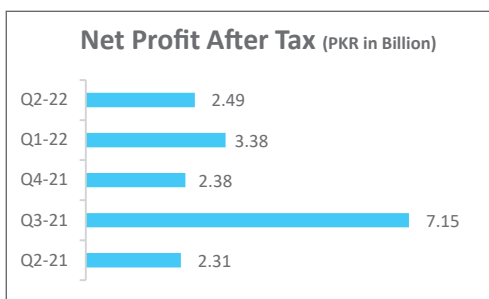
During the first quarter of 2021-22 under review, the dividend income received by your Company from its subsidiary, ICI Pakistan was PKR 1.02 billion.

Subsidiary/ Associate	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21
PKR in Billion					
ICI	-	1.016	-	1.016	-
LHL	0.186	-	0.095	-	-
YEL	0.107	-	-	0.061	-
LMC	-	-	-	2.852	-
Total	0.293	1.016	0.095	3.929	-

Net Profit

Your Company achieved a profit before tax of PKR 7.59 billion during the first half under review as compared to PKR 5.52 billion reported during the same period last year. This was primarily on account of the increase in sales revenue and dividend income during the first half under review.

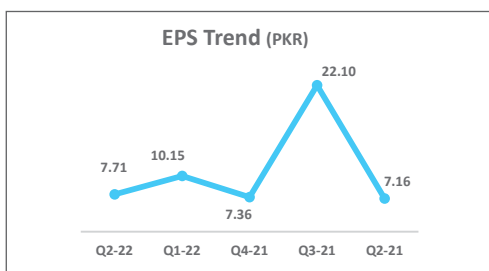
Accordingly, after-tax profit of PKR 5.77 billion was achieved during the first half under review as compared to PKR 4.54 billion reported during the same period last year.



Note: The Net Profit in Q3-21 was higher than other quarters mainly on account of higher volumes, lower input costs and higher dividends from subsidiaries/ associated companies

Earnings per share

The earnings per share of your Company for the first half ended December 31, 2021 was PKR 17.86 in comparison to PKR 14.04 reported during the same period last year.



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 decided to enhance its cement production capacity at its Pezu Plant by 3.15 million tons per annum.

Project activities commenced in Q4 of FY 2021 and the project completion is targeted for December 2022.

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

The construction activity for setting up a 660 MW super critical, lignite coal-based power plant is near to completion and it has been synchronized with the national grid in November 2021. The Project is currently under testing phase and it is targeted to achieve COD in February 2022.

Corporate Social Responsibility

In continuation, the prime focus of your Company's CSR initiatives remains in the education sector, women empowerment, health, environment conservation, and community development.

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. Your Company continued its patronage with Shahid Afridi Foundation (SAF) to support a primary school at remote area of Karachi.

Your Company also launched dedicated scholarships and vocational training programs for deserving students of the rural areas of District Lakki Marwat with an aim to empower the youth of deprived communities. Your Company is also working in collaboration with The Citizens Foundation to build and operate Primary & Secondary school at PEZU, District Lakki Marwat near our plant operations.

Women Empowerment

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

Health Initiatives

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

Environment Conservation

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

Outlook

While the previous waves of Covid-19 receded in the past, the pandemic continues to resurge with different variants of the virus. Even with the persistent drive of the Government on compliance of SOPs and getting the masses vaccinated, prudent expectation is that volatile infection rates will continue for the time being. We, however expect that the economy will continue to show resilience against the adverse impacts of such pandemic.

Cement Segment

On the other hand, the ongoing inflationary trend in commodities globally has resulted in an increase in cost of inputs, such as coal, diesel, furnace oil and freight charges, which are a major cost component of cement. Currency devaluation has further impacted and increased these costs. Due to increase in costs of other construction materials, the local demand will remain flat. At the same time, cement prices have only partially offset the increase in input costs faced by the manufacturers.

Construction of dams, hydropower projects, real estate development and low cost housing schemes will help to maintain the demand of cement in the medium to long term.

Chemical Segment

The businesses under our subsidiary ICI Pakistan, which include Polyester Staple Fiber, Soda Ash, Pharmaceuticals, Animal Health, Chemicals and Agri Sciences, are expected to witness a stable to strong demand in the near term. The near-term challenges for these businesses are also rising raw material, energy prices along with higher sea freights.

Automobile Segment

Lucky Motor Corporation (LMC) has now completed its current plan for KIA model line-up and the products, which have been introduced in Pakistan, are very successful. It has a complete portfolio of products right from entry-level car to high-end luxury vehicle. It will soon be introducing a Peugeot vehicle in January 2022.

The outlook of automobile market in the second half of FY 2022 looks challenging on the back of recently introduced measures by the government of Pakistan by way of increasing the rates of Federal Excise Duty and Sales Tax, which has resulted into the increase in the prices of the cars. Additionally, PKR devaluation to USD and the impact of increased freight on import of CKD kits and spare parts will put upward pressure on the prices of the cars.

Supply of semiconductors was improved towards the end of second quarter of FY 2022 and is likely to further improve in the second half of FY 2022, which will help LMC to run its operations smoothly.

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 so as to maximize shareholders' value.

Acknowledgment

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

On behalf of the Board



MUHAMMAD YUNUS TABBA
Chairman / Director



MUHAMMAD ALI TABBA
Chief Executive / Director

Karachi : January 28, 2022

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, 2021 and the related unconsolidated condensed interim statement of profit or loss, the unconsolidated condensed interim statement of comprehensive income, the unconsolidated condensed interim statement of changes in equity, and the 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 the unconsolidated condensed interim statement of comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2021.

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: January 31, 2022

UDIN: RR2021101132GEI7Uv4e

Unconsolidated Condensed Interim Statement of Financial Position

As at December 31, 2021

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
(PKR in '000')			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	68,007,253	62,389,947
Intangible assets		112	670
		68,007,365	62,390,617
Long-term investments	6	55,394,485	53,194,485
Long-term loans and advances		198,782	98,655
Long-term deposits		7,937	7,937
		123,608,569	115,691,694
CURRENT ASSETS			
Stores and spares		17,033,150	10,526,573
Stock-in-trade		4,697,365	3,105,037
Trade debts		3,322,226	2,710,081
Loans and advances		1,895,680	944,987
Trade deposits and short-term prepayments		58,204	85,403
Accrued return		27,645	22,309
Other receivables		3,317,180	3,690,639
Tax refunds due from the Government		538,812	538,812
Short-term investments	14.2	12,660,952	16,227,103
Cash and bank balances		1,770,611	2,825,424
		45,321,825	40,676,368
TOTAL ASSETS		168,930,394	156,368,062
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up share capital		3,233,750	3,233,750
Reserves		115,728,123	109,966,508
		118,961,873	113,200,258
NON-CURRENT LIABILITIES			
Long-term deposits		251,057	243,633
Long-term loans	7	4,769,958	2,934,044
Deferred Government grant		1,289,410	1,107,940
Deferred liabilities			
- Staff gratuity - unfunded	8	2,527,314	2,337,897
- Deferred tax liability		6,250,855	6,157,224
		8,778,169	8,495,121
		15,088,594	12,780,738
CURRENT LIABILITIES			
Trade and other payables		25,777,013	20,789,760
Current maturity of long-term loans		506,908	506,908
Short-term borrowings		6,060,000	7,050,000
Unclaimed dividend		52,376	53,458
Accrued markup		83,388	70,868
Taxation - net		2,400,242	1,916,072
		34,879,927	30,387,066
		49,968,521	43,167,804
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		168,930,394	156,368,062

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



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Profit or Loss

For the half year ended December 31, 2021 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		(PKR in '000')		(PKR in '000')	
Gross sales	10	50,606,783	42,114,420	27,632,379	22,383,151
Less: Sales tax and federal excise duty		12,425,224	11,310,614	6,649,407	6,227,479
Rebates, incentive and commission		632,943	728,313	349,589	415,308
		13,058,167	12,038,927	6,998,996	6,642,787
Net sales		37,548,616	30,075,493	20,633,383	15,740,364
Cost of sales		(28,274,813)	(21,490,252)	(15,977,146)	(11,149,722)
Gross profit		9,273,803	8,585,241	4,656,237	4,590,642
Distribution cost		(2,335,463)	(2,670,911)	(1,328,967)	(1,313,976)
Administrative expenses		(709,653)	(602,756)	(369,337)	(316,280)
Finance cost		(185,019)	(155,624)	(91,730)	(87,520)
Other expenses		(672,571)	(474,968)	(325,395)	(274,858)
Other income	11	2,217,705	836,321	745,722	233,926
Profit before taxation		7,588,802	5,517,303	3,286,530	2,831,934
Taxation					
-current		(1,718,406)	(771,191)	(767,723)	(399,831)
-deferred		(95,904)	(204,940)	(28,175)	(117,379)
		(1,814,310)	(976,131)	(795,898)	(517,210)
Profit after taxation		5,774,492	4,541,172	2,490,632	2,314,724
			(PKR)		(PKR)
Earnings per share - basic and diluted		17.86	14.04	7.71	7.16

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



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the half year ended December 31, 2021 (Un-audited)

	Half Year Ended		Quarter Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(PKR in '000')		(PKR in '000')	
Profit after taxation	5,774,492	4,541,172	2,490,632	2,314,724
Other comprehensive income:				
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	(15,150)	8,708	(7,982)	(2,974)
Deferred tax thereon	2,273	(1,306)	1,197	446
	(12,877)	7,402	(6,785)	(2,528)
Total comprehensive income for the period	5,761,615	4,548,574	2,483,847	2,312,196

The annexed notes from 1 to 16 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, 2021 (Un-audited)

	Note	December 31, 2021	December 31, 2020
(PKR in '000')			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	4,515,640	6,998,888
Income tax paid		(1,848,228)	(367,078)
Gratuity paid		(50,260)	(52,045)
Finance cost paid		(172,499)	(128,359)
Income from deposits with Islamic banks		113,671	291,749
Increase in long-term loans and advances		(100,127)	(5,393)
Increase in long-term deposits (liabilities)		7,424	5,050
Net cash generated from operating activities		2,465,621	6,742,812
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(7,947,151)	(2,379,896)
Long-term investments made		(2,200,000)	(3,050,000)
Sale proceeds on disposal of property, plant and equipment		166,033	83,385
Dividend received from subsidiary companies		1,201,932	382,690
Dividend and other income received from associated company		126,369	-
Dividend received on short-term investments		555,081	156,378
(Placement) / release of balance as lien		(1,111,111)	1,628,000
Net cash used in investing activities		(9,208,847)	(3,179,443)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loan obtained		2,270,838	2,219,247
Long-term loan repaid		(253,454)	-
Dividends paid		(1,082)	(1,188)
		2,016,302	2,218,059
Net (decrease) / increase in cash and cash equivalents		(4,726,924)	5,781,428
Cash and cash equivalents at the beginning of the period		11,641,039	888,638
Cash and cash equivalents at the end of the period	12.1	<u>6,914,115</u>	<u>6,670,066</u>

The annexed notes from 1 to 16 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, 2021 (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, 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>
Balance as at July 01, 2021	3,233,750	7,343,422	85,147,790	17,475,296	109,966,508	113,200,258
Transfer to general reserves	-	-	14,016,397	(14,016,397)	-	-
Total comprehensive income for the half year ended December 31, 2021	-	-	-	5,761,615	5,761,615	5,761,615
Balance as at December 31, 2021	<u>3,233,750</u>	<u>7,343,422</u>	<u>99,164,187</u>	<u>9,220,514</u>	<u>115,728,123</u>	<u>118,961,873</u>

The annexed notes from 1 to 16 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, 2021 (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 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.

2 STATEMENT OF COMPLIANCE

2.1 These unconsolidated condensed interim financial statements of the Company for the half year ended December 31, 2021 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, 2021.

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, 2021.

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, 2022. 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, 2021.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
(PKR in '000')			
5.1	Following is the movement in property, plant and equipment during the period / year:		
Operating fixed assets (WDV) - opening balance		58,033,791	59,650,770
Add: Additions during the period / year	5.2	2,703,782	2,711,557
		<u>60,737,573</u>	<u>62,362,327</u>
Less: Disposals during the period / year (WDV)		90,635	29,776
Depreciation charge for the period / year		2,239,210	4,298,760
Operating fixed assets (WDV) - closing balance		58,407,728	58,033,791
Add: Capital work-in-progress	5.3	9,196,376	4,015,044
Add: Capital spares		403,149	341,112
		<u>68,007,253</u>	<u>62,389,947</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2021 (Un-audited)

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

	(Un-audited)	
	December 31, 2021	
	Additions (Cost)	Deletions (Cost)
	(PKR in '000')	
Operating fixed assets		
Land - freehold	1,000	-
Buildings on freehold land		
- Cement plant	58,826	-
- Power plant	116,938	-
Buildings on leasehold land		
- Cement plant	145,886	-
Machinery	252,360	-
Generators	1,758,312	-
Quarry equipment	18,499	61,357
Vehicles	304,918	154,518
Furniture and fixtures	9,819	175
Office equipment	13,494	418
Computer and Accessories	12,973	3,314
Other assets (Laboratory equipment, etc.)	10,757	298
	<u>2,703,782</u>	<u>220,080</u>

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

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
		(PKR in '000')	
Opening balance		4,015,044	334,191
Add: Additions during the period / year		7,885,114	6,392,410
		<u>11,900,158</u>	<u>6,726,601</u>
Less: Transferred to operating fixed assets		2,703,782	2,711,557
Closing balance		<u>9,196,376</u>	<u>4,015,044</u>

6 LONG-TERM INVESTMENTS - at cost

Subsidiaries

Lucky Holdings Limited	6.1	32,145	32,145
LCL Investment Holdings Limited	6.2	4,580,500	4,580,500
Lucky Motor Corporation Limited	6.3	12,876,384	12,876,384
ICI Pakistan Limited	6.4	9,594,091	9,594,091
Lucky Electric Power Company Limited	6.5	27,700,000	25,500,000
		<u>54,783,120</u>	<u>52,583,120</u>

Associate

Yunus Energy Limited	6.6	611,365	611,365
		<u>55,394,485</u>	<u>53,194,485</u>

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

6.2 Represents 100 percent equity investment in LCL Investment Holdings Limited (LCLIHL) comprising of 45,000,002 issued, subscribed and paid up shares of USD 1 each, a wholly owned subsidiary of the Company, incorporated and domiciled in Mauritius. 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.

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

6.4 ICI Pakistan Limited (ICI) was incorporated in Pakistan and is listed on the Pakistan Stock Exchange. The Company holds 55 percent shares (50,798,000 shares of PKR 10 each) of ICI. ICI is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchandising 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 ICI is situated at 5 West Wharf, Karachi.

6.5 Lucky Electric Power Company Limited (LEPCL) was incorporated in Pakistan on June 13, 2014, as a public unlisted company. The Company holds 100 percent shares comprising of 2,675,000,000 issued, paid-up and subscribed shares of PKR 10 each of LEPCL. The amount of investment includes advance against issuance of shares amounting to PKR 950 million (June 30, 2021: PKR 1,200 million). The aforementioned shares held by the Company are pledged under a Shares Pledge Agreement in connection with the lending facilities provided by the lenders to LEPCL.

The commercial operations of LEPCL have not yet started. LEPCL is 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 reporting date, the Company owns 20 percent shares of YEL comprising of 61,136,500 issued, subscribed and paid-up shares of PKR 10 each.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2021 (Un-audited)

7 LONG-TERM LOANS

7.1 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, 2021 except that:

- the Company obtained long-term loan facilities aggregating PKR 1,196 million during the period under the Long-Term Financing Facility (LTFF) of the State Bank of Pakistan from two commercial banks and a DFI. The loans are repayable in semi-annual installments over a period of ten years which include a grace period of two years and are secured by way of hypothecation charge over specific plant and machinery of the Company. The facility carries mark-up ranging from 2.75% to 3.00%, and

- the Company further obtained loan facilities aggregating PKR 1,075 million from two commercial banks under the Islamic Temporary Economic Refinance Facility (ITERF) of the State Bank of Pakistan at the mark-up ranging from 1.95% to 2.50%. These loans are repayable in semi-annual installments over a period of ten years which include a grace period of two years and are secured by way of hypothecation charge over specific plant and machinery of the Company.

(Un-audited) December 31, 2021	(Audited) June 30, 2021
(PKR in '000')	

8 DEFERRED TAX LIABILITY

Deferred tax liability comprises the following :

- Taxable temporary differences arising due to accelerated tax depreciation allowance	7,485,940	7,090,871
- Deductible temporary differences arising in respect of provisions and minimum tax	(1,235,085)	(933,647)
	<u>6,250,855</u>	<u>6,157,224</u>

9 CONTINGENCIES AND COMMITMENTS

9.1 There are no significant changes in the status of contingencies and commitments as reported in note 28 to the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2021, except as disclosed in notes 9.2 and 9.3.

(Un-audited) December 31, 2021	(Audited) June 30, 2021
(PKR in '000')	

9.2 Capital commitments

Machinery under letters of credit	14,637,432	14,952,741
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9.3 Other commitments

Stores, spares, packing material and other supplies / services under letters of credit	3,263,488	1,649,345
Bank guarantees issued by the Company on behalf of subsidiary company	5,514,000	19,114,000
Bank guarantees issued on behalf of the Company	2,627,675	2,231,982

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	(PKR in '000')	
Post dated cheques	1,705,162	825,010
Commitment on behalf of subsidiary company in respect of cost over-run and PSRA support	24,528,526	21,689,041

For the half year ended

	December 31, 2021	December 31, 2020
	(PKR in '000')	

10 GROSS SALES

Local	43,677,964	34,239,645
Export	6,928,819	7,874,775
	<u>50,606,783</u>	<u>42,114,420</u>

11 OTHER INCOME

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

For the half year ended

	December 31, 2021	December 31, 2020
	(PKR in '000')	

12 CASH GENERATED FROM OPERATIONS

Profit before taxation	7,588,802	5,517,303
Adjustments for non-cash charges and other items		
Depreciation	2,239,210	2,146,024
Amortization of intangible assets	558	5,671
Gain on disposal of property, plant & equipment	(75,398)	(53,967)
Provision for gratuity	239,677	194,354
Provision for slow moving spares	-	248,343
Provision for doubtful debts	-	2,815
Dividend income from subsidiaries	(1,201,932)	(382,690)
Dividend income from other investments	(354)	-
Dividend and other income from associate	(126,369)	-
Dividend income from short-term investments	(554,727)	(156,378)
Income from deposits with islamic banks	(119,007)	(267,562)
Finance cost	185,019	155,624
	<u>8,175,479</u>	<u>7,409,537</u>
Increase in current assets		
Stores and spares	(6,506,577)	(2,714,449)
Stock-in-trade	(1,592,328)	651,063
Trade debts	(612,145)	759,370
Loans and advances	(950,693)	(276,665)
Trade deposits and short-term prepayments	27,199	577
Other receivables	373,459	1,533,465
	<u>(9,261,085)</u>	<u>(46,639)</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2021 (Un-audited)

	For the half year ended	
	December 31, 2021	December 31, 2020
	(PKR in '000')	
Increase in current liabilities		
Trade and other payables	5,601,246	(364,010)
Cash generated from operations	4,515,640	6,998,888
12.1 CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,770,611	4,055,664
Balances held as lien	(1,433,111)	(322,000)
Short-term borrowings	(6,060,000)	(7,050,000)
Short-term investments	12,636,615	9,986,402
	6,914,115	6,670,066

13 TRANSACTIONS WITH RELATED PARTIES

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

	For the half year ended	
	December 31, 2021	December 31, 2020
	(PKR in '000')	
Transactions with Subsidiary Companies:		
Reimbursement of expenses to the Company	60	60
Sales	76,914	13,369
Purchases	-	11,382
Purchase of vehicles	205,419	19,636
Investment made during the period	2,200,000	3,050,000
Dividend received	1,201,932	382,690
Payment against claim of tax loss	613,992	34,759
Services received	111	729
Transactions with Directors and their close family members		
Sales	255	124
Meeting fee	688	969
Transactions with Associated Undertakings:		
Sales	377,460	164,028
Dividend and other income received	126,369	-
Reimbursement of expenses to Company	10,867	8,271
Reimbursement of expenses from Company	16,261	7,004
Donation	110,000	80,000
Services received	-	15,951
Transactions with other key management personnel		
Salaries and benefits	151,800	136,235
Post employment benefits	23,685	21,834

14 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

14.1 Financial risk factors

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

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

14.2 Fair value hierarchy

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

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

Assets	Level 1	Level 2	Level 3	Total
(PKR in '000')				
Financial assets - fair value through profit or loss				
- Short-term investments (units of mutual fund)	-	12,636,615	-	12,636,615
Financial assets - fair value through other comprehensive income				
- Short-term investment (shares of PSX)	24,337	-	-	24,337
	24,337	12,636,615	-	12,660,952

15 DATE OF AUTHORISATION FOR ISSUE.

These unconsolidated condensed interim financial statements were authorized for issue on January 28, 2022 by the Board of Directors of the Company.

16 GENERAL

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

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

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, 2021

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
(PKR in '000')			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	241,060,589	215,582,487
Intangible assets		11,652,789	7,024,057
Right-of-use assets	6	203,245	234,202
		252,916,623	222,840,746
Long-term investments	7	31,908,946	26,958,382
Long-term loans and advances		811,559	737,417
Long-term deposits and prepayments		69,911	53,297
		285,707,039	250,589,842
CURRENT ASSETS			
Stores, spares and consumables		27,486,101	12,406,105
Stock-in-trade		57,178,883	36,258,277
Trade debts		10,490,594	5,645,184
Loans and advances		3,673,849	2,189,186
Trade deposits and short-term prepayments		1,166,408	921,196
Other receivables		14,665,294	12,424,855
Tax refunds due from the Government		538,812	538,812
Taxation receivable		549,488	736,597
Accrued return		28,740	23,440
Short-term investments		12,660,952	26,286,983
Cash and bank balances		12,936,800	13,377,143
		141,375,921	110,807,778
TOTAL ASSETS		427,082,960	361,397,620
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital		3,233,750	3,233,750
Reserves		147,613,673	132,389,387
Attributable to the owners of the Holding Company		150,847,423	135,623,137
Non-controlling interest		25,661,986	21,403,155
Total equity		176,509,409	157,026,292
NON-CURRENT LIABILITIES			
Long-term loans		103,937,538	93,558,287
Long-term deposits and other liabilities		6,046,335	5,422,053
Lease liabilities		155,445	171,533
Deferred Government grant		2,691,940	1,948,977
Deferred liabilities			
- Staff Gratuity - unfunded		2,721,821	2,520,556
- Deferred tax liability	8	9,741,906	9,902,174
		12,463,727	12,422,730
		125,294,985	113,523,580
CURRENT LIABILITIES			
Current portion of long-term finances		5,346,444	5,309,741
Trade and other payables		88,841,766	70,917,677
Provision for taxation		2,786,325	2,275,047
Accrued return		420,291	248,689
Short-term borrowings and running finance		27,637,887	11,949,034
Current portion of lease liabilities		86,184	94,102
Unclaimed dividend		159,669	53,458
		125,278,566	90,847,748
		250,573,551	204,371,328
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		427,082,960	361,397,620

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

For the half year ended December 31, 2021 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		(PKR in '000')		(PKR in '000')	
Gross revenue	10	154,502,628	123,717,385	85,233,472	65,866,542
Less: Sales tax and excise duty		25,216,229	22,555,576	13,837,128	14,669,091
Rebates, incentives and commission		5,906,646	5,346,520	2,998,124	495,929
		31,122,875	27,902,096	16,835,252	15,165,020
Net revenue		123,379,753	95,815,289	68,398,220	50,701,522
Cost of sales		(97,991,358)	(75,604,492)	(54,671,357)	(39,263,700)
Gross profit		25,388,395	20,210,797	13,726,863	11,437,822
Distribution cost		(5,180,555)	(4,658,432)	(2,969,470)	(2,380,328)
Administrative expenses		(3,426,342)	(3,016,924)	(1,794,987)	(1,820,430)
Finance cost		(913,650)	(761,823)	(573,967)	(336,204)
Other expenses		(1,642,868)	(774,808)	(868,011)	(290,864)
Other income	11	3,355,614	1,226,786	719,227	805,298
Share of profit - joint ventures and associates		2,936,473	2,082,654	1,682,564	996,208
Profit before taxation		20,517,067	14,308,250	9,922,219	8,411,502
Taxation					
- current		(3,570,969)	(2,025,343)	(1,738,825)	(1,130,560)
- deferred		207,916	161,858	111,547	31,588
		(3,363,053)	(1,863,485)	(1,627,278)	(1,098,972)
Profit after taxation		17,154,014	12,444,765	8,294,941	7,312,530
Attributable to:		(PKR)	(PKR)	(PKR)	(PKR)
Owners of the Holding Company		13,146,700	10,365,155	6,496,009	6,015,664
Non-controlling interest		4,007,314	2,079,610	1,798,932	1,296,866
		17,154,014	12,444,765	8,294,941	7,312,530
Earnings per share - basic and diluted		40.66	32.05	20.09	18.60

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 Comprehensive Income

For the half year ended December 31, 2021 (Un-audited)

	Half Year Ended		Quarter Ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(PKR in '000')		(PKR in '000')	
Profit after taxation	17,154,014	12,444,765	8,294,941	7,312,530
Other comprehensive income for the period				
Other comprehensive (loss) / income which may be reclassified to profit or loss in subsequent periods:				
Unrealized (loss) / income on cash flow hedges	(6,459)	-	2,007	-
Other comprehensive income / (loss) which will not be reclassified to profit or loss in subsequent periods:				
Foreign exchange differences on translation of foreign operations	2,094,017	(728,670)	681,299	(526,895)
Unrealized (loss) / gain on remeasurement of equity investment at fair value through other comprehensive income	(15,150)	8,708	(7,982)	(2,974)
Deferred tax thereon	2,273	(1,306)	1,377	446
	(12,877)	7,402	(6,605)	(2,528)
	2,081,140	(721,268)	679,694	(529,423)
Total comprehensive income for the period	19,228,694	11,723,497	8,971,642	6,783,107
Attributable to:				
Owners of the Holding Company	15,224,286	9,643,887	7,171,806	5,486,241
Non-controlling interest	4,004,408	2,079,610	1,799,836	1,296,866
	19,228,694	11,723,497	8,971,642	6,783,107

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, 2021 (Un-audited)

	Note	December 31, 2021	December 31, 2020
(PKR in '000')			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	(6,034,266)	27,791,662
Finance cost paid		(4,796,822)	(3,870,865)
Income tax paid		(3,369,587)	(705,880)
Staff retirement benefits paid		(85,813)	(93,750)
Income from deposits with Islamic banks and other financial institutions		642,069	626,502
Increase in long-term loans and advances		(74,140)	(60,045)
(Increase) / decrease in long-term deposits and prepayments		(6,987)	5,209
Net cash (used in) / generated from operating activities		(13,725,546)	23,692,833
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(22,160,494)	(8,626,082)
Impact of acquisition of NutriCo Pakistan		(481,023)	-
Investment in joint ventures		-	(719,255)
Effect of merger of Lucky Auto Industries		-	(17,369)
Dividend and other income received from associated company		126,369	-
Dividend received from short-term investments		555,081	156,378
(Placement) / release of balance as lien		(1,111,111)	1,628,000
Sale proceeds on disposal of property, plant and equipment		211,985	113,606
Net cash used in investing activities		(22,859,193)	(7,464,722)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance obtained		8,672,912	12,476,964
Long-term finance repaid		(1,322,860)	(1,966,685)
Payment against finance lease liability		(47,583)	(50,252)
Advance against issuance of shares to non-controlling interest		-	245,000
Dividends paid to owners of the Holding Company		(1,082)	(1,710)
Dividends paid to non-controlling interest		(1,359,387)	(250,705)
Net cash generated from financing activities		5,942,000	10,452,612
Net (decrease) / increase in cash and cash equivalents		(30,642,739)	26,680,723
Cash and cash equivalents at the beginning of the period		27,353,606	3,905,170
Effect of foreign currency translation on cash		(208,450)	(185,135)
Cash and cash equivalents at the end of the period		(3,497,583)	30,400,758
Cash and cash equivalents at December 31 comprise of:			
Cash and bank balances		12,936,800	30,310,256
Short-term finances		(27,637,887)	(9,573,900)
Balance held as lien		(1,433,111)	(322,000)
Short-term investments		12,636,615	9,986,402
		(3,497,583)	30,400,758

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, 2021 (Un-audited)

	Issued, subscribed and paid-up capital	Capital reserve		Revenue reserves		Total reserves	Non-controlling interest	Total equity
		Share premium	Foreign currency translation reserve	General reserves	Unappropriated profit			
(PKR in '000')								
Balance as at July 01, 2020	3,233,750	7,343,422	4,625,020	81,639,307	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 interest of ICI	-	-	-	-	-	-	(207,805)	(207,805)
Dividends paid to non-controlling interest 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	3,233,750	7,343,422	3,896,350	85,147,790	23,787,488	120,175,050	19,778,674	143,187,474
Balance as at July 01, 2021	3,233,750	7,343,422	3,692,151	85,147,790	36,206,024	132,389,387	21,403,155	157,026,292
Transfer to general reserves	-	-	-	14,016,397	(14,016,397)	-	-	-
Dividends paid to non-controlling interest of ICI	-	-	-	-	-	-	(831,221)	(831,221)
Dividends paid to non-controlling interest of LHL	-	-	-	-	-	-	(61,991)	(61,991)
Non-controlling interest recognized on acquisition of NutriCo Pakistan Limited	-	-	-	-	-	-	1,147,635	1,147,635
Profit after taxation	-	-	-	-	13,146,700	13,146,700	4,007,314	17,154,014
Other comprehensive income	-	-	2,094,016	-	(16,429)	2,077,587	(2,907)	2,074,680
Total comprehensive income for the half year ended December 31, 2021	-	-	2,094,016	-	13,130,270	15,224,286	4,004,408	19,228,694
Balance as at December 31, 2021	3,233,750	7,343,422	5,786,167	99,164,187	35,319,897	147,613,673	25,661,986	176,509,409

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, 2021 (Un-audited)

1 THE GROUP AND ITS OPERATIONS

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

1.1 Lucky Cement Limited

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

1.2 Lucky Holdings Limited

Lucky Holdings Limited (LHL) was incorporated in Pakistan on September 6, 2012 as a public unlisted Company limited by shares under the Companies Ordinance, 1984. The registered office of LHL is situated at Third Floor, Syed Towers, University Road, Opp: Custom House, Peshawar, Khyber Pakhtunkhwa. As of the reporting date, the Holding Company owns 75 percent shares (641,500 issued, subscribed and paid-up capital of PKR 10 each) 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-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.

1.4 Lucky Motor Corporation Limited

Represents equity investment in Lucky Motor Corporation Limited (LMC), a public unlisted company incorporated in Pakistan. LMC is engaged in assembly, marketing, distribution and sale of various types of Kia and Stellantis N.V. branded vehicles, parts, accessories and related services. It has also entered into an agreement with Samsung Gulf Electronic Co. FZE for producing Samsung branded mobile devices in Pakistan. The Holding Company holds 71.14 percent shares of LMC comprising of 1,287,638,359 issued, subscribed and paid-up shares of PKR 10 each.

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2021 (Un-audited)

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 fibre, POY chips, soda ash, speciality chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchandising 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 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 of ICI. ICI PowerGen is engaged in generating, selling and supplying electricity to ICI.

1.5.2 NutriCo Morinaga (Private) Limited

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

1.5.3 NutriCo Pakistan (Private) Limited

NutriCo Pakistan is incorporated in Pakistan as a private limited company and is engaged in trading of infant milk powder.

On July 01, 2021 (the acquisition date) ICI acquired 55,013 shares at PKR 14,000 each. Consequently, shareholding of the Group in NutriCo Pakistan Limited (NutriCo Pakistan) increased from 40 percent to 51 percent making NutriCo Pakistan a subsidiary as at July 01, 2021. The primary reason for the business combination with NutriCo Pakistan is to achieve business synergies.

IFRS 3 – 'Business Combination', requires that all identifiable assets (including intangible assets) and liabilities assumed in business combination should be carried at their fair values at the date of acquisition and any intangible asset acquired in a business combination should be separately recognized and carried at their fair values.

As such, the Group has recognized all the identifiable assets and liabilities of NutriCo Pakistan and goodwill arising on the acquisition in these consolidated condensed interim financial statements. The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets.

The Group recognized a gain of PKR 1,847.321 million in the consolidated condensed interim statement of profit or loss for the half year ended December 31, 2021 as a result of re-measurement at fair value of its 40 percent equity interest in NutriCo Pakistan held before the business combination.

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 Company holds 100 percent shares comprising of 2,675,000,000 issued, paid-up and subscribed shares of PKR 10 each of LEPCL. The amount of investment includes advance against issuance of shares amounting to PKR 950 million (June 30, 2021: PKR 1,200 million). The aforementioned shares held by the Company are pledged under a Shares Pledge Agreement in connection with the lending facilities provided by the lenders to LEPCL.

The commercial operations of LEPCL have not yet started. LEPCL is 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.

2 STATEMENT OF COMPLIANCE

2.1 These consolidated condensed interim financial statements of the Group for the half year ended December 31, 2021 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, 2021.

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, 2021.

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 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.

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2021 (Un-audited)

(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 Group's annual accounting periods beginning on or after July 1, 2022. 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, 2021.

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, 2021. Further, there were no transfers in fair value hierarchy levels during the period.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
(PKR in '000)			
5.1	Following is the movement in property, plant and equipment during the period / year:		
Operating fixed assets (WDV) - opening balance		102,227,387	103,464,039
Add: Additions during the period / year	5.2	7,813,251	7,322,088
Add: WDV of assets acquired on acquisition of NutriCo Pakistan	1.5.3	199,927	-
		110,240,565	110,786,127
Less: Disposals during the period / year (WDV)		109,772	72,652
Depreciation charge for the period / year		4,595,687	8,486,088
Operating fixed assets (WDV) - closing balance		105,535,106	102,227,387
Add: Capital work-in-progress	5.3	135,122,334	113,013,988
Add: Capital spares		403,149	341,112
		<u>241,060,589</u>	<u>215,582,487</u>

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

	(Un-audited)	
	December 31, 2021	
	Additions (Cost)	Deletions (Cost)
	(PKR in '000')	
Operating fixed assets		
Land	61,017	-
Buildings on free hold land		
- Cement plant	58,826	-
- Power plant	116,938	-
- Others	1,121,615	11,425
Buildings on leasehold land		
- Cement plant	145,886	-
- Power plant	-	-
- Others	7,667	100
Machinery	2,742,708	179,362
Generators	1,758,312	-
Quarry equipment	18,499	61,357
Vehicles including cement bulkers	397,767	178,727
Furniture and fixtures	179,864	6,219
Office equipment	992,909	441
Computer and accessories	200,486	3,394
Other assets	10,757	298
	<u>7,813,251</u>	<u>441,324</u>

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

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	(PKR in '000')	
Opening balance	113,013,988	87,155,233
Add: Additions during the period / year	29,740,157	31,332,715
	<u>142,754,145</u>	<u>118,487,948</u>
Less: Transferred to operating fixed assets	7,631,811	5,473,960
Closing balance	<u>135,122,334</u>	<u>113,013,988</u>
6 RIGHT-OF-USE ASSETS		
Cost	234,202	318,279
Add: Additions during the period / year	9,527	-
Less: Depreciation charged during the period / year	40,484	84,077
Closing net book value	<u>203,245</u>	<u>234,202</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2021 (Un-audited)

	Note	(Un-audited) December 31, 2021	(Audited) June 30, 2021
(PKR in '000')			
7 LONG TERM INVESTMENTS			
Equity accounted investment			
Joint ventures			
Lucky Al-Shumookh Holdings Limited (LASHL)	7.1	9,898,879	8,133,565
LuckyRawji Holdings Limited (LRHL)	7.2	14,451,590	12,099,843
Al-Shumookh Lucky Investments Limited (ASLIL)	7.3	6,082,744	4,394,448
LR International Trading FZCO (LRIT)	7.4	(421)	1,071
		<u>30,432,791</u>	<u>24,628,927</u>
Associates			
NutriCo Pakistan (Private) Limited	7.5	-	953,341
Yunus Energy Limited	7.6	1,473,655	1,373,614
		<u>1,473,655</u>	<u>2,326,955</u>
		<u>31,906,446</u>	<u>26,955,882</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>31,908,946</u>	<u>26,958,382</u>
7.1 Lucky Al-Shumookh Holdings Limited			
Investment at cost		1,912,283	1,912,283
Share of cumulative profit at the beginning of the period / year		4,538,114	2,870,544
Share of profit during the period / year		<u>755,809</u>	<u>1,667,570</u>
		5,293,923	4,538,114
Foreign currency translation reserve		<u>2,692,673</u>	<u>1,683,168</u>
		<u>9,898,879</u>	<u>8,133,565</u>
The Group's interest in LASHL's assets and liabilities is as follows:			
Total assets		20,852,504	16,863,674
Total liabilities		<u>(1,054,747)</u>	<u>(596,545)</u>
Net assets (100%)		<u>19,797,757</u>	<u>16,267,129</u>
Group's share of net assets (50%)		<u>9,898,879</u>	<u>8,133,565</u>
The Group's share in LASHL's profit or loss is as follows:			
Revenue		<u>7,181,681</u>	<u>13,822,326</u>
Net profit (100%)		<u>1,511,618</u>	<u>3,335,140</u>
Group's share of net profit (50%)		<u>755,809</u>	<u>1,667,570</u>

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
(PKR in '000')		
7.2 Lucky Rawji Holdings Limited		
Investment at cost	6,870,050	6,870,050
Share of cumulative profit at the beginning of the period / year	1,606,586	237,439
Share of profit during the period / year	860,487	1,369,147
	2,467,073	1,606,586
Foreign currency translation reserve	5,114,467	3,623,207
	14,451,590	12,099,843
The Group's interest in LRHL's assets and liabilities is as follows:		
Total assets	40,807,516	37,836,477
Total liabilities	(11,904,337)	(13,636,791)
Net assets (100%)	28,903,179	24,199,686
Group's share of net assets (50%)	14,451,590	12,099,843
The Group's share in LRHL's profit or loss is as follows:		
Revenue	8,645,629	14,503,055
Net profit (100%)	1,720,974	2,738,294
Group's share of net profit (50%)	860,487	1,369,147
7.3 Al-Shumookh Lucky Investments Limited		
Investment at cost - opening	3,399,022	2,661,856
Investment made during the period / year	-	737,166
	3,399,022	3,399,022
Share of cumulative profit at the beginning of the period / year	958,736	374,794
Share of profit during the period / year	1,114,703	583,942
	2,073,439	958,736
Foreign currency translation reserve	610,283	36,690
	6,082,744	4,394,448
The Group's interest in ASLIL's assets and liabilities is as follows:		
Total assets	27,708,586	24,162,096
Total liabilities	(15,543,099)	(15,373,199)
Net assets (100%)	12,165,487	8,788,897
Group's share of net assets (50%)	6,082,744	4,394,448
The Group's share in ASLIL's profit or loss is as follows:		
Revenue	5,856,424	3,170,733
Net profit (100%)	2,229,406	1,167,885
Group's share of net profit (50%)	1,114,703	583,942

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2021 (Un-audited)

(Un-audited)
December 31,
2021

(Audited)
June 30,
2021

(PKR in '000')

7.4 LR International Trading FZCO

Investment at cost	1,115	1,115
Share of cumulative loss at the beginning of the period / year	-	-
Share of loss during the period / year	(1,559)	-
	(1,559)	-
Foreign currency translation reserve	23	(44)
	(421)	1,071

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

Total assets	4,047	-
Total liabilities	(4,888)	-
Net assets (100%)	(841)	-
Group's share of net assets (50%)	(421)	-

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

Revenue	-	-
Net loss (100%)	(3,118)	-
Group's share of net loss (50%)	(1,559)	-

7.5 NutriCo Pakistan (Private) Limited

Investment at cost	-	960,000
Share of cumulative profit at beginning of the period / year	-	146,787
Share of profit during the period / year	-	526,554
Dividend received during the period / year	-	(680,000)
	-	(6,659)
	-	953,341

The Group's interest in net assets of NutriCo Pakistan is as follows:

Total assets	-	5,041,447
Total liabilities	-	(2,689,335)
Net assets (100%)	-	2,352,112
Group's share of net assets	-	953,341

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

Revenue	-	10,420,213
Net profit (100%)	-	1,316,384
Group's share of net profit	-	526,554

The Group's previously held equity interest of 40 percent in NutriCo Pakistan was increased to 51 percent during the period. The increase has been accounted for under IFRS-3 'Business Combination', as more fully explained in note 1.5.3 to these consolidated condensed interim financial statements. Consequently, the carrying amount of the Group's previously held equity interest in NutriCo Pakistan accounted for on equity method has been de-recognized.

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	(PKR in '000')	
7.6 Yunus Energy Limited		
Investment at cost	611,365	611,365
Share of cumulative profit at the beginning of the period / year	762,249	531,739
Share of profit during the period / year	207,030	291,647
Dividend received during the period / year	(106,989)	(61,137)
	862,290	762,249
	<u>1,473,655</u>	<u>1,373,614</u>

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

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
	(PKR in '000')	
The Group's interest in net assets of Yunus Energy is as follows:		
Total assets	13,335,011	13,291,817
Total liabilities	(6,064,199)	(6,521,341)
Net assets (100%)	<u>7,270,812</u>	<u>6,770,476</u>
Group's share of net assets	<u>1,473,655</u>	<u>1,373,614</u>
The Group's share in Yunus Energy's profit or loss is as follows:		
Revenue	<u>1,680,288</u>	<u>2,755,459</u>
Net profit (100%)	<u>1,035,421</u>	<u>1,458,616</u>
Group's share of net profit	<u>207,030</u>	<u>291,647</u>
8 DEFERRED TAX LIABILITY		
This comprises of the following :		
- Taxable temporary differences	12,289,637	12,050,503
- Deductible temporary differences	(2,547,731)	(2,148,329)
	<u>9,741,906</u>	<u>9,902,174</u>

9 CONTINGENCIES AND COMMITMENTS

9.1 CONTINGENCIES

There are no significant changes in the status of contingencies and commitments as reported in note 29 to the consolidated annual audited financial statements for the year ended June 30, 2021, except as disclosed below:

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2021 (Un-audited)

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
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(PKR in '000')

9.2 COMMITMENTS

9.2.1 Capital commitments

Plant and machinery under letters of credit and others	33,566,791	23,342,394
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9.2.2 Other commitments

Stores, spares and packing material under letters of credit	26,926,624	21,445,615
Bank guarantees issued	22,091,165	33,076,579
Standby Letters of Credit	9,488,551	12,967,996
Post dated cheques	2,737,465	1,245,770
Commitment in connection with LEPCL's project cost over-run and Payment Service Reserve Account (PSRA) support	24,528,526	21,689,041

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

	(Un-audited) December 31, 2021	(Audited) June 30, 2021
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(PKR in '000')

Local bodies	78,800	76,500
Others	7,188	7,238
	85,988	83,738

9.4 Commitments for rentals under operating Ijarah contracts in respect of vehicles are as follows:

Year		
2021-22	3,954	6,436
2022-23	4,211	6,608
2023-24	4,485	7,038
2024-25	4,776	5,621
	17,426	25,703
Payable not later than one year	6,060	6,436
Payable later than one year but not later than five years	11,366	19,267
	17,426	25,703

		For the Half Year Ended	
	Note	December 31, 2021	December 31, 2020
		(PKR in '000')	

10 SEGMENT REPORTING

TURNOVER

Cement		50,606,783	42,114,420
Polyester		19,917,931	13,434,800
Soda Ash		13,446,724	9,915,407
Pharma		6,129,555	4,897,701
Animal Health		3,407,389	2,993,342
Chemicals and Agri Sciences		6,001,786	5,036,314
Nutrition		7,031,521	1,030,175
Automobiles		48,267,346	44,424,599
Others		1,279,382	776,506
Adjustments and elimination of inter-segment balances	10.2	(1,585,789)	(905,879)
		<u>154,502,628</u>	<u>123,717,385</u>

10.1 OPERATING RESULT

Cement		6,228,687	5,311,574
Polyester		1,974,183	1,224,877
Soda Ash		1,991,502	1,848,957
Pharma		648,072	321,132
Animal Health		396,031	195,344
Chemicals and Agri Sciences		671,304	472,721
Nutrition		962,379	(341,002)
Automobiles		3,917,283	3,560,904
Power Generation		(311,401)	(74,556)
Others		377,320	87,902
Adjustments and elimination of inter-segment balances	10.2	(73,863)	(72,413)
		<u>16,781,497</u>	<u>12,535,441</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, 2021	December 31, 2020
		(PKR in '000')	

10.3 GROSS SALES

Local		145,748,259	115,323,073
Export		8,754,369	8,394,312
		<u>154,502,628</u>	<u>123,717,385</u>

11 OTHER INCOME

It includes a gain of PKR 1,847.321 million recognised on re-measurement of 40 percent equity interest of ICI in NutriCo Pakistan held before the business combination as more fully explained in note 1.5.3 to these consolidated condensed interim financial statements. It also includes income from deposits with Islamic banks and other financial institution.

Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2021 (Un-audited)

	(Un-audited) December 31, 2021	(Audited) December 31, 2020
	(PKR in '000')	
12 CASH GENERATED FROM OPERATIONS		
Profit before taxation	20,517,067	14,308,250
Adjustments for non-cash charges and other items		
Depreciation and amortization	5,063,198	4,337,866
Provision for slow moving spares	6,515	311,519
Provision for slow moving and obsolete stock-in-trade	(4,973)	28,203
Provision / (reversal) for doubtful debts	146,971	(2,380)
Provisions and accruals no longer required written back	(8,242)	-
Gain on disposal of fixed assets	(102,213)	(74,427)
Provision for staff retirement plan	286,164	231,997
Share of profit from equity accounted investees	(2,829,484)	(2,297,687)
Return from deposits with Islamic banks and other financial institutions	(553,215)	(710,593)
Dividend and other income	(681,451)	(156,378)
Unrealised gain on acquisition of shares of NutriCo Pakistan Limited	(1,847,321)	-
Finance cost	849,009	772,500
	<u>20,842,026</u>	<u>16,748,870</u>
Increase in current assets		
Stores, spares and consumables	(6,639,367)	(2,764,908)
Stock-in-trade	(28,089,903)	(2,516,384)
Trade debts	(2,513,185)	712,960
Loans and advances	(1,466,041)	(900,728)
Trade deposits and short-term prepayments	(2,399,954)	(104,748)
Other receivables	(1,338,643)	1,888,726
	<u>(42,447,093)</u>	<u>(3,685,082)</u>
Increase in current liabilities		
Trade and other payables	15,570,801	14,727,874
Cash generated from operations	<u>(6,034,266)</u>	<u>27,791,662</u>
13 TRANSACTIONS WITH RELATED PARTIES		
<p>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:</p>		

For the Half Year Ended

December 31, December 31,
2021 2020
(PKR in '000')

Transactions with Associated Undertakings

Sales	1,210,957	1,262,395
Purchase of goods, materials and services	1,940,133	889,560
Reimbursement of expenses to the Group	52,506	12,496
Reimbursement of expenses from the Group	16,523	7,004
Donation	178,284	120,816
Dividends and other income received	126,369	-
Dividends paid	490,246	88,659
Rent paid	17,996	8,592
Services received	37,839	71,243
Loan obtained from Joint Venture	1,406,636	-
Consideration paid for acquisition of Lucky Auto Industries	-	155,000
Investment made in Joint Venture	-	719,255
Services rendered	105	-

Transactions with Directors and with their close family members

Meeting fee	255	969
Sales	688	124
Rent paid	-	1,000

Transactions with other key management personnel

Salaries and benefits	548,842	445,163
Post employment benefits	45,690	46,011
Dividends paid	51,434	2,369

Staff retirement benefit plan

Contribution	184,839	176,477
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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 28, 2022 by the Board of Directors of the Holding Company.



Muhammad Yunus Tabba
Chairman / Director



Muhammad Ali Tabba
Chief Executive



Atif Kaludi
Chief Financial Officer



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