

HALF YEARLY REPORT  
DECEMBER 31, 2022



# Embarking on Sustainable Future

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

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# Embarking on Sustainable Future

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

Lucky Cement Limited has “Embarked on a Sustainable Future” and already adopted a futuristic approach to its business operations.

Through innovation, and adaptability to new technologies with sustainability as a key element to move forward, we not only continue to grow while also making our operations efficient and sustainable.

Taking forward the idea of “Innovate, Renew and Sustain”, this year we have started Pakistan’s largest on-site 34MW captive solar power project with a 5.59MWh Reflex energy storage solution which has become operational on December 29, 2022. We have also completed commercial negotiations for a 25MW Solar Power Project at Karachi Plant. The project is expected to be completed by 2Q, FY24.

We strongly believe that stakeholder value maximization is possible on a long-term basis by implementing best-in-class Environment Social Governance (ESG) protocols. We continue upon our journey of Excellence and building Enterprise of the Future, by delivering towards sustainable development goals.

Our dynamic business approach has led us to become the industry leader and we are proud to be a step ahead of our industry peers.

Our resolve is to continue our duty as a socially responsible organization and we will continue investing in the betterment of our Country and commitment towards environment.



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# COMPANY INFORMATION

## BOARD OF DIRECTORS

Muhammad Sohail Tabba\*  
(Chairman)

Muhammad Ali Tabba  
Jawed Yunus Tabba  
Mariam Tabba Khan  
Masood Karim Shaikh  
Khawaja Iqbal Hassan  
Shabbir Hamza Khandwala\*

## MANAGEMENT TEAM

Muhammad Ali Tabba  
(Chief Executive)

Noman Hasan  
(Executive Director)

Muhammad Atif Kaludi  
(Director Finance & Chief Financial Officer)

Amin Ganny  
(Chief Operating Officer)

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

## COMPANY SECRETARY

Faisal Mahmood

## HEAD OF INTERNAL AUDIT

Ahmad Waseem Khan

\*Appointed in BOD Meeting Held On 27-Jan-2023

## BOARD COMMITTEES

### AUDIT COMMITTEE

Masood Karim Shaikh  
(Chairman)

Jawed Yunus Tabba  
Mariam Tabba Khan  
Khawaja Iqbal Hassan  
Shabbir Hamza Khandwala\*

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

Khawaja Iqbal Hassan  
(Chairman)

Muhammad Ali Tabba  
Jawed Yunus Tabba  
Mariam Tabba Khan  
Masood Karim Shaikh  
Shabbir Hamza Khandwala\*

## FINANCIAL INSTITUTIONS

Allied Bank Limited  
Allied Bank Limited – Islamic Banking  
Askari Bank Limited  
Bank Alfalah Limited – Islamic Banking  
Bank Al-Habib Limited  
Bank Al-Habib Limited – Islamic Banking  
BankIslami Pakistan Limited  
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 –Aiteamad Islamic Banking  
Pakistan Kuwait Investment Company (Private) Limited  
Standard Chartered Bank (Pakistan) Limited  
Standard Chartered Bank (Pakistan) Limited-Sadiq-Islamic Banking  
Saudi Pak Industrial & Agricultural Investment Company Limited  
Soneri Bank Limited  
United Bank Limited  
UBL Ameen Islamic Banking

## CREDIT RATING

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

## EXTERNAL AUDITORS

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

## COST AUDITORS

M/s. Grant Thornton Anjum Rahman – Chartered Accountants

## SHARIAH ADVISOR

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

## REGISTERED OFFICE

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

## CORPORATE OFFICE

📍 6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi – 75350

📞 UAN: (+92-21) 111-786-555

🌐 Website: [www.lucky-cement.com](http://www.lucky-cement.com)

✉ Email: [info@lucky-cement.com](mailto:info@lucky-cement.com)

## PRODUCTION FACILITIES

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

## SHARE REGISTRAR

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



# Directors' Report

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## Demise of Mr. Muhammad Yunus Tabba, Chairman of the Board

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The Board of Directors of the Company and its management are deeply grieved by the passing away of Mr. Muhammad Yunus Tabba, Chairman of the Board on January 2, 2023. May Allah SWT rest the departed soul in eternal peace and grant him the highest place in Jannat ul Firdous, Aameen.

Mr. Muhammad Yunus Tabba was one of the founders of YBG and remained associated with it for more than half a century. Under his guidance and leadership, the YBG rapidly progressed and gained recognition, both locally and internationally, as one of the most diversified and accomplished groups in the country. In recognition of his outstanding services rendered in the field of entrepreneurship and public service, he was honored by the President of Islamic Republic of Pakistan who conferred upon him, a civilian award, the Sitara-e-Imtiaz. While we grieve this loss, we remain committed to follow in his footsteps and continue his legacy in order to achieve all that he, along with the other founders of the YBG, had envisioned when setting out on this journey some fifty years ago.

To fill the casual vacancy arising as a result of the above, the Board has appointed Mr. Shabbir Hamza Khandwala as Independent Director of the company for the remaining term of the Board. Moreover, the Board has also elected Mr. Muhammad Sohail Tabba as the new Chairman of the Board.

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The Directors present to you the financial results of your Company which include both, unaudited consolidated and unaudited financial statements (duly reviewed by the auditors) for the half year ended December 31, 2022.

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## Overview of Economy & Consolidated Financial Performance

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During 1H FY23, commodity prices experienced significant volatility due to a combination of factors including weather-related disruptions, geopolitical tensions, and the ongoing impact of the COVID-19 pandemic in China. Prices for key commodities such as oil, gas, and metals fluctuated as demand and supply were affected. The increase in prices of these commodities had a ripple effect on the global economy as it affected the industries that rely on them. As a result, many countries faced inflationary pressures and economic growth slowed in some areas.

The ongoing global trend has had a cascading effect on Pakistan's economy, which has been further exacerbated by political instability. The elevated cost of commodities has led to an increase in the import bill, exchange rate and inflation. Both exports and workers remittances have demonstrated a decline compared to SPLY. Although the current account deficit has been reduced, it was primarily achieved by restricting imports through administrative measures. These restrictions on imports have negatively impacted domestic manufacturing across various sectors. It is therefore crucial for the Government to implement strategic structural reforms that will increase exports of goods and services in the medium term, thus bringing balance to the economy.

The management of your company continues to closely monitor these developments and implement mitigating strategies to minimise their impact on its operations and financial performance.

On a consolidated basis, your Company achieved gross revenue of PKR 219.5 billion which is 42.1% higher as compared to the same period last year's (SPLY)'s revenue of PKR 154.5 billion. The increase in gross revenue is mainly attributable to the commencement of commercial operations of Lucky Electric Power Company Limited in March 2022.

Moreover, the consolidated net profit of the Company is PKR 18.3 billion of which PKR 2.4 billion is attributable to non-controlling interests. The consolidated net profit attributable to owners of the Holding Company translates into an EPS of PKR 49.32 during the half year that ended December 31, 2022, as compared to PKR 40.66 during the SPLY.



The consolidated financial performance of your Company for the half year ended December 31, 2022, as compared to SPLY is presented below:

PKR in million except EPS			
PKR million except EPS	1H FY23	1H FY22	Change (%)
Gross Revenue	219,532	154,503	42.1%
Net Revenue	185,590	123,380	50.4%
Gross Profit	39,064	25,388	53.9%
GP as % of Net Revenue	21.0%	20.6%	1.9%
Operating Profit	30,937	16,781	84.4%
EBITDA	38,771	21,845	77.5%
Net Profit*	18,324	17,154	6.8%
NP (Attributable to Owners of the holding company)	15,913	13,147	21.0%
Earnings Per Share (PKR) *	49.32	40.66	21.3%

\* Includes discontinued operations of Nutrico Morinaga Pvt. Ltd

The increase in net profit of the group for the half year under review as compared to SPLY is due to the profitability of Lucky Electric Power Company Limited (LEPCL) versus a loss recorded in SPLY coupled with improved profitability of foreign cement operations. This was partially offset by lower profitability from Lucky Motor Corporation (LMC) and Lucky Core Industries (LCI).

### Local Cement Operations

During the half year under review, your Company's overall gross sales revenue increased by 16.0% as compared to SPLY. Despite reduction in volumes in both domestic and export sales, the profitability of the local cement operations showed improvement on account of enhanced operational efficiencies.

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

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

### Foreign Cement Operations

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

### Polyester, Soda Ash, and Chemicals

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

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Net revenue for the half year under review at PKR 49.4 billion is 24% higher compared to the SPLY. Revenue from the Soda Ash, Animal Health, Pharmaceuticals, and Polyester businesses was higher by 75.0%, 21.9%, 5.2%, and 3.8% respectively, as compared to the SPLY. Revenue of the Chemical & Agri Sciences business fell by 5.6% in comparison to the SPLY. The operating result for the half-year period under review at PKR 5.3 billion is 6.8% lower than the SPLY. The Soda Ash and Animal Health businesses delivered higher operating results by 65.5% and 13.3% respectively as compared to the SPLY, whereas the Polyester, Chemicals & Agri Sciences, and Pharmaceuticals businesses posted a decline in Operating Results by 69.0%, 43.9%, and 13.0% as compared to the SPLY.

During the period under review, the Company's businesses continued to face macroeconomic challenges, including demand contraction in downstream markets, cost-push due to the impact of higher oil prices, devaluation of the Pak Rupee against the US Dollar, business-specific import restrictions, tax regime changes and volatility in global commodity prices.

### Automobiles and Mobile Phones

The automobile sector right from the start of FY23 has witnessed a significant downturn in volumes on the back of substantial devaluation of PKR to USD which led to an increase in the prices of cars. Apart from this, the State Bank of Pakistan's (SBP) requirement of prior approval for opening LCs for the import of CKD kits and parts, availability of very limited allocation of FX to automobile manufacturers for import of CKD kits, imposition of CVT @ 1% on cars having engine capacity exceeding 1300 CC, high-interest rates and tightening of auto financing scheme by the SBP and high inflation have adversely impacted the sector. The automobile sector has witnessed an overall decline of around 40% in terms of volumes during the 1HFY23 compared to SPLY. Similarly, the mobile phones market saw approximately a 30% decline in volumes compared to SPLY due to the substantial devaluation of PKR to USD as well as the limited allocation of FX to mobile phone manufacturers for the import of Semi Knocked Down (SKD) kits.

### Power

Lucky Electric Power Company Limited commenced its commercial operations in March 2022. During the second quarter of 1H FY23, the plant availability factor was 92% of its capacity compared to 78.4% in 1Q FY23. This increase in availability was due to remedial actions taken by management to address teething issues faced after plant startup. The average fuel cost of electricity for the quarter was PKR 15.16 per KWh, which remains one of the cheapest in the country.

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

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The local cement industry volumes in Pakistan reported an aggregate decrease of 16.8% to reach 20.0 million tons for the half year ended December 31, 2022, vs. 24.1 million tons during SPLY. Also, the exports decreased by 48.8% to reach 1.7 million tons during the half-year under review as compared to 3.4 million tons during SPLY. This led to an overall decline in industry volumes by 20.7% to 21.8 million tons in the period under review in comparison to 27.5 million tons in SPLY. Since the start of FY 2023, construction sector has been undergoing various challenges including the aftermaths of floods, rising interest rates, high inflation, increase in commodity prices and cuts in overall development spending by the government.

In comparison with the cement industry, your Company's overall sales volume declined by 24.1% to reach 3.6 million tons in the current period as compared to 4.7 million tons in the SPLY. The local sales volume declined by 17.9%, reaching 3.0 million tons during 1H FY23 compared to 3.6 million tons in SPLY. Also, export volumes were reduced by 45.0%, reaching 0.6 million tons in 1H FY23 versus 1.1 million tons in SPLY.

Exports decreased significantly due to global recessionary trend resulting in lower demand in foreign markets. The decrease in exports was caused by a global economic downturn, which led to reduced demand in foreign markets. As a result, buyers were offering lower prices for exports, while domestic cement manufacturers were facing higher production costs.

## Cement Production & Sales Volume Performance:

The local cement production and sales statistics of your Company for the half year ended December 31, 2022, compared to the SPLY are as follows:

Particulars	1H FY23	1H FY22	Growth / (Decline)	
	Tons in '000'			%
Clinker Production	3,075	4,517	▼	(31.9%)
Cement Production	3,379	4,288	▼	(21.2%)
Cement / Clinker Sales	3,572	4,704	▼	(24.1%)

A comparison of Pakistan's Cement Industry and your Company's dispatches for the half year ended December 31, 2022, in comparison with SPLY, is presented below:

Particulars (Tons in '000')	1H FY23	1H FY22	Change %	
<b>Cement Industry</b>				
Local Sales	20,029	24,068	(4,039)	(16.8%)
Export Sales				
- Bagged	1,249	1,237	12	1.0%
- Loose	10	299	(289)	(96.6%)
- Clinker	475	1,852	(1,376)	(74.3%)
<b>Total Exports</b>	<b>1,734</b>	<b>3,388</b>	<b>(1,653)</b>	<b>(48.8%)</b>
<b>Grand Total</b>	<b>21,763</b>	<b>27,455</b>	<b>(5,692)</b>	<b>(20.7%)</b>
<b>Lucky Cement</b>				
Local Sales				
- Cement	2,982	3,633	(650)	(17.9%)
	2,982	3,633	(650)	(17.9%)
Export Sales				
- Bagged	399	363	36	10.0%
- Loose	10	299	(289)	(96.6%)
- Clinker	180	410	(230)	(56.1%)
<b>Total Exports</b>	<b>589</b>	<b>1,072</b>	<b>(483)</b>	<b>(45.0%)</b>
<b>Grand Total</b>	<b>3,572</b>	<b>4,704</b>	<b>(1,133)</b>	<b>(24.1%)</b>

Market Share	1H FY23	1H FY22	Change %	
Local Sales	14.9%	15.1%	(1.3%)	
Export Sales				
- Bagged	31.9%	29.3%	8.9%	
- Loose	100.0%	100.0%	-	
- Clinker	37.9%	22.2%	70.7%	
<b>Total Export</b>	<b>34.0%</b>	<b>31.6%</b>	<b>7.6%</b>	
<b>Grand Total</b>	<b>16.4%</b>	<b>17.1%</b>	<b>(4.1%)</b>	

## Financial Performance – Unconsolidated

The unconsolidated financial performance of your Company for the half year ended December 31, 2022, as compared to the SPLY is presented below:

PKR in million except EPS

PKR million except EPS	1H FY23	1H FY22	Change (%)
Gross Revenue	58,706	50,607	16.0%
Net Revenue	45,333	37,549	20.7%
Gross Profit	12,523	9,274	35.0%
GP as % of Net Revenue	27.6%	24.7%	11.7%
Operating Profit	8,950	6,229	43.7%
EBITDA	11,351	8,468	34.0%
Net Profit	7,129	5,774	23.5%
EPS	22.09	17.86	23.7%

### Revenue

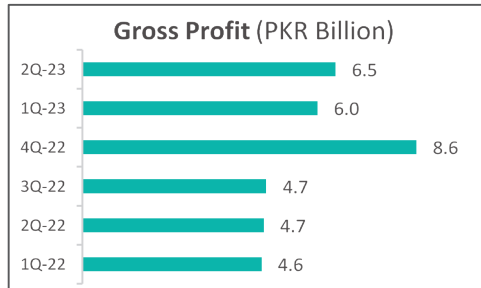
During the half year under review, your Company's overall gross revenue increased by 16.0% vs. 1H FY22. While gross local sales revenue showed an increase of 19.2% (PKR 52.1 billion vs PKR 43.7 billion), the Gross export sales revenue decreased by 4.3% (PKR 6.6 billion vs PKR 6.9 billion) due to decreased global demand.

### Gross Profit

The gross profit margin of the company for 1H FY23 was 27.6% compared to 24.7% during the SPLY. Your company's constant focus on cost and operational efficiencies led to an increase in GP margins.

### Cost of Sales

During the half-year under review, per ton cost of sales of your Company increased by 52.9% as compared to the SPLY. The major portion of this increase came from higher coal prices.



### Dividend Income

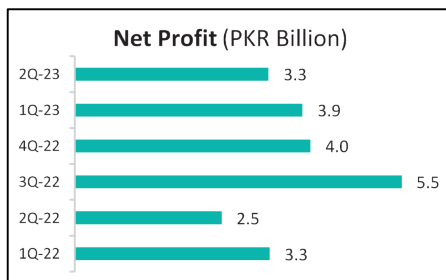
During 1H FY23, the dividend income of your Company from its subsidiaries / associate was PKR 1.6 billion vs PKR 1.3 billion during the SPLY.

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

## Net Profit

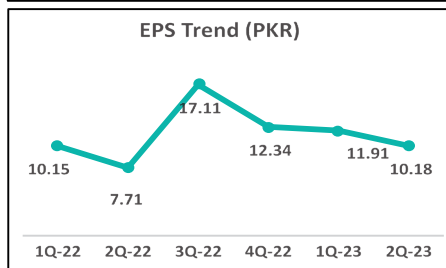
Your Company achieved a profit before tax of PKR 10.1 billion during 1H FY23 as compared to PKR 7.6 billion reported during the SPLY.

Accordingly, an after-tax profit of PKR 7.1 billion was achieved during the half year under review as compared to PKR 5.8 billion reported during the SPLY.



## Earnings Per Share (EPS)

The earnings per share of your Company for 1H FY23 was PKR 22.09 in comparison to PKR 17.86 reported during the SPLY.



## Growth and Expansion

### Signing of share purchase agreement for acquisition of Lotte Chemical Pakistan Limited by Lucky Core Industries Limited (LCI).

During the period under review, the Company's subsidiary, LCI submitted a binding bid in relation to the acquisition of approximately 75.01% shares of Lotte Chemical Pakistan Limited. Subsequently, a share purchase agreement was signed between the two companies. The completion of the transaction is subject to the terms of the share purchase agreement including the various public offer and completion conditions stated therein, receipt of requisite approvals including clearance from the Competition Commission of Pakistan, and completion of other closing formalities.

### Renewable Energy Initiative at Karachi Cement Plant

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

Commercial negotiations for the 25 MW Solar Power Project at Karachi Plant have been completed. The management expects to complete the project in 2Q FY24.

The company's initiatives for investment in renewable energy projects will play a key role in cost savings as well as the reduction of the country's reliance on imported fuel.

### Shares Buyback of Lucky Cement Limited

In 1Q FY23, the Company announced a share buyback of up to 10 million ordinary shares, which was subsequently approved by the shareholders in EOGM dated September 20, 2022. The said purchase has to be made from Pakistan Stock Exchange Limited (PSX) at the spot prices during the purchase period from September 29, 2022, to March 27, 2023. The shares purchased through this buyback will be canceled. This buyback is targeted to improve the future EPS of your company.

As of December 31, 2022, 3.6 million shares have been purchased under this buyback scheme.

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## Corporate Social Responsibility

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

### Education / Scholarships

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

Your Company is also collaborating with leading NGOs for the adoption of primary schools in Karachi and Kashmir, in order to ensure quality education for the less developed localities for the children.

To equip the youth with skills and entrepreneurship for the areas in district Lakki Marwat, your Company is in collaboration with the Country's leading vocational training provider to select and provide skill trainings in a designated vocational training institute near Rawalpindi. This will open limitless opportunities for the youngsters to either engage in different industries or to start fresh businesses, ultimately improving local prospects substantially.

In continuation to your Company's collaboration with The Citizen Foundation, we are building a complete primary and secondary school, near our Pezu plant, for the general public. The school building is scheduled to be completed in 3Q FY23 and the school is likely to be operational from the new academic year during 3Q/4Q FY23.

Your Company also sponsored an event of a leading Entrepreneurship College in Karachi – that aspires to build future leaders for a better tomorrow. Junior CEO Challenge was an interschool competition that gives students an opportunity to be creative thinkers, future leaders, excellent communicators, and aspiring budding entrepreneurs.

### Women Empowerment

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

### Health Initiatives

In continuation of the provision of quality healthcare for society at large, a key priority for your Company, we are providing financial support to 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.

Your Company sponsored a fundraiser event, organized by one of the largest free eye care service providers. The event aimed to raise forthcoming funding for major and minor eye surgeries offered free of all charges for financially deprived patients throughout the Country.

Your Company generously donated to a Country's leading NGO - Special Olympics Pakistan, which is working towards the prospects of spreading compassion & acceptance and transforming the lives of people with Intellectual Disabilities through the 'Power of Sports'.

### 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 in and around its manufacturing sites.

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## Outlook

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Due to global recession, high inflation, declining monetary inflows and unprecedented floods, FY23 started on a difficult note for our country. The Government expects to resume the IMF program by implementing long-term structural reforms. The prevalent global monetary tightening, and upcoming debt obligations of Pakistan, are expected to put pressure on Pakistan's economy and currency. However, the government is also undertaking negotiations, with lenders to secure additional monetary inflows and ensure rollovers of debt obligations. The Government is also endeavoring to arrange financial assistance from friendly nations. It is expected that favorable development on this front would give confidence to other bilateral, and multilateral lenders, to follow suit.

Coupled with the above, a positive political climate is absolutely necessary to put the economy back on its recovery track.

### Local Cement Operations

The depreciating currency, high inflation & interest rates coupled with lack of development spending and slowing down of economy are expected to keep demand under pressure in the remaining period of FY23. Restriction on imports is hampering the ability to operate for many industries including steel manufacturing which may also have a negative impact on the pace of construction activities. However, there may be some respite in the form of increased demand for reconstruction in flood affected areas if the Government is able to secure funding from international lenders against the pledges it recently received. Additionally, if coal prices decrease, it will decrease the costs of production and make exports viable, which at present have very low margins.

### Foreign Cement Operations

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

### Polyester, Soda Ash and Chemicals

With the revival of the IMF program, another wave of inflation is expected in the form of high energy prices, imposition of additional taxes, depreciation of the local currency, increase in interest rates and reduction in government spending which may lead to further demand curtailment and economic slowdown.

Going ahead, the above factors will continue to pose a threat to overall industrial activity and concurrently the demand for the Company's products. Lucky Core Industries is nevertheless committed to minimizing these adverse impacts by leveraging on its diverse product portfolio and cost rationalization efforts to provide sustainable results through mitigation efforts for the benefit of its stakeholders.

### Automobiles and Mobile Phones

The outlook for the automobile and mobile phone sectors remains challenging due to various factors discussed earlier in the report, with import restrictions having the greatest impact. The company is actively working with the Government to ease these restrictions, while simultaneously implementing cost-saving measures and increasing localization efforts to maintain sustainable and competitive operations.

### Power

During the quarter, LEPCCL observed its first maintenance shutdown and also had the longest run on Thar Coal owing to its availability. The per unit cost of the power generated by LEPCCL is significantly lower than imported coal plants due to lignite fuel. As mentioned earlier, the plant's availability increased during the period to 92% from 78.4% during the previous quarter, due to remedial actions taken by management to address teething issues faced after plant startup. The Company's management aims to achieve 100% availability in the future.

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



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## Acknowledgment

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

On behalf of the Board



**MUHAMMAD SOHAIL TABBA**  
Chairman / Director



**MUHAMMAD ALI TABBA**  
Chief Executive / Director

Karachi: January 27, 2023

# UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2022 (Un-audited)

# 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, 2022 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, 2022 and December 31, 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

### 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, 2023

UDIN: RR202210113URas2wBAz

# Unconsolidated Condensed Interim Statement of Financial Position

As at December 31, 2022

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
(PKR in '000')			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	93,568,426	82,301,050
Intangible assets		103,541	51,352
		93,671,967	82,352,402
Long-term investments		57,594,485	57,594,485
Long-term loans and advances		192,058	191,684
Long-term deposits		7,842	8,106
		151,466,352	140,146,677
<b>CURRENT ASSETS</b>			
Stores and spares		17,427,338	11,206,843
Stock-in-trade		8,226,340	7,171,364
Trade debts		4,140,965	3,522,931
Loans and advances		509,762	735,337
Trade deposits and short-term prepayments		485,585	140,532
Accrued return		88,386	39,316
Other receivables		4,612,780	4,838,323
Tax refunds due from the Government		538,812	538,812
Short-term investments	14.2	9,929,495	12,751,155
Cash and bank balances		3,532,142	3,871,078
		49,491,605	44,815,691
<b>TOTAL ASSETS</b>		<b>200,957,957</b>	<b>184,962,368</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up share capital		3,233,750	3,233,750
Reserves		130,750,989	125,306,574
		133,984,739	128,540,324
<b>NON-CURRENT LIABILITIES</b>			
Long-term deposits		253,087	250,332
Long-term loans	6	14,687,578	14,108,446
Deferred Government grant		2,309,537	2,164,455
Deferred liabilities			
- Staff gratuity - unfunded	7	2,855,414	2,596,281
- Deferred tax liability		8,157,363	6,941,172
		11,012,777	9,537,453
		28,262,979	26,060,686
<b>CURRENT LIABILITIES</b>			
Trade and other payables		24,060,238	23,191,483
Current maturity of long-term loans		335,884	487,202
Short-term borrowings	8	7,308,513	1,000,000
Unclaimed dividend		50,513	51,030
Accrued markup		241,925	135,452
Taxation - net		6,713,166	5,496,191
		38,710,239	30,361,358
		66,973,218	56,422,044
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>200,957,957</b>	<b>184,962,368</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	9		

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



**Muhammad Sohail 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, 2022 (Un-audited)

	Note	Half year ended		Quarter Ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		(PKR in '000')		(PKR in '000')	
<b>Gross sales</b>	10	58,705,987	50,606,783	33,270,352	27,632,379
Less: Sales tax and federal excise duty		12,664,862	12,425,224	7,284,100	6,649,407
Rebates, incentives and commission		708,044	632,943	396,505	349,589
		13,372,906	13,058,167	7,680,605	6,998,996
<b>Net sales</b>		45,333,081	37,548,616	25,589,747	20,633,383
Cost of sales		(32,810,247)	(28,274,813)	(19,098,668)	(15,977,146)
<b>Gross profit</b>		12,522,834	9,273,803	6,491,079	4,656,237
Distribution cost		(2,656,702)	(2,335,463)	(1,294,494)	(1,328,967)
Administrative expenses		(916,500)	(709,653)	(470,669)	(369,337)
Finance costs		(613,210)	(185,019)	(360,488)	(91,730)
Other expenses		(1,107,765)	(672,571)	(491,259)	(325,395)
Other income		2,847,483	2,217,705	837,666	745,722
<b>Profit before taxation</b>		10,076,140	7,588,802	4,711,835	3,286,530
Taxation		(2,947,521)	(1,814,310)	(1,435,629)	(795,898)
<b>Profit after taxation</b>		7,128,619	5,774,492	3,276,206	2,490,632
		(PKR)	(PKR)	(PKR)	(PKR)
Earnings per share - basic and diluted	11	22.09	17.86	10.18	7.71

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



**Muhammad Sohail 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, 2022 (Un-audited)

	Half year ended		Quarter Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	(PKR in '000')		(PKR in '000')	
<b>Profit after taxation</b>	7,128,619	5,774,492	3,276,206	2,490,632
<b>Other comprehensive loss:</b>				
Other comprehensive loss which will not be reclassified to profit or loss in subsequent periods:				
Unrealized loss on remeasurement of equity instrument at fair value through other comprehensive income	(3,805)	(15,150)	(3,132)	(7,982)
Deferred tax thereon	476	2,273	392	1,197
	(3,329)	(12,877)	(2,740)	(6,785)
<b>Total comprehensive income for the period</b>	<u>7,125,290</u>	<u>5,761,615</u>	<u>3,273,466</u>	<u>2,483,847</u>

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



**Muhammad Sohail 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, 2022 (Un-audited)

		Half Year Ended	
	Note	December 31, 2022	December 31, 2021
		(PKR in '000')	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	12	3,671,153	4,515,640
Income tax paid		(513,879)	(1,848,228)
Gratuity paid		(42,533)	(50,260)
Finance cost paid		(506,737)	(172,499)
Income from deposits with Islamic banks		331,058	113,671
Increase in long-term loans and advances		(374)	(100,127)
Increase in long-term deposits (liabilities)		2,755	7,424
<b>Net cash generated from operating activities</b>		2,941,443	2,465,621
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(13,763,024)	(7,947,151)
Long-term investments made		-	(2,200,000)
Sale proceeds on disposal of property, plant and equipment		157,718	166,033
Dividend received from subsidiary companies		1,473,360	1,201,932
Dividend and other income received from associated company		122,273	126,369
Dividend received on short-term investments		711,422	555,081
Release / (placement) of balance as lien		1,111,111	(1,111,111)
<b>Net cash used in investing activities</b>		(10,187,140)	(9,208,847)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term loans obtained		5,234,360	2,270,838
Long-term loans repaid		(4,661,464)	(253,454)
Dividends paid		(517)	(1,082)
Own shares purchased for cancellation	11.2	(1,680,875)	-
<b>Net cash (used in) / generated from financing activities</b>		(1,108,496)	2,016,302
Net decrease in cash and cash equivalents		(8,354,193)	(4,726,924)
Cash and cash equivalents at the beginning of the period		14,493,016	11,641,039
Cash and cash equivalents at the end of the period	12.1	6,138,823	6,914,115

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



**Muhammad Sohail 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, 2022 (Un-audited)

	Issued, subscribed and paid-up capital	Capital reserve		Revenue reserves		Total reserves	Total equity
		Share premium	Own shares purchased for cancellation	General reserves	Unappropriated profit		
(PKR in '000')							
<b>Balance as at July 01, 2021</b>	3,233,750	7,343,422	-	85,147,790	17,475,296	109,966,508	113,200,258
Transfer to general reserves	-	-	-	14,016,397	(14,016,397)	-	-
Total comprehensive income for the half year ended December 31, 2021	-	-	-	-	5,761,615	5,761,615	5,761,615
<b>Balance as at December 31, 2021</b>	<u>3,233,750</u>	<u>7,343,422</u>	<u>-</u>	<u>99,164,187</u>	<u>9,220,514</u>	<u>115,728,123</u>	<u>118,961,873</u>
<b>Balance as at July 01, 2022</b>	3,233,750	7,343,422	-	99,164,187	18,798,965	125,306,574	128,540,324
Transfer to general reserves	-	-	-	15,340,066	(15,340,066)	-	-
Total comprehensive income for the half year ended December 31, 2022	-	-	-	-	7,125,290	7,125,290	7,125,290
Own shares purchased for cancellation (note 11.2)	-	-	(1,680,875)	-	-	(1,680,875)	(1,680,875)
<b>Balance as at December 31, 2022</b>	<u>3,233,750</u>	<u>7,343,422</u>	<u>(1,680,875)</u>	<u>114,504,253</u>	<u>10,584,189</u>	<u>130,750,989</u>	<u>133,984,739</u>

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



**Muhammad Sohail 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, 2022 (Un-audited)

## 1 THE COMPANY AND ITS OPERATIONS

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

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

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

## 2 STATEMENT OF COMPLIANCE

**2.1** These unconsolidated condensed interim financial statements of the Company for the half year ended December 31, 2022 have been prepared in accordance with the accounting and reporting standards applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

**2.2** These unconsolidated condensed interim financial statements do not include all the information and disclosures required in the unconsolidated annual audited financial statements, and should be read in conjunction with the Company's unconsolidated annual audited financial statements for the year ended June 30, 2022.

## 3 SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

#### 4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

#### 5 PROPERTY, PLANT AND EQUIPMENT

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
(PKR in '000')			
<b>5.1</b>	Following is the movement in property, plant and equipment during the period / year:		
Operating fixed assets (WDV) - opening balance		59,972,785	58,033,791
Add: Additions during the period / year	5.2	34,342,300	6,567,383
		94,315,085	64,601,174
Less: Disposals during the period / year (WDV)		41,989	101,513
Depreciation charge for the period / year		2,387,483	4,526,876
Operating fixed assets (WDV) - closing balance		91,885,613	59,972,785
Add: Capital work-in-progress	5.3	1,345,395	21,911,214
Add: Capital spares		337,418	417,051
		93,568,426	82,301,050

# Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2022 (Un-audited)

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

	(Un-audited)	
	December 31, 2022	
	Additions (Cost)	Deletions (Cost)
	(PKR in '000')	
<b>Operating fixed assets</b>		
<b>Buildings on freehold land</b>		
- Cement plant	960,498	-
- Power plant	42,910	-
<b>Buildings on leasehold land</b>		
- Cement plant	11,686	-
- Power plant	825	-
- Others	7,417	-
Plant and machinery	26,751,769	-
Generators and other power generation equipment	6,279,333	66,834
Quarry equipments	2,964	-
Vehicles including cement bulkers	100,838	115,998
Furniture and fixtures	18,124	-
Office equipment	16,962	393
Computer and Accessories	133,922	4,890
Other assets (Laboratory equipment, etc.)	15,052	189
	<b>34,342,300</b>	<b>188,304</b>
	<b>(Un-audited)</b>	(Audited)
	<b>December 31,</b>	June 30,
	<b>2022</b>	2022
	(PKR in '000')	

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

Opening balance	21,911,214	4,015,044
Add: Additions during the period / year	13,842,657	24,515,120
	35,753,871	28,530,164
Less: Transferred to operating fixed assets	34,342,300	6,567,383
Less: Transferred to intangible assets	66,176	51,567
Closing balance	1,345,395	21,911,214

## 6 LONG-TERM LOANS

There is no material change in the terms and conditions of the long-term loans as disclosed in the unconsolidated annual audited financial statements as at and for the year ended June 30, 2022 except that:

- the Company further obtained long-term loans aggregating to PKR 637 million during the period from United Bank Limited - Islamic and National Bank of Pakistan under the Temporary Economic Refinance Facility (TERF) of the State Bank of Pakistan. The loans are repayable in quarterly and semi-annual installments over a period of ten years which include a grace period of two years and are secured by way of hypothecation charge over specific plant and machinery of the Company. These loans carry mark-up ranging from 2.25% to 2.50% per annum payable in arrears;

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

(Un-audited) December 31, 2022	(Audited) June 30, 2022
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(PKR in '000')

## 7 DEFERRED TAX LIABILITY

Deferred tax liability comprises the following :

- Taxable temporary differences arising due to accelerated tax depreciation allowance	9,795,317	7,737,372
- Deductible temporary differences arising in respect of provisions and minimum tax	(1,637,954)	(796,200)
	<u>8,157,363</u>	<u>6,941,172</u>

## 8 SHORT-TERM BORROWINGS

There is no material change in the terms and conditions of the short-term borrowings as disclosed in the unconsolidated annual audited financial statements as at and for the year ended June 30, 2022 except that:

- the Company obtained short-term Islamic Export Finance Scheme aggregating to PKR 6,386 million. These facilities are secured by way of hypothecation charge over plant and machinery, stock-in-trade and stores and spares. The amount of facilities outstanding as at reporting date is PKR 6,309 million.

## 9 CONTINGENCIES AND COMMITMENTS

- 9.1** There are no significant changes in the status of contingencies and commitments as reported in note 27 to the unconsolidated annual audited financial statements of the Company for the year ended June 30, 2022, except as disclosed in notes 9.2 and 9.3.

# Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2022 (Un-audited)

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	(PKR in '000')	

## 9.2 Capital commitments

Plant, machinery and equipment under letters of credit	2,066,206	8,788,299
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## 9.3 Other commitments

Stores, spares, packing material and other supplies / services under letters of credit	1,088,855	4,530,101
Bank guarantees issued by the Company on behalf of subsidiary company	4,550,000	4,550,000
Bank guarantees issued on behalf of the Company	1,643,739	1,404,716
Post-dated cheques	1,504,002	1,642,422
Commitment on behalf of a subsidiary company in respect of cost over-run and PSRA support	31,207,187	28,201,245

	For the half year ended	
	December 31, 2022	December 31, 2021
	(PKR in '000')	

## 10 GROSS SALES

Local	52,111,305	43,677,964
Export	6,594,682	6,928,819
	58,705,987	50,606,783

	For the half year ended (Un-audited)		For the quarter ended (Un-audited)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	(PKR in '000')		(PKR in '000')	

## 11 BASIC AND DILUTED EARNINGS PER SHARE

Profit after taxation (PKR in thousands)	7,128,619	5,774,492	3,276,206	2,490,632
Weighted average number of ordinary shares (in thousands) (note 11.1)	322,643	323,375	321,912	323,375
Basic and diluted earnings per share (PKR)	22.09	17.86	10.18	7.71

### 11.1 Weighted average number of ordinary shares

Outstanding number of shares before own shares purchased	323,375	323,375	323,375	323,375
Less: Impact of own shares purchased during the period (note 11.2)	(732)	-	(1,463)	-
	322,643	323,375	321,912	323,375

**11.2** The Company purchased 3.568 million of its own ordinary shares during the period, for the purpose of cancellation, from October 11, 2022 till the reporting date at market price prevailing at the date of purchase. The purchase was made pursuant to the special resolution passed in the Extraordinary General Meeting held on September 20, 2022, where the Company was allowed to purchase / buy back its issued ordinary shares up to the maximum of 10 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from September 29, 2022 to March 27, 2023 (both days inclusive) or till such date the purchase is complete, whichever is earlier.

	<b>For the half year ended</b>	
	<b>December 31, 2022</b>	December 31, 2021
	(PKR in '000)	

## **12 CASH GENERATED FROM OPERATIONS**

Profit before taxation	10,076,140	7,588,802
<b>Adjustments for non-cash charges and other items</b>		
Depreciation	5.1 2,387,483	2,239,210
Amortization of intangible assets	13,987	558
Gain on disposal of property, plant & equipment	(115,729)	(75,398)
Provision for gratuity	301,666	239,677
Reversal of provision for doubtful debts	(915)	-
Dividend income from subsidiaries	(1,473,360)	(1,201,932)
Dividend income from other investments	-	(354)
Dividend and other income from associate	(122,273)	(126,369)
Dividend income from short-term investments	(711,422)	(554,727)
Income from deposits with islamic banks	(380,128)	(119,007)
Finance costs	613,210	185,019
Profit before working capital changes	10,588,659	8,175,479
<b>(Increase) / Decrease in current assets</b>		
Stores and spares	(6,220,495)	(6,506,577)
Stock-in-trade	(1,054,976)	(1,592,328)
Trade debts	(617,119)	(612,145)
Loans and advances	225,575	(950,693)
Trade deposits and short-term prepayments	(345,053)	27,199
Other receivables	225,543	373,459
	(7,786,525)	(9,261,085)
<b>Increase in current liabilities</b>		
Trade and other payables	869,019	5,601,246
	3,671,153	4,515,640
<b>12.1 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	3,532,142	1,770,611
Balances held as lien	-	(1,433,111)
Short-term borrowings	(7,308,513)	(6,060,000)
Short-term investments	9,915,194	12,636,615
	6,138,823	6,914,115



# Notes to the Unconsolidated Condensed Interim Financial Statements

For the half year ended December 31, 2022 (Un-audited)

	For the half year ended	
Note	December 31, 2022	December 31, 2021
	(PKR in '000')	

## 13 TRANSACTIONS WITH RELATED PARTIES

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

### Transactions with Subsidiary Companies

Reimbursement of expenses to the Company	5,794	60
Sales	28,409	76,914
Sales of fixed assets	25,740	-
Purchases	19,649	-
Purchase of vehicles	80,081	205,419
Investment made during the period	-	2,200,000
Dividend received	1,473,360	1,201,932
Payment against claim of tax loss	-	613,992
Services received	21	111

### Transactions with Directors and their close family members

Sales	349	255
Meeting fee	3,469	688

### Transactions with Associated Undertakings

Sales	312,230	377,460
Dividend and other income received	122,273	126,369
Reimbursement of expenses to Company	10,655	10,867
Reimbursement of expenses from Company	21,464	16,261
Donation	122,500	110,000

### Transactions with other key management personnel

Salaries and benefits	181,349	151,800
Post employment benefits	31,049	23,685

## 14 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 14.1 Financial risk factors

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

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

### 14.2 Fair value hierarchy

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

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

December 31, 2022 (Un-audited)				
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)	-	9,915,194	-	9,915,194
Financial assets - fair value through other comprehensive income				
- Short-term investment (shares of PSX)	14,301	-	-	14,301
	14,301	9,915,194	-	9,929,495

## 15 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on January 27, 2023 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.



**Muhammad Sohail Tabba**  
Chairman / Director



**Muhammad Ali Tabba**  
Chief Executive



**Atif Kaludi**  
Chief Financial Officer

# CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended December 31, 2022 (Un-audited)



# Consolidated Condensed Interim Statement of Financial Position

As at December 31, 2022

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
(PKR in '000')			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	284,758,155	276,029,950
Intangible assets		6,708,724	14,602,075
Right-of-use assets	6	123,553	163,074
		291,590,432	290,795,099
Long-term investments	7	41,527,300	36,544,627
Long-term loans and advances		663,814	551,695
Long-term deposits and prepayments		72,865	70,340
		333,854,411	327,961,761
<b>CURRENT ASSETS</b>			
Stores, spares and consumables		21,008,145	13,656,865
Stock-in-trade		61,968,636	72,021,896
Trade debts		45,207,525	36,355,113
Loans and advances		6,268,135	3,486,666
Trade deposits and short-term prepayments		1,617,828	1,035,845
Other receivables		14,318,068	18,590,025
Tax refunds due from the Government		538,812	538,812
Taxation receivable		136,387	123,926
Accrued return		88,939	39,791
Short-term investments		10,139,110	12,976,155
Cash and bank balances		16,990,087	16,900,459
		178,281,672	175,725,553
Assets attributable to discontinued operations	8	19,738,593	-
<b>TOTAL ASSETS</b>		<b>531,874,676</b>	<b>503,687,314</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid-up capital		3,233,750	3,233,750
Reserves		184,809,548	167,630,764
Attributable to the owners of the Holding Company		188,043,298	170,864,514
Non-controlling interest		30,392,156	28,893,975
Total equity		218,435,454	199,758,489
<b>NON-CURRENT LIABILITIES</b>			
Long-term loans		127,878,760	127,874,326
Long-term deposits and other liabilities		7,662,105	7,170,303
Lease liabilities		91,292	88,182
Deferred income - Government grant		4,678,597	4,361,931
Deferred liabilities			
- Staff Gratuity - unfunded		3,076,372	2,804,294
- Deferred tax liability	9	12,420,400	12,307,123
		15,496,772	15,111,417
		155,807,526	154,606,159
<b>CURRENT LIABILITIES</b>			
Current portion of long-term loans		6,291,757	5,081,071
Trade and other payables		69,600,591	78,407,163
Taxation - net		8,093,831	6,957,350
Accrued markup		812,764	576,471
Short-term borrowings and running finance		63,854,005	58,153,464
Current portion of lease liabilities		54,463	96,117
Unclaimed dividend		50,513	51,030
		148,757,924	149,322,666
		304,565,450	303,928,825
Liabilities associated with discontinued operations	8	8,873,772	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>531,874,676</b>	<b>503,687,314</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10		

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.

  
**Muhammad Sohail 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, 2022 (Un-audited)

	Note	Half year ended		Quarter Ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		(PKR in '000')		(PKR in '000')	
<b>Revenue</b>	11	219,531,705	154,502,628	112,310,098	85,233,472
Less: Sales tax and excise duty		29,090,478	25,216,229	14,808,685	13,837,128
Rebates, incentives and commission		4,851,648	5,906,646	2,544,481	2,998,124
		33,942,126	31,122,875	17,353,166	16,835,252
<b>Net Revenue</b>		185,589,579	123,379,753	94,956,932	68,398,220
Cost of sales		(146,526,046)	(97,991,358)	(74,024,739)	(54,671,357)
<b>Gross profit</b>		39,063,533	25,388,395	20,932,193	13,726,863
Distribution cost		(5,262,641)	(5,180,555)	(2,539,135)	(2,969,470)
Administrative expenses		(2,863,401)	(3,426,342)	(1,396,690)	(1,794,987)
Finance cost		(13,715,554)	(913,650)	(7,230,811)	(573,967)
Other expenses		(1,861,529)	(1,642,868)	(688,100)	(868,011)
Other income	12	3,083,746	3,355,614	1,630,251	719,227
Share of profit - joint ventures and associate		3,650,206	2,936,473	2,469,529	1,682,564
<b>Profit before taxation</b>		22,094,360	20,517,067	13,177,237	9,922,219
Taxation		(4,278,282)	(3,363,053)	(2,008,122)	(1,627,278)
<b>Profit after taxation from continuing operations</b>		17,816,078	17,154,014	11,169,115	8,294,941
Profit after taxation from discontinued operations	8	507,507	-	221,945	-
<b>Profit after Taxation</b>		18,323,585	17,154,014	11,391,060	8,294,941
<b>Attributable to:</b>					
Owners of the Holding Company		15,913,378	13,146,700	10,464,026	6,496,009
Non-controlling interest		2,410,207	4,007,314	927,034	1,798,932
		18,323,585	17,154,014	11,391,060	8,294,941
<b>Earnings per share - basic and diluted</b>	13				
- continuing operations		48.88	40.66	32.31	20.09
- discontinued operations		0.44	-	0.19	-
		49.32	40.66	32.51	20.09

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.

  
**Muhammad Sohail 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, 2022 (Un-audited)

	Half year ended		Quarter Ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	(PKR in '000')		(PKR in '000')	
<b>Profit after taxation from continuing operations</b>	17,816,078	17,154,014	11,169,115	8,294,941
<b>Other comprehensive income for the period</b>				
Other comprehensive loss which may be reclassified to profit or loss in subsequent periods:				
Unrealized (loss) / gain 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	2,949,610	2,094,017	(339,019)	681,299
Unrealized loss on remeasurement of equity investment at fair value through other comprehensive income	(3,805)	(15,150)	(3,132)	(7,982)
Deferred tax thereon	476	2,273	392	1,377
	(3,329)	(12,877)	(2,740)	(6,605)
	2,946,281	2,081,140	(341,759)	674,694
<b>Total comprehensive income for the period from continuing operations</b>	20,762,359	19,228,694	10,827,356	8,971,642
Discontinued operations				
Profit after taxation from discontinued operations	507,507	-	221,945	-
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	21,269,866	19,228,694	11,049,301	8,971,642
Attributable to:				
Owners of the Holding Company	18,859,659	15,224,286	10,122,267	7,171,806
Non-controlling interest	2,410,207	4,004,408	927,034	1,799,836
	21,269,866	19,228,694	11,049,301	8,971,642

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.



**Muhammad Sohail 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, 2022 (Un-audited)

	Note	Half Year Ended	
		December 31, 2022	December 31, 2021
(PKR in '000')			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from / (used in) operations</b>	14	19,103,993	(6,034,266)
Finance cost paid		(11,559,965)	(4,796,822)
Income tax paid		(2,287,153)	(3,369,587)
Staff retirement benefits paid		(84,534)	(85,813)
Income from deposits with Islamic banks and other financial institutions		1,086,990	642,069
Increase in long-term loans and advances		(64,480)	(74,140)
Decrease / (increase) in long-term deposits and prepayments		2,466	(6,987)
Discontinued operations	8.3	442,449	-
<b>Net cash generated from / (used in) operating activities</b>		<b>6,639,766</b>	<b>(13,725,546)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(16,848,640)	(22,160,494)
Impact of acquisition of NutriCo Pakistan Limited		-	(481,023)
Dividend received from equity accounted investments		2,325,552	126,369
Dividend received from short-term investments		714,499	555,081
Release / (placement) of balance as lien		1,111,111	(1,111,111)
Sale proceeds on disposal of property, plant and equipment		204,506	211,985
Discontinued operations	8.3	4,745	-
<b>Net cash used in investing activities</b>		<b>(12,488,227)</b>	<b>(22,859,193)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term finance obtained		5,918,703	8,672,911
Long-term finance repaid		(6,773,223)	(1,322,860)
Payment against finance lease liability		(49,385)	(47,583)
Dividends paid to owners of the Holding Company		(517)	(1,082)
Dividends paid to Non-controlling interest		(797,842)	(1,359,387)
Own shares purchased for cancellation (note 13.2)		(1,680,875)	-
Discontinued operations	8.3	(616,414)	-
<b>Net cash (used in) / generated from financing activities</b>		<b>(3,999,553)</b>	<b>5,942,000</b>
Net decrease in cash and cash equivalents		(9,848,014)	(30,642,739)
Cash and cash equivalents at the beginning of the period		(29,406,067)	27,353,606
Effect of foreign currency translation on cash		64,143	(208,450)
Cash and cash equivalents at the end of the period		<b>(39,189,938)</b>	<b>(3,497,583)</b>
<b>Cash and cash equivalents at December 31 comprise of:</b>			
Cash and bank balances		17,133,486	12,936,800
Short-term borrowings and running finance		(66,238,618)	(27,637,887)
Bank balance marked as lien		-	(1,433,111)
Short term investments		9,915,194	12,636,615
		<b>(39,189,938)</b>	<b>(3,497,583)</b>

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.

  
**Muhammad Sohail 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, 2022 (Un-audited)

	Issued, subscribed and paid-up capital	Capital reserve		Revenue reserves		Total reserves	Non-controlling interest	Total equity	
		Share premium	Own shares purchased for cancellation	Foreign currency translation reserve	General reserves				Unappropriated profit
(PKR in '000')									
<b>Balance as at July 01, 2021</b>	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)
Non-controlling interest recognized on the acquisition of NutriCo Pakistan Limited	-	-	-	-	-	-	-	1,147,635	1,147,635
Dividends paid to non-controlling interest of LHL	-	-	-	-	-	-	-	(61,991)	(61,991)
Profit after taxation	-	-	-	-	-	13,146,700	13,146,700	4,007,314	17,154,014
Other comprehensive income	-	-	-	2,094,017	-	(16,431)	2,077,586	(2,906)	2,074,680
Total comprehensive income for the half year ended December 31, 2021	-	-	-	2,094,017	-	13,130,269	15,224,286	4,004,408	19,228,694
<b>Balance as at December 31, 2021</b>	<u>3,233,750</u>	<u>7,343,422</u>	<u>-</u>	<u>5,786,168</u>	<u>99,164,187</u>	<u>35,319,896</u>	<u>147,613,673</u>	<u>25,661,986</u>	<u>176,509,409</u>
<b>Balance as at July 01, 2022</b>	3,233,750	7,343,422	-	9,433,058	99,164,187	51,690,097	167,630,764	28,893,975	199,758,489
Transfer to general reserves	-	-	-	-	15,340,066	(15,340,066)	-	-	-
Dividends paid to non-controlling interest of ICI	-	-	-	-	-	-	-	(623,416)	(623,416)
Dividends paid to non-controlling interests of LMC	-	-	-	-	-	-	-	(288,610)	(288,610)
Own shares purchased for cancellation (note 13.2)	-	-	(1,680,875)	-	-	-	(1,680,875)	-	(1,680,875)
Profit after taxation	-	-	-	-	-	15,913,378	15,913,378	2,410,207	18,323,585
Other comprehensive income	-	-	-	2,949,610	-	(3,329)	2,946,281	-	2,946,281
Total comprehensive income for the half year ended December 31, 2022	-	-	-	2,949,610	-	15,910,049	18,859,659	2,410,207	21,269,866
<b>Balance as at December 31, 2022</b>	<u>3,233,750</u>	<u>7,343,422</u>	<u>(1,680,875)</u>	<u>12,382,668</u>	<u>114,504,253</u>	<u>52,260,080</u>	<u>184,809,548</u>	<u>30,392,156</u>	<u>218,435,454</u>

The annexed notes from 1 to 18 form an integral part of these consolidated condensed interim financial statements.



**Muhammad Sohail 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, 2022 (Un-audited)

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## 1 THE GROUP AND ITS OPERATIONS

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

### 1.1 Lucky Cement Limited

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

### 1.2 Lucky Holdings Limited

Lucky Holdings Limited (LHL) was incorporated in Pakistan on September 6, 2012 as a public unlisted company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017). The head office of LHL is situated at 6 - A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi in the province of Sindh, whereas the registered office of LHL is situated at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa. LHL's main source of earning is royalty income.

In accordance with the share purchase agreement between LHL and ICI Omicron B.V. (the seller), LHL acquired the trademark of ICI word mark and roundel device along with the right to sub license the same within the territory of Pakistan for polyester fiber and soda ash products and in India for soda ash products only.

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

### 1.3 LCL Investment Holdings Limited

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

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

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

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

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

#### 1.4 Lucky Motor Corporation Limited

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

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

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

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

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

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

# Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2022 (Un-audited)

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

Lucky Core Industries Limited (Formerly ICI Pakistan Limited) (LCI) was incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. LCI is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; 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 LCI is situated at 5 West Wharf, Karachi. The Holding Company held 55% of shares of LCI as at December 31, 2022 (June 30, 2022: 55% holding). Details of LC's equity investments are as follows:

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

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

### 1.5.2 NutriCo Morinaga (Private) Limited

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

As per the share purchase agreement with Morinaga Milk Industry Co. Ltd Japan, LCI has decided to dispose 26.5 % of investment held in NutriCo, further details are referred in note 8.

### 1.5.3 Change of the Subsidiary Company name

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

## 1.6 Lucky Electric Power Company Limited

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

The principal operation of LEPCL is to carry out the business of power generation and sale of electricity. LEPCL has been formed for the purpose of development of a 660 MW coal fired power plant based on Thar Lignite Coal (the Project).

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

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## 2 STATEMENT OF COMPLIANCE

**2.1** These consolidated condensed interim financial statements of the Group for the half year ended December 31, 2022 have been prepared in accordance with the accounting and reporting standards applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

**2.2** These consolidated condensed interim financial statements do not include all the information and disclosures required in the consolidated annual audited financial statements, and should be read in conjunction with the Group's consolidated annual audited financial statements for the year ended June 30, 2022.

## 3 SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

## 4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

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

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

# Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2022 (Un-audited)

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

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

## 5 PROPERTY, PLANT AND EQUIPMENT

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

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
(PKR in '000')			
Operating fixed assets (WDV) - opening balance		246,416,524	102,227,387
Less: Assets attributable to discontinued operations - opening balance	8	5,364,030	-
Add: Additions during the period / year	5.2	43,292,971	155,786,401
		284,345,465	258,013,788
Less: Disposals during the period / year (WDV)		175,037	282,495
Depreciation charge for the period / year		7,596,036	11,314,769
Operating fixed assets (WDV) - closing balance		276,574,392	246,416,524
Add: Capital work-in-progress	5.3	7,846,345	29,196,375
Add: Capital spares		337,418	417,051
		284,758,155	276,029,950

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

	(Un-audited) December 31, 2022	
	Additions (Cost)	Deletions (Cost)
(PKR in '000')		
<b>Operating fixed assets</b>		
<u>Buildings on free hold land</u>		
- Cement plant	960,498	-
- Power plant	42,910	-
- Others	38,372	-
<u>Buildings on leasehold land</u>		
- Cement plant	11,686	-
- Power plant	825	-
- Others	1,087,547	31,937
Limebeds on free hold land	69,522	-
Machinery	34,310,789	116,902
Generators and other power generation equipments	6,279,333	66,834
Quarry equipments	2,964	-
Vehicles including cement bulkers	178,212	180,298
Furniture and fixtures	72,375	110,838
Office equipments	18,237	443
Computer and accessories	138,283	15,801
Other assets	81,418	40,359
	43,292,971	563,412

	Note	(Un-audited) December 31, 2022	(Audited) June 30, 2022
(PKR in '000')			
<b>5.3</b>	Following is the movement in capital work-in-progress during the period / year:		
Opening balance		29,196,375	113,013,987
Add: Additions during the period / year		17,033,817	65,227,762
		<u>46,230,192</u>	<u>178,241,749</u>
Less: Transferred to operating fixed assets		38,317,671	149,045,374
Less: Transferred to intangible assets		66,176	-
Closing balance		<u>7,846,345</u>	<u>29,196,375</u>
<b>6</b>	<b>RIGHT-OF-USE ASSETS</b>		
Opening		163,074	234,202
Additions		-	9,527
Less: Depreciation charged during the period / year		39,521	80,655
Closing net book value		<u>123,553</u>	<u>163,074</u>
<b>7</b>	<b>LONG-TERM INVESTMENTS</b>		
<b>Equity accounted investment</b>			
<b>Joint ventures</b>			
Lucky Al-Shumookh Holdings Limited	7.1	9,228,003	9,625,612
LuckyRawji Holdings Limited	7.2	20,562,776	17,168,498
Al-Shumookh Lucky Investments Limited	7.3	10,038,130	8,079,964
LR International General Trading FZCO	7.4	-	-
		<u>39,828,909</u>	<u>34,874,074</u>
<b>Associate</b>			
Yunus Energy Limited	7.5	1,695,891	1,668,053
		<u>41,524,800</u>	<u>36,542,127</u>
<b>Equity securities</b>			
Arabian Sea Country Club Limited (250,000 ordinary shares of PKR 10 each)		2,500	2,500
		<u>41,527,300</u>	<u>36,544,627</u>
<b>7.1</b>	<b>Lucky Al-Shumookh Holdings Limited (LASHL)</b>		
Investment at cost		1,912,283	1,912,283
Share of cumulative profit at the beginning of the period / year		3,393,895	4,538,114
Share of profit during the period / year		842,057	1,666,543
Dividend received during the period / year		(2,203,279)	(2,810,762)
		<u>2,032,673</u>	<u>3,393,895</u>
Foreign currency translation reserve		5,283,047	4,319,434
		<u>9,228,003</u>	<u>9,625,612</u>



# Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2022 (Un-audited)

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	(PKR in '000')	
The Group's interest in LASHL's assets and liabilities is as follows:		
Total assets	20,003,789	19,915,760
Total liabilities	(1,547,784)	(664,536)
Net assets (100%)	<u>18,456,005</u>	<u>19,251,224</u>
Group's share of net assets (50%)	<u>9,228,003</u>	<u>9,625,612</u>
The Group's share in LASHL's profit or loss is as follows:		
Revenue	<u>8,575,360</u>	<u>14,583,776</u>
Net profit (100%)	<u>1,684,114</u>	<u>3,333,086</u>
Group's share of net profit (50%)	<u>842,057</u>	<u>1,666,543</u>
<b>7.2 LuckyRawji Holdings Limited (LRHL)</b>		
Investment at cost	6,870,050	6,870,050
Share of cumulative profit at the beginning of the period / year	2,808,132	1,606,586
Share of profit during the period / year	1,565,905	1,492,336
Dividend received during the year	-	(290,790)
	<u>4,374,037</u>	<u>2,808,132</u>
Foreign currency translation reserve	<u>9,318,689</u>	<u>7,490,316</u>
	<u>20,562,776</u>	<u>17,168,498</u>
The Group's interest in LRHL's assets and liabilities is as follows:		
Total assets	53,360,285	47,455,394
Total liabilities	(12,234,733)	(13,118,398)
Net assets (100%)	<u>41,125,552</u>	<u>34,336,996</u>
Group's share of net assets (50%)	<u>20,562,776</u>	<u>17,168,498</u>
The Group's share in LRHL's profit or loss is as follows:		
Revenue	<u>15,677,774</u>	<u>18,990,201</u>
Net profit (100%)	<u>3,131,809</u>	<u>2,984,671</u>
Group's share of net profit (50%)	<u>1,565,905</u>	<u>1,492,336</u>

	<b>(Un-audited) December 31, 2022</b>	(Audited) June 30, 2022
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(PKR in '000')

### 7.3 AI-Shumookh Lucky Investments Limited (ASLIL)

Investment at cost - Opening	3,399,022	3,399,022
Share of cumulative profit at the beginning of the period / year	3,014,847	958,736
Share of profit during the period / year	1,093,275	2,056,111
	4,108,122	3,014,847
Foreign currency translation reserve	2,530,986	1,666,095
	<u>10,038,130</u>	<u>8,079,964</u>
The Group's interest in ASLIL's assets and liabilities is as follows:		
Total assets	37,349,113	31,958,264
Total liabilities	(17,272,854)	(15,798,336)
Net assets (100%)	<u>20,076,259</u>	<u>16,159,928</u>
Group's share of net assets (50%)	<u>10,038,130</u>	<u>8,079,964</u>
The Group's share in ASLIL's profit or loss is as follows:		
Revenue	9,427,242	14,480,159
Net profit (100%)	2,186,550	4,112,222
Group's share of net profit (50%)	<u>1,093,275</u>	<u>2,056,111</u>

### 7.4 LR International General Trading FZCO (LRIGT)

Investment at cost	1,115	1,115
Share of cumulative loss at the beginning of the period / year	(3,446)	-
Share of loss during the period / year	(1,143)	(3,446)
	(4,589)	(3,446)
Foreign currency translation reserve	3,474	2,331
	<u>-</u>	<u>-</u>

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

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

	<b>(Un-audited) December 31, 2022</b>	(Audited) June 30, 2022
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(PKR in '000')

Total assets	3,332	6,378
Total liabilities	-	(11,522)
Net assets (100%)	<u>3,332</u>	<u>(5,144)</u>
Group's share of net assets (50%)	<u>1,666</u>	<u>(2,572)</u>

# Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2022 (Un-audited)

	(Un-audited) December 31, 2022	(Audited) June 30, 2022
	(PKR in '000')	
The Group's share in LRIGT's profit or loss is as follows:		
Revenue	-	-
Net loss (100%)	(2,285)	(6,892)
Group's share of net loss (50%)	(1,143)	(3,446)
<b>7.5 Yunus Energy Limited (YEL)</b>		
Investment at cost	611,365	611,365
Share of cumulative profit at the beginning of the period / year	1,056,688	762,249
Share of profit during the period / year	150,111	462,564
Dividend received during the period / year	(122,273)	(168,125)
	1,084,526	1,056,688
	1,695,891	1,668,053

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

## 8 Discontinued Operations

On September 16, 2022, LCI entered into a Share Purchase Agreement (SPA) with Morinaga Milk Industry Co. Ltd Japan (Morinaga Milk) for partial divestment of its 26.5% shareholding in NutriCo Morinaga (Private) Limited (NMPL) at an aggregate sale price of USD 45,082,657 (approximately USD 2.07 per share). The transaction was approved by shareholders in the Annual General Meeting dated September 27, 2022 and by the Competition Commission of Pakistan on December 08, 2022. Subsequent to the period end, the above transaction has been concluded which will be reflected in the condensed interim consolidated financial statements for the period ending March 31, 2023. After the completion of the transaction, LCI will continue to hold approximately 24.5% of the share capital of NMPL and NMPL will be treated as an associate of LCI. As per IFRS 5 - Non Current Asset Held for Sale, LCI's 26.5% investment in NMPL has been classified as held for sale as at December 31, 2022.

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

**(Un-audited)**  
**December 31,**  
**2022**  
(PKR in '000')

**Assets attributable to discontinued operations**

Property & Equipment	5,172,351
Intangible Assets and goodwill	7,773,961
Long-term loans	19,938
Long-term deposits and prepayments	195
Stores, spares and consumables	52,280
Stock-in-trade	2,958,273
Trade debts	1,079,281
Loans and advances	45,717
Trade deposits and short-term prepayments	264,305
Other receivables	1,847,875
Taxation - net	381,018
Cash and bank balances	143,399
<b>Total Assets</b>	<b>19,738,593</b>

**Liabilities associated with discontinued operations**

Long term loan	1,344,311
Trade & other payables	3,365,547
Accrued markup	107,073
Short-term running finance	2,594,228
Current portion of long term loans	451,315
Current portion of deferred income - Government grant	18
Deferred tax liability	1,011,280
<b>Total Liabilities</b>	<b>8,873,772</b>

**Net assets attributable to discontinued operations**

**10,864,821**

	<b>For the half year ended</b>		<b>For the quarter ended</b>	
	<b>(Un-audited)</b>		<b>(Un-audited)</b>	
	<b>December 31,</b>	December 31,	<b>December 31,</b>	December 31,
	<b>2022</b>	2021	<b>2022</b>	2021
	(PKR in '000')		(PKR in '000')	

**8.2 Financial performance of discontinued operations is as follows:**

Turnover - net	7,349,702	6,684,894	3,755,494	3,403,210
Cost of sales	(5,602,695)	(5,238,772)	(2,848,005)	(2,684,905)
Gross Profit	1,747,007	1,446,122	907,489	718,305
Selling and distribution expenses	(448,443)	(380,692)	(249,329)	(215,171)
Administrative and general expenses	(132,560)	(102,042)	(74,745)	(49,331)
Operating profit	1,166,004	963,388	583,415	453,803
Other charges	(484)	(452)	(41)	(100)
Financial charges	(313,698)	(186,525)	(197,316)	(94,939)
Exchange loss - net	(89,686)	(60,944)	(46,537)	(18,966)
Other income	6,743	15,880	3,145	9,269
Profit before taxation	768,879	731,347	342,666	349,067
Taxation	(261,372)	(211,362)	(120,721)	(101,159)
Profit after taxation	507,507	519,985	221,945	247,908

# Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2022 (Un-audited)

	(Un-audited) December 31, 2022	(Un-audited) December 31, 2021 <small>(PKR in '000')</small>
<b>8.3 Cash flows attributable to discontinued operations:</b>		
Net cash generated from operating activities	442,449	696,524
Net cash generated from investing activities	4,745	9,139
Net cash used in financing activities	(616,414)	(605,537)
<b>Net cash (used in) / generated from discontinued operations</b>	<b>(169,220)</b>	<b>100,126</b>
	(Un-audited) December 31, 2022	(Audited) June 30, 2022 <small>(PKR in '000')</small>

## 9 DEFERRED TAX LIABILITY

This comprises of the following :

- Taxable temporary differences	14,562,099	14,637,775
- Deductible temporary differences	(2,141,699)	(2,330,652)
	<u>12,420,400</u>	<u>12,307,123</u>

## 10 CONTINGENCIES AND COMMITMENTS

### 10.1 CONTINGENCIES

There are no significant changes in the status of contingencies and commitments as reported the consolidated annual audited financial statements of the Company for the year ended June 30, 2022, except as disclosed in notes 10.2, 10.3 and 10.4.

	(Un-audited) December 31, 2022	(Audited) June 30, 2022 <small>(PKR in '000')</small>
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### 10.2 COMMITMENTS

#### 10.2.1 Capital commitments

Plant and machinery under letters of credit and others	3,692,938	13,638,851
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#### 10.2.2 Other commitments

Stores, spares and packing material under letters of credit	9,746,765	4,530,101
Bank guarantees issued	21,508,675	20,586,982
Standby Letters of Credit	4,452,205	24,776,933
Post dated cheques	2,541,222	2,194,504
Commitment in connection with LEPCL's project's cost over-run and Payment Service Reserve Account (PSRA) support	31,207,187	28,201,245

	<b>(Un-audited) December 31, 2022</b>	(Audited) June 30, 2022
	(PKR in '000')	

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

Local bodies	84,500	84,500
Others	6,192	6,192
	<u>90,692</u>	<u>90,692</u>

**10.4** Commitments for rentals under operating ljarah contracts in respect of vehicles are as follows:

	<b>(Un-audited) December 31, 2022</b>	(Audited) June 30, 2022
	(PKR in '000')	

**Year**

2021-22	-	2,123
2022-23	6,643	8,491
2023-24	7,060	9,043
2024-25	7,519	9,630
2025-26	8,008	10,256
	<u>29,230</u>	<u>39,543</u>
Payable not later than one year	3,322	2,123
Payable later than one year but not later than five years	25,908	37,420
	<u>29,230</u>	<u>39,543</u>

	Note	<b>For the half year ended December 31, 2022</b>	December 31, 2021
		(PKR in '000')	

**11 SEGMENT REPORTING**

**11.1 GROSS TURNOVER**

Cement	58,705,987	50,606,783
Polyester	20,495,634	19,917,931
Soda Ash	22,738,480	13,446,724
Pharma	6,085,223	6,129,555
Life Sciences & Chemicals	9,994,048	16,440,696
Automobiles & mobile phones assembling	51,664,168	48,267,346
Power Generation	50,077,556	-
Others	1,268,185	1,279,382
Adjustments and elimination of inter-segment balances	(1,497,576)	(1,585,789)
	<u>219,531,705</u>	<u>154,502,628</u>

11.3

# Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2022 (Un-audited)

	Note	For the half year ended	
		December 31, 2022	December 31, 2021
(PKR in '000')			
<b>11.2 OPERATING RESULT</b>			
Cement		8,949,632	6,228,687
Polyester		611,785	1,974,183
Soda Ash		3,295,806	1,991,502
Pharma		563,758	648,072
Life Sciences & Chemicals		825,229	2,029,713
Automobiles & mobile phones assembling		2,424,487	3,917,283
Power Generation		13,786,818	(311,401)
Others		372,777	377,320
Adjustments and elimination of inter-segment balances		107,199	(73,862)
	11.3	<u>30,937,491</u>	<u>16,781,497</u>

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

	For the half year ended	
	December 31, 2022	December 31, 2021
(PKR in '000')		
<b>11.4 GROSS SALES</b>		
Local	210,436,167	145,748,259
Export	9,095,538	8,754,369
	<u>219,531,705</u>	<u>154,502,628</u>

## 12 OTHER INCOME

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

	For the half year ended		For the quarter ended	
	(Un-audited)		(Un-audited)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	(PKR in '000')		(PKR in '000')	

### 13 EARNINGS PER SHARE - BASIC AND DILUTED

Profit attributable to owners of the Holding Company	15,913,378	13,146,700	10,464,026	6,496,009
Weighted average number of ordinary shares (note 13.1)	322,643	323,375	321,912	323,375
Basic and diluted earnings per share (PKR)	49.32	40.66	32.51	20.09
<b>13.1 Weighted average number of ordinary shares</b>				
Outstanding number of shares before own shares purchased	323,375	323,375	323,375	323,375
Less: Impact of own shares purchased during the period (note 13.2)	(732)	-	(1,463)	-
	322,643	323,375	321,912	323,375

**13.2** The Holding Company purchased 3.568 million of its own ordinary shares during the period, for the purpose of cancellation, from October 11, 2022 till the reporting date at market price prevailing at the date of purchase. The purchase was made pursuant to the special resolution passed in the Extraordinary General Meeting held on September 20, 2022, where the Holding Company was allowed to purchase / buy back its issued ordinary shares up to the maximum of 10 million ordinary shares, through Pakistan Stock Exchange Limited, at spot / current share price prevailing during the period from September 29, 2022 to March 27, 2023 (both days inclusive) or till such date the purchase is complete, whichever is earlier.



# Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2022 (Un-audited)

	For the half year ended	
	December 31, 2022	December 31, 2021
	(PKR in '000')	
<b>14 CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	22,094,360	20,517,067
<b>Adjustments for non-cash charges and other items</b>		
Depreciation and amortization	7,833,812	5,063,198
Provision for slow moving spares	46	6,515
Provision for slow moving and obsolete stock-in-trade	59,771	(4,973)
Provision for doubtful debts	16,172	146,971
Provisions and accruals no longer required written back	(740)	(8,242)
Gain on disposal of fixed assets	(32,780)	(102,213)
Provision for staff retirement plan	347,409	286,164
Share of profit from equity accounted investees	(3,650,206)	(2,829,484)
Return from deposits with Islamic banks and other financial institutions	(1,219,962)	(553,215)
Dividend income from short-term investments	(714,499)	(681,451)
Unrealised gain on acquisition of shares of NutriCo Pakistan Limited	-	(1,847,321)
Finance cost	13,596,903	849,009
Profit before working capital changes	38,330,286	20,842,026
<b>(Increase) / decrease in current assets</b>		
Stores, spares and consumables	(7,393,268)	(6,639,367)
Stock-in-trade	6,849,376	(28,089,903)
Trade debts	(9,880,037)	(2,513,185)
Loans and advances	(2,726,727)	(1,466,041)
Trade deposits and short-term prepayments	(674,269)	(2,399,954)
Other receivables	3,666,431	(1,338,643)
	(10,158,494)	(42,447,093)
<b>(Decrease) / increase in current liabilities</b>		
Trade and other payables	(9,067,799)	15,570,801
Cash generated from / (used in) operations	19,103,993	(6,034,266)

## 15 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:

	<b>For the half year ended</b>	
	<b>December 31,</b>	December 31,
	<b>2022</b>	2021
	(PKR in '000')	
<b>Transactions with Associated Undertakings</b>		
Sales	2,740,440	1,210,957
Purchase of goods, materials and services	855,702	1,940,133
Reimbursement of expenses to the Group	10,782	52,506
Reimbursement of expenses from the Group	21,464	16,523
Donation and Charity	292,297	178,284
Dividends and other income received	122,273	126,369
Dividends paid	367,684	490,246
Dividend received from Joint Venture	2,203,279	-
Fee for Technical Services from Joint Venture	783,889	-
Rent paid	-	17,996
Services received	-	37,839
Loan obtained from Joint Venture	1,055,308	1,406,636
Services rendered	-	105
<b>Transactions with Directors and their close family members</b>		
Meeting fee	3,469	255
Sales	349	688
<b>Transactions with other key management personnel</b>		
Salaries and benefits	630,167	548,842
Post employment benefits	65,071	45,690
Dividends paid	35,512	51,434
<b>Staff retirement benefit plan</b>		
Contribution	200,995	184,839

## 16 SUBSEQUENT EVENT

Subsequent to the period end, LCI received confirmation from Lotte Chemical Corporation that their board of directors has approved the sale of approximately 75.01% of the issued and paid up capital of Lotte Chemical Pakistan Limited, comprising approximately of 1,135,860,105 ordinary shares to LCI (the 'Proposed Transaction') against the submission of its binding bid dated July 22, 2022. Completion of proposed transaction remains subject to the signing of the Share Purchase Agreement and other transactional document between the parties, along with receipt of necessary approvals, including the LCI's Board of Directors.

## 17 GENERAL

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

**17.2** 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.

# Notes to the Consolidated Condensed Interim Financial Statements

For the half year ended December 31, 2022 (Un-audited)

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## 18 DATE OF AUTHORISATION FOR ISSUE

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



**Muhammad Sohail Tabba**  
Chairman / Director



**Muhammad Ali Tabba**  
Chief Executive



**Atif Kaludi**  
Chief Financial Officer





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