

NOTICE OF 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting (AGM) of the members of **Lucky Cement Limited** will be held on Friday, September 27, 2019 at 11:30 a.m., at the registered office of the Company situated at factory premises in Pezu, District Lakki Marwat, Main Indus Highway, Khyber Pakhtunkhwa to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements for the year ended June 30, 2019 together with the Board of Directors' and Independent Auditors' reports thereon.
2. To declare and approve final cash dividend @ 65% i.e. PKR 6.50 per share for the year ended June 30, 2019, as recommended by the Board of Directors.
3. To appoint Auditors and fix their remuneration for the year ending June 30, 2020. The present Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

4. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2019 by passing the following special resolution with or without modification:

"RESOLVED THAT the transactions conducted with Related Parties as disclosed in the note 37 of the unconsolidated financial statements for the year ended June 30, 2019 and specified in the Statement of Material Information under Section 134 (3) be and are hereby ratified, approved and confirmed."

5. To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2020 by passing the following special resolution with or without modification:

"RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending June 30, 2020."

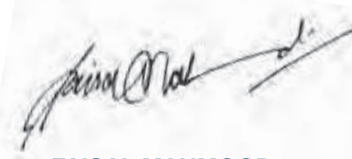
"RESOLVED FURTHER that these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval."

ANY OTHER BUSINESS:

6. To transact any other business with the permission of chair.

(Attached to this Notice is a Statement of Material Facts covering the above-mentioned Special Business, as required under Section 134(3) of the Companies Act, 2017).

By Order of the Board



FAISAL MAHMOOD
Company Secretary

Karachi: September 06, 2019

Notes:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company shall remain closed from Friday, September 13, 2019 to Friday, September 27, 2019 (both days inclusive). Transfers received in order at our Share Registrar M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 at the close of business on Thursday, September 12, 2019 shall be treated in time for the purpose of Annual General Meeting and payment of cash dividend, if approved by the shareholders.

2. Participation in General Meeting

An individual beneficial owner of shares must bring his / her original CNIC or Passport, Account and Participant's I.D. numbers to prove his / her identity. A representative of corporate members, must bring the Board of Directors' Resolution and / or Power of Attorney and the specimen signature of the nominee. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A member entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her. Proxies in order to be effective must be received at the Company's Registered Office, Main Indus Highway, Pezu, District Lakki Marwat, Khyber Pakhtunkhwa not later than 48 hours before the time of holding the Meeting and no account shall be taken of any part of the day that is not a working day. A member shall not be entitled to appoint more than one proxy.

3. Payment of Cash Dividend Electronically (Mandatory Requirement)

In accordance with the provisions of Section 242 of the Companies Act and Companies (Distribution of Dividends), Regulation 2017, a listed company, is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. In this regard, Lucky Cement Limited has already sent letters and Electronic Credit Mandate Forms to the shareholders and issued various notices through publication in newspapers requesting the shareholders to comply with the requirement of providing their International Bank Account Number (IBAN).

Those shareholders who have still not provided their IBAN are once again requested to fill in "Electronic Credit Mandate Form" as reproduced below and available on the Company's website and send it duly signed along with a copy of valid CNIC to their respective CDC participant / CDC Investor account services (in case of shareholding in Book Entry Form) or to the Company's Share Registrar M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 (in case of shareholding in Physical Form).

i.	Shareholder's details	
	Name of the Shareholder(s)	
	Folio # /CDS Account No (s)	
	CNIC No (Copy attached)	
	Mobile / Landline no	
ii.	Shareholders' Bank details	
	Title of Bank Account	
	International Bank Account Number (IBAN)	
	Bank's Name	
	Branch's Name and Address	

In case of non-provision of IBAN, the Company will have to withhold the cash dividend according to SECP directives.

4. Withholding tax on Dividend

l) Pursuant to the provisions of the Finance Act 2019 effective July 1, 2019, the rates of deduction of income tax from dividend payment under the Income Tax Ordinance 2001 have been revised as under:

- (a) for filers of income tax returns:15%
- (b) for non-filer of income tax return:30%

To enable the company to make tax deduction on the amount of cash dividend @15% instead of 30% all the shareholders whose names are not entered into the active tax-payer list (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for approval of the cash dividend i.e. September 23, 2019, otherwise tax on their cash dividend will be deducted @30% instead of 15%

- II) For any query/issue/information, the investors may contact the Company and / or the Share Registrar: The Senior Manager, Share Registrar Department, CDC Share Registrar Services Limited, Telephone Number: 0800-23275 (Toll Free), email address: info@cdcsrsl.com and/ or The Senior Manager, Corporate Secretarial, Telephone Number: 111-786-555 Ext: 2231 email address: company.secretary@lucky-cement.com
- III) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas, corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar i.e. M/s. CDC Share Registrar Services Limited. The shareholders while sending NTN or NTN Certificates, as the case may be, must quote Company name and their respective folio numbers.
- (IV) As per the clarification issued by FBR, withholding tax will be determined separately on “Filer/Non-Filer” status of principal shareholder as well as joint-holder(s) based on their shareholding proportions.

If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to the Registrar and Share Transfer Agent in writing as follows:

Folio / CDC Account No.	Principal Shareholder			Joint Shareholder(s)	
	Total Shares	Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

5. Submission of the CNIC/NTN details (Mandatory)

In accordance with the notification of the Securities and Exchange Commission of Pakistan (SECP) vide SRO 779(1)/2011 dated August 18, 2011 and SRO 83(1)/2012 dated July 5, 2012, dividend counters in electronic form should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, Members who have not yet submitted copy of their valid CNIC or NTN in case of corporate entities are requested to submit the same to the Company’s Share Registrar. In case of non-compliance, the Company shall withhold credit of dividend as per law.

6. Deposit of Physical Shares in to CDC Account:

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e., May 30, 2017.

The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

7. Request for Video Conference Facility

In terms of SECP’s Circular No. 10 of 2014 dated May 21, 2014 read with the provisions contained under section 134(1)(b) of the Act, if the Company receives request /demand from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to availability of such facility in that city.

In this regard, please fill the following form and submit to registered address of the Company 10 (Ten) days before holding of the AGM. After receiving the request/demand of members having 10% or more shareholding in aggregate, the Company will intimate members regarding venue of video conference facility at least five (5) days before the date of AGM along with complete information necessary to enable them to access such facility.

REQUEST FOR VIDEO CONFERENCE FACILITY

I/We/Messrs. _____ of _____ being Member(s) of Lucky Cement Limited, holder of _____ ordinary share(s) as per Folio # _____ and / or CDC Participant ID & Sub-Account No. _____, hereby, opt for video conference facility at _____ city.

Signature of the Member(s)
(please affix company
stamp in case of corporate entity)

8. E-voting

Pursuant to the Companies (E-voting) Regulations, 2016, shareholders will be able to exercise their right to vote through e-voting by giving their consent in writing, at least 10 days before the date of the meeting to the Company on the appointment of Execution Officer by the intermediary as Proxy.

9. Postal Ballot

Pursuant to Companies (Postal Ballot) Regulations 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

10. Zakat deduction and Change of Address

Shareholders desiring to claim exemption from Zakat deduction may file their Declaration before the closing date of the books i.e., September 12, 2019, duly attested by Oath Commissioner on Stamp paper to Company's Share Registrar, otherwise Company shall have to deduct Zakat according to the Zakat and Ushr Ordinance, 1980; and

The members are also requested to notify change in their addresses, if any, and submit if applicable to them to our Share Registrar M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

1. Item Number 4 of the notice – Ratification and approval of the related party transactions carried out during the year ended June 30, 2019

Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2017. However, during the year since majority of the Company's Directors were interested in certain transactions due to their common directorships in the Group companies, the quorum of directors could not be formed for approval of these transactions pursuant to section 207 of the Companies Act, 2017. During the 25th Annual General Meeting of the Company, in order to promote transparent business practices, the shareholders had authorized the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ended June 30, 2019 and such transactions were deemed to be approved by the shareholders. Such transactions were to be placed before the shareholders in next AGM for their formal approval / ratification. Accordingly, these transactions are being placed before the AGM for the formal approval / ratification by shareholders.

All transactions with related parties to be ratified have been disclosed in the note 37 to the unconsolidated financial statements for the year ended June 30, 2019. Party-wise details of such related party transactions are given below:

Name of Related Party	Transaction Type	PKR in '000'
Aziz Tabba Foundation	Donations	200,000
CNC Trading	Sales	417,071
Energas Terminal (Private) Limited	Reimbursement of expenses to company	604
Gadoon Textile Mills Limited	Sales	59,005
	Reimbursement of expenses from company	970
Grandcres Investment Limited	Dividends	78,067
ICI Pakistan Limited	Sales	2,456
	Purchases	6,480
Kia Lucky Motors Pakistan Limited	Sales	162,055
	Investments made during the year	8,922,310
	Purchase of fixed assets	26,771
	Reimbursement of expenses from company	63
	Services	200
	Purchase of tax loss on account of group tax adjustment	1,132,928
Kenzo Holdings Limited	Dividends	182,424
	Reimbursement of expenses to company	65
LCL Holdings Limited	Reimbursement of expenses to company	60
	Guarantees Released	2,000,000
	Guarantees Issued	1,250,000
	Investments made during the year	410,100
Lucky Air (Private) Limited	Reimbursement of expenses to company	1,933
	Services	35,840

Name of Related Party	Transaction Type	PKR in '000'
Lucky Energy (Private) Limited	Dividends	91,863
Lucky Foods (Private) Limited	Reimbursement of expenses to company	13,982
	Sale of fixed assets	1,875
	Sales	997
Lucky Holdings Limited	Guarantees Released	984,375
	Reimbursement of expenses to company	3,352
Lucky Cement Holdings (Private) Limited	Investment	100
	Dividend received	457,000
Lucky Electric Power Company Limited	Reimbursement of expenses to company	44
	Purchase of tax loss on account of group tax adjustment	31,419
	Guarantees Released	838,331
	Sale of fixed assets	1,550
Lucky Landmark (Private) Limited	Sales	935
Lucky One (Private) Limited	Sales	70,872
Lucky Paragon ReadyMix	Sales	16,487
Lucky Textile Mills Limited	Sales	53,745
Nutrico Morinaga (Private) Limited	Sales	52,954
Tabba Heart Institute	Services	262
YB Holdings (Private) Limited	Reimbursement of expenses to company	2,932
YB Pakistan Limited	Dividends	58,844
Yunus Energy Limited	Dividend received	183,410
Yunus Textile Mills Limited	Sales	14,348
	Dividends	171,570
Directors	Meeting fee	1,562
Directors and close family members	Dividends	573,354
Key Management Personnel	Salaries and benefits	227,036
	Retirement Benefits	28,047
	Dividends	56

The company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Board Audit Committee of the Company, which is chaired by an independent director of the company. Upon the recommendation of the Board Audit Committee, such transactions are placed before the board of directors for approval.

Transactions entered into with the related parties include, but are not limited to, sale of cement, dividends paid and received, investments made (in accordance with the approval of shareholders and board where applicable) and salaries and other benefits paid to the key management personnel.

The nature of relationship with these related parties has also been indicated in the note 37 to the unconsolidated financial statements for the year ended June 30, 2019. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

2. Item Number 5 of the notice – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2020

The Company shall be conducting transactions with its related parties during the year ending June 30, 2020 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the subsidiary / associated companies. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ending June 30, 2020, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The Directors are interested in the resolution only to the extent of their common directorships in such related parties.