25 YEARS OF EXCELLENCE

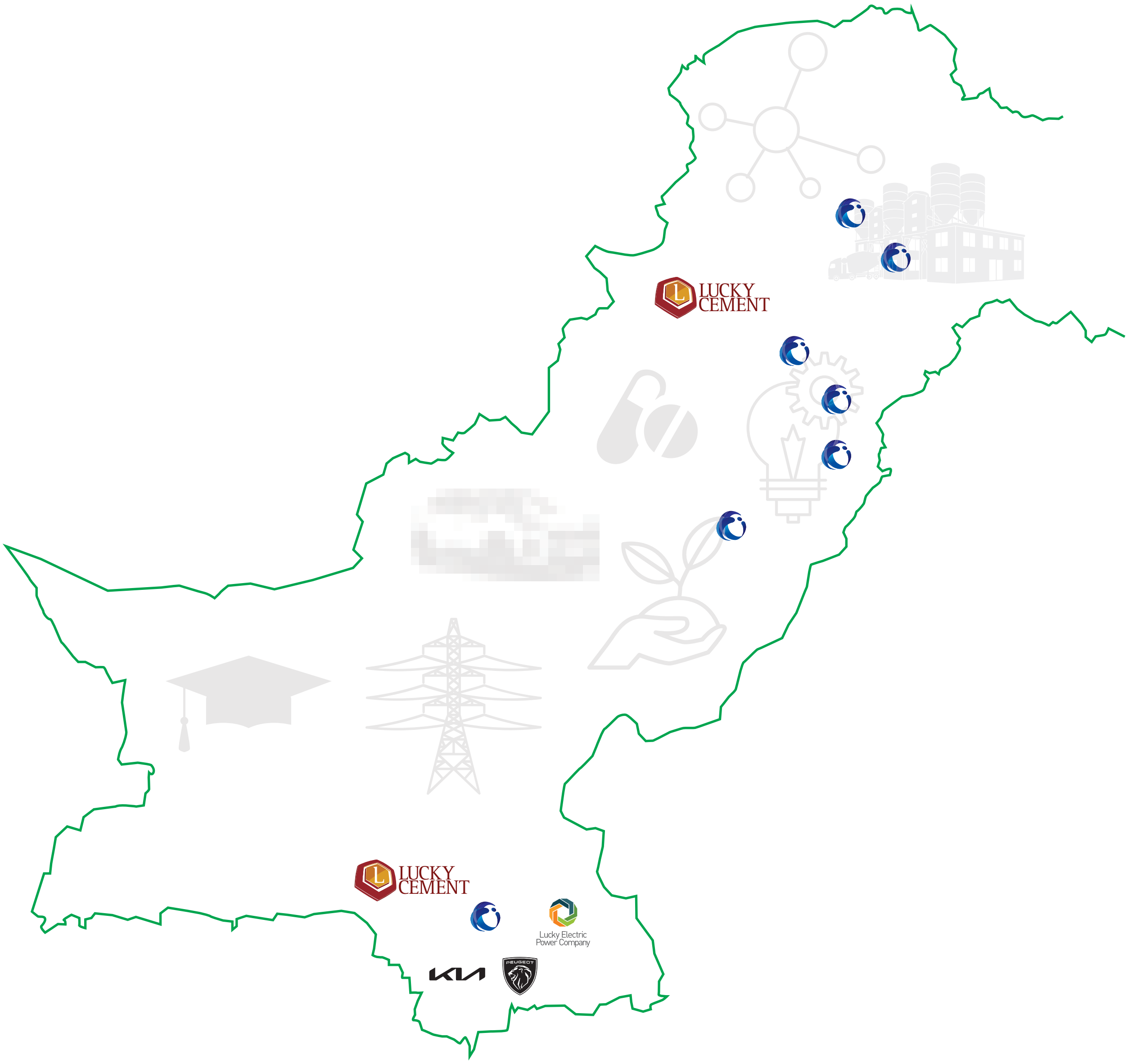
LUCKY CEMENT

STRENGTHENING PAKISTAN

COMMITTED TO NATIONAL DEVELOPMENT

2021 ANNUAL REPORT

YBG



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LUCKY CEMENT

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CIMKO

NAJMAT AL-SAMAWA

STRENGTHENING PAKISTAN

COMMITTED TO NATIONAL DEVELOPMENT

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

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

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

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

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

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

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ICI PAKISTAN LTD. Lucky Electric Power Company KIA PEUGEOT

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ORGANIZATION'S OVERVIEW AND EXTERNAL ENVIRONMENT

COMPANY AND ITS INVESTMENTS

Lucky Cement Limited
Holding Company

- ICI Pakistan Limited — **55%**
  - ICI Pakistan PowerGen Limited — **100%**
  - NutriCo Morinaga (Private) Limited — **51%**
  - NutriCo Pakistan (Private) Limited — **40%***
- Lucky Electric Power Company Limited — **100%**
- Lucky Motor Corporation Limited — **71.14%**

* Subsequent to year-end, ICI has signed a share-purchase agreement to increase its shareholding in NutriCo Pakistan (Private) Limited to 51%.

Lucky Holdings Limited

75%

LCL Investment Holdings Limited

100%

Yunus Energy Limited

20%

LuckyRawji Holdings Limited

50%

Lucky Al Shumookh Holdings Limited

50%

Al Shumookh Lucky Investment Limited

50%

Nyumba Ya Akiba S.A.

100%

Al Mabrooka Cement Manufacturing Company

100%

Najmat Al Samawah

100%

CEO'S MESSAGE

Dear Stakeholders,

I am pleased to report that despite the market volatility and global challenges, Lucky Cement Limited has achieved record-breaking growth and continued to fulfill the promise and commitment to all our stakeholders. Our exponential increase in exports and major contribution in the national development projects was the outcome of our focused system efficiencies, enhanced customer relationship, cost reduction and optimized manufacturing processes. During the year under review, the Company announced another major expansion project and investments for its brownfield expansion.

While we are the largest cement producer in the country with an annual capacity of 12.15 million tons, keeping up the pace with the increasing demand in the domestic market, the latest announced capacity expansion at our Pezu plant of 3.15 MTPA will increase the production capacity to 15.3 MTPA. Project groundbreaking has commenced and the completion target is September 2022.

Coming to the annual results 2020-21; Lucky Cement Limited was able to deliver resilient performance during this fiscal year. On a consolidated basis, the Company's gross turnover increased by 64% to PKR 267.8 billion. Moreover, the consolidated net profit of the company was PKR 28.23 billion of which PKR 5.37 billion is attributable to non-controlling interests which translates into an EPS of PKR 70.69 during the fiscal year ended June 30, 2021.

With the current macro-economic situation, your Company believes that an increased surge in economic activity that triggered healthy demand for cement both in the North and South regions during FY 2021 is expected to continue.

Several initiatives of the Government which includes the construction package, focus on low-cost housing schemes, construction of dams, infrastructure projects and CPEC related activities, are expected to continue strengthening the demand.

Our fully integrated greenfield cement production facility in Samawah, Iraq with a capacity of 1.2 MTPA has successfully completed its trial production, and commenced commercial operations with effect from March 10, 2021. This has further strengthened our foothold internationally, thus, adding value for our shareholders.

The construction activity of 660 MW supercritical, lignite coal-based power plant has been impacted due to the outbreak of Covid-19. However, the project has achieved a completion status of approximately 98.7% as of June 30, 2021, and the Company is following up with the CPPA and NTDC for the earliest completion of interconnection works which is essential for achieving the COD. Based on the current level of readiness by NTDC for providing interconnection facility and the Government's support, the target is to achieve commercial operation by 4th Quarter of calendar year 2021.

As far as our automotive business is concerned, Lucky Motor Corporation Limited (formerly KIA Lucky Motors) with its phenomenal performance this year has launched KIA Sorento and is now ready to introduce Peugeot brand in the near future. Lucky Motor Corporation Limited (formerly KIA Lucky Motors) has entered into an agreement with Samsung Gulf Electronics Co., FZE ("Samsung") for producing Samsung mobile phones in Pakistan.

Our subsidiary ICI Pakistan Limited, which includes Polyester Staple Fiber, Soda Ash, Pharmaceutical, Animal Health, and AgriSciences are expected to witness a stable to strong demand in the near term. The near-term challenge for these businesses would be rising energy prices and sea freight.

Your Company has a proven history and track record of its strong commitment to the improvement of society and the communities in which it operates. Making a real contribution to society and finding solutions to global challenges is fundamental to our way of doing business. To give focus to our efforts, we have set goals that includes the best environmental, social, and governance practices across our operations. The primary focus of CSR initiatives of your Company remains in the education sector, women empowerment, health, environment conservation, and community development.

This year, Lucky Cement received PSX Top 25 Companies' Award for the year 2019, as well as the Best Corporate Report Award with 2nd position in the Cement category at "Best Corporate & Sustainability Report Awards" 2019 held by the joint committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP). Your Company was also recognized by Asiamoney under its Asia's Outstanding Companies Poll 2020 for the Materials sector in Pakistan. Asia's Outstanding Companies Poll recognizes publicly listed companies across the region for their excellence in a variety of business areas and markets.

By bringing the latest manufacturing technologies in the country, we have always aimed to strengthen our technical capabilities thus achieving better efficiencies in our operations. Our diversified business portfolio has helped us in strengthening the industrial base of the country through which we have been able to develop a larger manufacturing footprint and opportunities for growth. We have not only been successful in creating employment opportunities but through innovation and the introduction of new industries in Pakistan we have planted the seeds of industrial evolution. We aim to further, enhance the philosophy of 'Make in Pakistan' by not only exporting value-added products from Pakistan but by also exporting our talented human capital to the world.

I would like to express my sincere gratitude to all our customers, stakeholders, business partners, and employees for their continued support. Together we will be able to achieve more solid performance in the coming fiscal year.

Muhammad Ali Tabba

Chief Executive Officer

KEY HIGHLIGHTS FOR THE YEAR (UNCONSOLIDATED)

Sales Revenue PKR in '000'

2021	88,357,695
2020	62,302,086

Profit After Tax PKR in '000'

2021	14,070,189
2020	3,343,933

Total Assets PKR in '000'

2021	156,368,062
2020	135,868,474

Capital Expenditure PKR in '000'

2021	6,470,913
2020	6,855,816

Earnings per Share PKR

2021	43.51
2020	10.34

Donations & Scholarships PKR in '000'

2021	342,018
2020	174,748

KEY HIGHLIGHTS FOR THE YEAR (CONSOLIDATED)

Sales Revenue	PKR in '000'
2021	267,725,109
2020	162,868,206

Profit After Tax	PKR in '000'
2021	28,228,924
2020	7,317,207

Total Assets	PKR in '000'
2021	361,397,620
2020	291,886,647

Capital Expenditure	PKR in '000'
2021	28,345,961
2020	55,448,544

Earnings per Share	PKR
2021	70.69
2020	18.96

Donations & Scholarships	PKR in '000'
2021	372,074
2020	206,545

A YEAR OF CHALLENGES AND TRANSFORMATIONS

Since March 2020, Pakistan along with the rest of the world, has undergone an unprecedented health crisis caused by the coronavirus pandemic, which has made its impacts felt across industries and societies. As the largest cement manufacturer in Pakistan, with a huge global footprint, we were impacted by the health, economic, political and social challenges.

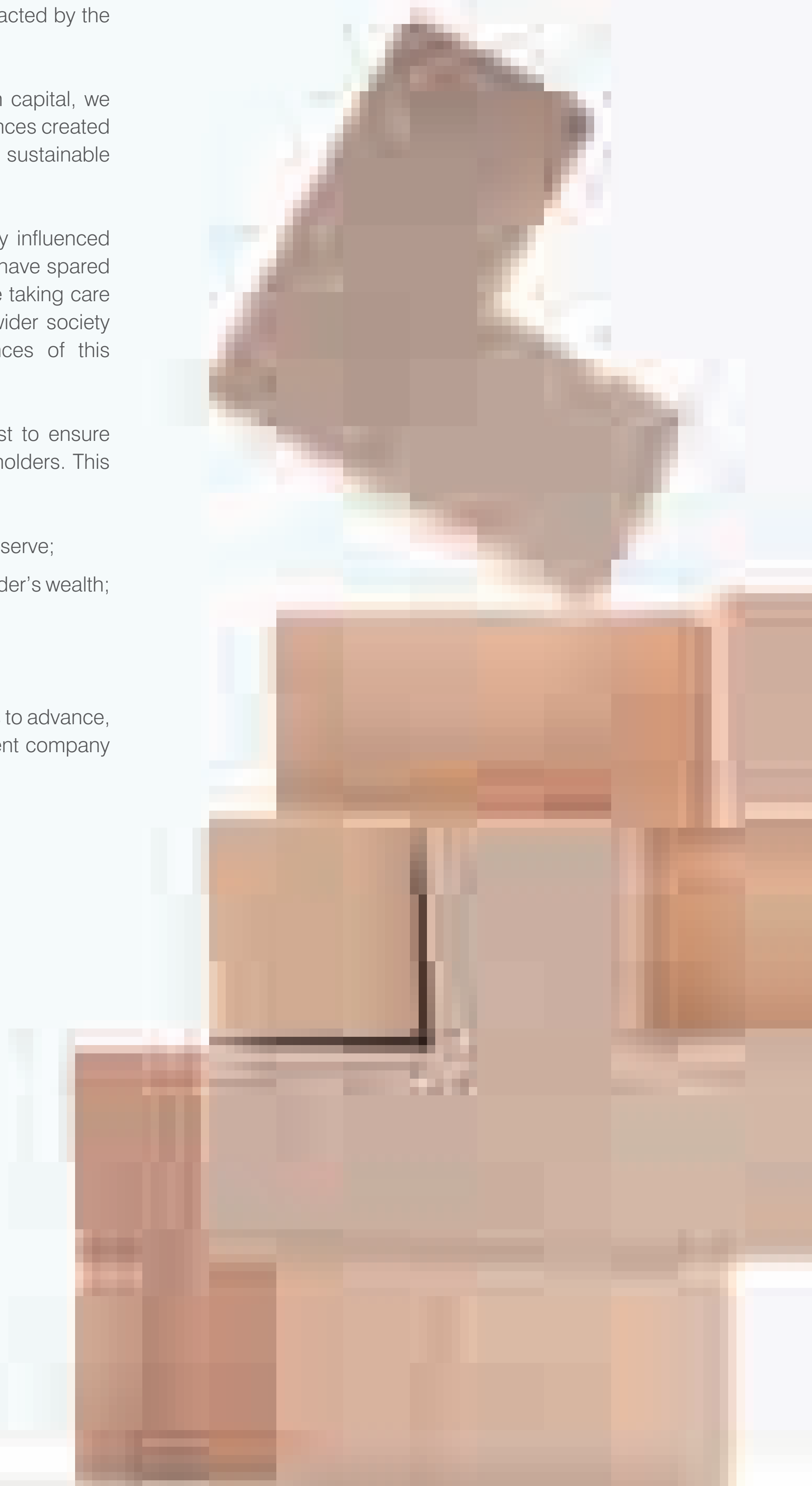
However, with the continuous efforts of our human capital, we not only managed to combat the adverse circumstances created by the Pandemic, but we also continued to achieve sustainable profitability.

In the current times, when the world is significantly influenced by the economic, political, and social situation, we have spared no efforts to continue to serve our customers, while taking care of our employees and taking actions to help the wider society in fighting against the unimaginable consequences of this pandemic.

In a year impacted by COVID 19, we adapted fast to ensure we could continue to create value for all our stakeholders. This meant:

- Caring for our people and the communities we serve;
- Diversifying and investing to maximize shareholder's wealth; and
- Driving operational efficiencies.

The agility and commitment of our people allowed us to advance, keeping us on course to become the leading cement company in Pakistan.



ABOUT THE REPORT

Dear Reader,

Lucky Cement has always been transparent in its practices of value creation for its investors of financial capital. We remain committed to strong corporate governance and leadership as well as transparency in our disclosures. The Report is structured to assist our readers in assessing our business by providing information about the capitals of the Company. We have adopted the International Integrated Reporting Framework to design this Annual Report to give readers an insight into the strategic thinking that drives Lucky Cement forward, encompassing our strategy, governance, performance and prospects in the context of global environment. This report integrates the following sections:

- Organizational overview and external environment
- Risks and opportunities
- Strategy and resource allocation
- Governance
- Stakeholder's relationship and engagement
- Outlook
- Sustainability
- Corporate social responsibility
- Excellence in corporate reporting

We will continue to review our reporting approach to ensure they meet best practice reporting standards and the expectations of our stakeholders and provide visibility on how we create sustainable value for the communities we serve. To ensure that readers are able to correctly understand these activities, we must take a systematic view of financial information linked directly to business activities and non-financial information, and provide explanations accordingly. Such reports help to increase investors' confidence in the corporate practices adopted by the organization.

Nearly everyone on earth was impacted in some way by the COVID-19 pandemic in the financial year just ended. Across all of our markets, it brought challenges and disruption to our people, our ways of working, our customers and the communities we serve. This Annual Report showcases our efforts and actions during the year, and gives a highlight of our operational efficiencies to satisfy the demand within the Industry and across borders.

We wish you a pleasant read.

INTEGRATED REPORTING <IR>

Good accountability practices and transparency for our stakeholders.

Employees	Investors and Analysts	Agencies, regulators and market analyst	Creditors and suppliers	Customers, community and strategy

LOCAL AND INTERNATIONAL MARKETS

Over the years, Lucky Cement has grown in leaps and bounds. Within the country, we have developed a distribution network that allows our cement to be made easily available in every part of the country. For quick delivery of cement and for best possible customer service, Lucky Cement has dedicated warehouses located near all key markets. From the port of Karachi to the picturesque valley of Kashmir and from the upcoming spectacular Gwadar city project to the highlands of Gilgit-Baltistan – Lucky Cement is everywhere!

We are proud to be associated with all major development projects being made by Government and Private sectors. Lucky Cement has been the brand of choice for major projects like Bahria Town Karachi, DHA City Phase 9, HUBCO Power Project, Sukkur to Multan Motorway Project, ENGRO Thar Coal Project as well as for construction work at Gwadar Port City in connection with CPEC.

Internationally too, Lucky Cement has made significant strides. With a high demand for our brand in the Sri Lankan market. We have regained our position as largest loose cement exporter to Sri Lankan Market. Lucky Cement also have a regional office in Colombo. Lucky Cement also started exporting Clinker to China in containers and have secured major orders from Chinese buyers. We're the only company in Pakistan to export sizeable quantities of cement to Philippines in break bulk vessels. The company is targeting East and West Africa for the export of cement and clinker to upsurge its presence in the global markets.

EXPORT DESTINATIONS

Far East

Middle East

Africa

South & Central Asia

OUR PRODUCT PORTFOLIO

OPC

Ordinary Portland Cement (OPC) is used in all general constructions, especially in products where cement is needed to meet stringent quality requirements. OPC is compatible with admixture/retarders. OPC has easy workability & lower heat of hydration. We maintain our technical standard of quality parameter at high level with high strength at all ages. Our cement comply to EN 197-1 CEM | 42.5N, SABS 50197 CEM | 42.5N, SLS 107 42.5N, PS 232:2008 43 Grade, IS 269:2015 43 Grade, PNS TYPE I, ASTM C150 TYPE I standards.

CEM I 42.5R

42.5R Portland cement is used where rapid setting, hardening & higher early strength is required. It is manufactured in accordance with EN 197-1.

CEM II / AL 32.5N

It is a masonry cement & generally used for plastering work. It is manufactured in accordance with EN 197-1 standard.

SRC

Sulphate Resistant Cement is more resistant to Sulphate attacks and is suitable for use in foundations, seashore and control linings. SRC has lower heat of hydration and its strength satisfies EN 197-1 CEM | 42.5N SR3, PS 612:2014 and ASTM C150 TYPE V standards.

53 GRADE CEMENT

Lucky Cement is manufacturing 53 grade OPC special high strength cement for South Market in accordance with PS 232:2008 53 Grade & IS 269:2015 53 Grade. It is used for high strength concrete and prerequisite for high rise buildings

CLINKER

Clinker is usually exported. It can be easily stored as per storage protocol for several months without compromising on the quality.

QUALITY ASSURANCE OF PRODUCTS

Lucky Cement's product portfolio complies with a range of standards, depending upon the geographical territory where it is sold. Advanced technology such as Distributed Control System (DCS), Programmable Logic Controllers (PLCs), on-line X-Ray analyzers and X-Ray Diffractometer are used to ensure that product quality is consistent. Having one of the best-equipped laboratories, with facilities for analysis of fuel and raw material, we ensure that the market is supplied with high quality products.

The following international bureaus of standards have accredited Lucky Cement over the years:

Bureau of Indian Standards	South African Bureau of Standards	Sri Lankan Standard Institute
Philippine National Standards	Kenya Bureau of Standards	Tanzania Bureau of Standards
Standards Organization of Nigeria	ASTM Standards	CE Marking

Furthermore, our products are also in compliance with EN-197-2:2014 conformity evaluation. A conformity mark "CE" is embossed on the packaging of Lucky Cement's international products, a prerequisite for exporting cement to European Union markets.

DIVERSIFICATION AND WEALTH CREATION FOR OUR SHAREHOLDERS

After having a strong footprint in cement manufacturing industry in Pakistan, Iraq and DR of Congo, Lucky Cement has evolved into a conglomerate having strategic investments in diversified industries such as Chemicals, Automobiles and Power. ICI Pakistan Limited which is a subsidiary of the Company is in the business of Soda Ash, Polyester, Life Sciences and Chemicals as at the reporting date. Lucky Motor Corporation Limited (formerly KIA Lucky Motors) has showed remarkable 196% growth in its revenue from sale of automobiles, while it is working to set up a production facility for producing Samsung mobile devices. Lucky Electric Power Company Limited is in the process of setting up 660 MW Super Critical Power Project using Thar Lignite. Besides these, the Company has also made investment in renewable energy, where its associated company, Yunus Energy Limited has developed a 50 MW Wind Power Project.

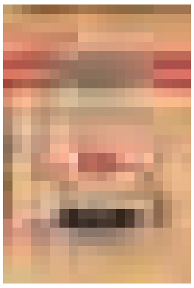
With these diversifications, the Company will not only create value for its shareholders but will also stand out as a progressive Pakistani conglomerate promoting the growth of industrialization in Pakistan.

CORE BRANDS

Our Research and Development (R&D) team is driven by our customers' needs. To cater to their requirements, we have developed a product range which focuses on every type of construction in the Country. Whether it is the Southern region of Sindh & Balochistan or the Northern region of Pakistan including Punjab, KPK and Gilgit Baltistan, we have brands for each section of the Country with respect to its climatic conditions.

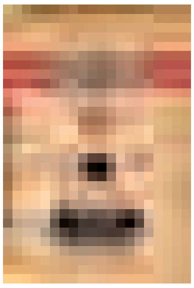
Variations of Ordinary Portland Cement (OPC), Sulphate Resistant Cement (SRC) and Composite Cement are manufactured to meet the wide range of needs of our customers.

Lucky Cement (Regular)



Lucky Gold (OPC)

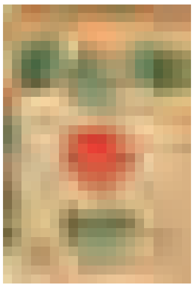
Both the brands are specially developed to cater the needs of our customers in the Northern region of Pakistan.



Lucky Star (OPC)

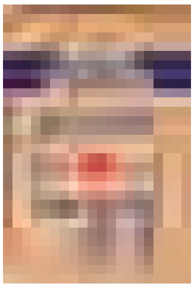
Raj Cement (Composite cement)

Both the brands are specially developed to cater the needs of our customers in the Southern region of Pakistan.



Lucky Supreme

The brand is used for precast concrete civil works (Blocks, Slabs, Poles, Pipes etc), pre stressed Concrete works (Bridges, Silos etc), high rise buildings, reinforced concrete structures, industrial works and foundations where moderate sulphate resistance is required.



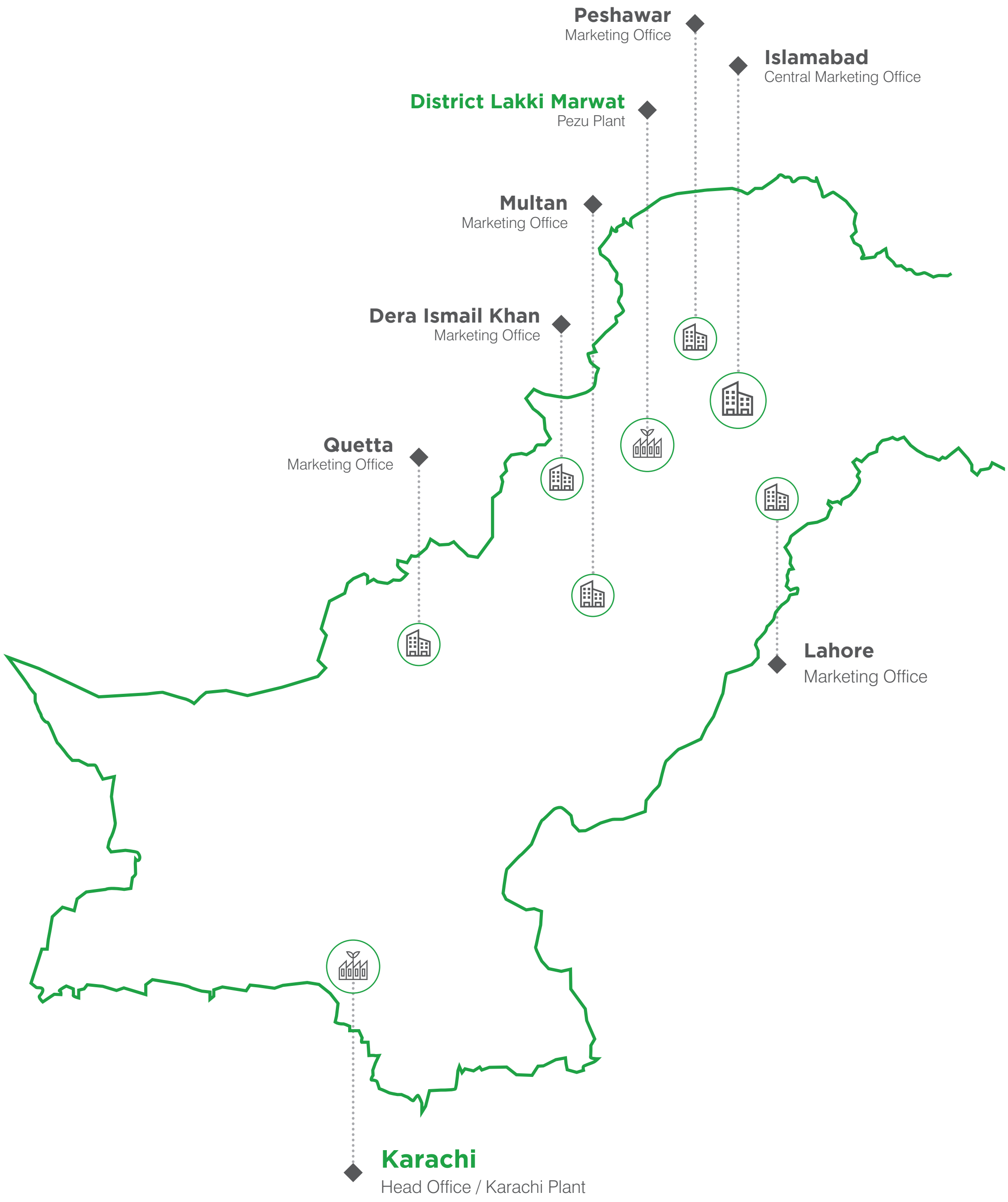
Sulphate Resistant Cement (SRC)

The brand is developed specially for use along shorelines and canal linings, Lucky SRC is a national brand.

Block Cement

The brand is developed specially for block makers with quick setting time, Block Cement is a product that sells primarily in the block segment of the Country and is a national brand.

GEOGRAPHICAL LOCATIONS



Business Unit	Address
Head Office	6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350.
Pezu Plant (Registered Office)	Main Indus Highway, Pezu, Distt. Lakki Marwat, Khyber Pakhtunkhawa.
Karachi Plant	58 Kilometers on Main M9 Highway, Gadap Town, Karachi.
Liaison Offices	ISE Tower (16th Floor), 55-B, Jinnah Avenue, Islamabad.
	2nd Floor, State Life Building, East Circular Road, DI Khan.
	Office Number 607, 6th Floor, The United Mall, Abdali Road, Multan (near Ramada Inn Hotel).
	17-C/3, Gulberg III, near Hussain Chowk, Lahore.
	Syed Tower, Room No. 5, 6 & 7, 3rd Floor Opposite Custom House, University Road, Peshawar.
	F1, First Floor, Institute of Engineers Building, Zarghoon Road, Quetta.

VISION

Ensure sustainable leadership position in Pakistan and increase global footprint in the cement sector. Identify and capitalize on diversification opportunities to maximize shareholders' value while remaining socially responsive in all spheres of operations.

MISSION

We strive to be a growth oriented company by identifying opportunities, making the right investments, producing high quality cement and using innovative technology to achieve cost competitiveness and customer satisfaction. We endeavor to harness the best human resources and providing them a level playing field in achieving long-term goals. We aim to deliver sustained growth and enduring value to our stakeholders. We recognize our obligations towards environment and corporate social responsibility and seek to mitigate any adverse effects on our environment.

CULTURE

We promote a culture of high values, by incorporating sustainability in all of our business operations along with a transparent work environment to deliver the best to our customers. We strongly believe to invest in our human capital, which goes hand in hand with the growth of the Company. Our values of innovation, customer focus, excellence and integrity are at the heart of our efficiency driven culture. The culture of high values has a strong influence on our work-force which helps them in a win-win outcome for both the employees and the organization. Our values provide the foundation of our culture and bind us into a world-class team yearning to stay ahead of the competition. While we thrive in the present and look towards the future, we never forget our roots, constantly reminding ourselves of who we are and how far we have come. We are proud of our history and yet humble in our approach.

ETHICS

Our Code of Conduct reflects our commitment to meet the expectations of our stakeholders and contains the fundamental principles and rules concerning ethical business conduct. Lucky Cement Limited is committed to conducting its business with honesty and integrity. We expect all our employees to create value for our stakeholders by ensuring transparency and accountability in all our practices. As we continue on our trajectory of growth, we continue to maintain the highest standards of ethical and responsible behavior. The adherence of all employees to high standards of integrity and ethical behavior is mandatory and benefits all stakeholders including our customers, communities and shareholders. The Company carefully checks for compliance with the Code by providing suitable information, laying down prevention and control tools to ensure transparency in all transactions and behaviors and takes corrective measures as and when required.

CORE VALUES

Our core values describe how we conduct business in all spheres of operations and our attitude and values towards our stakeholders.

Social Responsibility

Sustainable Development
Philanthropy Driven Projects
Community Development
Environment Friendly Initiatives

Customer Focused

Commitment
Quality and Consistency
Customer Satisfaction
Fair Practices

Entrepreneurship

Value Addition and Creation
Robust Ownership & Loyalty Branding
Identifying and Capitalizing on Opportunities
Business Driven Approach

Ethics and Integrity

Honesty
Integrity
Transparency
Professional Conduct

Innovation

Creative Solutions
Cutting Edge Innovations
Process Automation
Improving upon Industry Benchmarks

Excellence

Setting Industry Benchmarks
Continuous Improvement
Always Open to New Initiatives
Adoption of World Class Technologies

CODE OF CONDUCT

We strive to conduct our businesses with honesty, integrity and in accordance with the highest ethical and legal standards. This code is intended to provide guidance to all stakeholders and applies to all board members, senior management and employees of the Company.

CORPORATE GOVERNANCE PRACTICES

All employees are required to maintain and support the Company in maintaining the highest degree of Corporate Governance practices.

COMPLIANCE OF APPLICABLE LAWS

We expect our employees to comply with the applicable laws and regulations. If anyone commits any breach of law, or does not comply with this code in any area of operations; it should be brought to the notice of his or her supervisor.

TRANSACTIONS' TRANSPARENCY

Company ensures that true, fair and timely business transactions must be recorded by maintaining the accounting and financial reporting standards, as applicable to the company.

REFRAIN FROM INSIDER TRADING

Employees are required to refrain from insider trading and to comply with the insider trading regulations laid down and updated by SECP from time to time.

SECONDARY EMPLOYMENT BY EMPLOYEES

Employees are expected not to indulge in any business other than the Company's employment, which consumes their time, efforts and energy without the approval of and disclosure to the Company's management.

COMPANY ASSETS FORTIFICATION

All employees are expected to be custodians of the Company's assets and should ensure its efficient use including tangible and intangible assets such as facilities, supplies, equipment, machinery, finished products, vehicles, company funds, company time, confidential information, intellectual property and information systems

PROTECTION OF PRIVACY AND CONFIDENTIALITY

Company recommends that all its employees maintain exclusivity of the Company's trade secrets and confidential information acquired during and after performance of their employment. However, the board members and senior management can disclose any such information if it is considered part of public domain by the board or required to be disclosed in accordance with the applicable laws.

CONFLICT OF INTEREST

While representing the Company in dealings with third parties, all Lucky Cement employees shall ensure no actual or apparent conflict of interest exists. All such activities shall be conducted strictly on an arm's length basis. Employees are expected to be honest and ethical in dealing with each other, customers, suppliers, dealers, vendors and contractors to avoid compromises of our commitment to competitive and transparent business practices. All employees are to exercise great care in situations with preexisting personal relationship between an individual and any third party or official of an agency with whom the Company has an existing or potential business relationship. Moreover, no employee shall influence decisions to be made by the Company if any relative is a supplier or competes with the Company in any manner, thereof. All Lucky Cement employees shall avoid conducting business except with the prior approval of the Management requiring proper disclosure with:

I. A relative.
II. A Private Limited Company in which they are a member or their relative is a Director.
III. A Public Limited Company, in which they or their relative(s) hold(s) 2% or more shares or voting rights.
IV. A firm in which a relative is a partner.

ANTI-BRIBERY / CORRUPTION

Lucky Cement employees shall not engage in any kind of bribery or corruption for conducting the Company's business. Employees must not get involved in money laundering or financing of terrorism or any dealings with any person who is engaged in any such activities. No dealings can be made with persons on any sanctioned lists or those subject to any criminal or civil penalties related to narcotics trafficking, corruption, and politically exposed persons or with persons engaged in any litigation or arbitral proceedings against the Company. This prohibition applies everywhere and under all circumstances.

EQUAL EMPLOYMENT OPPORTUNITY

We believe in providing equal opportunities to all. There is no discrimination of caste, religion, color, marital status or gender. All the policies and practices are administered in a manner ensuring equal opportunity to eligible candidates and all decisions are merit based.

HARASSMENT FREE WORKPLACE

Lucky Cement strives to maintain a work environment that is free from harassment whether physical, verbal or psychological. Strict disciplinary action will be taken against any person who is found to be in breach of this rule.

BORROWING MONEY

Borrowing money from fellow colleagues or Company business associates is strictly forbidden.

RECEIVING OF GIFTS, PAYMENTS OR FAVORS

No Company employees should solicit any gifts, payments or favors, from customers or suppliers or any business associates; since doing so might compromise, or appear to compromise their ability to make objective business decisions in the best interest of the Company. However, if such a gift is received, the same shall be submitted through the immediate supervisor to the Corporate Communication department for utilization by the Company.

CORPORATE SOCIAL RESPONSIBILITY AND HEALTH AND SAFETY MEASURES

We adhere to our stringent CSR policy and we do not compromise on health and safety measures in our business.

MEDIA RELATIONS AND INVOLVEMENT

All Lucky Cement employees should report and take written approval from the Corporate Communications department before any contact with media in terms of acting, television appearances or writing an article for newspapers or magazines for representing the Company's position in the industry and media.

BREACH OF I.T. SECURITY

Employees shall use computer resources only for business requirements and any breach of I.T. security protocol is prohibited.

PERSONAL USE OF TELEPHONES AND COMPUTERS

All employees are expected to restrict their personal use of telephones and computers at the workplace except for urgent and unavoidable issues.

WHISTLE BLOWING

All employees are advised to immediately report any improper, unethical or illegal conduct of any colleague or supervisor through the following avenues:
P. O - BOX: 13018, Karachi, 75350
Email address: ethics@lucky-cement.com

ROAD TO SUCCESS

1993

- Incorporated in Pakistan.

1994

- Listed on Karachi, Lahore and Islamabad Stock Exchanges (now known as Pakistan Stock Exchange).

1996

- Commenced commercial production with capacity of 1.2 MTPA.

1999

- Production capacity increased to 1.5 MTPA.

2007

- First Company to export loose cement via sea.

2008

- Set up its own cement storage facility at Karachi Port.
- Furnace Oil Power Generation engines converted to Dual Fuel engines.
- Listed on London Stock Exchange and became the first Pakistani cement Company to issue GDRs.

2009

- Brownfield expansion at Karachi Plant by 1.25 MTPA.

2010

- Commencement of Waste Heat Recovery (WHR) projects at Karachi and Pezu Plant.
- Increased investments for Logistics / Multipurpose trailers.

2015

- Vertical grinding mills installed at Karachi Plant.
- Commencement of operations of 5MW each Waste Heat Recovery plant in Karachi and Pezu.
- Won the 30th MAP's Corporate Excellence Award in Cement Category.

2016

- Won the 31st MAP's Corporate Excellence Award in Cement Category.
- Implementation of SAP S/4 HANA across the Company.

2017

- Started operating 10MW Waste Heat Recovery Project at Pezu Plant.
- Diversified into automotive business with incorporation of Lucky Motor Corporation Limited.
- Started commercial operations of 1.18 MTPA fully integrated cement plant in DR Congo
- Won the 32nd MAP's Amir S Chinoy Corporate Excellence Award in the Industrial Category.

2018

- Completed brownfield expansion in cement grinding plant in Basra, Iraq by 0.871 MTPA.
- Completed brownfield expansion at Karachi Plant by 1.30 MTPA.
- CEO of the Company was awarded Sitara-e-Imtiaz by the Government of Pakistan.
- Won the 33rd MAP's Corporate Excellence Award in Cement Category.

2001

- Kiln Firing System converted from furnace oil to coal-based system.

2002

- First export consignment delivered.

2005

- Brownfield expansion at Pezu Plant by 2.5 MTPA.
- Greenfield expansion at Karachi Plant by 2.5 MTPA.
- Became Pakistan's largest cement producer.

2006

- Investment in Cement Export Logistics (bulkers and ship loaders)
- Became Pakistan's largest cement exporter.

2011

- Investment in Tyre-Derived Fuel (TDF) plant to utilize alternative fuels.
- Signed a Joint Venture agreement for setting up a cement plant in DR Congo.

2012

- Commencement of electricity sales to HESCO.
- Signed Joint Venture agreement for setting up a cement grinding plant in Basra, Iraq.
- Acquisition of ICI Pakistan.

2013

- First Pakistani Company to receive A+ rating from Global Reporting Initiative.

2014

- Started commercial operations of cement grinding plant in Basra, Iraq of 0.871 MTPA.
- Started another 5MW WHR project at Karachi Plant.
- Initiation of 1 x 660MW Coal Fuel Power project in Karachi.
- Became the only Pakistani company to be listed in Forbes 'Asia's 200 Best Under a Billion' list.

2019

- Commencement of CKD Operations by Lucky Motor Corporation Limited.
- Awarded 3rd position in the Top 25 Companies award 2017 by the Pakistan Stock Exchange.
- Won the 34th MAP's Corporate Excellence Award in Cement Category.
- Became the first SECP certified Shariah Compliant Company of Pakistan.
- Chairman of the Company was awarded Sitara-e-Imtiaz by the Government of Pakistan.

2020

- Successfully completed the Brownfield Expansion for the additional line of 2.8 MTPA at Pezu.
- Became the largest cement producer of Pakistan with the capacity of 12.15 MTPA .
- Won the 35th MAP's Corporate Excellence Award in Cement Category.
- Received the Pakistan Stock Exchange (PSX) Top 25 Companies Award for the years 2017 and 2018.

2021

- Announced Brownfield Expansion of 3.15 MTPA at our Pezu Plant, to increase the total production capacity to 15.3 MTPA, maintaining our position as the largest Cement Producer in Pakistan.
- Completed greenfield expansion for cement production of 1.2 MTPA in Samawah, Iraq.
- Secured the position as the third largest company in terms of market capitalization in Pakistan, as on June 30, 2021.
- Lucky Motor Corporation (formerly KIA Lucky Motors) continued to increase its model line-up; launched Sorento.
- Lucky Motor Corporation (formerly KIA Lucky Motors) declared its first-ever dividend.
- Lucky Motor Corporation (formerly KIA Lucky Motors) entered into an agreement with Samsung Gulf Electronics Co., FZE for producing Samsung mobile phones in Pakistan.
- Morgan Stanley International Capital (MSCI) added Lucky Cement (LUCK) in its EM Standard Index with a Market Cap of $931M, with a weight in the index of 49.9%.
- Won the Best Corporate Report Award with the second position in the Cement category at the "Best Corporate & Sustainability Report Awards, 2019".

COMPANY PROFILE

LUCKY CEMENT LIMITED

Founded in 1993, Lucky Cement Limited stands as the flagship company of Yunus Brothers Group (YBG). Lucky Cement is the largest producer of Cement in Pakistan with production capacity of 12.15 MTPA and remains one of the country's leading exporters of quality cement. Lucky Cement is listed on the Pakistan Stock Exchange (PSX). The Company has also issued Global Depository Receipts (GDRs), listed and traded on the Professional Securities Market of the London Stock Exchange and is the first Shariah Compliant Company of Pakistan certified by the SECP.

Over the years, the Company has grown substantially and is expanding its business operations with production facilities at strategic locations in Karachi to cater to the Southern regions and Pezu, Khyber Pakhtunkhwa to serve the Northern areas of the Country. Lucky Cement is Pakistan's first Company to export sizeable quantities of loose cement, being the only cement manufacturer to have its own loading and storage export terminal at Karachi Port.

Lucky Cement strives to remain an efficient and low cost producer and is one of the pioneers to introduce and install Waste Heat Recovery, Refuse Derived Fuel (RDF) and Tyre Derived Fuel (TDF) Plants in Pakistan. It also has self-sufficient Captive power generation facility of 180 MW and supplies additionally generated electricity to support the National grid. Lucky Cement owns a fleet of Bulkers and Trailers, which gives added advantage in terms of logistics and efficient deliveries to all types of customers spread across the length and breadth of the Country. Lucky Cement remains focused on the responsible and rational use of natural resources, a strategy that allows it to reduce any adverse impact of its operations and increase its operational efficiency. The Company has embedded sustainability at the core of its operations. All the initiatives developed in relation to eco-efficiency are based on its commitment towards the United Nation's Sustainability Development Goals 2030. With its long-term strategy of diversification and value creation, Lucky Cement has become a large conglomerate with direct / indirect investments in following companies:

- Lucky Electric Power Company Limited
- ICI Pakistan Limited
- ICI Pakistan Powergen Limited
- NutriCo Morinaga (Private) Limited
- NutriCo Pakistan (Private) Limited
- Lucky Motor Corporation Limited
- LCL Investments Holdings Limited
- Lucky Al Shumookh Holdings Limited (LASHL)
- Al Mabrooka Cement Manufacturing Company Limited
- Al Shumookh Lucky Investments Limited
- Najmat Al-Samawa Company for Cement Industry
- Lucky Rawji Holdings limited
- Nyumba Ya Akiba S. A. (NYA)
- Lucky Holdings Limited
- Yunus Energy Limited

LUCKY HOLDINGS LIMITED

Lucky Holdings Limited is a subsidiary of Lucky Cement Limited and was incorporated in Pakistan in the year 2012 as a public unlisted Company limited by shares under the Companies Ordinance, 1984. Lucky Cement holds 75% shares of LHL. The main source of earning of LHL is the royalty income received from ICI.

LUCKY AIR (PRIVATE) LIMITED

Lucky Air (Private) Limited was incorporated in Pakistan in the year 2012 as a private company limited by shares. The Company operates an Aircraft of Lucky Cement Limited and provides services for crew management, technical and engineering services on inbound and outbound flights of the aircraft.

LCL Investment Holdings Limited

LCL INVESTMENT HOLDINGS LIMITED

LCL investments Holdings Limited (LCLIHL) is a wholly owned subsidiary of Lucky Cement and was incorporated in the Republic of Mauritius. LCLIHL has concluded joint venture (50:50) agreements with local partners for setting up a cement grinding plant and an integrated cement manufacturing plant in the Republic of Iraq and an integrated cement manufacturing plant in the Democratic Republic of Congo.

LUCKY AL-SHUMOOKH HOLDINGS LIMITED

Lucky Al-Shumookh Holdings Limited (LASHL) was incorporated in the year 2012 under a joint venture agreement between LCLIHL and Al-Shumookh Group, Iraq, for constructing a cement-grinding unit in Basra, the Republic of Iraq. LCLIHL holds 50 percent ownership interest in the aforementioned joint venture.

Al-Shumookh Lucky Investments Limited

AL-SHUMOOKH LUCKY INVESTMENTS LIMITED

Al-Shumookh Lucky Investments Limited (ASLIL) was established under a joint venture agreement between LCLIHL and Al-Shumookh Group, Iraq, for constructing an integrated cement manufacturing plant in Samawah, Iraq. LCLIHL holds 50 percent ownership interest in the aforementioned joint venture.

LUCKYRAWJI HOLDINGS LIMITED

LuckyRawji Holdings Limited (LRHL) was incorporated in the year 2011 under a joint venture agreement between LCLIHL and Rawsons Investments Limited (registered in Cayman Islands) for constructing a fully integrated cement manufacturing plant in the Democratic Republic of Congo. LCLIHL holds 50 percent ownership interest in the aforementioned joint venture.

Lucky Electric
Power Company

LUCKY ELECTRIC POWER COMPANY LIMITED (LEPCL)

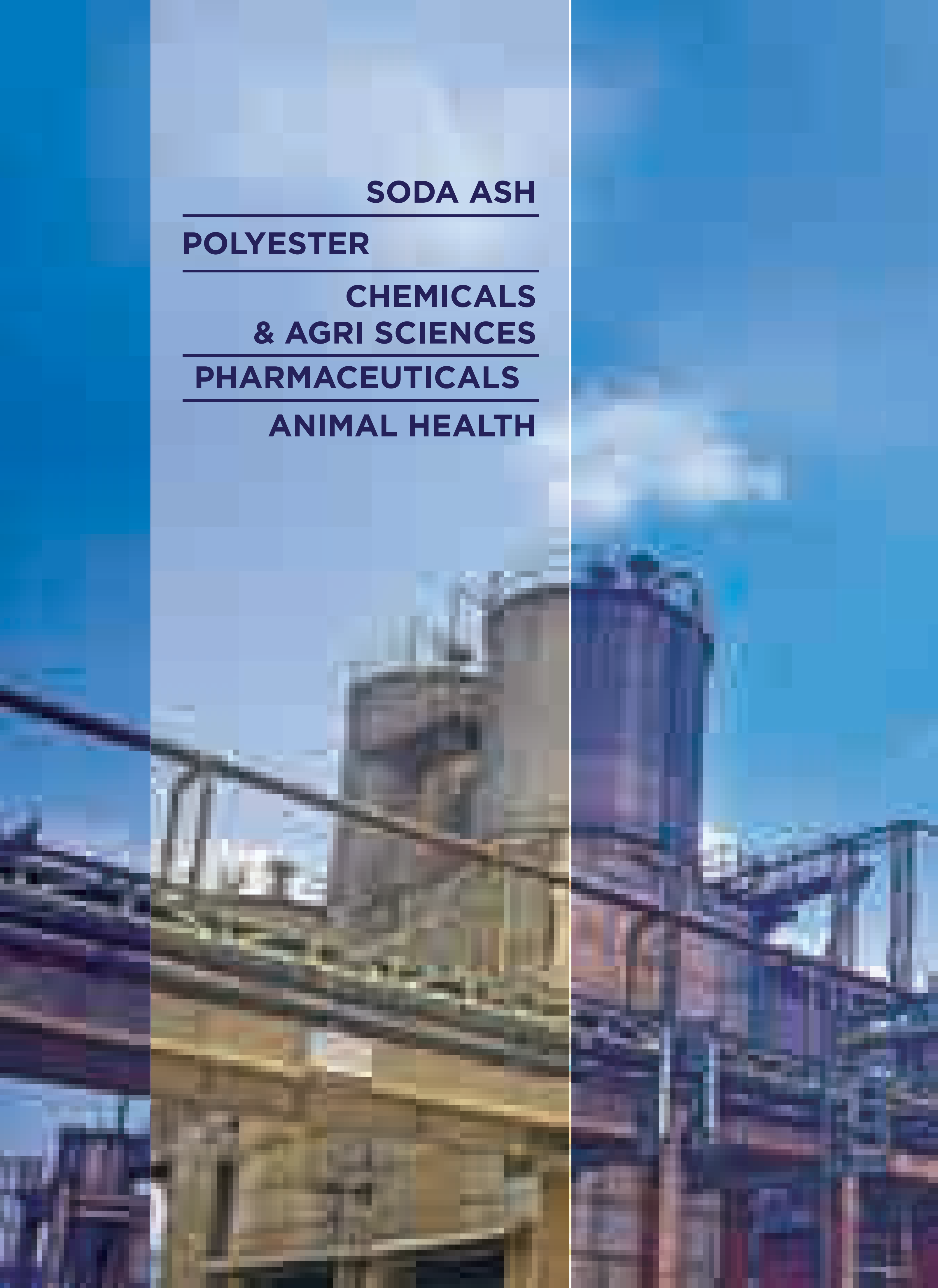
LEPCL envisions being the premier energy producer from the private sector to provide economic, safe and reliable power to the off-taker and deliver sustainable value to all stakeholders.

LEPCL is setting up a 660 MW SuperCritical Coal Fired Power Plant (CFPP) at Bin Qasim, Karachi using Thar lignite coal. This will be Pakistan's first indigenous fuel power plant away from minefield.

The project will usher in a new era of indigenous fuel utilization for baseload power generation, in line with the national objective of reducing reliance on imported fuel. The latest technology for emission control is being installed which includes Flue Gas Desulphurization (FGD), Electrostatic Precipitators (ESP) along with associated environmentally friendly equipment. This project is scheduled to be operational in the fourth quarter of calendar year 2021. The power generated will be fed into the national grid in line with a power purchase agreement signed with the government.

660 MW
SUPERCRITICAL COAL FIRED POWER PLANT (CFPP)

TO BE OPERATIONAL BY
4TH Quarter 2021
(Calendar Year)



SODA ASH

POLYESTER

CHEMICALS
& AGRI SCIENCES

PHARMACEUTICALS

ANIMAL HEALTH

ICI PAKISTAN LTD.

YBG

ICI Pakistan Limited is a listed subsidiary of Lucky Cement Limited and is a leading local manufacturing and trading company consisting of five diverse businesses: Polyester, Soda Ash, Pharmaceuticals, Chemicals & Agri Sciences, and Animal Health. Through these businesses, the Company manufactures and trades in a wide range of products including: Polyester Staple Fibre (PSF), soda ash, general & specialty chemicals, pharmaceuticals, nutraceuticals, animal health & agricultural products (including chemicals, field crop seeds, vegetable seeds and more). In the infant growing up formula category, the Company has a majority stake in NutriCo Morinaga (Private) Limited, which locally manufactures, markets and distributes selected Morinaga (Japan) products in Pakistan. ICI Pakistan Limited has 40% stake in NutriCo Pakistan (Private) Limited.

ICI Pakistan also owns 100% equity interest in ICI Pakistan PowerGen Limited, which was established in 1991. The Company generates, sells and supplies electricity to ICI Pakistan Limited, NutriCo Morinaga (Private) Ltd. and its Polyester Plant in Sheikhupura, Punjab. ICI Pakistan Powergen Limited holds a Power Generation License issued by the National Electric Power Regulatory Authority (NEPRA).

DEC 2016

INCORPORATED IN PAKISTAN

20

CITIES WITH

34

DEALERSHIPS ACROSS PAKISTAN

LUCKY MOTOR CORPORATION LIMITED ("LMCL")

LMCL, a subsidiary of Lucky Cement Limited, has completed its 2nd year of operations at the end of this year. Along with an ongoing relationship with KIA Corporation, part of the Hyundai Motor Group of South Korea, which is South Korea's 2nd largest business group and the world's 5th largest automobile group, LMCL has entered into a License Agreement with the Stellantis Group to assemble and distribute one of their European brands in Pakistan.

The Stellantis Group is the world's 4th largest Automobile group which was recently formed and contains a portfolio of 14 international brands.

LMCL is set to create history in the automobile industry of Pakistan by manufacturing and distributing two different international brands from under one roof.

LMCL has received and continues receiving an overwhelming response from the market on all its products including the "KIA SORENTO", its most recently launched product. The "KIA SORENTO" is Pakistan's most powerful, locally assembled 7 seater SUV available in 3 variants and 2 engine sizes, a 2.4L and a 3.5L V6.

LMCL currently operates in 20 cities of Pakistan through an ever-growing network of 34 dealerships to serve its wide customer base across Pakistan. With several new products in the pipeline, LMCL plans to keep surprising the market with unprecedented innovative products.

NYUMBA YA AKIBA S.A. (NYA)

Nyumba Ya Akiba S.A. (NYA) was incorporated as a limited liability company in the Democratic Republic of Congo (DRC) and is a wholly owned subsidiary of Lucky Rawji Holdings Limited (LRHL).

NYA set up Greenfield fully integrated cement plant with a production capacity of 1.18 MTPA which started commercial operations in December 2016 in the Kongo Central Province of DRC.

NYA is leading in DRC with current market share of approximately 50 percent.

STARTED COMMERCIAL OPERATIONS IN
DEC 2016

PRODUCTION CAPACITY OF
1.18
MTPA

AL MABROOKA CEMENT اسمنت المبروكة

AL MABROOKA CEMENT MANUFACTURING COMPANY LIMITED (AMCMC)

Al Mabrooka Cement Manufacturing Company Limited (AMCMC) was incorporated as a limited liability company in Basra, Republic of Iraq and is a wholly owned subsidiary of Lucky Al Shumookh Holdings Limited (LASHL).

AMCMC started its commercial production in 2014. The current production capacity is 1.742 MTPA.

AMCMC has its owned captive power plant having generation capacity of 15.7 MW.

AMCMC is currently a market leader in the region of operation, with current market share of more than 50 percent.

STARTED COMMERCIAL PRODUCTION IN
2014

PRODUCTION CAPACITY OF
1.742
MTPA

NAJMAT AL-SAMAWA

NAJMAT AL-SAMAWA COMPANY FOR CEMENT INDUSTRY

Najmat Al Samawah Company for Cement Industry (NAS) was incorporated as a limited liability company in Samawah, Republic of Iraq and is a wholly owned subsidiary of ASLIL.

NAS has constructed an integrated cement manufacturing plant of 1.2 MTPA.

STARTED COMMERCIAL PRODUCTION IN MARCH **2021**	PRODUCTION CAPACITY OF **1.2** MTPA

OUR LEADERSHIP

CHAIRMAN'S PROFILE

Mr. Muhammad Yunus Tabba started his over fifty years long career with YBG as one of its founding members and has seen it progress through manufacturing, sales, management, marketing management and general management. With his expertise and diversified experience, he has taken YBG to a level which is appreciated by both local and international business communities.

Muhammad Yunus Tabba has also been awarded "Businessman of the year" by the Chamber of Commerce several times during his awe-inspiring entrepreneurial career. In recognition of his outstanding services rendered in the field of entrepreneurship and public service, the President of Islamic Republic of Pakistan conferred upon Mr. Yunus Tabba "Sitara-e-Imtiaz", one of the highest awards Government of Pakistan bestows upon a civilian.

CEO'S PROFILE

Mr. Muhammad Ali Tabba is the Chief Executive of Lucky Cement Limited succeeding his late father in 2005. He also serves as the Chief Executive Officer of Yunus Textile Mills Limited (YTM), a state-of-the-art home textile mill with subsidiaries in North America and Europe. Simultaneously spearheading both these organizations, he also plays a pivotal role in providing strategic vision to ICI Pakistan Limited as its Vice Chairman.

He started his career with Yunus Brothers Group (YBG) – a family conglomerate in 1991. YBG is one of the premier business houses in Pakistan with diversified interests in Building Materials, Chemicals, Pharmaceuticals, Energy, Textiles, Automotive and Real Estate Development. Muhammad Ali Tabba was the past Chairman of Pakistan Business Council (PBC), a business advocacy forum comprising of leading private sector businesses. He is the Chairman of Lucky Motor Corporation Limited (Formerly known as KIA Lucky Motors) and Lucky Electric Power Company Limited.

He is Chairman of All Pakistan Cement Manufacturing Association (APCMA), a regulatory body of cement manufacturers in Pakistan. In recognition of his outstanding services and contributions in the social development sector of Pakistan, World Economic Forum (WEF) in 2010 bestowed the title of Young Global Leader (YGL) to Muhammad Ali Tabba. He is also the recipient of Karachi Chamber of Commerce and Industry "Businessman of the Year" Gold Medal Award for 2012- 2013.

He is also Chairman of Pakistan Textile Council (PTC) in Pakistan, a think tank, advocacy and research based body.

With extensive engagements in many community welfare projects, Muhammad Ali Tabba serves on the Board of Governors at numerous renowned Universities, Institutions and Foundations. He is the Vice Chairman of a not-for-profit organization, Aziz Tabba Foundation. The Foundation is working extensively in the field of social welfare, education, health and housing. The Foundation runs two state-of-the-art Hospitals in Karachi; 170 bed Tabba Heart Institute (THI) which is a dedicated Cardiac Care Hospital and 100 bed Tabba Kidney Institute (TKI), a specialized institution providing comprehensive treatment for Nephro-Urological disorder.

In recognition of his outstanding services and contribution to the business as well as the social development sector of Pakistan, Government of Pakistan has awarded him with Sitara-e-Imtiaz in 2018.

DIRECTORS' PROFILE

Muhammad Sohail Tabba

Mr. Muhammad Sohail Tabba one of Pakistan's leading business leaders and a philanthropist, leads a conglomerate of businesses and export houses bearing the YBG brand name. His proficient leadership in diverse sectors – textiles, cement, energy, entertainment, real estate and philanthropy - spanning over almost three decades - has earned laurels and accolades for his group and the country.

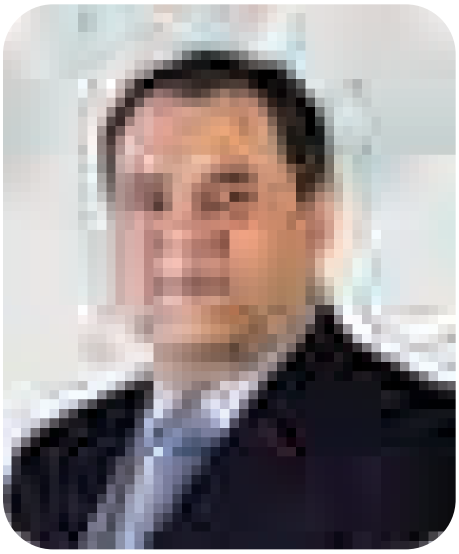
Being the Chief Executive Officer of Gadoon Textile Mills Limited, Lucky Knits Private Limited and Director of Yunus Textile Mills Limited, Lucky Textile Mills Limited, he has made YBG renowned both locally and globally. The flourishing industries and manufacturing houses have provided employment opportunities to over 15,000 people and are key drivers of the economy.

Mr. Tabba, the Chairman of ICI Pakistan started as a Non-Executive Director on the Board of ICI Pakistan Limited in 2012 and was appointed Chairman of the Company in 2014. He is also Chairman of NutriCo Morinaga (Private) Limited - the state-of-the-art infant formula Morinaga manufacturing facility, which was established in Pakistan in 2016 as a joint venture with Morinaga Japan and Unibrands. Mr. Tabba's leadership, personal credibility and strong interpersonal skills have been instrumental to the success of this joint venture.

Mr. Tabba's relentless energy, his vision, and his ability to think outside the box created LuckyOne Mall. Which attracts both the elite and people from humble backgrounds. His vision was to provide a world class entertainment facility that would be enjoyed by children of all stratas and income groups and, today Onderland at LuckyOne Mall is children's favorite entertainment hub.

Besides being the Chairman of Yunus Energy Limited & CEO of Lucky Energy (Pvt.) Ltd, Lucky One Private Limited; he is the Director of Lucky Cement Limited, Lucky Motor Corporation (formerly KIA Lucky Motors), and several other companies. Mr. Tabba's strong social presence in the business community led him to become the founding member and first Vice President of the Italian Development Council. He is playing an instrumental role in contributing to the educational landscape of Pakistan by serving on the Board of Governors at Textile Institute of Pakistan. He has also previously served on the board of Hamdard University.

Driven to contribute to the community, Mr. Sohail Tabba is playing a pivotal role as director of Aziz Tabba Foundation that runs the Tabba Heart and Kidney Institutes besides several other welfare projects. Mr. Tabba's determination to contribute to the community, has metamorphosed the children emergency rooms of the government hospitals and he became Founding Trustee of Childlife Foundation Pakistan in 2012. His altruistic contribution to the healthcare sector of Sindh and Baluchistan has manifested in the treatment of 3.1 million children in ChildLife emergency rooms and 4.7 million children in childLife Clinics. In the past decade, ChildLife Foundation has evolved extraordinarily and today, 10 contemporary emergency rooms are functioning efficiently in the under resourced hospitals of Sindh and Baluchistan.



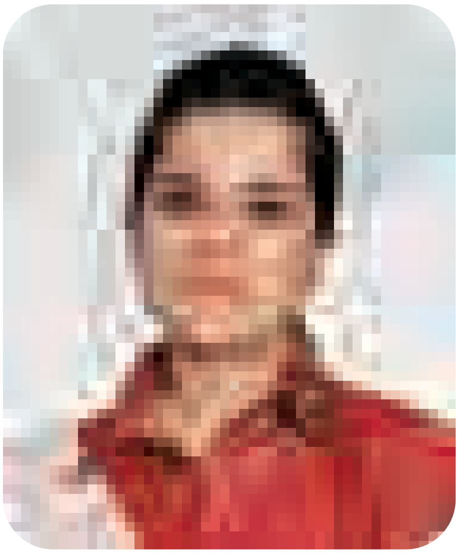
Jawed Yunus Tabba

Mr. Jawed Tabba has a rich experience in the textile industry and is currently the Chief Executive Officer and Director of a renowned textile mill, Lucky Textile Mills Limited. His untiring efforts helped him acquire deep insight and expertise into export and manufacturing activities. He has been instrumental in managing the textile concerns of the Yunus Brothers Group (YBG) and has transformed Lucky Textile Mills into one of the premier Textile Companies in Pakistan. Lucky Textile Mills is among the top five home textile exporters from Pakistan and it has been a story of rapid expansion and diversification in the textile industry under his leadership and guidance. He is also the Vice Chairman of YBG.

He is on the Board & related sub-committees of Lucky Cement Limited, ICI Pakistan Limited, Gadoon Textile Mills Limited and Lucky Motor Corporation Limited (formerly KIA Lucky Motors). He is keenly involved in the formulation of vision, strategies & governance structures of these companies.

Mr. Jawed Yunus Tabba is also managing the Real Estate Project LuckyOne, which is the largest mall in Pakistan. LuckyOne is currently touted as a multi-faceted – first of its kind regional shopping mall which has revolutionized the shopping experience in Pakistan.

Socially, Mr. Jawed Yunus Tabba is extensively engaged in community welfare projects which include the Aziz Tabba Foundation (ATF), which is working extensively in the field of social welfare, education, health and housing. He is also a member of Young President Organization (YPO).



Mariam Tabba Khan

Ms. Mariam Tabba Khan took over Tabba Heart Institute (THI) as its Chief Executive on 2nd of June, 2005, immediately after the sad and sudden demise of her philanthropist father Mr. Abdul Razzak Tabba. Although she had acquired a masters degree, MBA, she was not involved in her father's business ventures during his lifetime. But after his death she took the challenge of establishing and running the state-of-the-art not-for-profit cardiac hospital. The hospital is serving both affording and non-affording patients, with dedication and commitment, maintaining a high standard of quality and professionalism.

THI has been certified by the American Heart Association (AHA) for BLS and ACLS courses, this certification was done in 2020, for the first time in history of THI. Cath Lab of THI is performing stroke intervention, this procedure is performed by the expert cardiologists to treat stroke.

Under the leadership of Mariam Tabba Khan the research department is also doing well. Research Collaborations have been signed with Institute for Health Metrics and Evaluation (IHME) Institute of Business Administration IBA and Population Health Research Institute. With regards to Research Project; they have been initiated and funded by World Heart Federation, InnoTherapy South Korea and Abbott USA.

Mariam Tabba Khan has received the prestigious Excellence in Leadership Award from the Federation of Pakistan Chamber of Commerce and Industry given by the President of Pakistan, Dr. Arif Alvi for her outstanding services in Pakistan healthcare industry.

Last but not the least; THI has become the first & only hospital from Pakistan to win Silver Achievement Award for Chest Pain – MI Registry from the American College of Cardiology. Ms. Mariam Tabba Khan is much admired, full time CEO of the hospital. Her presence gives energetic boost to the entire team.

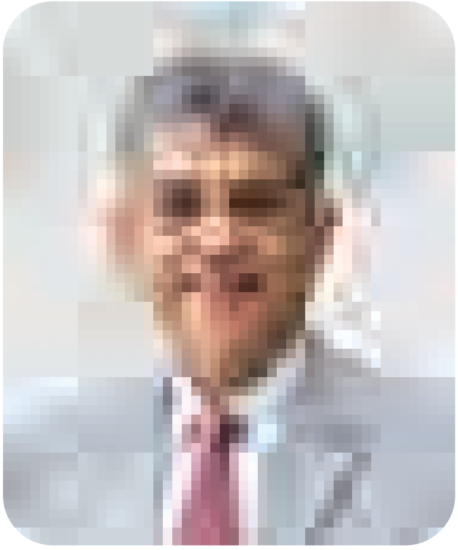
Manzoor Ahmed

Mr. Manzoor Ahmed is Chief Operating Officer (COO) of National Investment Trust Limited (NIT). As COO, he has been successfully managing the operations and investment portfolio worth over Rs.150bn. He has experience of over 30 years of the Mutual Fund industry and has been placed at many key positions within NIT that includes capital market operations, investment management, research and liaising with the regulatory authorities. He has also served NIT as its Managing Director (Acting) twice from May 2013 to May 2014 and September 2017 to February 2019. He is M.B.A. and also holds D.A.I.B.P. He has also been the Council Member of The Institute of Bankers Pakistan. Presently, he is pursuing Chartered Financial Analyst (CFA) level III.

Mr. Manzoor Ahmed has a vast experience of serving on the Boards of various top ranking companies of Pakistan belonging to the diverse sectors of economy.

Mr. Ahmed has also attended various training courses organized by institutions of international repute like London Business School (LBS) UK, Institute of Directors, London and Financial Markets World, New York (USA).

Currently, he represents NIT as Nominee Director on the Board of Directors of many leading national and multinational companies of Pakistan. Mr. Ahmed is also a Certified Director from Pakistan Institute of Corporate Governance. Mr. Manzoor Ahmed is also member of the Defence Authority Country and Golf Club – Karachi.



Masood Karim Shaikh

Mr. Masood Karim Shaikh is a Chartered Accountant (FCA) with over 30 years of senior level experience in financial sector in Pakistan. He retired in 2017 as SEVP and Group Chief, International Banking Group at National Bank of Pakistan. He was managing their International Operations in 18 countries in Far East, Central Asia, Middle East, Europe and America. In his previous assignment with National Bank of Pakistan, he held key executive responsibilities as CFO and Group Chief Corporate and Investment Banking.

He has also worked with Dubai Islamic Bank-Pakistan as Country Head Corporate and Investment Banking. His other previous assignments were with Emirates Bank International, Mashreq Bank and MCB Bank in various positions as CFO, Head of Treasury and Head of Card Division.

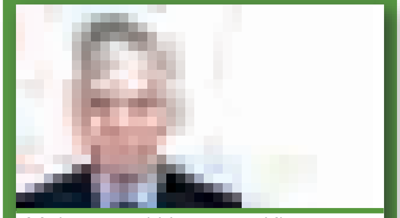
He has served on Boards of following financial institutions and Corporations:

United National Bank plc.UK, (UBL UK) Siemens Pakistan, National Fullerton Asset Management Fund (Chairman, NAFA), Atlas Power, Taurus Securities and Maple Leaf Cement.

Presently, he is working as an Independent Financial and Management Consultant.

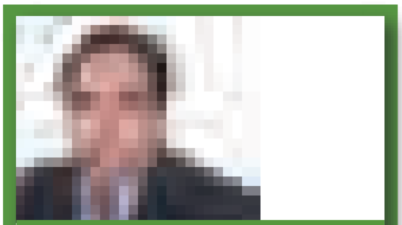
EXECUTIVE MANAGEMENT

SENIOR MANAGEMENT



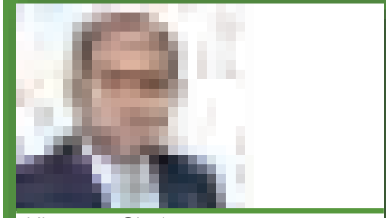
Muhammad Humayun Khan
GM Govt. Relations & Administration

Syed Hassan Mazhar Rizvi
GM Power Generation (Karachi Plant)

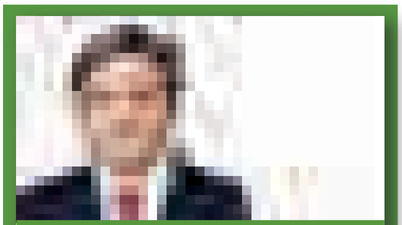


Ahtesham-ul-Haque
GM Supply Chain Commercial

Syed Nusrat Ali
GM Production (Karachi Plant)



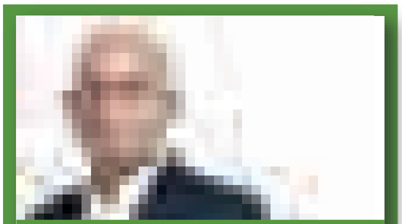
Khurram Siraj
GM Supply Chain Imports



Faisal Mahmood
GM Finance & Company Secretary

Adnan Naseem Qazi
GM Information Technology & Systems

Muhammad Iqbal
GM Power Generation (Pezu Plant)

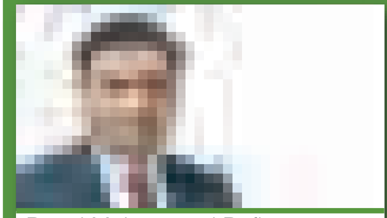


Tayyab Waheed
GM Logistics

Ahmed Waseem Khan
GM Internal Audit & Compliance

Zulfiqar Ali Khan
GM Govt. Relations

Mian Yaseer Sulaiman
GM Marketing (South)



Raeel Muhammad Rafique
GM - Finance & Planning

Ali Shahab
Head of Legal

25 YEARS OF EXCELLENCE

LUCKY CEMENT

25 YEARS OF **COMMITMENT**

OUR TEAM OUR STRENGTH

Our core strength comes from the diverse background and experience of our people. Embracing diversity, we are proud to have a dynamic workforce.

We're a close-knit team and our people are at the heart of our success. Every one of us is dedicated to leading the way, making a difference and growing as an organisation, and we make sure that we provide the tools to enable personal growth and fulfilment.

This year we would like to give tribute to our long term employees who are associated with us for more than 25 years now.

We would like to congratulate our employees on their exceptional achievements and say a sincere thank you for their long-term loyalty and many years of good collaboration.

We are truly proud to have a team of such dedicated professionals.

GROUP PROFILE

YUNUS BROTHERS GROUP

The Yunus Brothers Group (YBG) is one of the biggest conglomerates in Pakistan with diversified interests in textiles, building materials, real estate, power generation, chemicals, pharmaceuticals, FMCG, philanthropy and automotive. The group was established in 1962 as a trading house and then grew rapidly over the years. Currently YBG is one of the largest export houses in Pakistan. The group's annual turnover including Lucky Cement and its subsidiaries is approximately USD 2.734 billion including the annual export turnover around USD 769.21 million. Apart from Lucky Cement and ICI Pakistan, the group is also proud owner of the following companies.

YUNUS TEXTILE MILLS LIMITED (YTML)

Yunus Textile Mills Limited is a vertically integrated home textile unit established in 1998, consisting of spinning, weaving, printing, dyeing, finishing and cut & sews with a workforce of 4,500 employees. In a span of 10 years it became the number 1 home textile exporter of Pakistan with 10% share (approx.) of all Home Textiles exported. The company has its international warehousing, distribution and design development offices in USA, UK and France

Y.B. HOLDINGS LIMITED

YB Holdings (Private) Limited was incorporated in Pakistan in the year 2013 as a group holding company. The Company invests mainly in its group companies and has a diverse portfolio in building materials, textiles, energy, trading, FMCG and real estate.

YB PAKISTAN LIMITED

Yunus brothers started business in 1962 as a partnership by Mr. Abdul Razzak Tabba and Mr. Yunus Tabba. Initially, trading of grey cloth was the main business. However, with time the firm started in other commodity items e.g. wheat, rice, corn and other pulses. In order to encourage corporate culture, the management decided in 2012 to convert the partnership firm into a public limited company with name and style of Y.B. Pakistan Limited. The company has a diversified portfolio of investment in various segment of businesses.

GADOON TEXTILE MILLS LIMITED (GTML)

GTML was established in 1988 and started production in the year 1990. With the progressive technological advancement and merger with Fazal Textile Mills Limited, the Company has increased its capacity to over 350,000 spindles. The Company has 2 manufacturing facilities located at Gadoon Amazai – Khyber Pakhtunkhwa and at Karachi– Sindh. The Company is listed on the Pakistan Stock Exchange.

In addition to the spinning segment, the Company also operates in knitting segment with stitching capacity of 50,000 fitted sheets per day and in dairy segment with herd size of nearly 1,000 animals.

The Company also has a captive power plant with a generation capacity of around 57 MW.

LUCKY TEXTILE MILLS LIMITED (LTML)

Lucky Textile Mills Limited was established in 1983 and has since remained one of the leading textile manufacturers in the country to-date. The Company is engaged in the activity of manufacturing and export of fabrics, home textiles and garments. It has two state-of-the-art weaving mills that have altogether 425 Sulzer Shuttle-less looms and 408 Air Jet looms which are equipped with computerized back process comprising of Karlmayer warping and sizing machines.

It has the capacity to process 72 million meters per annum of fabric. Further, LTML has its own power generation facility of 6 MW. The stitching division is equipped with sophisticated high tech machines that can stitch fabrics and transform them into home textile as well as apparel products with a high degree of precision. Stitching machines include Juki, Brother, Kansai, and automated Texpa plant.

LUCKY ENTERTAINMENT (PRIVATE) LIMITED

Onederland was awarded by 14th Consumer Choice Award 2019 as "Best Family Entertainment Centre and Best Indoor Roller Coaster". Onederland is regarded as the largest and safest FEC in Pakistan, located in Karachi's largest mall LuckyOne. Based on two levels, Onederland features technologically advanced indoor attractions. It has partnered with internationally acclaimed and award-winning manufacturers to provide one of a kind entertainment center in the city. Featuring arcade games, thrill rides and virtual reality entertainment, being a member of IAAPA (The Global Association for the Attractions Industry) and Middle East and North Africa Leisure Attractions Council (MENALAC), Onederland is a one stop amusement spot for kids and adults alike.

In a short span, it has set a benchmark in quality entertainment. Onederland is the only 45,000 sq.ft. indoor family entertainment center in Pakistan. Karachi has a population of over 22M people, where around 12M people live in a 15KM radius of the existing facility. More than 1,800,000 yearly visits have been recorded out of which 90% are recurring visits. Onederland also garners a major chunk of the mall's monthly footfall. Onederland always goes above and beyond to provide our customers with the best in the field of entertainment. One step in this direction was to introduce the coveted, IAAPA Brass ring award winner for the best new product, HOLOGATE.

LUCKYONE
THE PLACE TO BE

LUCKYONE (PRIVATE) LIMITED

LOPL is a project company which has constructed LuckyOne Mall and LuckyOne Apartments. Lucky One Apartments is a magnificent, multifaceted, first-of-its kind high-end residential complex that will revolutionize the luxury living experience in Pakistan. LuckyOne Apartments integrates 7 elegant residential towers and a large 8-acre Roof-top Park. The project comprises of two phases of which Phase -1 is being launched.

Conveniently situated at the prime location of Karachi on main Rashid Minhas Road, opposite UBL Sports Complex, the apartments are easily accessible through major Flyovers of Karachi. The unbeatable mix of top-class luxury apartments and high-end amenities like Swimming Pool, Gymnasium, Jogging Track, Tennis Courts, Reading Room, Event Hall, Play areas and the amazing 8-acre Roof top Park make LuckyOne Apartments the premiere lifestyle destination for urban living in Karachi.

LUCKY LANDMARK (PRIVATE) LIMITED

Situated in the heart of the city, LLPL owns the LuckyOne Mall, which opened its doors for the public on May 6, 2017. One of the largest malls of Pakistan, with more than 200 retail outlets, the LuckyOne Mall provides an unprecedented retail space that includes a "Health & Wellness Avenue" "Wedding Galleria" "Fashion Alley" "Banking Enclave" and one of the largest "Food Court" in the country. Having the largest Carrefour and the biggest atrium in Pakistan, LuckyOne Mall is the first in the industry to have an in-mall open-air "Food Street" and an international standard "Family Entertainment Center" "Onederland" To facilitate the customers, the mall also offers a double-story basement car parking lot suffcient for around 1500 cars. It is one of the only Mall where there is an International Standard "Learning Studio" for constant training of management and staff.

Recognized for providing an ultimate shopping experience, LuckyOne Mall continues to expand, renovate, and offer an innovative and engaging experience to its customers, making it truly the "Place to Be".

LUCKY COMMODITIES

LUCKY COMMODITIES (PRIVATE) LIMITED

Lucky Commodities (Private) Limited (LCPL) is a trading arm of YBG and is the leading supplier of South African coal in Pakistan. LCPL aims to be the preferred supplier for customers by conducting business with integrity, unparalleled services and professionalism. Pakistan currently is facing a severe shortage of electricity with the Government's initiative and the execution of coal fired power plants in the country, many industries in Pakistan are moving towards coal as their first priority for electricity and steam generation. As one of the largest supplier of South African RB1 coal in Pakistan, LCPL makes an important contribution to the industrial sector by fulfilling their coal requirements.

Being part of the largest business conglomerate of Pakistan, LCPL has strong market presence, which support the company to build up a network of high profile clients, which include power, chemical, textile, steel and other major manufacturing industries.

LUCKY EXIM (PRIVATE) LIMITED

Lucky Exim, an indenting arm of (YBG), is the largest indenter of South African coal in Pakistan. Lucky Exim is the preferred supplier of customers as the business is conducted with integrity, unparalleled service and professionalism. Therefore, customers are provided with premium coal that offers the best value for money without compromise on quality. With an initial focus on coal trading, the company plans to diversify its trade activities to various energy and dry bulk commodities.

LUCKY KNITS (PVT) LTD

LUCKY KNITS (PRIVATE) LIMITED

Established in 2004, Lucky Knits (Private) Limited has become one of the leading value added fashion garment company of Pakistan. The company is involved in the manufacturing and exports of knitted apparel with the product line ranges from T-shirts, Polo shirts, Hoodies, Trousers and Undergarments having large variety of styles in casual and sportswear. State of the art vertically integrated manufacturing facility helps us to achieve efficiency at every stage of the process and ensure customer satisfaction in terms of value, quality and delivery of products.

LUCKY FOODS (PRIVATE) LIMITED

In 2015, Lucky Foods has a strategic aim to be one of the leading corporate dairy farms in Pakistan. The company is currently focusing on local animals and has also developed its retail shops and home delivery network to reach household consumers. The company has also ventured into marketing of yogurt, lassi and plans to add more value added dairy products. The farm is located at Super Highway, Karachi. Lucky Foods aims to be a leading player in food related products, across Pakistan and in the export market.

Yunus Energy Ltd.

YUNUS ENERGY LIMITED

Yunus Energy Limited (YEL) was incorporated as a Special Purpose Vehicle (SPV), with a corporate structure of a public unlisted company, in the year 2011, to exclusively develop a 50 MW Wind Power Project in Deh Kohistan, Jhimpir, District Thatta. Project is equipped with state-of-the-art European technology. Wind Turbine Generators (WTGs) have been manufactured by Nordex Energy Germany, one of the top WTG manufacturers from Europe; Electrical Balance of Plant has been supplied by Alstom France, a leading grid solution provider; whereas construction activities have been carried out by Descon Engineering Limited, the biggest construction and engineering company of Pakistan.

It is a clean energy project, harnessing the renewable wind resource for the generation of electric power without any carbon emissions. The project is supplying electricity to the national grid on a regular basis post commencing commercial operations in September 2016.

Lucky Energy

LUCKY ENERGY (PRIVATE) LIMITED (LEPL)

LEPL is a Captive Power Producer (CPP) under National Electric Power Regulatory Authority (NEPRA) incorporated in July 1993. LEPL, is a gas-based thermal power generation unit, with total production capacity of 56.575 Megawatts (MW). It is equipped with one of the most sophisticated and highly-efficient generators and supplies uninterruptible power to its group companies.

ATF
Aziz Tabba Foundation

AZIZ TABBA FOUNDATION (ATF)

Aziz Tabba Foundation (ATF) is a not-for-profit organization, incorporated in the year 1987. It is a well-reputed platform which undertakes to provide welfare supports to the financially deprived people for maintaining their lives. Welfare supports include providing financial assistance for their shelters, education, marriage, vocational training, laptop support, equipment support, monthly aid, self-employment scheme (motorcycles & rickshaws), Ramadan rations and healthcare treatment. In order to address the acute water shortages in different colonies and underdeveloped areas of Karachi, the Foundation ventures into setting-up tube wells besides arranging water through boring source for the residents of these localities of the city.

ATF is also running 2 hospitals namely Tabba Heart Institute and Tabba Kidney Institute which cater to world-class healthcare services to the community coming from across the country.

Tabba Kidney Institute

TABBA KIDNEY INSTITUTE (TKI)

It is a 100-bed Post Graduate Training & Research Center with state-of-the-art technology and expertise of well experienced doctors, famous for the cure of kidney related diseases, extends Emergency, In-Patient Department, Consultant Clinics/OPD, Clinical Laboratory, Pharmacy, Radiology services besides providing High-Tech Operation theaters facility equipped with Flexible Ureterorenoscope, 3D Laparoscopic, 140-watt Laser, Trilithology and 4K Camera technology.

It is certified by the International Organization for Standardization (ISO) and accredited by the College of Physicians and Surgeons Pakistan for post graduate training in Nephrology and Urology.

Tabba Heart Institute

TABBA HEART INSTITUTE (THI)

It is a leading cardiac care hospital of 170-bed with the vision of Quality Care. Since its inception in 2005, the hospital has carved a niche for itself in the Cardiac healthcare sector of the country and has grown manifolds in its reach and magnitude. The hospital was awarded the prestigious Platinum Performance Achievement Award by American College of Cardiology. THI is the FIRST & ONLY Hospital in Pakistan which has been bestowed this distinction for the past three years consecutively. THI is certified by ISO for Quality & Safe Environment practices with ISO 9001 & 14001 standards respectively and accredited by College of Physicians and Surgeons Pakistan for its fellowship training programs.

Besides offering the complete range of therapeutic and preventive care for cardiovascular diseases, OPD consultations are also available for Electrophysiology, Diabetology, Pulmonology, Nephrology, Neurology, Infectious Diseases, Gastroenterology, Physiotherapy, Psychiatry, Geriatrician and General Medicine. THI also has a structured & recognized fellowship training program in Interventional Cardiology, Cardiac Surgery & Cardiac Anesthesiology. Moreover, hospital also offers core skills training program in nursing and Allied Health services.

COMPANY INFORMATION

BOARD OF DIRECTORS

Muhammad Yunus Tabba
(Chairman)

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

MANAGEMENT TEAM

Muhammad Ali Tabba
(Chief Executive)

Noman Hasan
(Executive Director)

Muhammad Atif Kaludi
(Director Finance & Chief Financial Officer)

Amin Ganny
(Chief Operating Officer)

Adnan Ahmed
(Chief Operating Officer, International Businesses)

Murtaza Abbas
(Chief Strategy Officer & Director Investment)

COMPANY SECRETARY

Faisal Mahmood

HEAD OF INTERNAL AUDIT

Ahmed Waseem Khan

BOARD COMMITTEES

AUDIT COMMITTEE

Manzoor Ahmed
(Chairman)

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

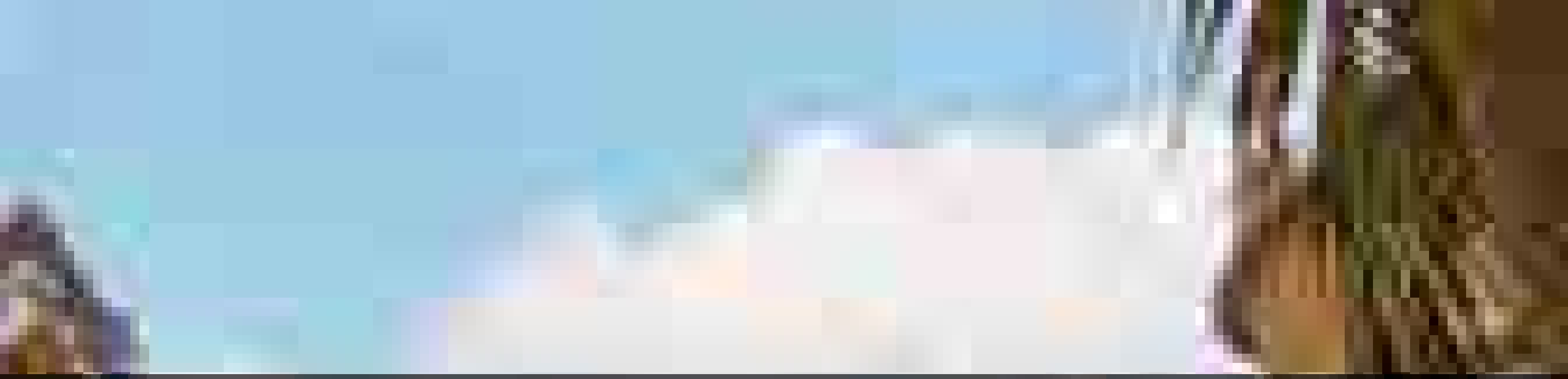
Masood Karim Shaikh
(Chairman)

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

BUDGET COMMITTEE

Muhammad Sohail Tabba
(Chairman)

Muhammad Ali Tabba
Jawed Yunus Tabba
Mariam Tabba Khan



BANKERS

Allied Bank Limited
Allied Bank Limited – Islamic Banking
Askari Bank Limited
Bank Alfalah Limited – Islamic Banking
Bank Al-Habib Limited
Bank Al-Habib Limited – Islamic Banking
BankIslami Pakistan Limited
Citibank N.A.
Dubai Islamic Bank Pakistan Limited
Faysal Bank Limited – Islamic Banking
Habib Bank Limited
Habib Bank Limited – Islamic Banking
Habib Metropolitan Bank Limited
Habib Metropolitan Bank Limited – Islamic Banking
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
National Bank of Pakistan –Aitemaad Islamic Banking
Samba Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited
UBL Ameen Islamic Banking

CREDIT RATING

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

EXTERNAL AUDITORS

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

COST AUDITORS

M/s. Grant Thornton Anjum Rahman – Chartered Accountants

SHARIAH ADVISOR

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

REGISTERED OFFICE

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

HEAD OFFICE

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

PRODUCTION FACILITIES

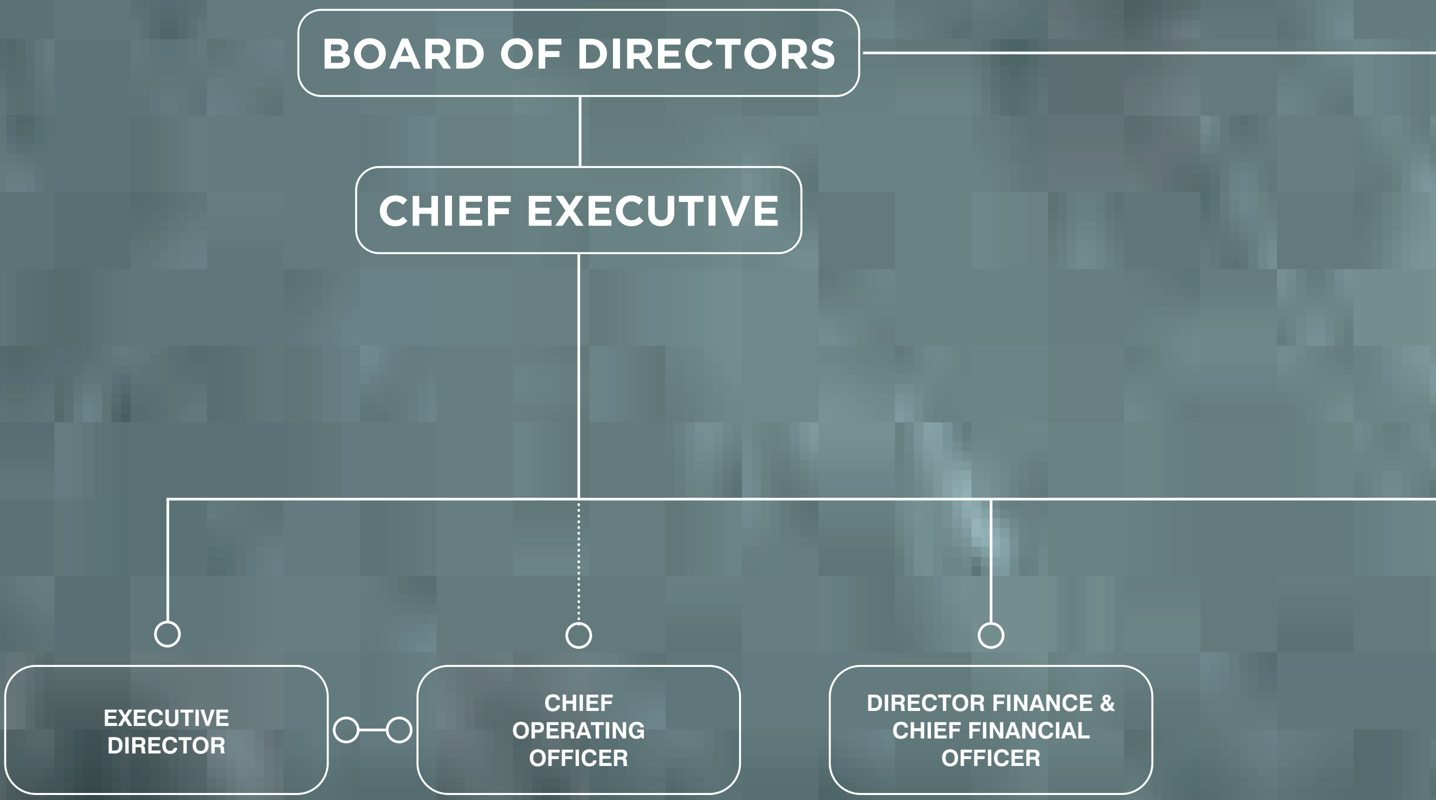
1. Main Indus Highway, Pezu, District Lakki Marwat, Khyber Pakhtunkhwa, Pakistan

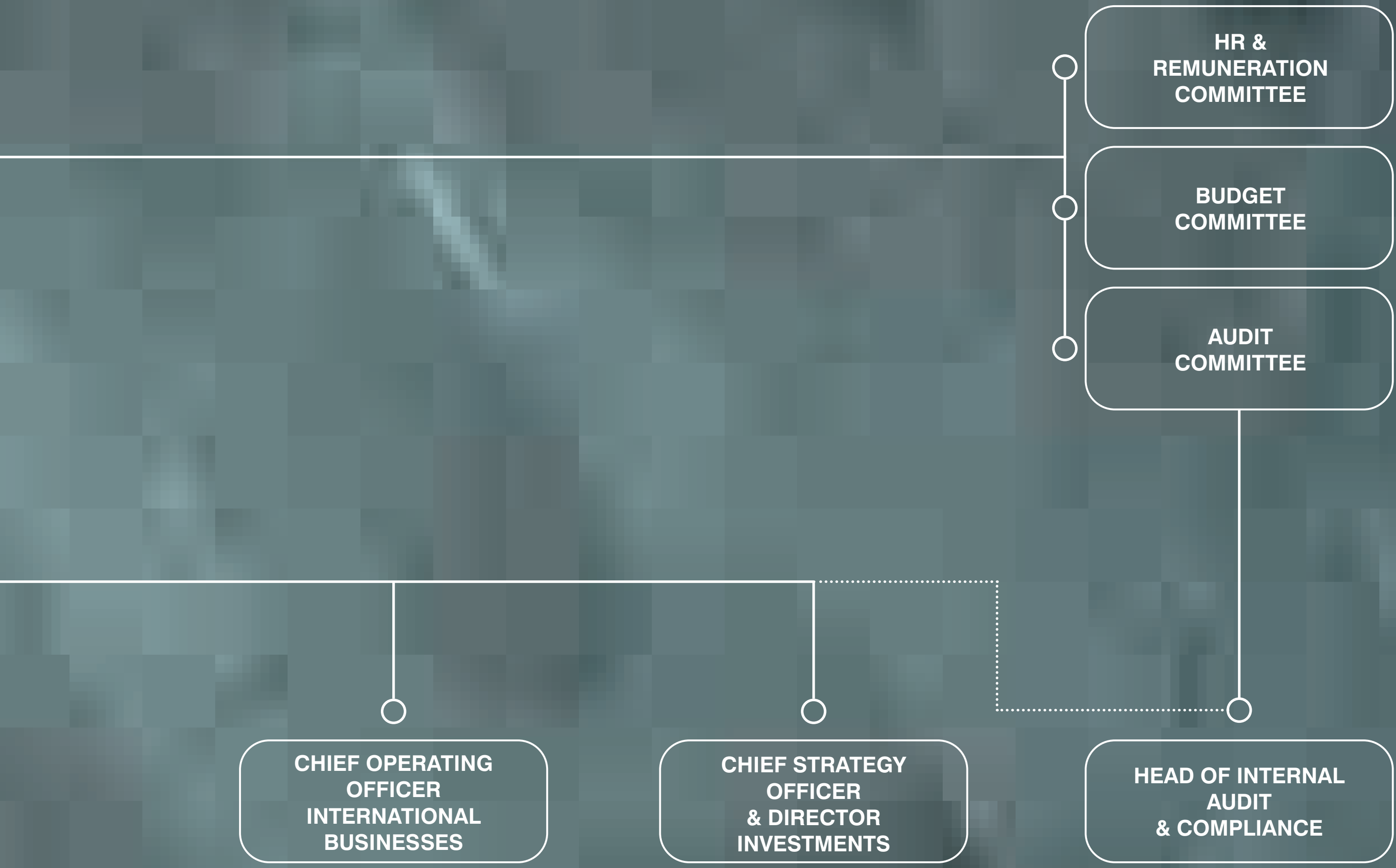
2. 58 Kilometers on Main M9 Highway, Gadap Town, Karachi, Pakistan

SHARE REGISTRAR

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

ORGANOGRAM


BOARD OF DIRECTORS
CHIEF EXECUTIVE
EXECUTIVE DIRECTOR
CHIEF OPERATING OFFICER
DIRECTOR FINANCE & CHIEF FINANCIAL OFFICER


HR &
REMUNERATION
COMMITTEE
BUDGET
COMMITTEE
AUDIT
COMMITTEE
CHIEF OPERATING
OFFICER
INTERNATIONAL
BUSINESSES
CHIEF STRATEGY
OFFICER
& DIRECTOR
INVESTMENTS
HEAD OF INTERNAL
AUDIT
& COMPLIANCE

OUR HUMAN CAPITAL

2,541
Total Headcount

2.25%
Employee Turnover

2,535
Average Number of Employees

6.3%
Head Office Female Ratio

270
Head Office Headcount

869
KP Headcount

1,330
Pezu Headcount

Locations	Head Office	KP	Pezu	CMO	Total
No. of trainings	37	19	5	2	63
Attendance	240	178	31	16	475

AWARDS AND ACCOLADES

LUCKY CEMENT LIMITED VOTED AS PAKISTAN'S MOST OUTSTANDING COMPANY IN MATERIALS SECTOR BY ASIAMONEY

Lucky Cement Limited was recognized by Asiamoney under its Asia's Outstanding Companies Poll 2020 for Materials sector in Pakistan. Asia's Outstanding Companies Poll recognizes publicly listed companies across the region for their excellence in a variety of business areas and markets. The results recognized 140 companies as being the most outstanding for their sectors and in their market.

More than 880 fund managers, buy-side analysts, bankers and research analysts took part in the voting. In total, over 4,602 votes were received for publically listed companies across 11 markets in Asia. The aim of this poll is to identify and give recognition to Asia's most outstanding listed companies in each market and sector. In casting the vote, the Company's overall performance including its financials, management team, IR activities and CSR initiatives are considered.

PAKISTAN STOCK EXCHANGE (PSX) TOP 25 COMPANIES AWARDS 2019

Lucky Cement was recognized consecutively for the third year in a row for Pakistan Stock Exchange (PSX) Top 25 Companies Awards 2019.

The Company was recognized for its outstanding performance in the spheres of corporate governance, financial performance, and investor relations.

Through this award and recognition, Pakistan Stock Exchange seeks to promote companies for their excellent performance and contribution to Pakistan's economy.

BEST CORPORATE REPORT AWARD

Lucky Cement Limited won the Best Corporate Report Award with second position in the Cement category at the much anticipated "Best Corporate & Sustainability Report Awards 2019." The recognition was jointly announced by the Institute of Charted Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP).

The award represents the Company's commitment to having the best corporate practices and governance, reflected by the stringent policies for IT, whistle-blowing, social responsibility, investor grievances, and safety record at the Company. Furthermore, full disclosure of the Company's operational environment, strategic objectives, risk management, and governance processes provided firm grounds for winning the award.

The objective of the award is to encourage the publication of timely, accurate, informative, and well-presented annual reports for investors, regulators and other stakeholders and to recognize as well as honor such organizations for the exemplary achievement in producing such high-quality reports.

ENVIRONMENT EXCELLENCE AWARD 2020

Lucky Cement Limited won the Environment Excellence Award at the 17th Annual Environment Excellence Awards 2020, organized by The National Forum of Environment and Health (NFEH) .

Lucky Cement received the award in recognition to its commitment and efforts towards environment conservation for a greener and sustainable Pakistan. Sustainable development forms a significant part in Lucky Cement's business strategies and is one of the key factors that have led the company towards progress and growth.

10TH FIRE & SAFETY AWARDS 2020

Lucky Cement Limited was awarded at the 10th Fire & Safety Awards 2020, organized by The National Forum of Environment and Health (NFEH).

Lucky Cement received the award in recognition to its commitment towards modern technology to control fire accidents and save human lives in such incidents. The Company was awarded after passing a stringent evaluation criteria devised purely on professional basis.

Lucky Cement stringently ensures to apply HSE goals with an aim of continuous progress for a better workplace for employees and all stakeholders engaged in business operations.

BEST IN CEMENT BUSINESS AWARD

Lucky Cement Limited was awarded for 'Best in Cement Business' category at the Business Excellence Awards 2020 by Biz Today. The award ceremony was organized to acknowledge and appreciate the businesses across various sectors for their astounding commitment and services especially during the pandemic.

INTERNATIONAL CORPORATE SOCIAL RESPONSIBILITY AWARD

Lucky Cement Limited won the International Corporate Social Responsibility Award in the category of "Business Transformation" organized by The Professionals Network (TPN)

Lucky Cement Limited received this prestigious award in recognition of its efforts towards a sustainable business transformation through the successful integration of customized logistics fleet operations.

Facilitating downstream along with the value chain, Lucky Cement has its own logistics fleet operations, customized for inbound and outbound goods as well as customer requirements and locations. This diversified fleet of prime movers, bulkers, and trailers is managed expertly by a team of highly qualified professionals to ensure the highest levels of service and efficiency from plant to premises.

The Company also emphasizes on lead-time and road safety, therefore all vehicles are monitored using GPS tracking systems along with training at all levels of the team to support the pursuit of continuous improvement.

POSITION WITHIN THE VALUE CHAIN

Lucky Cement's principal business activity is to produce and sell cement products. Manufacturing cement involves blending a mixture of limestone and other minerals at a high temperature in kilns.

On the upstream part of value chain, raw material for cement manufacturing includes limestone, gypsum, clay etc. which are mainly excavated from mines either directly by the Company or through contractors. Limestone is first excavated from the mountains / quarries obtained on lease from the Minerals department, against which royalty is paid on a monthly basis. Coal used as fuel in the process is one of the major cost ingredients, which is imported by Lucky Cement. The mining, grinding, crushing and blending processes are strictly monitored by highly qualified specialists, to ensure that the best possible product is manufactured for our valued customer.

Facilitating downstream along the value chain, Lucky Cement has its own logistics fleet operations, customized for inbound and outbound goods as well as customer requirements and locations. We have an articulated fleet of prime movers, bulkers and trailers. This diversified fleet is managed expertly by a team of highly qualified professionals to ensure the highest levels of service and efficiency from plant to premises. Lucky Cement has dedicated warehouses near all key markets which brings us a step closer towards our valued customers. The quick delivery of cement through warehouses and the prompt services provided by the logistics fleet keep us ahead of the competition.

Value chain analysis on a regular basis has enabled Lucky Cement to identify its core competencies and to identify key stakeholders in the process of the value creation as well as those along the upstream and downstream value chain. Moreover, this analysis has helped Lucky Cement in identifying the activities which add value for its customers and also to evaluate its competitive positioning in industry.

FACTORS AFFECTING THE EXTERNAL ENVIRONMENT

PESTLE ANALYSIS

Factors	Description	Organizational Response
P Political	Political instability and turmoil impacts the organization negatively.	The management of Lucky Cement Limited (LCL) closely monitors the political developments and government's regulatory policies that may affect the Company.
	Abrupt changes in Government's macro-economic policies also adversely impact the Company's business.	Timely adjustments are made in the organizational processes and policies in response to actual or anticipated changes in Government policies. Issues relating to the Cement Industry are dealt with through forums such as PBC, ICAP and APCMA.
	Outbreak of pandemic on a global level, for e.g. COVID-19, leads to contraction of demand and delays in Government/Private spending on infrastructure	Amid the Covid-19 pandemic, Lucky Cement followed all the Governments' policies and took unprecedented steps to counter the effects of Covid-19 crises.
	Devaluation of currency, increasing interest rates and higher inflation leads to greater input costs and reduced margins.	Management continues to identify new markets for its products, both locally and internationally.
E Economic	In times of reduced Government's spending and lower economic growth, construction activities slow-down.	Being the largest producer of Cement in Pakistan with enhanced production capacity in the North and South, Lucky Cement exports Cement and Clinker to various regions across the world. Company constantly strives to bring efficiencies in its manufacturing process and energy mix, which supports in mitigating adverse effect of increase in production cost. Cost reduction initiatives to control production and non-production related fixed costs.
S Social	Focus on Corporate Social Responsibility, Donations, development of communities and Scholarships.	As a socially responsible corporate entity, Lucky Cement strives hard to develop the communities in which it operates. With the rise of the global pandemic, Lucky Cement Limited being a socially responsible company remained at the forefront to help the communities by distributing ration bags amongst the affected families. The Company designed its Covid-19 Relief Program to specifically target the rural and under-developed localities of Pakistan to support the marginalized communities.
	Investment in health sector.	Lucky Cement donates generously to various social and charitable causes including health, education and social sectors. It also provides funding to various hospitals and welfare organizations including Aziz Tabba Foundation, Tabba Heart and Tabba Kidney Institutes.

Factors	Description	Organizational Response
T Technological	Risk of technological obsolescence.	To continue its legacy of being unparalleled leaders of the cement industry, Lucky Cement has always given priority to latest technological developments. In addition to the new Line installed at its Pezu Plant, Lucky Cement has installed state-of-the art Vertical Cement Mills at its Pezu and Karachi Plants thus increasing production efficiency.
	Technological innovation by competitors	LCL has a dedicated team of professionals which ensures that all its processes comply with the applicable regulatory requirements. Even under the circumstances created by the Covid-19 outbreak, our systems and software remained available to our employees making work from home possible.
L Legal	Compliance with the applicable legal and regulatory requirements	The Company has a dedicated team of professionals which ensures that all its processes comply with the applicable regulatory requirements. Lucky Cement is the first Shariah Compliant Company of Pakistan complying with all the applicable regulations of the Shariah Governance Regulations, 2018. Lucky Cement is one of the top contributors to national exchequer in terms of Corporate Tax. The Company benchmarks itself with the best in corporate Pakistan by participating in various award programs, for e.g. PSX Top 25 awards, MAP Corporate Excellence Awards and Best Corporate Report Awards.
E Environmental	Environmental Footprint, Recycling, Climatic Conditions Global warming, Natural disasters etc.	The Company takes various steps to protect the environment including compliance with applicable environment standards. We manage our environmental performance through efficient use of natural resources, and identifying and implementing green alternatives. Water conservation remains at the core of our operational practices. The company has installed bag filters and monitors dust, particulate matter and other emissions to ensure that they remain below the respective limits specified in the NEQS. Investment in Waste Heat Recovery system so as to minimize Company's impact on the environment due to its operations.

SIGNIFICANT CHANGES AND DEVELOPMENTS FROM PRIOR YEARS

Subsequent to easing of lock-downs and revival of construction activities, while the year 2020-21 proved to be a year of prosperity for the Company, the profit margins were under pressure on account of rising gas and other fuel prices which affected the Company's cost of production. Despite the challenges, the Company was able to secure highest ever consolidated profit after tax (PAT) during the year. A snapshot of the Company's significant decisions over the years is presented in the section "Road to success". The significant changes and developments from the prior year that the Company witnessed during the year ended June 30, 2021 are as follows:

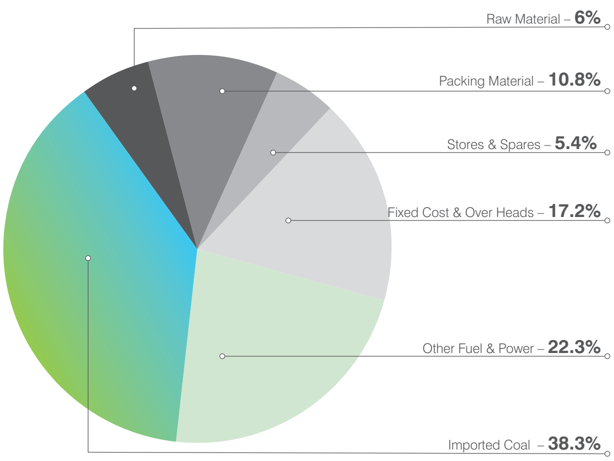
- Announced another brownfield expansion at its Pezu Plant to enhance its production capacity by 3.15 million tons per annum which is set to complete by December 2022.
- Coal and furnace oil prices began to rise during the later half of the year, putting pressure on the Company's profit margins.
- Lucky Cement Limited posted its highest ever PAT of PKR 28.23 billion.
- During the year, the Company contributed PKR 6.05 billion as equity in its 100% owned subsidiary company, Lucky Electric Power Company Limited (LEPCL). The project is all set to achieve its COD in 4th quarter of calendar year 2021.
- Our subsidiary, Lucky Motor Corporation Limited (formerly KIA Lucky Motors) posted its highest profits, and also paid out its first ever dividends.
- Lucky Motor (formerly KIA Lucky Motors) entered into a License Agreement with the Stellantis Group to assemble and distribute one of their European brands in Pakistan. The Stellantis Group is the world's 4th largest Automobile group.
- Greenfield expansion for cement production of 1.2 MTPA in Samawah, Iraq completed its trial production and commenced its commercial operations with effect from March 10, 2021.
- Secured ITERF and LTFF facilities for funding its expansion and related projects.
- In terms of market capitalization, the Company became the third largest company over the floor of PSX as on June 30, 2021.
- In May'21, Morgan Stanley International Capital (MSCI) added Lucky Cement (LUCK) in its EM Standard Index

COMPOSITION OF LOCAL VS IMPORTED PRODUCTS AND SENSITIVITY ANALYSIS

The Company produces cement through various local and imported inputs. The major cost of input for production of cement is imported coal. The imported material used for the production of Cement and Clinker represents 32% of the composition.

A fluctuation in coal price of PKR 100 per ton affects the cost of production by PKR 14 per ton. Cost of Sales of the Company will increase / decrease by 1.4% and 2.8% in case of foreign currency fluctuation by 10% and 20% respectively.

The company is moderately sensitive to the foreign currency fluctuations. The management constantly monitors the international coal prices and exchange rates and takes necessary and timely steps to mitigate such impacts.



SWOT ANALYSIS

Lucky Cement Limited has been growing with the prime objective of maximizing value for all the stakeholders. The company uses it strengths to capitalize on opportunities, overcome its weaknesses and avert threats. Keeping this in perspective, our pursuits consist of diverse strategies having external and internal origins. The goal of the Board of Directors is to minimize all risks and to take advantage of potential opportunities in order to systematically and sustainably improve the value of the company for all stakeholders.

STRENGTHS

- Lucky Cement is the largest cement producer of Pakistan with current production capacity of 12.15 MTPA and an announced expansion of 3.15 MTPA.
- The company has most efficient production facilities, which gives strength to the overall performance and profitability of the Company.
- The strategic plant locations across the country, give the company access to nationwide market and mitigates exposure to any localized risks.
- The company has an extensive dealership network of more than 160 dealers and distributors.
- Lucky Cement owns a huge fleet of Bulkers & Trailers, which gives us added advantage in terms of logistics and efficient deliveries to all types of customers spread across the length and breadth of the Country. The Company's smart logistic setup and management enables it to effectively cater to both the international as well as the domestic markets.
- The only Cement Company in Pakistan, which has silos at the Port, thus, is able to export loose cement.
- The Company has diversified its businesses and has made strategic investments in Chemicals, Automobiles and Power.
- The company has also successfully demonstrated that it is an environmentally responsible organization by launching ecofriendly projects such as Waste Heat Recovery and alternate fuels. The carbon emissions by Lucky Cement Limited are well below the country's regulatory limits.

WEAKNESSES

- Due to the location of Lucky Cement's plant in the district Lucky Marwat, high distribution cost has to be suffered to distribute the Company's products to certain remote areas. The Company endeavors to mitigate the impact of this limitation by an efficient warehousing network which offers effective market penetration. Further, the Company maintains an effective outreach to optimal retention areas to neutralize the impact of increased distribution cost.

OPPORTUNITIES

- Pakistan has a very low per Capita consumption of cement as compared to its neighboring countries and therefore significant growth opportunities are available for the company.
- The positive demographic trends like growing population, increasing urbanization and rising income levels are the key demand drivers.
- The China–Pakistan Economic Corridor initiative remains a great opportunity for long-term growth of the industry.
- Furthermore, with the anticipated Government and Private Sector's spending on infrastructure development; construction of highways, dams, special economic zones, energy projects and low-cost housing schemes, the local demand of cement is likely to increase in medium to long-term.
- With the focus of government on the revival and improvement of Cement Industry in the form of several tax relief, the company expects improved profit margins in the future.

THREATS

- Rising input costs on account of increase in gas, coal and other fuel prices coupled with devaluation of PKR versus other foreign currencies will continue to put pressure on the margins in the short-to-medium term.
- In the event of reduced Government's spending on infrastructure projects, the Company may face oversupply situation due to surplus production capacity.
- The pandemic has significantly affected the macro economic conditions globally which put immense pressure on the local and export sales. While the pandemic has receded significantly in the country, any resurgence of it within the country or globally will further hamper the cement demand. The impact on export-oriented industries will be intense as they may face cancellation and slow-down of exports orders.

COMPETITIVE EDGE

GLOBAL PRESENCE

A strong presence in local and international markets is at the forefront of Lucky Cement's business strategy. We are the first Pakistani cement manufacturing company with manufacturing facilities outside Pakistan. Lucky Cement's grinding plant in Basra, Iraq has been operational since 2014 has a total capacity of 1.742 MTPA. The plant in DR Congo, commenced its commercial operations in December 2016 with capacity of 1.188 MTPA. The Company also commenced commercial operations of its integrated cement manufacturing plant of 1.2 MTPA in Samawah, Iraq.

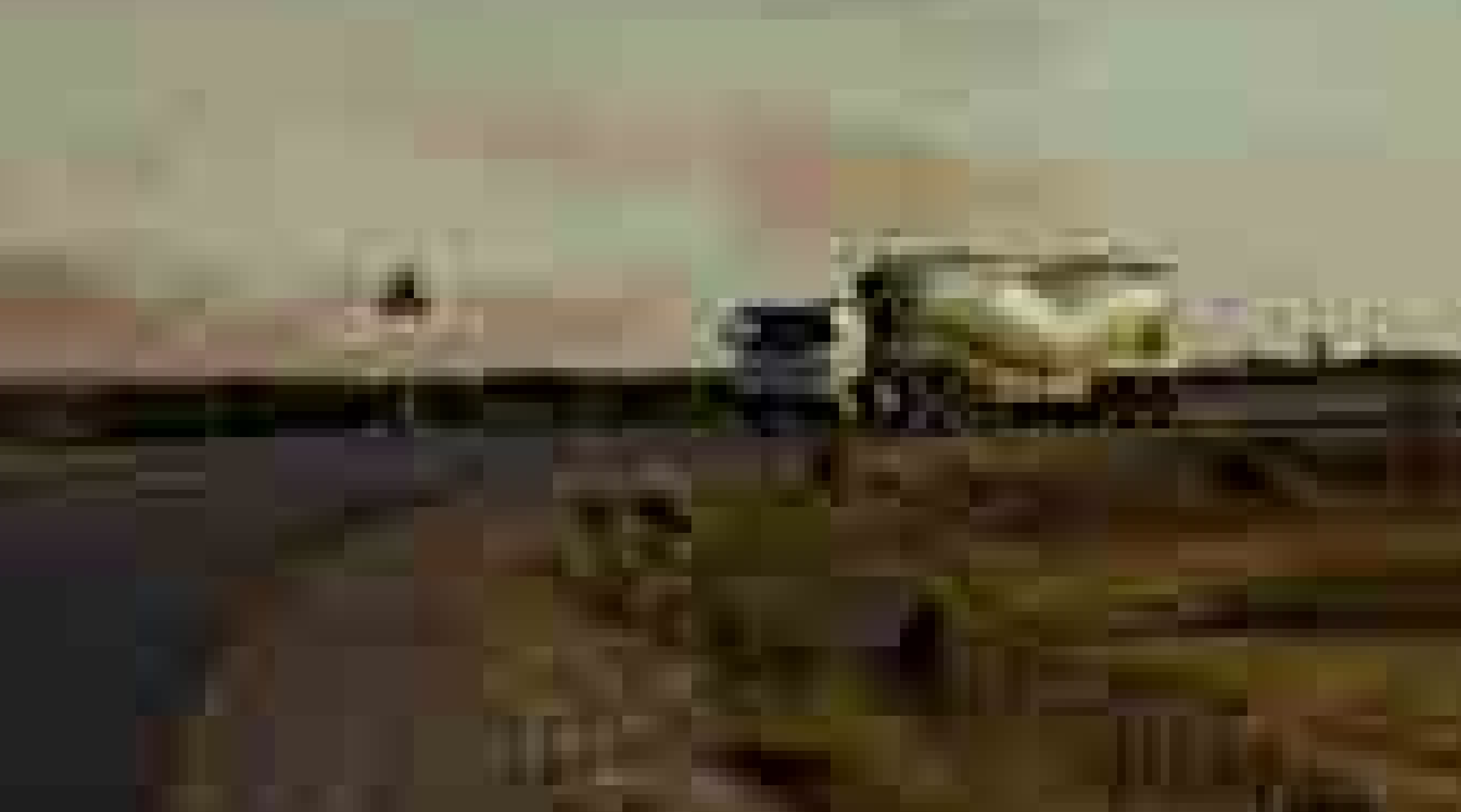
DIVERSIFIED BUSINESSES

Lucky Cement had already chosen to diversify its businesses and has made strategic investments in profitable ventures in Chemicals, Automobiles and Power sectors. These diversified businesses besides providing a healthy return to the holding company also act as a cushion against market risks and secure its earnings from external shocks.

ENERGY EFFICIENCY AND REDUCTION OF CO_2

We can be considered the pioneer of energy conservation and use of alternate fuel in the cement industry of Pakistan. Numerous initiatives have been taken to save energy, starting with fuel conversion of all our power generation units from furnace oil to natural gas. This was strategic in nature as it not only reduced the Company's carbon footprint but also decreased the cost of energy generation. CO2 emissions were further reduced through the introduction of Waste Heat Recovery (WHR) systems. The WHR system utilizes all the excess heat (which was previously being released in the atmosphere) from the production lines and power generators to generate electricity. We have set up two WHR plants at Karachi having a cumulative generation capacity of 21 MW and three WHR plants at Pezu having a cumulative generation capacity of 25.2 MW.

The Company is also expanding its two Waste Heat Recovery (WHR) units in Pezu, Khyber Pakhtunkhwa. The capacity of the two plants is expected to advance by around 4MW. Furthermore, the Company is also installing six 10MW 34DF dual-fuel engines for both of its plants. We also introduced the use of alternate energy by supplementing our manufacturing line with Tyre Derived Fuel (TDF) in 2011. Lucky Cement also



has the capacity to utilize rice husk, bagasse and other biomass through its Refused Derived Fuel (RDF) system for alternative fuels. These initiatives have the capacity to curb fossil fuel cost besides drastically curtailing the carbon emissions.

EXPORT TERMINAL AT KARACHI PORT FOR LOOSE CEMENT

We are the first and only cement company to own a state-of-the-art export terminal at Karachi Port. These cement silos have the capacity to store 24,000 tons of cement.

ADVANCED QUALITY CONTROL

Our highly advanced quality control systems guarantee product dependability, quality, and customer satisfaction. We focus on manufacturing premium quality cement through highly advanced quality control systems equipped with the latest technology including DCS, PLCs and X-Ray analyzers.

ECONOMIES OF SCALE

The benefits of utilizing state-of-the-art technology and latest infrastructure accrue in the form of lower costs of production. Our operational process cost is constantly reviewed to reduce the same on a sustainable basis and bring in further efficiencies by process improvements.

SMART LOGISTICS SETUP AND SUPPLY-CHAIN MANAGEMENT

With an enviable array of business partners in every domain, our fully integrated supply chain is a key source of competitive advantage for its business. This advantage is maximized via the Company's logistics fleet operations, customized for inbound and outbound goods as well as customer requirements and locations.

We have an articulated fleet of around one forty eight (148) prime movers with over seventy (70) bulkers, and over a hundred (100) trailers/tipping trailers. This fleet is managed expertly by a team of highly qualified professionals to ensure the highest levels of service and efficiency from plant to premises, thus keeping us ahead of the competition. A well synchronized logistics' system does not only strengthen the overall capabilities of the Company, but is also a source of immense cost advantage in this highly competitive industry.

The Company's integrated sales structure offers superior quality cement within the shortest possible lead-time. The service levels achieved by dedicated logistics solution available previously at the Karachi Plant have now encouraged the company to replicate this integrated product delivery solution at the Pezu Plant also. With a special focus on environmental considerations, vehicle emissions of the fleet are regularly tested.

Furthermore, the Company emphasizes on lead-time and road safety, therefore all vehicles are monitored using GPS tracking systems. Finally, an unremitting dedication to trainings at all levels supports the pursuit of continuous improvement.

BRAND EQUITY

Our brand is a testament to excellence. With advanced technology, cutting-edge logistics, sustainable processes and energetic teams, we are privileged to have earned our customers' trust.

Our strategically located plants at the country's Southern business hub and in the rugged Northern mountains give us an edge over competition. This combination has facilitated a strong nationwide network; through which we effectively cater to the needs of our consumers. Our strong foothold in the local market strengthens us to explore new horizons globally. Be it export, production processes, advertising or brand equity, we continue to raise the industry bar.

LEADING THE WAY FOR SUSTAINABLE DEVELOPMENT IN PAKISTAN

Lucky Cement Limited is the largest contributor towards the socio-economic development of the country. May it be the construction of a small scale housing project or building up of the largest water reservoirs, Lucky Cement Limited has always been the most preferred choice. With our exports to different markets we bring precious foreign exchange to the country. We are proud partners of Pakistan's leading public and private sector institutions. We are privileged to play a vital role in the socio-economic development of the country by supporting prominent strategic state led institutions. We are also catering to the ever increasing housing needs of the country by contributing in the development of some of the largest housing schemes projects. Furthermore, contribution towards some of country's leading development projects including the under-construction dams is another feather in our cap. Our strong reputation in the government and private sector has also made us the first choice for the Chinese infrastructure development projects under the China Pakistan Economic Corridor (CPEC) initiative. By playing an active role in the nation building, we at Lucky Cement are determined to continue facilitating our partners to build a better tomorrow.



STRATEGY AND RESOURCE ALLOCATION

UNDERSTANDING OUR BUSINESS MODEL

OUR CAPITALS (INPUTS)	OUR BUSINESS ACTIVITIES

Financial Capital
PKR 156.4 billion in Total Assets

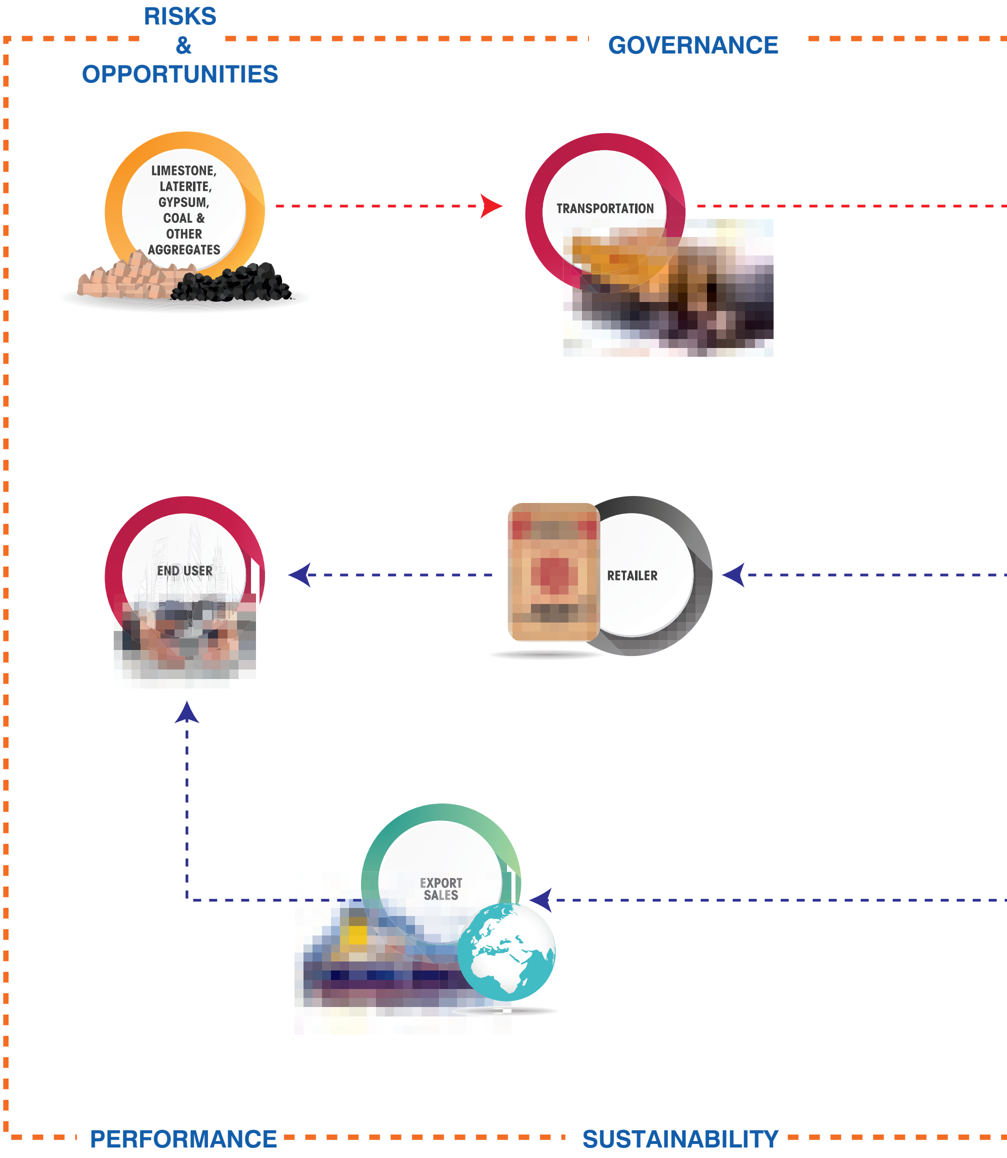
Social & Relationship Capital
160 dealers & distributors

Human Capital
2,541 employees

Intellectual Capital
SAP S/4 HANA

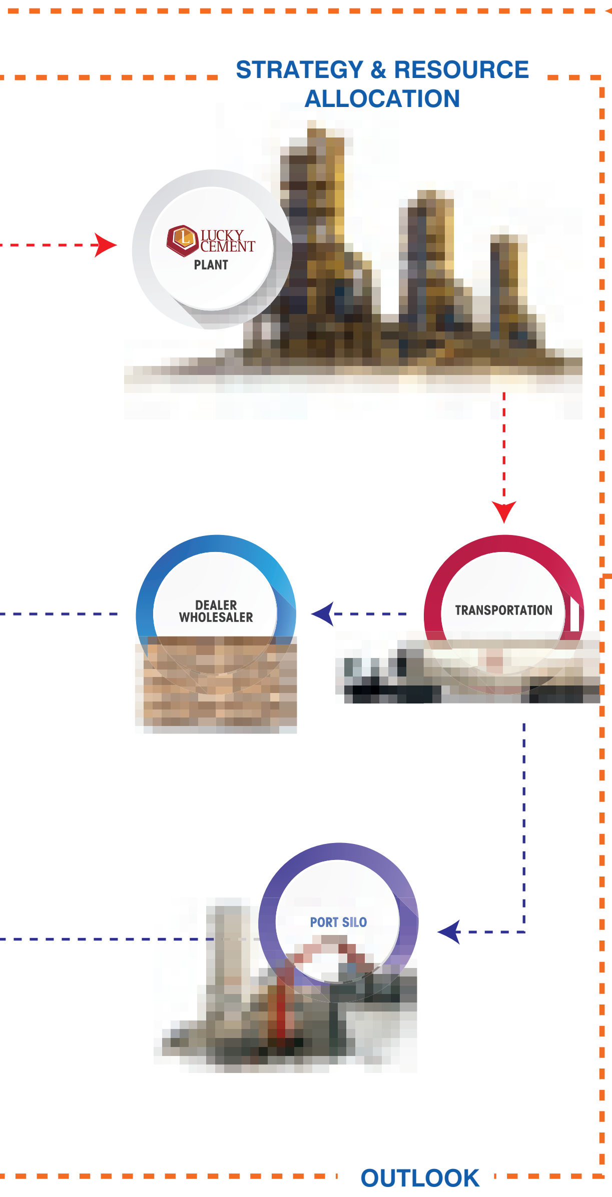
Manufactured Capital
- Production capacity of 12.15 MTPA
- Vertical Cement Mills.
- Export terminals at Karachi Port

Natural Capital
Water, energy and environment conservation initiatives



OUR CAPITALS VALUE GENERATED & ADDED TO SOCIETY

CONTRIBUTING TO THE UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS



Financial Capital
- Profit after tax of PKR 14.07 billion
- PKR 27.3 billion contributed to Government treasury

Social & Relationship Capital
- New dealerships
- Better relationship with clients
- Customer satisfaction

Human Capital
- Talent development
- Diversity promotion in workplace

Intellectual Capital
- Efficient structures & processes
- Work from home availability

Manufactured Capital
- Annual sales of 9.96 million tonnes
- Market share of 17.3%

Natural Capital
- Better use of Natural Resources
- Active contribution towards UN SDG 2030

SPECIFIC PROCESSES USED TO MAKE STRATEGIC DECISIONS

Strategic decisions are those decisions that have an influence over years or in some cases decades. The strategic decision making process focusses on the structural decisions which are necessary to build on an organization's strengths, mitigate its weaknesses, tap the opportunities and address the threats. Inherently such decisions include a wide range of uncertainties and carry higher levels of risk. Lucky Cement has a structured process for strategic decisions, where typically the higher level of management is involved. In line with the Vision of the Company, Lucky Cement periodically reviews the business strategy and market dynamics and updates its Corporate Plan. The Board is involved in the strategic decision making process, where it reviews, approves and monitors the implementation of strategic decisions.

Management Committee is typically involved in the strategic decision making process. With the support of key team members, the Management Committee identifies a problem or an opportunity and prepares a methodology to address it. For any strategic decision making, following specific processes are used:

1. Problem definition
2. Gathering of information
3. Development and evaluation of different options
4. Selection of best option
5. Implementation and monitoring of decision

SPECIFIC PROCESSES USED TO ESTABLISH AND MONITOR THE CULTURE OF THE ORGANIZATION

Lucky Cement promotes a culture of high values with a transparent work environment. The Company rewards the employees on the basis of their performance, innovation, excellence, customer focus and ethical behavior.

The Company's hiring policy is simple; to identify, hire and retain the best talent. The Company hires its human resources without any regard to their caste, gender, age, religious, ethnic or political affiliation etc.

The Company has implemented a transparent system of performance evaluation, where the employees' performance is evaluated on the basis of achievement of their annual goals and display of behavioral traits. The employees are given feedback and their training needs are identified.

To inculcate the organizational culture in the employees, Lucky Cement has established Core Values and a Code of Conduct for its employees at all levels. The Code of Conduct caters to a wide variety of matters pertaining to employees' conduct.

The Company conducts regular refresher courses on the Code of Conduct. It is circulated annually to all employees who are required to read and acknowledge its understanding by signing it.

To inculcate the attitude of openness and transparency, the Company has a procedure for voluntary irregularity reporting, where every month each departments submits details of occurrence of any irregularity, including accident, malicious damage to company's property, fine or penalty, gross negligence or any other incident worth reporting to the top management.

COMPANY'S ATTITUDE TO RISK AND MECHANISMS FOR ADDRESSING INTEGRITY AND ETHICAL ISSUES

The Company has developed a comprehensive yet simple whistle blowing policy, where any stakeholder can blow a whistle regarding any ethical, improper or illegal behavior or conduct of any colleague or supervisor. The complaints are investigated independently by the Ethics Committee, which is empowered to take appropriate actions warranting the situation. Details of whistle blown and actions taken are reported to the highest level in the organization.

STRATEGIC OBJECTIVES

S. No	Strategic Objectives	Strategies in place or intended to be implemented to achieve those strategic objectives	Plan
1	**Growing local market share** Our focus remains on designing business strategies for the local market that ensure holding and increasing our market share. We continue to reinforce our strength to expand our share in the local market.	The Company has announced its expansion plan to increase its capacity at Pezu Plant by 3.15 MTPA in line with cement's demand projections, which will come online by December 2022.	Short term
2	**Increasing share in the international market** We channel our resources and energies towards development of new markets and territories with the aim of being more accessible to the global construction industry and also to earn more foreign exchange for the country.	Achieved exports aggregating to USD 86.11 million by increasing business in existing and new international markets. The company has international production footprint. The Company along with its Joint venture partner has commenced commercial operations of its Greenfield cement production facility in Samawah, Iraq of 1.2 MTPA which came online in March 2021. The Company's Joint venture fully integrated cement manufacturing facility in Democratic Republic of Congo has a production capacity of 1.18 MTPA.	Long Term
3	**Efficiency** We strive to continuously improve efficiency and to bring down our energy consumption and costs by optimally utilizing all available resources.	Lucky Cement has installed state of the art Vertical Cement Mills at its Pezu and Karachi Plants thus increasing production efficiency. Our plants are equipped with latest technologies, including our latest Cement Line at Pezu which has substantially improved our production efficiency.	Short Term
4	**Diversification** We endeavor to enhance stakeholders' value by diversification and making investments in such projects which maximize the returns for all stakeholders.	ICI Pakistan Limited is on a growth path by increasing its product portfolio. Lucky Motor Corporation (formerly KIA Lucky Motors) showed remarkable growth. KIA was ranked as 3rd Best Selling car brand in Pakistan. Lucky Electric Power Company is setting up a 660 MW coal fired power project which is expected to come online in 4th quarter of calendar year 2021.	Long Term
5	**Sustainable Development** (In terms of environmental and social responsibility) We endeavor to give back to the communities that we operate in and also to the society at large by efficiently using natural resources. We aim to deliver high quality goods at competitive prices while progressively reducing ecological impacts.	The Company is continuously taking steps to reduce emissions by installing Dual Fuel Conversion projects. The Company's power generation system is also in the process of being equipped with dual-fuel generators which will further enhance efficiency. Further, the Company has also adopted green technology for power generation by installing WHR. Company complies with all relevant National Environmental Quality Standards. Contributes generously towards the well-being of communities in and around the geography of its operations. As a responsible corporate citizen, Lucky Cement ensures that all social and environmental dimensions are considered while developing strategies, policies, practices and procedures.	Long Term
6	**HR Excellence** Developing our people is important to us. Human capital is an asset and plays an important role in our success. Our Core Values, Code of Conduct and HR policies provide an outline which serves as a guiding force for the whole organization.	The Company has put in place processes to develop and groom professionals at various levels. The Company is an equal opportunity employer. Our systems are designed to ensure transparency and fairness at all levels by clearly defining KPIs for each position in alignment with Company's vision and core values. The Company conducts anonymous Climatic Survey to get employee feedback, which helps in continuous improvement. Employees are encouraged to expand their skillset through job rotation.	Long Term

RESOURCE ALLOCATION PLANS TO IMPLEMENT THE STRATEGY

We aspire to be leaders in sustainable performance. Our challenge is to continually improve the efficiency of our operations, putting customers at the core of our decisions through strategic management of costs and investments in order to boost the use of our resources, while efficiently managing the allocation and cost of capital. To achieve our objectives, the management strategically strives to enhance stakeholders' value and carefully sets up strategies and plans. To achieve its strategic objectives, the Company deploys various resources at its disposal in a planned manner.

CAPITAL STRUCTURE AND FINANCIAL POSITION

The Company's ability of generating sufficient liquidity is its biggest strength. This provides the management with flexibility to fund business expansion, invest in cost saving initiatives and diversified businesses. Moreover, the Company also took advantage of the subsidized financing to fund its long and short-term requirements. The Company has obtained Islamic Export Refinance Facility and Foreign Currency Import Finance Facility (under Islamic mode); both of which are on subsidized rates.

CASH FLOW STRATEGY

Lucky Cement has an effective Cash Flow Management System in place whereby cash inflows and outflows are projected and monitored on a regular basis. Working capital requirements are managed mainly through internal cash generation and subsidized financing, whenever available.

During the year under review, an amount of PKR 12.49 billion was generated from operations of the Company which was mainly allocated towards capital expenditure amounting to PKR 6.47 billion, long term investments of PKR 6.05 billion, and payment of income tax amounting to PKR 0.83 billion. The available surplus liquidity is being effectively channelized into planned investment projects to further enhance shareholder value.

LIQUIDITY MANAGEMENT

As stated above the Company has sufficient internally generated liquidity available to discharge its obligations. The Company has prudent strategies in place to manage its liquidity

FACTORS AFFECTING COMPANY'S STRATEGY AND RESOURCE ALLOCATION PLANS

Technological changes: Lucky Cement being a premier corporate citizen of the country strives to leverage technological advancements taking place, whether they pertain to automation of business processes and data analytics or adoption of latest technologies for production.

Lucky cement has strategically taken several initiatives for digitalizing its various processes so as to bring efficiencies and avoid redundancies. The Company not only ensures that it acquires latest technologies and tools for its expansion projects, it also implement/replicate the newer technologies for its earlier plants as well. These investments in technology allows the Company to reap benefits in terms of efficiencies and lower costs.

Societal issues: The recent Covid-19 related restrictions where people were required to maintain social distancing was a test case, where the Company after taking into account the societal issue of pandemic, took various initiatives to ensure health and safety of its employees. While the Company was able to leverage its investments in technology and greater reliance on digital tools, it was able to continue its operations uninterrupted, while the staff performed critical tasks working remotely.

Lucky Cement believes in giving back to the society and accordingly the societal issues relating to education, health and poverty alleviation are part of its strategic plans. While for the employees, the Company has adequate health, safety and environment related policies and procedures; for the society at large, Company takes part in various philanthropic activities, capacity building programs, vocational training programs, sponsorship of schools, scholarships, special clinics and other health related initiatives.

Environmental challenges: Lucky Cement acknowledges that our environment faces several problems, and many of these seem to be worsening with time. The issues which arise because of environmental challenges pose various threats to our planet and impact every individual. It is therefore increasingly important to raise awareness of the existence of these issues, as well as taking practical steps to reduce their negative impact. The environmental challenges; such as climate change, poor air quality, deforestation, waste disposal, carbon emissions and water scarcity remain a cornerstone of Lucky Cement's strategic framework. Lucky Cement takes into account the mitigating factors and technologies before taking strategic decisions about expansion and other activities which impact environment.

KEY PERFORMANCE INDICATORS (KPIs)

We measure the progress towards achievement of Company's strategic objectives with these Key Performance Indicators. The management regularly analyzes these indicators to better gauge the Company's performance against predefined benchmarks.

Strategic Objective	Area of Impact	KPIs monitored	Future Relevance
Growing local market share	Financial Capital	• Sales Volume • Market share indexing	The KPIs will continue to remain relevant in the future
Increasing share in the international market	Financial Capital	• Development of new export markets • Sales volume in traditional export markets	
Efficiency	Manufactured Capital, Intellectual Capital	• Production efficiency and activity ratios	
Diversification	Financial Capital	• Investment portfolio • Return on equity	
Sustainable Development	Natural Capital	• Water and energy conservation • Continuous support for community development • Commitment towards UN SDGs 2030	
HR Excellence	Human Capital	• Climatic Surveys • Employee engagement • Retention ratios	

SIGNIFICANT PLANS AND DECISIONS SUCH AS CORPORATE RESTRUCTURING, BUSINESS EXPANSION AND DISCONTINUATION OF OPERATIONS

The Company does not intend to initiate any plans of corporate restructuring. During the year ended June 30, 2021, the Company announced a plan for capacity expansion at Pezu Plant which will increase the production capacity by 3.15 MTPA to reach 15.3 MTPA. The updates on the progress of investment projects has been reported in the Directors' Report. The Company does not have any immediate plans for further expansion or discontinuation of any operations, other than those already mentioned in the Directors' Report.

SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES

As part of our commitment to our stakeholders, we regularly monitor our strategies to further enhance the value creation process. There were no significant changes in objectives and / or strategies from prior years.

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

The Company's competitive landscape and market positioning in terms of Porter's five-forces model is described below:

Lucky Cement, being the largest producer of Cement in Pakistan has further improved its position as a market leader during the year 2020-21. Over the years, Lucky Cement has grown in leaps and bounds. Within the country, we have developed a distribution network that allows our domestically produced cement to be made easily available in every part of the country. For quick delivery of cement and for best possible customer service, Lucky Cement has dedicated warehouses located near all key markets. Our focus remains on designing business strategies for the local market that ensure holding and increasing our market share. We continue to reinforce our strength to expand our share in the local market. We channel our resources and energies towards development of new markets and territories with the aim of being more accessible to the global construction industry and to cater to the demands of our customers in local and international markets.

POWER OF SUPPLIERS

The hallmark of our relationship with our suppliers consists of transparency, continuity and the building of shared value. At Lucky Cement, we believe in maintaining our Social and Relationship Capital to maintain the highest standards of quality. Our continuous growth is attributable to engaging reputed and dependable suppliers as our business partners. We have developed multiple sources for supply of key components and materials. During the year, the Company received uninterrupted supply of raw materials required for the production process. Our strong and healthy relationship with our suppliers and esteemed reputation in the Industry ensures that the power of supplier is managed successfully.

POWER OF CUSTOMERS

With customer focus as one of our Core Values, to win our customers and stakeholders we take proactive approaches, navigate changing expectations and demonstrate business agility. We remain responsive to our customers' needs and come up with high-quality cement which meets their requirements. We put customers at the core of our decisions which helps to manage the power of customers.

COMPETITION AND RIVALRY

Over the years, Lucky Cement has maintained its position as a market leader in the domestic Cement Industry. We believe in a healthy competition to keep us conscious for maintaining our market share and continuously improve and maintain the high quality standards of Cement and Clinker. Our state-of-the-art production facilities, vertical cement mills, efficient use of natural capital, warehouses at different locations, export terminal at Karachi Port, smart logistics setup and dedicated team of professionals make us a world-class Company enabling us to stay ahead of the competition.

THREAT OF NEW ENTRANTS

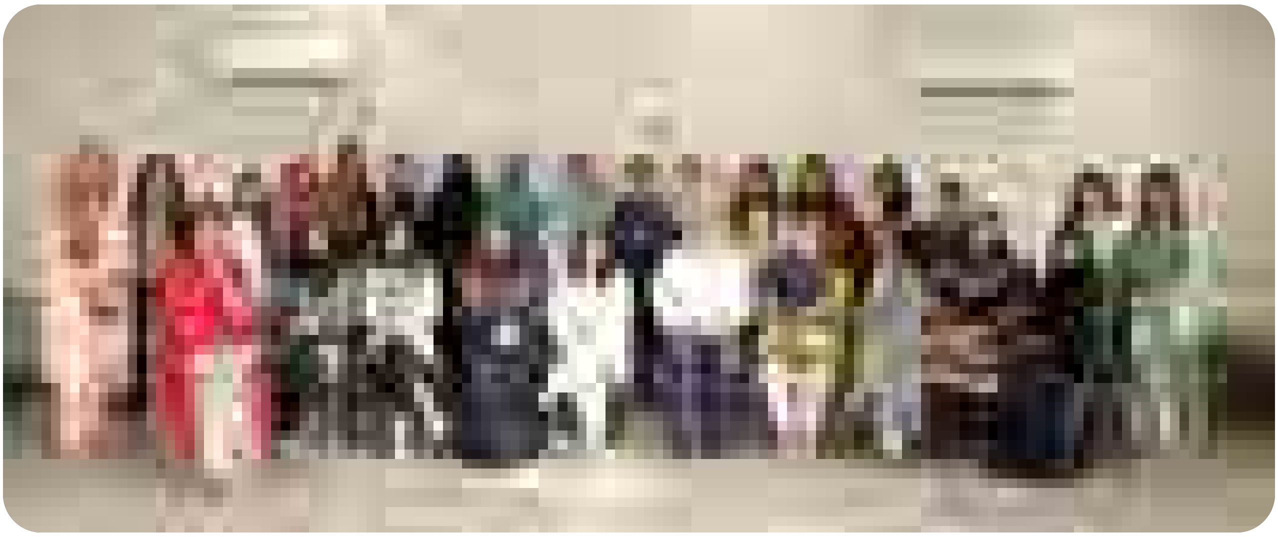
Being the largest producer of Cement in Pakistan, with production facilities in the North and South, marketing and distribution network across the length and breadth of the country, the threat of new entrants in cement industry of Pakistan is significantly low. Highly capital intensive industry, scarcity of raw material, market saturation and limited access to delivery channels are barriers that prohibit the entry of a new Company in the Cement Industry.

THREAT OF SUBSTITUTE PRODUCTS

The risk of substitute products in the market is nil, because of the nature of product.

HR EXCELLENCE

Creating an inspiring workplace for our Human Capital



In today's global and dynamic environment organizations need to be more adaptive and resilient to consistently triumph. We, at Lucky Cement Limited have always been convinced that the great power of transformation and perpetual growth rests with the people. We strongly believe it is our human capital, that makes us evolve, ensuring sustainable results and driving our capacity to create value for the organization, society and for the country as a whole.

Today, our industry leadership is due to the invaluable contributions by our human capital. We understand that it is an investment in one's employees that will ultimately result in a stronger & more productive workforce, which will keep us on our journey of growth, expansion and diversification.

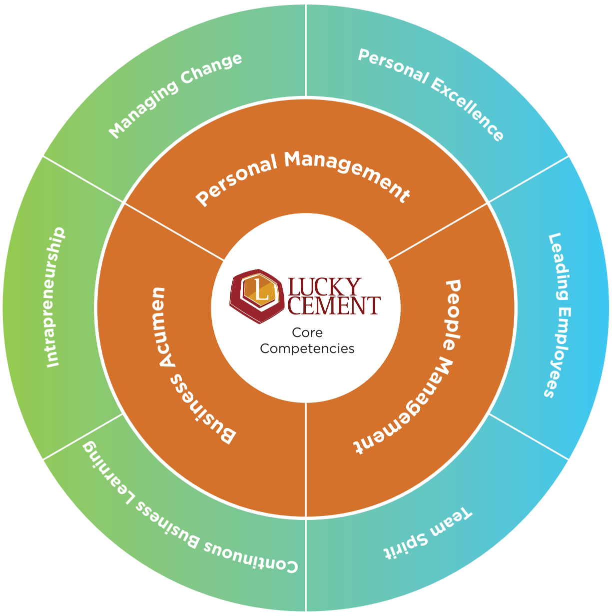
We started our journey as an organic and flexible organization; however we have been in an exponential growth phase ever since our inception, which has always kept us on our toes to ensure we are able to attract, engage and develop the best fit talent. Our greatest challenge has been to align all our efforts throughout the employee's lifecycle so that we can attract the right talent and retain them by giving them ample opportunities to develop and grow in their careers while taking Lucky Cement Limited to new heights.

Believing in this philosophy we have developed a multidimensional competency framework that incorporates the essential soft and functional skills into the employee lifecycle linking personal & organizational goals, developing better recruitment and retention standards, ensuring smooth succession planning, opening up communication channels and tracking learning & development impact on performance.

HIRING & RETAINING TALENT

Talent acquisition, its development and retention continues to be one of our top priorities. We understand that our talent is the elixir that circulates through the veins of Lucky Cement and empowers it to maintain market leadership.

Our talent pipeline ensures that we have adaptive and disruptive leaders who are fit for the future; high achievers and curious learners are empowered to make decisions and take smart risks; learning is deeply embedded while diversity is leveraged as a source of energy and innovation.



We are committed to developing and sustaining our talent pipeline by attracting and retaining the most competent people. We also aim to develop our leadership pipeline to fulfill future leadership needs of the organization. This is a key success factor in Lucky Cement's outstanding results. Building on our approach to leadership development, the focus is on developing our managers to motivate team members to create a high-performance culture that leads to game-changing business results. To ensure consistent flow in our leadership pipeline, we offer the opportunity to enrich the job scope of our talent through providing job rotation opportunities, job enrichment projects and international assignments creating a high performance work culture.

Implementation of the competency framework into our recruitment and selection process has ensured that we have the right competency matrix in place when looking for talent to fill positions, ensure top performers are being recognized and rewarded; while the framework also assists in identifying high potential employees; who the Company further grooms by providing different trainings and projects that focus on developing their skillset. This helps the employees cement their existing skills while learning new ones.

Our talent team sourced the best-fit talent for the Greenfield joint venture project in Samawa, Iraq along with developing their HR framework, recruitment guidelines and ensuring resource mobilization. This is our second venture in Iraq. The previous one in Basra has been operational since 2014 and contributes positively towards the bottom-line.

PERFORMANCE MANAGEMENT

We believe that core competencies fundamentally entail the DNA of any organization and assists in inculcating the right soft-skills and values into the culture of the organization. Our performance management system is not only designed to align the performance of our human resources with the organizational goals, where the employees and their supervisors focus on individual and team goals but also focuses on the core competencies which ensure that the employees also follow the organization's value system and truly adapts to Lucky Cement Limited's DNA. Through regular dialogue, review and candid feedback, our aim is to achieve better business results and reward our employees for their good work. Performance Management cycle initiates with the annual objective setting exercise through which the organization's strategy is translated into SMART departmental objectives from where it trickles down to individual goals. All management positions have clear and specified goals, which ensure that chances of bias and prejudice diminish. We believe in rewarding employees whose performance and behavior align with the Company's vision and core values.

The fundamental goal of performance management at Lucky Cement is to develop a habit of continuous improvement, align the management initiatives towards the organization's vision and create interdepartmental synergies.

CLIMATIC SURVEY

At Lucky Cement Limited, we believe that the organizational climate assessment (OCA) helps us determine what employees feel and most importantly how they express their needs. We gauge our working environment by annually deploying OCA based on a holistic approach and as per the best practices in the industry; Organizational climate assessment (OCA) is an assessment of the general atmosphere within the organization. Specifically, it involves looking at the perception of the employees in relation to the organization and their workplace. A detailed assessment helps us to optimize the resources of the organization. The Climatic Survey's aim is to get candid and honest employee feedback and to identify Company-wide strengths, weaknesses & opportunities which help us in aligning the Organization's future HR strategy.

SALARY SURVEY

At Lucky Cement, we have participated in multiple salary surveys which have assisted us to understand market dynamics better. Analyzing employee compensation and incentive plans is an ongoing process at Lucky Cement Limited. Salary surveys help us to develop a compensation strategy that is internally equitable and externally competitive.

JOB ROTATION

At Lucky Cement Limited, we encourage job rotations at all levels and facilitate employees through a systematic process which allows them to transfer to the department of their choice as and when a suitable vacancy arises. The key focus of job rotation is to provide opportunities to both the organization as well as the individual to achieve enhanced learning and exposure. It supports our efforts to strengthen the existing talent within the organization and also increases employee's interest level, motivation and retention by providing them an opportunity to develop their skill sets and broaden their horizons. Our employees are able to expand their skillset by enhanced learning which in turn exposes them to new challenges within the organization and helps with their career development.

TALENT DEVELOPMENT

With the assistance of LCL competency framework and training need assessment we offered numerous soft-skill and functional trainings throughout the year to help our employees develop their true potential. To truly offer our employees an array of learning opportunities and to add to their talent arsenal during the lockdown and WFH scenario we developed a strategic partnership with "LinkedIn Learning Solutions" and "Soft skills" to offer our employees access to over 8,000+ courses across creative, technology, business and social management disciplines.

We also offered numerous personal and functional development in-house and open-enrollment programs with social distancing for our employees.

SUCCESSION PLANNING

We at Lucky Cement Limited, firmly believe in the growth of our employees and continuously focus on the development of our existing talent. At Lucky Cement, succession planning assists in identifying, training and developing high potential employees to replace critical positions in the organization especially in the upper management. With the help of 9-Box Performance & Potential Matrix approach we identify the best available talent within the Company and systematically develop them for strategic positions by providing them the opportunities and projects, which help sharpen their people management & functional skills along with developing their leadership quotient.

HEALTH SAFETY ENVIRONMENT

We believe that ensuring health & safety of our employees and stakeholders; along with protecting environmental sustainability of the ecosystem is of utmost importance especially in this ongoing Covid-19 scenario. Key initiatives in this regards included Corona prevention policy implementation, corona prevention safety talks, detailed workplace risk assessments and rectification of gaps to ensure social distancing parameters. A strict monitoring system through safety captains nominated in every department, continuous message reinforcement through different channels and a systematic approach to identification and contact-tracking ensured minimal risk of staff performing their duties in the current situation. Apart from this, the routine HSE practices such as regular Safety Audits by management staff, compliance of Permit to Work Requirement, Regular Safety Talks by department based Safety Captains, regular and focused HSE awareness communication (Health, Fire Safety, Use of Fire Extinguisher), Placement of Automated Fire Balls, Emergency Exits and others were also ensured.

RISK AND OPPORTUNITIES

Challenges are the pathway to progress. We believe in taking risks to create limitless opportunities for our stakeholders.

RISK MANAGEMENT FRAMEWORK & METHODOLOGY

Lucky Cement Limited's risk management framework is designed to assess and mitigate risks in order to minimize their potential impact and support the achievement of Lucky Cement's long term purpose and business strategy. Risk assessment is performed regularly to create a good understanding of the company's key risks, to allocate ownership to drive specific actions around them and take any relevant steps to address them.

The uncertainties and risks that may influence the achievement of our corporate goals and objectives are managed while opportunities are tapped into. Due to their critical importance, our material issues and principal risks are integrated into our business planning processes and monitored on a regular basis by our Board of Directors. Strategic, Commercial, Operational, Financial and Compliance risks are ranked based on their impact on Lucky Cement Limited and probability of occurrence. Upon identification of risks, mitigating strategies and action plans are developed, implemented and monitored. In this section, we outline how our material issues and principal risks are identified, managed and reported

In 2020-21, our risk management programme was given even greater emphasis with regular discussions on emergent risks and opportunities associated with COVID-19 and the enhanced monitoring and assessment of our principal risks. Restrictions on physical access to our workplaces brought challenges for the implementation of our risk management programme. With the support of our IT colleagues, we were able to quickly adapt our working arrangements to an online environment. This enabled us to maintain all of our risk management routines and ensure continuity of the programme. These new working arrangements provided opportunities for broadening participation in a number of key areas. In 2021, we will use these lessons to improve the level of engagement, and the insights that engagement provides, to improve our programme.

STRATEGIC RISKS

Risk	Area of Impact	Source of Risk	Mitigating Action
Change in Competitive Scenario Threat of local and foreign players causing changes in market dynamics. Any decline in cement's demand may create an over-supply situation in the industry. **Assessment:** Likelihood: Medium Impact: Low	Financial Capital	External	Regular advocacy through different forums, like APCMA, Pakistan Business Council etc. to timely apprise the relevant Government departments and Regulators of all issues that may have an adverse impact on the Industry or competitive environment. Management regularly monitors the changing regulatory and competitive environment and assesses the impact of any change in Government policy, so as to take timely action.
Risk of Inconsistent/Arbitrary Changes in Government Policies Adverse impact on Company's earnings due to changes in Government policies with respect to taxation measures, Gas tariff and Regulatory matters. **Assessment:** Likelihood: High Impact: Medium	Financial Capital	External	Regular advocacy through different forums, like APCMA, Pakistan Business Council etc. to timely apprise the relevant Government departments and Regulators of all issues that may have an adverse impact on the Industry or competitive environment. Management regularly monitors the changing regulatory and competitive environment and assesses the impact of any change in Government policy, so as to take timely action.

STRATEGIC RISKS			
Risk	**Area of Impact**	**Source of Risk**	**Mitigating Action**
Risk to Exports And Decline in Global Cement Prices Anti-dumping duties being imposed on Pakistani cement manufacturers. Falling exports to Afghanistan, due to competition from low-priced Iranian cement, NATO's exit and political instability in the country. Imposition of 200% duty by India on imports from Pakistan. Increasing competition and capacity building of local production in our export markets. **Assessment:** Likelihood: Low Impact: Medium	Financial Capital	External	The company continues to identify and develop new markets for its cement and clinker exports to countries all across the globe. The company is targeting East and West Africa for the export of Cement and Clinker to upsurge its presence in the global markets. With the improved USD/PKR parity, the Company is better able to compete with different regional cement manufacturers,
OPERATIONAL RISKS			
Type of Risks	**Area of Impact**	**Source of Risk**	**Mitigating Action**
Gas Supply Shortfall Fluctuation / interruption in gas supply at production sites due to curtailment, gas reserve depletion or revision in gas allocation policy. **Assessment:** Likelihood: High Impact: Medium	Natural Capital	External	Power plants at both the sites are dual fired and sufficient amount of alternative fuel is maintained for use in case of any shortage. On the other hand, the Company has also installed additional Waste Heat Recovery units to further reduce its energy requirements.
Technology Obsolescence Technological shift rendering the Company's production process inefficient **Assessment:** Likelihood: Medium Impact: High	Intellectual/ Manufactured Capital	External	Major investments are made regularly to continuously improve product quality and process efficiency. Addition of Vertical Grinding Mills to produce finer quality of cement is one such example. The company has always led by bringing innovative technologies to its processes. With S/4 HANA in its repertoire, the Company has been able to improve its business processes and strengthen the control environment. During the Covid-19 induced lockdown period, and to ensure social distancing; the Company fully utilized innovative measures and digital technology to promote remote working by our employees. Real-time information remained available in SAP for decision-making through remote access from all over Pakistan.
Maintenance Risk Possibility of production loss due to capacity or breakdown factor. **Assessment:** Likelihood: Low Impact: Medium	Manufactured Capital	Internal	Effective technical monitoring programs with regards to preventive maintenance are in place to ensure maximum plant efficiency and capacity utilization.

OPERATIONAL RISKS			
Type of Risks	**Area of Impact**	**Source of Risk**	**Mitigating Action**
Employee Retention and Succession Planning It is critical for the company to attract, develop, and retain the right talent to accomplish the company's objectives. Succession planning is needed to ensure that the company has sustainable operations. **Assessment:** Likelihood: Medium Impact: Low	Human Capital	Internal	Our challenge is to be increasingly attractive to all generations and to engage with and develop our talent. That is why efforts are made to ensure growth and well-being of employees. As we greatly value our human capital; various programs are in place to identify and develop high potential teams. Initiatives are taken to increase workplace diversity, resulting in a more effective workforce. Strategy on succession planning is in place to support the management in assessing employee performance for future growth and identify potential placements.
Information System Risk Loss of confidential information due to data theft IT Systems becoming unavailable because of System/Network failure, cyber-attacks etc. **Assessment:** Likelihood: Low Impact: Medium	Financial Capital	Internal / External	Information is transmitted through secure connections and firewalls are in place to prevent malicious activities. Appropriate data back-up mechanism is in place. Moreover, alternative data processing sites are also available. Periodic log reviews further ensure that system related controls are in place and working effectively. Regular systems audit is performed to identify any weaknesses / non-compliances and any areas for further improvements.

FINANCIAL RISKS			
Type of Risks	**Area of Impact**	**Source of Risk**	**Mitigating Action**
Credit Risk Risk of default by Company's customers to discharge their obligations and cause financial loss to the Company **Assessment:** Likelihood: Low Impact: Low	Financial Capital	External	Lucky Cement extends credit to Government institutions or against appropriate security and the risk is managed through established limits. Credits are selectively given considering the business potential and risk appetite of the Company. The Company regularly reviews and monitors the credit position and credit worthiness of its customers. Such credit reflects a fractional part of company's sales.
Interest Rate Risk Risk of Return's rate fluctuation affecting value of interest-bearing assets **Assessment:** Likelihood: Medium Impact: Low	Financial Capital	External	Economic indicators are carefully monitored on a regular basis and a diversified portfolio of short term investment of funds in Islamic products is maintained.
Exchange Rate Risk Exchange rate risk impacting transactions in foreign currency **Assessment:** Likelihood: Medium Impact: Medium	Financial Capital	External	Lucky Cement has a natural hedge against exchange rate risk due to its exports and imports both in USD. In addition, the Company follows the policy of using a mix of foreign currencies (where possible) to maintain a portfolio to safeguard against any adverse potential short- term foreign currency exposures.
	Financial Capital	External	Lucky Cement has a natural hedge to a certain extent against exchange rate risk due to its exports and imports both in USD. In addition, the Company follows the policy of using a mix of foreign currencies (where possible) to maintain a portfolio to safeguard against any adverse potential short- term foreign currency exposures.

COMPLIANCE RISKS			
Type of Risks	**Area of Impact**	**Source of Risk**	**Mitigating Action**
Risk of litigation Risk of having major legal cases initiated against the company **Assessment:** Likelihood: High Impact: Medium	Social and Relationship Capital	External	Significant litigation cases are handled through reputable law firms engaged by the company which specialize in particular areas. Additionally, in house legal affairs team supports operations by effective SOPs and additional review steps for significant contractual and regulatory obligations of the Company.
Environmental Risk Actual or potential threat of adverse effects on environment arising out of the Company's activities. **Assessment:** Likelihood: Medium Impact: Medium	Natural capital	Internal	In our support to the UN Sustainability Development Goals, we have initiated and promoted various sustainable projects to support the UN 2030 Agenda. Various environmental friendly projects such as Waste Heat Recovery units, Tyre Derived Fuel and Refuse Derived Fuel units are implemented, thus reducing environmental de- generation. The company focuses on energy conservation, operational efficiencies and carbon footprint reduction. Company's effluent emissions are regularly monitored. Regular environmental audits are also performed.
Health & Safety Risk Personal health and safety risks at operating sites Risk of pandemic related issues being ineffectively managed **Assessment:** Likelihood: Low Impact: Medium	Social / Human Capital	Internal	HS&E issues are addressed by focusing on safety measures such as conducting appropriate trainings, use of prescribed safety gadgets, equipment and safe practices. There is a dedicated HSE function at both the plants. Periodic review of safety related incidents and internal audits ensure process effectiveness. Lucky Cement has invested in providing awareness to its employees for precautionary measures regarding Coronavirus and about protecting their families and communities.

OPPORTUNITIES

Opportunity	Area of impact	Key source of Opportunity	Strategy to materialize
State-of the art technology for Production resulting in production efficiency and lower costs. This will result not only in attracting and retaining new customers but will also increase value for stakeholders.	Manufactured Capital	The installation of new production lines, state-of-the-art vertical cement mills, Waste heat recovery and TDF energy systems have increased the production capacity and plant efficiency.	The company actively pursues investments in new and innovative technologies so that it continues with its legacy of being the most efficient producer of premium quality cement. With our expansion plan of an additional capacity of 3.15 MTPA, Lucky Cement maintains the position of being the largest cement producer in Pakistan.
Growth of Cement Industry	Manufactured/ Relationship Capital	The launch of China–Pakistan Economic Corridor initiative, construction of special economic zones, Government's initiative to build multipurpose water reservoirs / dams and construction of low-cost affordable houses for public at large presents a great opportunity for long term growth of the industry	The Company has regularly invested in its production facilities to furnish the production/supply demand to materialize potential growth.
First Shariah Compliant Company. Leading the corporate sector in Pakistan to encourage compliance with Shariah principles of doing business.	Financial Capital	Offering investors an avenue to invest in Shariah Compliant companies.	Being the first Shariah Compliant company of Pakistan, Lucky Cement continues to comply with the applicable Shariah Governance Regulations. Lucky Cement has also continued to maintain its position on KMI-30 Index of the PSX.
Efficient work environment	Human Capital	Improved working conditions, personal and professional development of employees.	The Company is relentlessly striving to improve its work environment through various initiatives directed towards increasing employee satisfaction, continuous trainings for personal and professional development of employees.

OUR APPROACH TO MATERIALITY

In addition to disclosure of all events/transactions required by law, the management has adopted materiality approach for effective communication with all stakeholders. We regularly revise our materiality matrix to include the new challenges we are facing.

Our material issues are those that matter most to our stakeholders and contribute to our business success. Assessing their importance provides a guide to strategically manage the risks and opportunities they represent. This involves looking beyond our own footprint and considering all of the environmental, social, economic and financial topics that could affect negatively or positively our ability to create value over the short, medium and long term.

The Board has approved a formal materiality policy to set out materiality threshold to be considered by management when disclosing / reporting financial information. To support our annual materiality assessment, we conduct ongoing dialogue with our stakeholders, including suppliers, consumers, regulators and non-governmental organizations (NGOs). We also assess material issues based on their relevance to our strategic plans and objectives.

DETERMINING LEVEL OF RISK TOLERANCE AND ESTABLISHING RISK MANAGEMENT POLICIES

The Board of Directors of Lucky Cement is responsible for the risk management and determining the company's level of risk tolerance. In this regard, the Board has established and approved Risk Management Policy. The board regularly undertakes an overall review of business risks to ensure that the management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the Company and shareholders. In addition to this the Board also reviews reports from various third party service providers, auditors and consultants to remain updated on key operational and financial matters of the Company.

ROBUST ASSESSMENT OF PRINCIPAL RISKS

As mentioned in the Directors' Report, the Board of Directors have carried out a detailed assessment of risks facing the Company originating from various sources. For quick snapshot of various types of risks, please refer risk and opportunities sections of our report. The Board of Directors are satisfied with the Company's risk management practices and the mitigating strategies adopted to counter such risks.

DEBT REPAYMENTS

The Company's liquidity management strategy encompasses projecting cash flows and considering the level of liquid assets necessary to meet the cash flow requirements as well as maintaining the debt financing plans; hence the company faces no risk of default in payment of any obligation, as it has sufficient capacity of generating cash flows.

CAPITAL STRUCTURE AND ASSESSMENT OF ITS ADEQUACY

The Company primarily manages its long-term investment requirements and short-term working capital requirements from its internally generated cash-flows; however, it takes advantage of any short-term financing available at subsidized rates as part of any scheme announced by the Government or central bank. Healthy cash flows and prudent liquidity management aids the Company to maintain its strong liquidity position. The Company believes that it is maintaining an optimal capital structure.

BUSINESS RATIONALE FOR MAJOR CAPITAL EXPENDITURE

We create value for our stakeholders by diversifying our business and investing in our Manufactured Capital. We focus on optimizing our production infrastructure and adjust our cost base. To support LCL's diversification strategy, our planned capital expenditure gives us powerful operating leverage and expands our profitability through diversified revenue and profit streams. Disciplined management of working capital and capital expenditure enhances the cash we generate which in turn is invested to fuel growth in the business. The Board of Directors quarterly reviews and approves the capital expenditure plans of the Company. In 2020-21, the Company announced a brownfield expansion of 3.15 MTPA at its Pezu plant.

INITIATIVES TAKEN BY MANAGEMENT TO PROMOTE AND ENABLE INNOVATION

The management takes pride in creating a culture that nurtures innovation and entrepreneurial thinking, establish innovation platforms and enhance employee engagement initiatives. During the year, the management took following initiatives:

- Kept the IT function proactive from an innovation perspective, providing ideas to the business.
- Announced capacity expansion of state-of-the-art Cement line in Pezu.

GOVERNANCE

The aim of our leadership is to ensure transparency and accountability in all of our practices. We strive to conquer every challenge in the industry under the mentorship of our management to sustain the position of a market leader.

CHAIRMAN'S REVIEW REPORT

ON BOARD'S OVERALL PERFORMANCE U/S 192 OF THE COMPANIES ACT 2017

Lucky Cement complies with all the requirements set out in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to the composition, procedures and meetings of the Board of Directors and its committees. As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of Lucky Cement Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed. For the purpose of Board evaluation, a comprehensive criteria has been developed. The Board has recently completed its annual self-evaluation for the year ended June 30, 2021 and I report that: The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory. The overall assessment as satisfactory is based on an evaluation of the following integral components, which have a direct bearing on Board's role in achievement of Company's objectives:

1. Diversity and Mix: The Board members effectively bring the diversity to the Board and constitute a mix of independent and non-executive directors. The non-executive and independent directors were equally involved in all key matters and decisions of the Board.

2. Engagement in strategic planning: Board has a clear understanding of the stakeholders (shareholders, customers, employees, vendors, society at large) whom the Company serves. The Board has a strategic vision of how the organization should be evolving over the next three to five years. Further, the Board has spent sufficient time on strategy formulation and it has set annual goals and targets for the management in all major performance areas.

3. Diligence: The Board members diligently performed their duties and thoroughly reviewed, discussed and approved business strategies, corporate objectives, plans, budgets, financial statements and other reports. It received clear and succinct agendas and supporting written material in sufficient time prior to board and committee meetings. The board met frequently enough to adequately discharge its responsibilities.

4. Monitoring of organization's business activities: The Board remained updated with respect to achievement of Company's objectives, goals, strategies and financial performance through regular presentations by the management, internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.

5. Governance and Control Environment: The Board has effectively set the tone-at-the-top, by putting in place transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of corporate governance and by promoting ethical and fair behavior across the company.

Muhammad Yunus Tabba
Chairman / Director

August 07, 2021

BOARD'S FUNCTION AND DECISION MAKING

Topic	2021 Activity	2022 Priority
Strategy	• Reviewed the Company's revenue growth management and route-to-market strategies • Throughout the year reviewed the investments in subsidiaries and joint ventures • Reviewed the macro-economic environment of the country from time to time and approved various changes to Company's strategies. • Formulated and implemented the Pandemic Recovery plan to combat the effects of the global crises. • Provided guidance towards reporting on the UN Sustainability Development Goals 2030,	• Continue optimization of costs and investments, driving process efficiency while improving customer satisfaction • Continue playing an industry-leading role on sustainability • Continue to bring innovation in our processes • To meet our sustainability targets as a support to the UN 2030 Agenda • Enhance diversification in the Company's business
Performance	• Reviewed business performance, including key business indicators for sales, cost optimization, profitability and sustainability • Held deep-dive reviews of the Company's markets, including its export markets • Held periodic reviews of Key Judgement areas and provided guidance to the management wherever required.	• Periodic performance reviews with a focus on the Company's key business indicators • Deep-dive reviews of each of the Company's subsidiaries, investments and joint ventures • Enhance operational efficiencies and synergies • Secure economies of scale
Risk management and Internal Controls	• Risk discussions with the Board Audit Committee during the year • Ongoing oversight of regulatory and compliance risks • Periodic reviews of key risks facing the business. • Formulated pandemic recovery plan	• Continued review of the principal risks and mitigation programs reported in the Risk and opportunities section of this report
Operational	• Periodic reviews of the Company's operational performance • Detailed review and approval of CAPEX investments each quarter • Review of the Company's cost optimization plans	• Continued review of the Company's cost optimization and investment programs to ensure efficiency improvements and improved customer satisfaction • Monitoring of the effectiveness of the Company's production processes • Review of strategic investment projects
Culture and values	• Reviewed the results of the Company's annual Employee Engagement, Values and climatic surveys • Discussed talent and capabilities plans	• Monitoring the engagement surveys and people plans • Continue shaping the culture, values and employee engagement of the Company through the Board's interaction with the management and employees
Succession planning and diversity	• Reviewed succession plans of the Company • Discussed Board's effectiveness and conducted Annual Performance Evaluation of Board and its Committees.	• Ongoing succession planning work for Board and senior management positions • Reviewing the Company's talent development plans

DECISIONS DELEGATED TO THE MANAGEMENT

Management is primarily concerned with setting in motion the strategies approved by the Board of Directors. It is the responsibility of management to operate the day-to-day business affairs of the Company in an effective and ethical manner in conformity with the strategies and goals approved by the Board and to identify and manage the principal risks and opportunities, which could affect the Company in the course of carrying out its business.

BOARD'S ANNUAL EVALUATION OF PERFORMANCE

As required by the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Lucky Cement reviews its own performance annually undertakes a formal process of self-evaluation of performance of the Board and its committees. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. The Board has recently completed its annual self-evaluation for the year ended June 30, 2021, regarding which a report by the Chairman on Board's overall Performance u/s 192 of the Companies Act 2017 is also attached with this Annual Report. For the Purpose of Board evaluation, a comprehensive criteria has been developed. The performance of the Board of Lucky Cement is evaluated regularly along the following parameters, both at individual and team levels.

EVALUATION CRITERIA FOR THE BOARD

1. Board Composition: Effectiveness in bringing in a mix of gender, talents, skills and philosophical perspectives. Integrity, credibility, trustworthiness and active participation of members.
2. Leadership and Planning: The Board spends sufficient time on strategy formulation. Its ability to provide guidance and direction to the Company, review adequacy of resources and follow-up and review of annual targets set by the management.
3. Board Effectiveness: All Board members understand and fulfill their responsibilities and comply with all relevant laws. Significant issues are placed in front of the Board for consideration.
4. Board Accountability: The Board reviews potential risks, adequacy of internal controls and the risk management procedure.
5. Strategy and Performance: The Board devotes appropriate time to review the implementation of Company's strategic and financial plans.
6. Organization: The Board meetings are structured to make effective use of the member's time and skills. Board members receive appropriate supporting materials for timely decision-making.
7. Ethics and Compliance: The Board ensures that professional standards and corporate values are put in place that promote integrity for the Board, Senior Management and employees in the form of the Company's Code of Conduct. It is notified of material communications received from governmental or regulatory agencies related to areas of any noncompliance.
8. Risk Management: The Board has a sound process for identifying and regularly reviewing the Company's principal risks, and makes necessary adjustments in light of changes to the internal and external environment.

The overall performance of the Board measured on the basis of above mentioned parameters for the year was satisfactory.

EXTERNAL OVERSIGHT OF FUNCTIONS

- The senior management ensures the efficiency of all its functions by regularly monitoring the KPIs and assessing the goals assigned to each department;
- All our processes are subject to review by the Internal Audit function;
- Our manufacturing processes are reviewed by external standards setting authorities, e.g. NEQS etc;
- The IS and network security is annually reviewed by IS auditors; and
- Bulk material surveys are conducted by third parties to ensure completeness and accuracy.

CHAIRMAN'S SIGNIFICANT COMMITMENTS AND ANY CHANGES THERETO

Mr. Muhammad Yunus Tabba is serving Lucky Cement Limited as the Chairman of the Board. With his over half a century long dedicated career and vast experience being the founder of YBG, he leads the Board with utmost dedication and commitment. He does not have any significant commitment other than being the Chairman of the Board of Lucky Cement.

GOVERNMENT'S POLICY AND ITS IMPACT ON THE BUSINESS

The government of Pakistan, with its continued focus on revival of the Cement Industry introduced reforms and policies which have a positive impact on the business. The construction package announced by the Federal Government for the construction industry coupled with various initiatives taken by State Bank of Pakistan to support the housing sector and the commencement of new housing projects under Naya Pakistan Housing (NPHP) scheme have a positive impact on the local demand of cement in the country.

There are, however, some policies which have an adverse effect over the business of the Company. Amongst those policies, abolition of tax relief on inter-corporate dividends is expected to jeopardize the growth of local groups and conglomerates.

DIRECTORS' ORIENTATION

The Company has made sufficient arrangements to carry out orientation sessions for their directors to acquaint them with company's operations, applicable laws and regulations and their duties and responsibilities in order to enable them to effectively govern the affairs of the company on behalf of shareholders. Non-executive directors are provided with exposure to operating management and major customers of the Company on a regular basis throughout the year. Moreover, non-executive directors may elect to contact any employee, customer, advisor or supplier of the Company.

DIRECTORS TRAINING PROGRAM

Exceeding the minimum requirement by the Listed Companies (Code of Corporate Governance) Regulations 2019, all the directors of the Company have either acquired the prescribed certification under the Director training program offered by Pakistan Institute of Corporate Governance or are exempted based on their education and experience.

POLICY FOR REMUNERATION TO NON-EXECUTIVE DIRECTORS

Through the Articles of the Company, the Board of Directors is authorized to fix remuneration of Non-Executive and Independent Directors from time to time. The Board of Directors has approved a 'Remuneration Policy for Directors and Members of Senior Management'; the salient features of which are:

- The Company will not pay any remuneration to its non-executive directors except meeting fee for attending the Board and its Committee meetings.
- The remuneration of a Director for attending meetings of the Board of Directors or its Committees shall from time to time be determined and approved by the Board of Directors.
- A Director shall be provided or reimbursed for all travelling, boarding, lodging and other expenses incurred by him for attending meetings of the Board, its Committees and/or General Meetings of the Company.

FOREIGN DIRECTORS

The Company does not have any foreign directors on the Board.

BOARD'S POLICY ON DIVERSITY

The Board of Directors of Lucky Cement continues to have a firm commitment to policies promoting diversity, equal opportunity and talent development at every level throughout the Company, including at Board and management level and is constantly seeking to attract and recruit highly qualified candidates for all positions in its business. The Company believes that diversity at the Board level acts as a key driver of Board effectiveness, helps to ensure that the Group can achieve its overall business goals, especially in light of our geographical footprint, and is critical in promoting a diverse and inclusive culture across the whole Company. The Board of Directors firmly believes that the diverse mix of gender, knowledge, expertise and skill sets of the members enhances the effectiveness of the Board. In this regard, Lucky Cement's Board ensures that a diverse mix of directors are elected on the Board of the Company, which represent the interests of all stakeholders.

- The Board composition will meet the minimum requirement of the applicable laws.
- The Board will have adequate female representation
- The Board will have such directors who bring along with themselves diverse skill sets pertaining to financial matters, legal, marketing, human resources and supply chain.
- The Board of Directors will not discriminate on the basis of gender, religion or caste.

DETAILS OF ANY BOARD MEETINGS HELD ABROAD

Since all the directors of the Company are based in Pakistan, no meeting of the Board of Directors of the Company was held abroad.

RELATED PARTIES

The Company has made detailed disclosures about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards. All transactions or arrangements with all related parties were carried out in the ordinary course of business on an arm's length basis. Moreover, in the last Annual General Meeting (AGM), the Company had obtained approval of related party transactions carried out during the year ended June 30, 2020 from the shareholders. Moreover, the Company had also obtained approval from shareholders authorizing the Board of Directors of the Company to approve transactions with related parties for the financial year ended June 30, 2021, which will then be placed before the shareholders for their ratification/approval in the next AGM. The Company will place the related party transactions carried out during the year ended June 30, 2021 before the Annual General Meeting for obtaining shareholders' approval for the same. Details of party-wise disclosure of such transactions is also given in the statement u/s 134 annexed with the Notice of AGM.

APPROVED POLICY FOR RELATED PARTY TRANSACTIONS

The Board of Directors have approved a Policy for Related Party Transactions, which require that the company shall carry out transactions with its related parties on an arm's length basis in the normal course of business. The term 'arm's length' entails conducting business on the same terms and conditions as the business between two unrelated / un-concerned persons. The policy specifies that all transactions entered into with related parties shall require Board's approval on the recommendation of the Board's Audit Committee, which is presided by an independent director of the Company. 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. All transactions except for sale of cement arise either because of some contractual obligation (salaries to key management personnel) or under approval of shareholders (dividend). The Company undertakes sale of cement transactions on the same basis and terms as with other unrelated persons.

SHARES HELD BY SPONSORS / DIRECTORS / EXECUTIVES

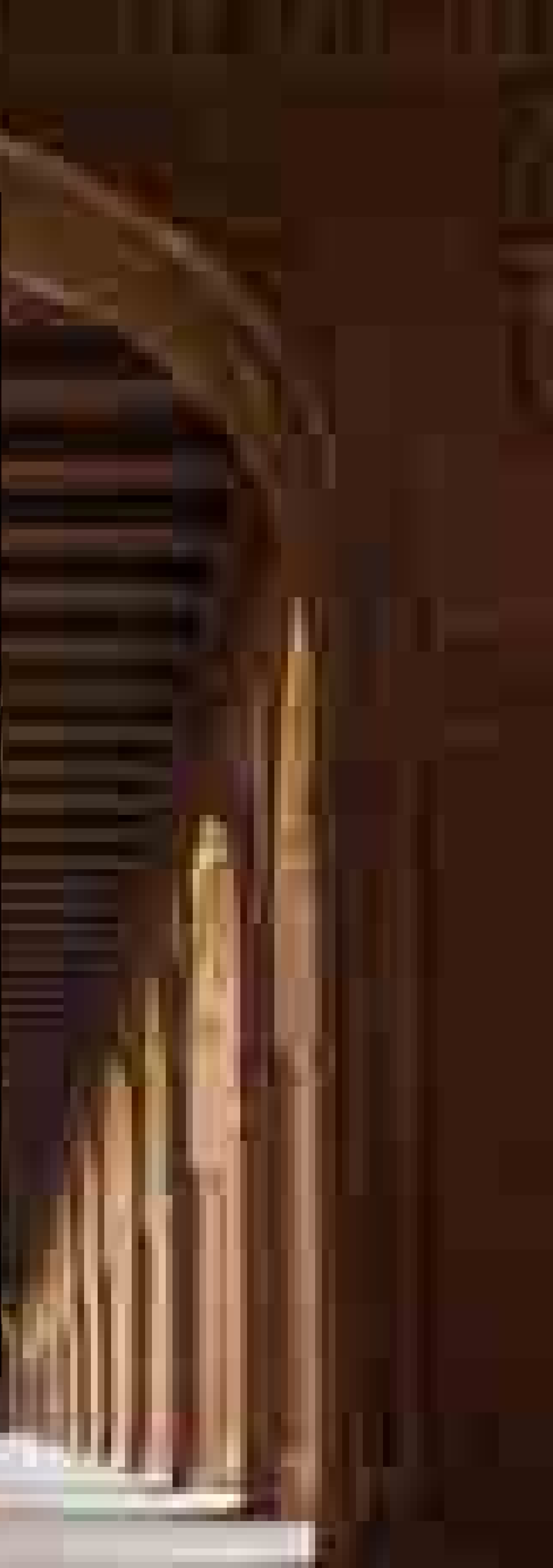
Shares held by Sponsors, Directors, and Executives are disclosed in the Pattern of Shareholding; annexed with this report.

ANNOUNCEMENT OF FINANCIAL RESULTS

The Company has communicated its Quarterly / Half-Yearly and Annual Financial Results in a timely manner. Following is the timeline for authorization of financial statements by the Board of Directors:

Particulars	Date of Authorization	Timeline
First Quarterly Financial Statements	October 24, 2020	Within one month
Half-yearly Financial Statements	January 29, 2021	Within one month
Third Quarterly Financial Statements	April 27, 2021	Within one month
Annual Financial Statements	August 7, 2021	Within 40 days

PROFILE OF THE SHARIAH ADVISOR OF THE COMPANY



Alhamd Shariah Advisory Services (Private) Limited (ASAS) is a Private Limited Company registered with the Securities and Exchange Commission of Pakistan (SECP) under the Shariah Advisors Regulations, 2017. Established solely with service objectives of promoting Halal, Shariah Compliant Financial System Globally, it operates under its Board of Directors comprising leading Shariah Scholars working for well recognized Darul-Ulooms (Islamic Seminaries). The founding Directors of ASAS bring in a unique blend of relevant qualifications and rich experience in the areas of Shariah Advisory and Audit of Islamic Banks, Mutual Funds, Islamic Insurance, Reinsurance, Asset Management & Manufacturing Companies. ASAS is a solution provider in the provision of complete Shariah advisory and consultancy services to Financial institutions, Insurance/Takaful companies, Leasing companies, Modarba companies, Micro-finance institutions, Manufacturing and Trading companies, Mutual Funds and NGOs. It structures the products and securities with the objective of advising as to whether or not such services or activities are in conformity with the principles of Shariah and to recommend necessary changes to make them Shariah Compliant. It provides a unique combination of Shariah advisory services customized to meet different jurisdictions and regulations. Mufti Ibrahim Essa, the Chief Executive Officer of ASAS, is a well-known recognized Shariah Scholar in the field of Islamic Banking and Takaful. He has completed his Darse Nizami (Masters in Quran and Sunnah) and Takhassus fil Ifta (Specialization in Islamic Jurisprudence) from Jamiah Darul Uloom Karachi. Currently he is working as teacher and Member of Darul Ifta Jamiah Darul Uloom Karachi. Mufti Ibrahim Essa is associated as Chairman and member of various banks/financial institutions. He is also the Shariah Advisor of various banks and insurance companies; both locally and internationally. Mufti Ibrahim has also written more than three thousand Fatawa on different topics.

SHARIAH REVIEW REPORT

For the year ended June 30, 2021

بسم الله الرحمن الرحيم

نحمده ونصلي على رسوله الكريم

We have conducted the Shari'ah review of Lucky Cement Limited (LCL) for the year ended on June 30, 2021, in accordance with the provisions of Shariah Governance Regulations, 2018 and in our opinion:

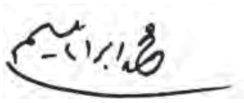
- the transactions, the documentations and the procedures adopted have been in accordance with principles of Shariah;
- the business affairs have been carried out in accordance with rules and principles of Shariah;
- the income received during the year was purified where necessary, and was treated in accordance with the requirements of Shariah Governance Regulations, 2018;

Further, to fulfil the requirements of Clause 13 of Shariah Governance Regulations, 2018, we have advised the management that LCL should also take Shariah Certificate from SECP for all the companies in which LCL has made equity investments.

CONCLUSION:

Based on the Review of Company's operations, transactions, related documentation, processes, policies, legal agreements, and management's representation, in our opinion, the affairs of LCL have been carried out in accordance with the rules and principles of Shariah, and therefore, we are of the view that Lucky Cement Limited is a Shariah Compliant Company.
In the end, we pray to Allah Almighty to grant us success and help us at every step, keep us away from every hindrance and difficulty, and give financial success to Lucky Cement Limited.

والسلام عليكم ورحمة الله وبركاته



Mufti Muhammad Ibrahim Essa

For and on behalf of
Alhamd Shariah Advisory Services (Pvt.) Limited

Mufti Uzair Bilwani

For and on behalf of
Alhamd Shariah Advisory Services (Pvt.) Limited

ROLE OF CHAIRMAN

The principal role of the Chairman of the Board is to manage and to provide leadership to the Board of Directors of the Company. The Chairman is responsible for providing leadership to the Board and ensuring that the Board plays an effective role in fulfilling its responsibilities. The Chairman's role involves (but is not limited to) the following:

- To act as a liaison between Company's senior management and the Board.
- To ensure that the Board plays an effective role in setting up the company's corporate strategy and business direction.
- To promote and oversee the highest standards of corporate governance within the Board and the Company.
- To ensure integrity, credibility, trustworthiness and active participation of Board members in key matters of the Company.
- To ensure that the Board only directs the Company and does not manage it.
- To ensure that relevant, accurate and up to date Company information is received from the management and shared with the board members to enable them to monitor performance, make sound decisions and give appropriate advice to promote the success of the Company.
- To review the Board performance and to take the lead in identifying and meeting the development needs of individual directors and to address the development needs of the Board as a whole with a view to enhancing its overall effectiveness as a team.
- To manage and solve conflict (if any) amongst the Board members and to also ensure freedom of opinion in the Board.
- To promote highest moral, ethical and professional values and good governance throughout the Company.

ROLE OF CEO

The CEO is responsible for putting the strategy defined by the Board into practice. The CEO's leadership role also entails being ultimately responsible for all day-today management decisions and for implementing the Company's long and short term goals and plans. The main responsibilities of the CEO are as follows:

- To develop strategies involving the executive team, for the implementation of decisions established by the Board and its Committees.
- To maintain an effective communication with the Chairman and bring all important Company matters to the attention of the Board.
- Responsible for working in the best interest of the Company and directing its overall growth by achieving and surpassing the performance targets set by the Board.
- Oversee the implementation of the Company's financial and operational plans in accordance with its business strategy. Identify the potential avenues for diversification and investments and recommend plans/proposals to the Board for its approval.
- To ensure that all strategic and operational risks are effectively managed to an acceptable level and that adequate system of internal controls is in place for all major operational and financial areas.
- To develop Key Performance Indicators (KPIs) of the Company for the approval of Board and ensure dissemination of the same throughout the organization as the standards of performance at both individual and collective levels.
- To communicate on behalf of the Company with shareholders, employees, government authorities, other stakeholders and the public.
- To promote highest moral, ethical and professional values and good governance throughout the Company.

CORPORATE GOVERNANCE FRAMEWORK

The main goal of our corporate governance framework is to create an efficient set of incentive and monitoring mechanisms to ensure that management is always aligned with our stakeholders' best interests in a sustainable way. In order to achieve this goal, we have set up decision-making bodies and institutionalized procedures to align management with our meritocratic, performance-focused and long-term value-creation culture.

Our internal policies and procedures, which have been consistently effective since the Company was formed, are properly documented and communicated. The Board aims to ensure the highest standards of corporate governance, accountability and risk management. The main philosophy of business, followed by the sponsors of Lucky Cement, for the last 28 years, has been to create value for all stakeholders through fair business practices. This translates into policies approved by the Board of Directors and implemented throughout the Company to enhance the economic and social value for all stakeholders of the Company.

COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

Living up to its standard, the Board of Directors has throughout the financial year 2020-21, complied with the requirements for Code of Corporate Governance, the listing regulations of the Pakistan Stock Exchange and the requirements for Financial Reporting framework of Securities & Exchange Commission of Pakistan (SECP). Report of the Board's Audit Committee on adherence to the Code of Corporate Governance, statement of compliance by the Chief Executive Officer of the Company with the Code of Corporate Governance, besides review report by the Company's Auditors are included in this Report.

GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENTS

The Company complies with all the requirements of Code of Corporate Governance and other Regulations. LCL has always believed in going the extra mile and staying ahead of its game. In view of this strategy, we comply with all mandatory legal requirements and have also carried out the following practices in addition to the legal requirements:

a. Timely and detailed announcements to the PSX

The Company makes full disclosure of any material information and quarterly/half-yearly and annual results to the PSX with detailed overview within the stipulated time

b. Implementation of Health and Safety Environment:

The Company has implemented robust HSE strategies and policies at its Plants and Offices to ensure proper safety for its Human Capital. It has a dedicated HSE department which oversees and ensures implementation of such policies.

c. Voluntary Adoption of Integrated Reporting Framework and disclosure of additional information:

LCL always strives for excellence in Corporate Reporting, to meet the International Standards of Corporate Reporting; we have adopted the Integrated Reporting Framework to provide insight about the resources and relationships used and affected by our organization.

d. Directors Training program by all the Directors on the Board

Exceeding the minimum requirement by the Listed Companies (Code of Corporate Governance) Regulations 2019, all the directors on the Board have either completed the Directors' Training Program or are exempted because of their vast experience.

e. Offices of the Chairman and Chief Executive

Lucky Cement strongly believes that separation of the Chairman and Chief Executive is a key component to ensure board's independence and avoiding conflicts of interest. Exceeding the mandatory requirement, at Lucky Cement these offices are held by separate individuals with clear segregation of roles and responsibilities.

f. Timely circulation of Agenda and Minutes of the meetings

The management ensures timely circulation of agenda and minutes to the members of the Board of Directors and its committee to give them suitable time to review and provide their comments and suggestions and, for timely decision making.

g. **Related Party Transactions**

The related party transactions carried out by the Company during a quarter are placed before the Audit Committee in every quarterly meeting and upon their recommendation, the same is placed before the Board. In order to promote transparent business practices, the shareholders have authorized the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis, which shall be deemed to be approved by the Shareholders. These transactions are placed before the shareholders in the next AGM for their formal approval/ratification.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY TOWARDS THE PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND DIRECTORS' COMPLIANCE STATEMENT

Management is fully aware of its responsibility towards preparation and presentation of financial statements. The Directors of the Company confirm that:

- The financial statements have been prepared which fairly represent the state of affairs of the Company, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent business judgment.
- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom have been adequately disclosed and explained.
- The system of internal control is sound in design and has been affectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There is no material departure from the best practices of Corporate Governance as per regulations.

BUSINESS ETHICS AND ANTI-CORRUPTION

'Ethics and Integrity' is one of our core values; Lucky Cement adopts zero tolerance policy against corruption. We strongly believe in and practice highest standards of ethical behavior, both within the organization as well as in our external relationships. Ethical behavior in all aspects of business conduct is encouraged through conformance with a comprehensive ethics and compliance framework established by the Company. Principles of the framework together with the Code of Conduct have been disseminated to all employees and is available on the Company's website, in compliance with the Code of Corporate Governance. The Company also maintains and regularly updates an insider information register, in compliance with the applicable regulatory requirements. The Members of the Audit Committee meet at regular and defined statutory intervals during the year to review the adequacy and effectiveness of the internal controls, including those relating to the strengthening of the Company's risk management policies and systems.

CONFLICT OF INTEREST OF BOARD MEMBERS

In order to avoid any known or perceived conflict of interest, formal disclosure of vested interests is encouraged under the Code of Business Ethics and the Policy for Conflict of Interest relating to Board of Directors, approved by the Board. The Code and the Policy comprises of not only the principles provided under the regulatory requirements but encompasses global best practices as well. The board members are responsible for appropriate self-disclosure in a transparent manner and in the case of doubtful situation, are advised to discuss it with the chair of the meeting for guidance. Board members' suggestions and comments during their proceedings are accordingly recorded for evaluation, in addition to description and quantification of any foreseen conflict of interest prior to finalization of the proceedings' agenda.

I.T. GOVERNANCE POLICY

Recognizing I.T. Governance as a critical part of overall Corporate Governance, the Company has aligned itself to efficient use of Information Technology resources in achieving its operational and strategic objectives while increasing shareholders' value. The Company has formed an I.T. Steering Committee that provides strategic leadership, establishes Company-wide I.T. priorities and oversees all I.T. policies. The Committee is governed by approved roles and responsibilities. The Committee meets on a periodic basis and mainly focuses on:

- Strategic direction of the Company in terms of technology;
- Aligning the I.T. Strategy with Business Strategy;
- Ensuring adequate information security;
- Influencing development and design of technology services, policies and solutions; and
- Business Continuity Management including Disaster Recovery.
- The Company's I.T. Governance Policy encompasses:
- Engaging stakeholders to establish priorities for technology investment that are aligned with Company's goals and objectives
- Promoting governance, transparency, accountability and dialogue about technology that facilitates effective strategy adoption
- Securing network and data
- Keeping the I.T. function proactive from an innovation perspective, providing ideas to the business
- Maximizing return on technology investment with controlled spending, while providing the company with a coherent and integrated I.T. architecture and management structure
- Ensuring compatibility, integration and avoidance of redundancy

WHISTLE BLOWING POLICY

In view of our commitment to create an atmosphere where people can freely communicate their concerns or raise an alert against possibility of occupational fraud, noncompliance with Company's policies, Code of Conduct and regulatory framework, an effective Whistle Blowing Mechanism has been implemented. This policy is designed to enable Directors, officers and all employees of the company to raise complaints at designated platform. An inappropriate event could be any behavior, action or incident that compromises the interests of shareholders, investors, employees, customers or any other stakeholder. This policy provides an opportunity to employees at all levels and across all functions to identify and voice any activity that deviates from company policies. The company is committed to achieving and maintaining the highest standards of openness, integrity, ethical values and accountability. Hence it expects all of its employees to do the same. In the interest of the Company, it is the responsibility of every employee to ensure that any inappropriate event does not occur. All those who come in the ambit of Whistle Blowing Policy are encouraged to participate without fear of reprisal or repercussions, in confidentiality, under defined reporting channels. Such communications are investigated independently and reported at the highest level. The Company's Whistle Blowing Policy is a comprehensive document which emphasizes on exercise of diligence and good faith on the part of whistle blowers. It covers the circumstances which may be reported and provides adequate safeguards for the protection and avoidance of victimization of the whistle blower.The Policy establishes and empowers the Ethics Committee for the oversight of Whistle blowing policy and its compliance. It also provides an avenue to any employee to raise any matter directly to the Chairman of the Board Audit Committee. During the year the Ethics Committee did not receive any complaint.

POLICY FOR SAFETY OF RECORDS

Company's policy for safety of records extends beyond the regulatory requirements. The records include books of accounts, documentation pertaining to secretarial, legal, contractual, taxation and other matters. The objective of the Policy for Safety of Records is:

- To safeguard Company's record by taking effective actions pertaining to the creation, confidentiality, maintenance and disposal of the documents.
- To develop a systematic management system of Company's record to assist in a smooth and synchronized Record Managing Process.
- To hold Company records for as long as legally required and to dispose of as per the record retention policy.
- The policy for Safety of Records consists of the following points:
- To ensure back-up of all the relevant Legal, Administrative, Operational and other documents, intellectual property and records in case of any hazard.
- Ensure and maintain digital back-up of all the records, wherever deemed necessary.
- The creation, maintenance, confidentiality and disposal of any official document should adhere to SOPs mentioned in the departmental manuals.
- Real-time back up of data at on and off-site locations
- Lucky Cement has purpose built record rooms at its Head Office and at Karachi and Pezu Plants for maintenance of official documents and records.

- Maintenance of a fire-proof vault for the safekeeping of legal documents and conduct trainings to deal with fire hazards
- To ensure back-up of all the relevant Legal, Administrative, Operational and other documents, intellectual property and records in case of any hazard.
- Ensure and maintain digital back-up of all the records, wherever deemed necessary.

INVESTORS GRIEVANCE POLICY

At Lucky Cement, we value our relationships the most. We have earned the trust of our investors and are fully committed to sustain it. Thus to set guidelines for handling and addressing Investors' and Shareholders' grievances effectively and ensuring Investors'/Shareholders' satisfaction, an Investor Grievance Policy has been formulated. The objective of this Policy is to safeguard and protect the interest of all investors and shareholders, while ensuring that their grievances are resolved quickly and efficiently. The Company has internally established a mechanism for investor services and grievances handling and has hired the services of an independent Share Registrar in addition to having a dedicated section (corporate secretariat) to resolve all issues of investors. The salient feature of our Investors' Grievance Policy are as follows:

- Complaints are initially lodged with the Share Registrar of the Company who takes necessary steps for resolution or intimation to the Company in case they fall outside their domain.
- A designated email address i.e. company.secretary@lucky-cement.com for general correspondences can also be used by investors to register complaints.
- The grievances can also be notified via Complaint Form available on the Company's website in line with the directives of SECP. Other options of registering complaints like phone or fax are also available.
- The Corporate Secretariat function at the Company checks the official email address on a daily basis for new complaints lodged by the investors/shareholders.
- The Company adheres to the practice of resolving all investors' complaints within ten (10) working days of the receipt thereof.
- A letter/ email in this regard is sent to the investor with intimation to the Shares Registrar/ SECP/ Stock Exchanges, where required, as the case may be, duly signed by the Company Secretary.
- The Corporate Secretariat function maintains complete record of all the complaints received through email, fax, post, Share Registrar, SECP, and / or Stock Exchanges and their relevant replies.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

Lucky Cement has very high regard for its Social and Environmental Responsibility. The Company ensures that all social and environmental dimensions are considered when developing its strategies, policies, practices and procedures. We have consistently demonstrated our steadfast commitment by acting responsibly towards our connected community and environment. We believe that success of the Company is best reflected in development of the community. Lucky Cement's Social and Environmental Responsibility Policy is aligned with all our corporate statements while confirming the company's steadfast commitment to sustainable development within the country. The following items are the guiding principles for Lucky Cement's activities:

- To promote any/all development that has economic, social and environmental implications;
- To respect human rights and condemn any/all practices that result in any type of discrimination or violation of these rights;
- Energy conservation;
- To embrace and understand that ethics and transparency are the founding pillars that will solidify our relationship with all stakeholders;
- Occupational health & safety;
- Environmental protection measures;
- To promote fair business practices;

With the above principles in mind, Lucky Cement is wholly committed to deliver sustainable products that leave a positive impression on the society in which we operate and provide maximum benefits for all our stakeholders.

BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

The Board of Directors ensures that the Company has an updated Business Continuity and Disaster Recovery plan in place for the continuity of Company's business and operations in case of any extra ordinary circumstances. The comprehensive plan is designed to ensure the protection of overall company's operations and assets along with regular archival and system-backups at remote sites. The key highlights and actions of Lucky Cements' Business Continuity Plan is as follows:

- The Management has put in place-adequate systems of IT Security, real-time data backup, off-site storage of data back-up, establishment of disaster recovery facility (alternate Data Centre), identification of primary and secondary sites and identification of critical persons for disaster recovery.

- The development of the plan has been done keeping in view the on-going business needs and the environment it is operating in.

- Operationally, the Company has separated its production units geographically, as well as its individuals and groups with core skills, to reduce the exposure to localized risks and likelihood of losing all resources assigned to a specific role.

- A company-wide and detailed Process Documentation Activity has been done whereby all the processes are mapped and serve as an SOP / Work Instructions for all practices.

- The Management also ensures the training of all the employees on how to respond in case of any unforeseen or extra ordinary event.

- Employees are imparted multi-skill training which helps in the continuity of business activities.

- To ensure protection of employees and assets, fire alarm systems are installed in the premises of all the offices. Moreover, adequate systems are in place for extinguishing fire.

- The Company has also deployed adequate security staff at both plants to ensure uninterrupted cement production regardless of the political situation and other external factors.

- The Company ensures backup of all the assets whether physical or virtual; the physical assets are backed by insurance, whereas back-up of virtual assets and data is created on a routine basis.

- The Company's systems are subjected to regular audits by the in-house internal audit function and third party service providers.

- It is also regularly ensured that Data Recovery processes are operating effectively.

HUMAN RESOURCE MANAGEMENT POLICY & SUCCESSION PLANNING

As we continue our journey of growth, the role and the development of human resources becomes all the more critical. The Company has a demonstrated track record of employing talented human resources across all its functions, which ensures availability of competent personnel for each department, in terms of an individual's potential, qualification, experience and professional attitude amongst other factors. At Lucky Cement, we form and retain a motivated workforce fully equipped to steer the Company towards achieving its vision and mission through consistent focus on grooming by way of training and development in addition to providing them with market commensurate compensation packages. This is in line with Company's progressive and forward looking Succession Planning Policy, which transforms existing talent into a competent workforce capable of occupying future strategic positions. The Policy is periodically updated in line with the Company's requirements and career growth objectives.

SUSTAINABILITY AND CSR POLICY

Lucky Cement has formulated an efficient policy for sustainability and corporate social responsibilities which lays down the Company's commitment towards creating a more equitable and inclusive society by supporting processes which lead to sustainable transformation and social integration. Our primary focus of social responsibility is to craft business policies that are ethical, equitable, environmentally conscious, gender sensitive and also takes care of the differently-abled.

Protecting the Environment

Our primary objective is to minimize our carbon footprint and any negative impact we may have on the environment.

- Lucky Cement is committed to the following:

√ Meet or exceed the requirements of relevant legislative, regulatory and environmental standards.

√ To keep emissions of particulate matter, CO_2, Sulphur dioxides, oxides of nitrogen, carbon monoxide etc. at minimum levels / below the respective limits specified in the National Environmental Quality Standards (NEQS).

√ To identify, reduce and dispose of waste arising from our operations in a manner that minimizes harm to the environment and prevents pollution of land, air and water.

√ To reduce the consumption of energy and water and use renewable and/or recyclable resources wherever practicable.

Apart from regulatory obligations, Lucky Cement will proactively protect the environment by;

√ Waste Heat Recovery Projects

√ Organizing reforestation excursions

√ Using environmentally-friendly technologies

√ Compliance with ISO 9001, ISO 14001 and OHSAS 18000

- Supporting the communities
- Sustainability and community development shall form a part of the Core Values at Lucky Cement.
- As a responsible social entity, Lucky Cement shall provide support to national and local charities or entities to promote cultural and economic development of local communities.
- Lucky Cement shall ensure community development and uplifting of the standards of living of the masses through interventions in health, education, and environment
- Lucky Cement will support development of quality human resources in the Country by sponsoring scholarship programs at leading universities/schools. Moreover, it will support provision of facilities / resources to such places of learnings.
- Lucky Cement shall contribute to various health care institutions including Cardiac Hospitals, Kidney Centers for support and relief to needy and under privileged patients.
- Lucky Cement shall provide free medical facilities through Welfare dispensaries located at plant sites.
- Lucky Cement also encourages its employees to share their time and skills in a socially constructive manner for the development of the society.
- Amid the Corona Virus crises, the Company distributed ration bags in several villages including Qalandri, Chota Takwara, Bara Takwara, Kheru Khel, Wanda Ahmed Khan, Quresh Wanda Gulmir and Wanda Sharbat in the District Lakki Marwat from Khyber Pakhtunkhwa and Bakkar, Bushko, Jogi, Yamin, Abdul Hameed Goth, Raees Walidad and Khair Mohammad in Sindh.

Our People

Lucky Cement recognizes that its human resources are its most valuable asset and it is committed to provide careers and working environments in which its people can achieve their full potential.

- Lucky Cement is dedicated to protecting human rights through its "Code of Conduct" and provision of equal opportunity to potential employees and practices all fair labor practices.
- Lucky Cement shall ensure that its activities do not directly or indirectly violate human rights at any of Lucky Cement's site (e.g. forced labor, child labor). As a policy, Lucky Cement does not hire minors as workforce.
- Lucky Cement shall provide for employment to differently- abled persons, wherever business requirements allow.
- Lucky Cement shall make every reasonable and practicable effort to provide safe and healthy working conditions in all its plants, sites and offices.

Charity and Income Purification

Lucky Cement is a SECP certified Shariah Complaint Company and is required to comply with the latest Shariah Governance Regulations and the pronouncements of its Shariah Advisor, wherever applicable. Accordingly, Lucky Cement will contribute to charity in approved non-profit organizations as a consequence of income purification, if applicable.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Lucky Cement Limited is appointed by the Board and has five (5) non-executive directors, out of which two (2) are independent directors. The Chairman of the Committee, Mr. Manzoor Ahmed, is an Independent Director. The committee as a whole possess significant economic, financial and business acumen. During the year, five meetings of the Audit Committee were held which the Chief Executive Officer and Chief Financial Officer also attended by invitation. The external auditors of the company also attended two of the meetings when issues related to accounts and audit were discussed.

The Audit Committee has concluded its annual review of the conduct and operations of the Company for the year ended June 30, 2021 and reports that;

1. The Company has adhered in full, without any material departure, with both the mandatory and voluntary provisions of the listing regulations of the Pakistan Stock Exchange, Listed Companies (Code of Corporate Governance) Regulations, 2019, the Company's Code of Conduct and Values and the international best practices of governance throughout the year;

2. The Company has issued a "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" which has also been reviewed and certified by the External Auditors of the Company;

3. The Company's Code of Conduct has been disseminated and placed on Company's website;

4. The Audit Committee reviewed quarterly, half-yearly and annual financial statements of the Company and recommended for approval of the Board of Directors. It has also reviewed preliminary announcements of results prior to publication and the internal audit reports;

5. Appropriate accounting policies have been consistently applied except for the changes, if any, which have been appropriately disclosed in the financial statements. Applicable International Financial Reporting Standards were followed in the preparation of financial statements of the Company and consolidated financial statements on a going concern basis, for the financial year ended June 30, 2021, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company and its subsidiaries for the year under review;

6. Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the applicable laws and financial reporting is consistent with Management processes and adequate for shareholder needs;

7. These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Accordingly, approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017 (the Act), provisions of and directives issued under the Act. In case requirements differ, the provisions of or directives under the Act prevail;

8. The CEO and the CFO have endorsed the standalone as well as consolidated financial statements of the Company and the Board of Directors Report. They acknowledge their responsibility for true and fair presentation of the Company's financial statements, accuracy of reporting, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the company;

9. The Audit Committee has reviewed the related party transactions and recommended the same for approval of the Shareholders in the Annual General Meeting after ratification from the Board of Directors;

10. Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company's shares, prior to each Board meeting involving announcement of interim/final results, distribution of dividend to the shareholders or communication of any other business decision, which could materially affect the market share price of the Company;

11. All direct or indirect trading and holdings of Company's shares by Directors & executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholding;

12. The statutory and regulatory obligations and requirements of best practices of governance have been met;

13. The Committee members carried out the Annual Evaluation of the Board Audit Committee in terms of board structure, Strategy, Decision Making, Internal Controls and Risk Management;

14. The Committee regularly reviews the mechanism for employees and management to report concerns to the Audit Committee and ensures that any allegations are scrutinized seriously;

15. The Shariah Advisors ensured that the systems, policies and practices at LCL are in line with the Shariah Governance Regulations, 2018 and Shariah Guidelines issued by SECP from time to time.;

ANNUAL REPORT 2021

16. The Company has issued a very comprehensive Integrated Annual Report, which gives fair, balanced and understandable information in excess of the regulatory requirements to offer an in depth understanding about the management style, the policies set in place by the Company, its performance during the year, and future prospects to various stakeholders of the Company;

17. The Audit Committee believes that the Integrated Annual Report 2021 includes both financial and non-financial performance, risks and opportunities and outcomes attributable to Company's activities and key stakeholders having significant influence on its value creation ability;

INTERNAL AUDIT FUNCTION

18. The Board Audit Committee has effectively implemented the internal control framework through an in-house Internal Audit function, which is independent of the External Audit function. The Company's system of internal controls is sound in design and has been continually evaluated for effectiveness and adequacy.;

19. The Board Audit Committee has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the Company and the shareholders wealth through effective financial, operational and compliance controls and risk management at all levels within the Company;

20. The Internal Audit Department carried out independent audits in accordance with an internal audit plan which was approved by the Board Audit Committee. Further, the Board Audit Committee has reviewed material Internal Audit findings and management's response thereto, taking appropriate action or bringing the matters to the Board's attention where required.;

21. The Head of Internal Audit has direct access to the Chairman of the Board Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to Management and the right to seek information and explanations;

22. Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations;

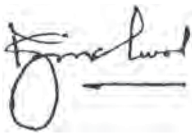
EXTERNAL AUDITORS

23. The external auditors of the Company, M/s A.F. Ferguson & Co, Chartered Accountants, have completed their audit assignment of the standalone and consolidated financial statements and the "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" of the Company for the year ended June 30, 2021 and shall retire on the conclusion of the 28th Annual General Meeting;

24. The external auditors of the Company, M/s A.F. Ferguson & Co, Chartered Accountants, have also completed the External Shariah Audit of the Company to ensure compliance with the Shariah Governance Regulations, 2018 for the year ended June 30, 2021;

25. The Board Audit Committee has reviewed and discussed Key Audit Matters and observations with the external auditors. The final Management Letter including such audit observations is required to be submitted within 45 days of the date of the Auditors' Report on the financial statements as required by the Code of Corporate Governance and shall therefore, accordingly be discussed in the next Board Audit Committee meeting; and

26. M/s. A.F. Ferguson & Co., Chartered Accountants has been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and they are registered with Audit Oversight Board of Pakistan. The firm is fully compliant with the International Federation of Accountants (IFAC) Guidelines on Code of Ethics, as adopted by ICAP and have indicated their willingness to continue as auditors for the year ended June 30, 2022.



MANZOOR AHMED
CHAIRMAN AUDIT COMMITTEE

Karachi: August 7, 2021

DIRECTORS' REPORT

The Directors have the pleasure in presenting to you the audited financial results of your Company which include both, consolidated and unconsolidated financial statements for the fiscal year ended June 30, 2021.

OVERVIEW

FINANCIAL PERFORMANCE - CONSOLIDATED

On a **consolidated** basis, your Company achieved a gross turnover of PKR 267.73 billion which is 64% higher as compared to last year's turnover of PKR 162.87 billion.

Moreover, **consolidated** Net Profit of the Company was PKR 28.23 billion of which PKR 22.86 billion is attributable to the owners of holding company which translates into an EPS of PKR 70.69 during the fiscal year ended June 30, 2021 as compared to PKR 18.96 during last year.

The **consolidated** financial performance of your Company for the fiscal year ended June 30, 2021 as compared to last year is presented below:

PKR in million except EPS

Particulars	FY 2020-21	FY 2019-20	Change %
Gross Revenue	267,725	162,868	64%
Net Revenue	207,159	123,768	67%
GP	47,545	18,957	151%
OP	32,014	7,087	352%
EBITDA	40,917	15,233	169%
NP (Attributable to Owners' of the holding company)	22,858	6,132	273%
EPS	70.69 / Share	18.96 / Share	273%

During the fiscal year 2020-21 under review, your Company's overall Consolidated Net Profit increased by 2.86 times as compared to last year.

The increase in Net Profit was attributable to increase in profitability of all the group companies. The PAT of Cement segment (Holding Company) grew by 3.21 times during the year under review due to improved margins and sales volumes. The increase in sales volumes was attributable to availability of newly commissioned increased capacity of Line 1 for the full year versus six months during the corresponding period and the growth of cement demand in local market on the back of increase in construction activities. The increase in profitability was also due to better absorption of fixed costs and operational efficiencies. The consolidated Net Profit also grew due to considerable increase in profitability of cement operations of Joint Ventures outside Pakistan and Company's other subsidiaries in Pakistan.

CEMENT INDUSTRY AND COMPANY'S PERFORMANCE – UNCONSOLIDATED

Cement industry in Pakistan grew by 20.1% to 57.45 million tons during the year ended June 30, 2021 in comparison to 47.81 million tons during the same period last year. The local sales volume registered a healthy growth of 20.4% to reach 48.13 million tons during the year under review versus 39.97 million tons during last year. Export sales volumes also registered an increase of 18.7% to reach 9.31 million tons during the year compared to 7.85 million tons during last year.

The contributing factors for such a phenomenal growth in sales volume are mainly the pent-up demand of last year due to Covid-19 lock downs, construction package announced by the Government to support construction sector, low cost housing scehmes, lower interest rates to boost economic recovery, focus on reallocation of liquidity available with local banks towards construction and housing sector and Government's focus on constructing dams and water reservoirs.

In comparison to the Cement Industry, your **Company's** overall sales volumes posted a high double digit growth of 30.7% to reach 9.96 million tons during the year ended June 30, 2021. The local sales volumes grew by 38.3% to reach 7.56 million tons in comparison to 5.46 million tons during last year. Also, the export sales volumes of the Company increased by 11.3% to 2.41 million tons as compared to 2.16 million tons during last year.

The growth in Company's local sales volume during the period under review is mainly due to upsurge in demand because of reasons explained above and the timely enhancement of operational capacity at our North plant which came online in December 2019. Moreover, higher export sales volume is mainly attributed to export of loose cement owing to strategic identification of new markets and product placement, keeping in view better margins and our unique position to make such sales. Lucky Cement is the only company in Pakistan to have a state of the art mechanised facility at the port to export loose cement.

CEMENT PRODUCTION & SALES VOLUME PERFORMANCE - UNCONSOLIDATED

The **unconsolidated** production and sales statistics of your Company for the current fiscal year ended June 30, 2021 compared to last year are as follows:

Particulars	FY 2020-21	FY 2019-20	Increase/ (Decrease)
	Tons in '000'		%
Clinker Production	9,044	6,795	33.1%
Cement Production	9,119	6,492	40.5%
Cement Sales	9,124	6,499	40.4%
Clinker Sales	840	1,127	(25.5%)

A comparison of the dispatches of the **Industry** and your **Company's unconsolidated** business for the fiscal year ended 2020-21 in comparison with last year is presented below:

Cement Industry*				
Particulars Tons in '000'	FY 2020-21	FY 2019-20	Growth/ (Decline) %	
Local Sales	48,132	39,965	8,167	20.4%
Export Sales				
- Bagged	4,244	3,586	658	18.3%
- Loose	449	63	386	612.7%
- Clinker	4,621	4,198	423	10.1%
Total Exports	**9,314**	**7,847**	**1,467**	**18.7%**
Grand Total	**57,446**	**47,812**	**9,634**	**20.1%**

*Industry data is based on best available market estimates

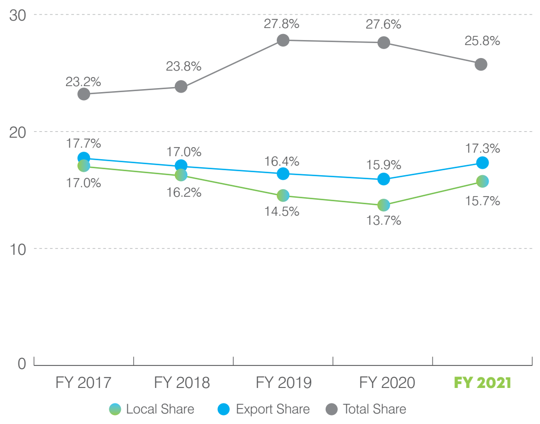
Lucky Cement				
Particulars Tons in '000'	FY 2020-21	FY 2019-20	Growth/ (Decline) %	
Local Sales				
- Cement	7,558	5,412	2,146	39.7%
- Clinker	-	51	(51)	(100.0%)
	7,558	**5,463**	**2,095**	**38.3%**
Export Sales				
- Bagged	1,117	1,024	93	9.1%
- Loose	449	63	386	612.7%
- Clinker	840	1,075	(235)	(21.9%)
Total Exports	**2,406**	**2,162**	**244**	**11.3%**
Grand Total	**9,964**	**7,625**	**2,339**	**30.7%**

Market Share	FY 2020-21	FY 2019-20	Growth/ (Decline) %
Local Sales	15.7%	13.7%	14.6%
Export Sales			
- Bagged	26.3%	28.6%	(8.0%)
- Loose	100.0%	100.0%	0.0%
- Clinker	18.2%	25.6%	(28.9%)
Total Export	**25.8%**	**27.6%**	**(6.5%)**
Grand Total	**17.3%**	**15.9%**	**8.8%**

A comparative year-wise analysis of your company is as under:

Yearwise LCL Market Share

Percentage



A comparative year-wise analysis of market share of your Company is as under:

LCL	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
					Tons in million
Local	6.07	6.69	5.85	5.46	7.56
Export	1.08	1.13	1.82	2.16	2.41
LCL Total	7.15	7.82	7.67	7.63	9.96
Industry	40.32	45.89	46.89	47.81	57.45
% Share	17.7%	17.0%	16.4%	15.9%	17.3%

FINANCIAL PERFORMANCE - UNCONSOLIDATED

The **unconsolidated** financial performance of your Company for the fiscal year ended June 30, 2021 as compared to last year is presented below:

Particulars	FY 2020-21	FY 2019-20	Change (%)
Gross Revenue	88,358	62,302	41.8%
Net Revenue	62,941	41,871	50.3%
GP	18,956	6,077	211.9%
OP	12,840	1,188	980.8%
EBITDA	17,149	5,039	240.3%
NP	14,070	3,344	320.8%
EPS	43.51/Share	10.34/Share	320.8%

*Rupees in Million Except EPS.

REVENUE

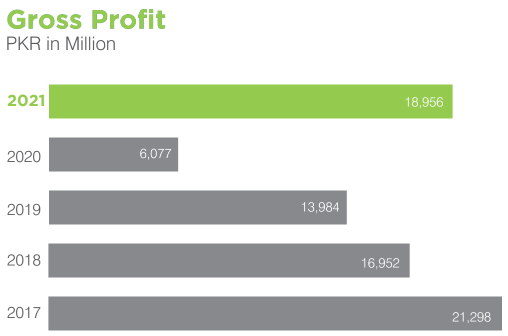
During the fiscal year 2020-21 under review, your Company's overall gross sales revenue increased by 41.8% as compared to last year. While, the local sales revenue increased by 49.1% (PKR 74.50 billion vs PKR 49.96 billion), the export sales revenue showed an increase of 12.2% (PKR 13.85 billion vs PKR 12.34 billion).

COST OF SALES

During the fiscal year 2020-21 under review, per ton cost of sales of your Company decreased by 5.9% as compared to last year. The inflationary impact of raw & packing material, fuel and commodity prices were mitigated mainly through economies achieved by greater productivity in the year under consideration and several cost reduction measures.

GROSS PROFIT

Due to better topline performance which fairly offset increase in input costs, as mentioned above, gross profit margins of the company for the fiscal year under review were 30.1% as compared to 14.5% reported during last year.



DIVIDENDS

During the year ended June 30, 2021, the dividend income received by your Company was PKR 4.40 billion (2020: 1.29 billion). This was due to better payouts by Company subsidiaries as a result of improvement in profitability, primarily from Lucky Motors Corporation Limited (formerly KIA Lucky Motors), which paid its dividends for the first time after coming into operations in June 2019.

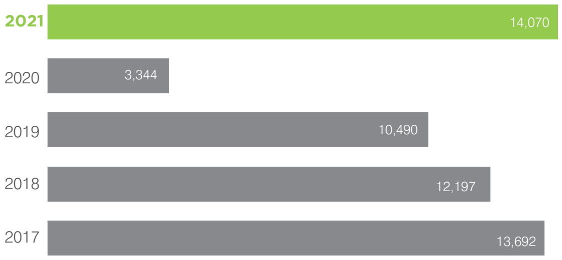
Subsidiary/ Associate	FY 2020-21	FY 2019-20
		PKR in billion
ICI	1.27	0.79
LHL	0.22	0.38
YEL	0.06	0.12
LMC	2.85	-
Total	**4.40**	**1.29**

NET PROFIT

Your Company achieved a profit before tax of PKR 16,992.2 million during the fiscal year under review as compared to PKR 3,819.9 million reported during last year.

Accordingly, after tax profit of PKR 14,070.2 million was achieved during the fiscal year under review as compared to PKR 3,343.9 million reported during last year.

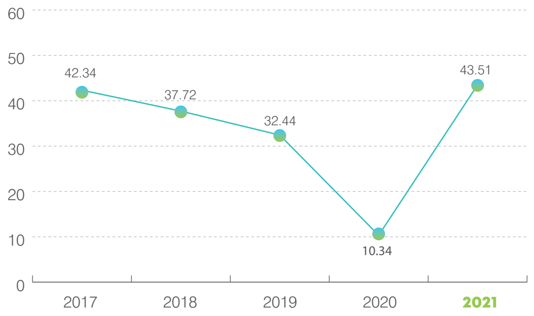
Net Profit
PKR in Million



EARNINGS PER SHARE

The earnings per share of your Company for the fiscal year ended June 30, 2021 was PKR 43.51 in comparison to PKR 10.34 reported last year.

EPS Trend
PKR



CONTRIBUTION TO NATIONAL EXCHEQUER

Your company contributed PKR 27.3 billion (2020: PKR 20 billion) into the Government Treasury on account of Income taxes, excise duty, sales tax, and other government levies. Moreover, valuable foreign exchange to the tune of USD 86.11 million was generated by your Company for the Country from the export of cement during the year under review.

NATIONAL CAUSE DONATIONS

Your Company has a strong sense of Corporate Social Responsibility and is fully committed to supporting in the areas of women empowerment, education, health, and creation of a sustainable environment through various welfare initiatives; which are undertaken both directly through the company's financial assistance programs and indirectly by patronizing country's civil society institutions and non-government organizations geared towards creating a social impact.

		PKR in '000'
Details of Donations and Charity	**FY 2020-21**	**FY 2019-20**
Health Initiative & Financial Assistance To Patients	202,558	106,000
Community Welfare	74,064	41,505
Education Initiatives & Financial Assistance To Schools, Universities & Scholarships	62,419	27,213
General Donation	2,977	30
Total Amount Donated	**342,018**	**174,748**

DIVIDEND & APPROPRIATION

Your Company remains committed to both increasing its shareholder wealth and providing sustainable returns over a longer term. The Company's diversification plan over the years, most of which has been financed by internally generated cash flows, has not only substantiated this commitment but has also started bearing fruit. Despite the uncertain times arising due to the pandemic, the Company has continued with its expansion and diversification strategy which includes starting a brownfield expansion of 3.15 MT in KPK province and entering into a mobile assembling agreement with Samsung Gulf Electronics., FZE. Keeping in view the above, the Directors have not proposed any dividend for the year ended June 30, 2021.

Movement in un-appropriated profit is as follows:

	PKR in '000
Total Comprehensive Income for the Year	
Total Comprehensive Income for the year available for appropriation	14,016,397
Appropriations	
Proposed transfer to General Reserves	14,016,397
Basic and diluted earnings per share – PKR	**43.51**

INVESTMENT PROJECTS – NEW AND ONGOING

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

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

Project ground breaking has commenced and the completion target is December, 2022.

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

The construction activity for setting up 660 MW super critical, lignite coal-based power plant has been impacted due to outbreak of Covid-19 in China and subsequently in Pakistan. In this regard CPPA had notified cessation of OFME (Other Force Majeure Event) vide their letter dated October 16, 2020 wherein it was intimated that Interconnection related activities have recommenced from October 1, 2020 while the period from March, 2020 till September 30, 2020 shall be treated as excused. The Company in consultation with its legal counsel has not accepted the CPPA's OFME claim. In this respect the Company has also initiated dispute resolution proceedings under Article 18 of the Power Purchase Agreement. The company contends that such delay in interconnection works comes under the ambit of concurrent delay as per PPA due to NTDC's inability to timely resolve right of way issues.

The Company, however, is taking all possible measures to mitigate the impacts of Covid-19 on the development of the Project with the support of the Contractor. The project has achieved completion status of approximately 98.7% by June 30, 2021 and the Company is following up with the CPPA and NTDC for the earliest completion of interconnection works which is essential for achieving the COD. Further, after successfully arranging the temporary back feed power from 132 kv K-Electric grid in March 2021, testing and commissioning activities of the plant has been commenced and off-grid tests are expected to be completed shortly.

Based on the current level of readiness by NTDC for providing interconnection facility and the Government's support, the target is to achieve Commercial operation by October 2021.

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

Despite the impacts of Covid-19 pandemic situation, the Plant successfully completed its trial production and commenced commercial operations with effect from March 10, 2021.

Lucky Motor Corporation (LMC)'S agreement with Samsung Gulf Electronics Co., FZE

Subsequent to the end of the year, LMC, (a subsidiary of Lucky Cement Limited), which is engaged in the business of manufacturing, assembly, marketing, distribution and sales of Kia and Peugeot branded vehicles, parts and accessories thereof, in Pakistan, entered into an agreement with Samsung Gulf Electronics Co., FZE ("Samsung") for producing Samsung branded Mobile Devices in Pakistan. LMC has also initiated the process of seeking necessary regulatory approvals from Pakistan Telecommunication Authority (PTA) for securing the license. The production facility for producing Samsung Mobile Devices will be located at LMC's existing plant facility producing vehicles at Bin Qasim Industrial Park, Special Economic Zone, Port Qasim - Karachi. The production facility is anticipated to be completed by end of December 2021.

SEGMENTAL REVIEW OF BUSINESS PERFORMANCE

After having a strong footprint in cement manufacturing industry in Pakistan, Iraq and DR of Congo, Lucky Cement has evolved into a conglomerate having strategic investments in diversified industries. The acquisition of ICI Pakistan, investments in Lucky Electric and Lucky Motor Corporation (formerly KIA Lucky Motors) were a part of the Company's strategy to diversify its business and to create value for its shareholders. While the outgoing financial year saw economic recovery, all the company's subsidiaries posted significant growth in profitability. A snapshot of business performance of segments is tabulated below:

The Board of Directors is satisfied that due to the efficient and effective financial management system in place, there are no short or long term financial constraints in the foreseeable near future.

Capital Structure and Financial position

While your company mainly remained equity financed, it took advantage of subsidized financing schemes (like TERF / LTFF) of SBP, so as to finance its working capital and long-term financing requirements on an optimal basis.

Your company's self-generated liquidity is its biggest strength. This provides your management with flexibility to capitalize on further cost-saving ventures and gives the company's stakeholders and vendors' confidence in doing business. Our reserves increased by 15% during the year and now stand at PKR 109.97 billion. The increase is mainly attributable to improved cost saving strategies and profits of the Company. There is no significant change in our capital structure and financing strategies.

Segment	Net Revenue Growth (%)	GP Margin (%) of Gross Revenue	OP Margin (%) of Gross Revenue	Segment Assets (PKR Bn.)	Segment Liabilities (PKR Bn.)
Cement	50.36	21.48	14.56	100.35	31.44
Polyester	22.18	11.33	9.82	9.82	14.72
Soda Ash	6.79	24.89	17.27	25.41	3.34
Pharma	13.53	23.27	7.63	5.81	5.56
Animal Health	30.83	18.34	5.73	4.28	2.21
Chemicals & Agri Sciences	8.43	20.01	8.52	9.34	2.42
NutriCo Morinaga	119.71	0.05	(27.25)	8.14	0.41
Automobiles	194.23	14.37	11.46	56.33	36.53
Power Generation	-	-	-	109.83	5.23
Others	116.67	28.36	27.26	1.30	0.07

ENTITY'S SIGNIFICANT CASH FLOW RESOURCES

Cash Flow Strategy

Your Company has an effective Cash Flow Management System in place whereby cash inflows and outflows are projected and monitored on a regular basis. Working capital requirements are managed mainly through a mix of internal cash generation and short term bank borrowing.

During the year under review, cash flows of the Company were mainly allocated towards capital expenditure amounting to PKR 6.47 billion, long term investment of about PKR 6.05 billion, and payment of income tax worth PKR 0.833 billion.

Financing arrangements

In order to avail the benefit of financing its expansion plans at subsidized rates, your Company availed Islamic Temporary Economic Refinance Facility (ITERF) by the SBP, from various Islamic banks amounting to PKR 2.6 billion at subsidized rates. Moreover, to achieve exceptional export growth performance, your Company also availed Islamic Export Re-finance facilities from various Islamic banks amounting to PKR 7.05 billion (2020: PKR 6.05 billion) at subsidized rates during the year. These Islamic financing facilities are mainly secured by way of hypothecation charge over Plant & Machinery, Stocks, Stores & Spares.

Credit Rating

Your Company maintained the strong credit rating by VIS Credit Rating Company Limited of medium to long term rating of AA+ (Double A Plus) and Short term rating of A-1+ (A-One Plus) to the Company.

The medium to long-term rating signifies high credit quality and strong protection factors and short term rating indicates high certainty of timely payments and adequate short-term liquidity. Your company's high credit rating indicates high creditworthiness evidencing its efficient cash flow strategy to settle financial commitments.

Human Capital Development

As we continue our journey of growth, the role and the development of human resources become all the more critical. We are committed to creating a working environment where employees feel valued, respected, empowered, and inspired. Talented people are at the heart of our efficiency-driven culture, therefore, we actively recognize their abilities and provide wholesome and continuous opportunities for learning and growth. We believe that meritocracy is the way forward to more transparent and fair management, recognizing performances that stand out in a differentiated manner.

Having a focus on the qualitative aspect of our business is critical for the long-term sustainability of the organization. However, equal importance is given to the quantitative aspect that drives our business today. We have set clear goals and KPIs (Key Performance Indicators) for our teams, which in turn generates a clear focus towards building a result-driven organization. Our talent management systems encourage honest and frequent feedback to provide our employees with a holistic assessment of their behaviors and their impact, thus ensuring that as teams, we harness the best out of our employees and proactively manage performance. We are proud of the empowerment culture at Lucky Cement, which gives our team both the responsibility as well as accountability to be the best that they can be.

MANAGEMENT OBJECTIVE AND STRATEGIES

Being the largest producer of cement in Pakistan, the key objective of the management is to sustain market leadership in the domestic Cement industry and increase value for all its stakeholders. All the corporate goals are targeted towards this purpose and the key performance indicators are defined to be measured in terms of your Company's improved performance in all spheres of its operations.

Your company today has a global footprint and the management is committed to achieving further milestones of sustainable use of natural capital, to create a green environment by developing a highly competent & professional team, investing in state-of-the-art technology, striving for customer satisfaction and loyalty, identifying supply chain synergies, and contributing towards the social development of the communities it operates in.

To achieve the given corporate goals; your company has taken organization-wide steps involving all the employees in formalizing SOPs (Standard Operating Procedures) and have set individual KPIs (Key Performance Indicators) aligned with these broader corporate goals, making every employee a self-assessor with defined yearly targets and transparent measuring criteria. Furthermore, we have also refined and improved our human resource policies and have also successfully launched a structured management trainee program in collaboration with the leading educational institutes of the Country.

Your company's financial performance and market leadership are a reflection of the achievement of its corporate goals through all-around strategic alignment.

CRITICAL PERFORMANCE INDICATORS

The management of your company has outlined the following key performance measures and indicators to support the stated objectives. These are shared companywide at every level as "Lucky Cement Limited's 9 corporate goals" and help us in setting our strategic direction.

- Ensure sustainable & profitable growth in both domestic and export markets;
- Strive to remain lowest-cost producer in the Industry;
- Improve corporate and brand image;

- Rationalize, attract, retain and develop Human Resources Talent;
- Strengthen Safety, Health & Environment culture;
- Increase footprint beyond Pakistan and diversify;
- Improve IT systems & strengthen infrastructure;
- Structured Risk Management program; and
- Embed Corporate Social Responsibility into Company's operations.

During the year the management rolled out the above objectives with the intent of implementation at all layers across the Company's operations in the form of KPIs for respective departments, functions, and their human resource. Review and follow up of these objectives was part of the periodic Management Committee and projects' related meetings held during the year.

PERFORMANCE OF FINANCIAL & NON-FINANCIAL MEASURES

Sustainable & Profitable Growth

Market Share	Low Cost Producer	Sales Volume	EPS	Cost Reduction Initiatives
Achieved market share of 17.3% in the financial year 2020-21.	The cost of production per ton remains one of the lowest in the industry.	Despite lockdown situations throughout the country, on a year on year basis, the company experienced an increase of overall sales volume by 30.7%.	EPS is PKR 43.51 which is 320% higher compared to last year due to hike in sale prices and reduction in input costs per ton.	Installation of Line 1 at Pezu resulting in improved efficiencies and lower coal & power consumption.

CORPORATE & BRAND IMAGE

Awards	Corporate Communication
• Recognized consecutively for the third year in a row for Pakistan Stock Exchange (PSX) Top 25 Companies Awards 2019. • Received the 10th Fire & Safety Awards 2020, organized by The National Forum of Environment and Health (NFEH). • Awarded for 'Best in Cement Business' category at the Business Excellence Awards 2020 by Biz Today. • Won the Best Corporate Report Award with the second position in the Cement category at the much anticipated "Best Corporate & Sustainability Report Awards 2019." The recognition was jointly announced by the Institute of Charted Accountants of Pakistan (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP). • Recognized by Asiamoney under its Asia's Outstanding Companies Poll 2020 for Materials sector in Pakistan. Asia's Outstanding Companies Poll recognizes publicly listed companies across the region for their excellence in a variety of business areas and markets. • Won the Environment Excellence Award at the 17th Annual Environment Excellence Awards 2020, organized by The National Forum of Environment and Health (NFEH).	Continued reaching out to customers through electronic print medium and articles in various publications. Dedicated planned social media campaigns on CSR and awareness on Covid

HUMAN RESOURCE DEVELOPMENT

Talent Management	Learning & Development	Performance Management	Succession Planning
The competency framework is being used to help identify the best fit talent externally and assist in developing and retaining internal talent. It also ensures effective and targeted training interventions, which will help the organization in developing the existing talent for the next level. We are in the process of implementing functional/ technical competencies as well which will facilitate in a more targeted recruitment, training and potential development tool.	Based on Training Need Assessment (TNA), developed and executed training plan by organizing in-house and public programs for soft & hard skills by internal and external trainers covering different staff levels of all locations. Special focus is also given to HSE related trainings as well as Email Ethics & Security Awareness sessions Competency Gap Assessment form will help identify various learning and development requirements.	Performance Management cycle initiates with the annual objective setting exercise through which the organization's strategy is translated into SMART and yet stretched departmental objectives. Its application throughout the organization is ensured. All management positions have clear and specified goals, which ensure that chances of bias and prejudice diminish. All line managers are encouraged to regularly monitor performance against those goals and provide necessary guidance.	Utilize 9 box (Performance & Potential) matrix approach to identify the available talent internally. The tool helps in identifying and developing employees for important and strategic positions for future. This activity also helps in Hi-Potentials identification, retention and succession planning. To ensure consistent flow in our leadership pipeline we offer the opportunity to enrich the job scope of our talent by providing job rotation opportunities, international assignments creating a high performance work culture.

BUSINESS GROWTH AND DIVERSIFICATION

660 MV Coal Based Power Project	Brownfield Cement Plant Expansion at Pezu – 3.15 million tons per annum
The construction activity for setting up 660 MW super critical, lignite coal-based power plant has been impacted due to outbreak of Covid-19 in China and subsequently in Pakistan. In this regard CPPA had notified cessation of OFME (Other Force Majeure Event) vide their letter dated October 16, 2020 wherein it was intimated that Interconnection related activities have recommenced from October 1, 2020 while the period from March, 2020 till September 30, 2020 shall be treated as excused. The Company in consultation with its legal counsel has not accepted the CPPA's OFME claim. In this respect the Company has also initiated dispute resolution proceedings under Article 18 of the Power Purchase Agreement. The company contends that such delay in interconnection works comes under the ambit of concurrent delay as per PPA due to NTDC's inability to timely resolve right of way issues. The Company, however, is taking all possible measures to mitigate the impacts of Covid-19 on the development of the Project with the support of the Contractor. The project has achieved completion status of approximately 98.7% by June 30, 2021 and the Company is following up with the CPPA and NTDC for the earliest completion of interconnection works which is essential for achieving the COD. Further, after successfully arranging the temporary back feed power from 132 KV K-Electric grid in March 2021, testing and commissioning activities of the plant has been commenced and off-grid tests are expected to be completed shortly. Based on the current level of readiness by NTDC for providing interconnection facility and the Government's support, the target is to achieve Commercial operation by October, 2021.	Keeping pace with the increasing demand in the domestic Cement industry, on the back of revival of economic activity and uptick in construction projects including both retail level projects as well as mega infrastructure development projects, your Company decided to enhance its cement production capacity at its Pezu Plant by 3.15 million tons per annum. Project ground breaking has commenced and the completion target is December, 2022.

HSE (HEALTH, SAFETY AND ENVIRONMENT)

Zero Loss Work Day Injury	Compliance with NEQ Standards	WHR (Waste Heat Recovery) Plant
Maintain the loss work day injury within the acceptable level; by strong HSE follow-up, audits, safety talks and compliance of HSE policies/SOPs.	Positioned almost 74% less than the permissible limit of NEQ standards due to use of advanced technology, timely maintenance and use of WHR plants.	Sustainable maintenance of carbon emissions and utilization of excess heat from the production lines and power generators to generate electricity.

RISK MANAGEMENT

Strategic Risks	Operational Risks	Financial Risks	Compliance Risks
The strategic risks such as the critical availability of gas and alternate fuels for power generation are being continuously monitored. The Company's expansion plans and growth targets are revisited with the changing market situations. Changes in macro-economic indicators, inconsistent / arbitrary changes in Government Policies and a significant increase in coal and other fuel prices making the cost of production substantially higher are also closely monitored, considered and incorporated into the risk register. Appropriate mitigation strategies are formulated to reduce the risk impact to an acceptable level.	Business continuity and disaster recovery plans are in place to ensure that continuity in production and sales operations in case of major failures to ensure continuity, sustainability, and avoidance of any disruption to the business. Raw material sourcing, adequate segregation of duties, self-sufficiency in power generation at both the plants and efficient supply chain and logistic operations both in-house and outsourced have enabled us to mitigate operational risk to an acceptable level.	The Company's exports and import of coal and clinker both in USD provide a natural hedge against foreign currency fluctuations and safeguard the company from any significant financial risks. Strict financial discipline, cash flow management, and monitoring of foreign currency parity vs PKR to avail possible hedging options support in mitigating risks towards in-house and project-related investments.	Due to adequate and careful compliance with all the applicable laws and regulations and transparent financial reporting framework, the compliance risk posed to the Company remains low. The Board promotes risk management and compliance culture in the Company. Litigation risks involving significant cases against the Company are handled through reputable Law firms with specialized expertise wherever required.

CORPORATE SOCIAL RESPONSIBILITY

Charity and Donations	Educational Scholarships	Medical Assistance and Poverty Alleviation	Causes we care about
Continued extending donations to both individuals and institutions offering welfare in an effort to support education, health and community development.	Continued the committed support to students at IBA, LUMS, IoBM and various other institutions. Continued support for two leading Government girls' schools in Karachi Continued collaboration with local NGO to adopt a school in remote area of Landhi for Primary education. Launched three new dedicated scholarship programs for the underprivileged youth of District Lakki Marwat. 1- Undergraduate program 2- Graduate/Post Graduate Program 3- Vocational Training Program	Continued to support initiatives of health and economic upgradation through patronization of Aziz Tabba Foundation. Ration distribution program amidst Covid in partnership with Prime Minister's Ehsaas Rashan Program.	Held tree plantation drives in and around the plant facilities as well as in the head office by distributing tree saplings to promote a green and clean environment. Continued monitoring the air quality and level of emissions at both plants effectively.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to continue making efforts to support Education, Women Empowerment, Health and Community Development under its CSR. Your Company has also been at the forefront for the development of society and the communities in which it operates.

Education / Scholarships

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

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

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

Contribution toward the United Nations Sustainability Development Goals 2030

In support of the UN Sustainability Development Goals, your Company has initiated and promoted various sustainable projects to support the United Nations' 2030 Agenda. The integration of the SDGs has taught us to view sustainable development as a business response to the challenges we face as a society — to use business-driven approaches to create lasting economic growth to address social needs and empower communities.

Your Company is now on a journey to link the Sustainable Development Goals to Lucky Cement's business strengths. We see the SDGs as a win-win opportunity, improving the world for future generations, whilst supporting our vision to become a value-based, sustainable company.

Women Empowerment

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

Health Initiatives

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

Environment Conservation

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

Community Development

Continuing to uplift the underprivileged communities, we are now installing a solar energy based tube well for the residents of village Wanda Jogi near Pezu plant. The new installation will provide easy access to clean drinking water for around 3,000 local villagers.

Earlier, we installed five solar energy based tube wells at various targeted locations near the Pezu plant including Jhang Khel, Wazir Kala, Shehbaz Khel, Tabi Murad and Azghar Khel. Before the installation of these tubewells limited facilities were available for drinking water in these areas.

CODE OF CORPORATE GOVERNANCE

The Directors of your Company are aware of their responsibilities under the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule book of Pakistan Stock Exchange. Your Company has taken all necessary steps to ensure good corporate governance and full compliance of the Code and we confirm the following:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Chief Executive and Chief Financial Officer duly endorsed the financial statements before approval of the Board;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the company's ability to continue as a going concern;
- Statement of pattern of shareholding has been included as part of this Annual Report; and
- Statement of shares held by associated undertakings and related persons have also been disclosed separately.

COMPOSITION OF BOARD OF DIRECTORS

The diverse mix of gender, knowledge, expertise and skill sets of the members enhances the effectiveness of our Board. Our Board composition represents the interests of all categories of shareholders and it consists of:

Total number of directors		
a)	Male	6
b)	Female	1
Composition		
I)	Independent Director	2
II)	Other Non-executive Directors	4
III)	Executive Director	1

Meetings of the Board of Directors

Board of Directors - 5 Meetings		
S.No.	**Name of Directors**	**No. of Meetings Attended**
1	Mr. Muhammed Yunus Tabba (Chairman) Non-Executive Director	5
2	Mr. Muhammad Ali Tabba Executive Director	5
3	Mr. Muhammad Sohail Tabba Non-Executive Director	4
4	Mr. Jawed Yunus Tabba Non-Executive Director	5
5	Mrs. Mariam Tabba Khan Non-Executive Director	2
6	Mr. Manzoor Ahmed Independent Director	5
7	Mr. Masood Karim Shaikh Independent Director	5

The leave of absence was granted to the Directors who could not attend the meeting due to their preoccupation.

TRAINING OF THE BOARD

The Company takes keen interest in the professional development of its Board members and has carried out necessary training of its Board members as per the requirements of the Code of Corporate Governance and ensures that all the Directors of the Board comply with the requirements of Directors Training Certification.

EVALUATION CRITERIA FOR THE BOARD

Apart from their mandatory job requirements, the performance of the Board of our Company is evaluated regularly along the following parameters, both at individual and team levels.

1. Effectiveness in bringing in a mix of gender, talents, skills and philosophical perspectives;
2. Integrity, credibility, trustworthiness and active participation of members;
3. Follow-up and review of annual targets set by the management;
4. Ability to provide guidance and direction to the Company;
5. Ability to identify aspects of the organization's performance requiring action;
6. Review of succession planning of management;
7. Ability to assess and understand the risk exposures of the Company;
8. Contribution and interest in regard to improving health safety and environment, employment and other policies and practices in the Company; and
9. Safeguarding the Company against unnecessary litigation and reputational risk.

PERFORMANCE EVALUATION OF THE BOARD

The overall performance of the Board measured on the basis of above-mentioned parameters for the year was satisfactory. A separate report by the Chairman on Board's overall performance, as required under section 192 of the Companies Act, 2017 is included in this Annual Report.

DIRECTORS' REMUNERATION

The Board of Directors has approved a 'Remuneration Policy for Directors and Members of Senior Management'; the salient features of which are:

- The Company will not pay any remuneration to its non-executive directors except as meeting fee for attending the Board and its Committee meetings;
- The remuneration of a Director for attending meetings of the Board of Directors or its Committees shall from time to time be determined and approved by the Board of Directors; and
- A Director shall be provided or reimbursed for all travelling, boarding, lodging and other expenses incurred by him for attending meetings of the Board, its Committees and/or General Meetings of the Company.

The details of the Remuneration paid to the executive director (Chief Executive) of the Company is disclosed in Note 39 of the Standalone Financial Statements.

BOARD COMMITTEES AND THEIR MEETINGS

AUDIT COMMITTEE

Audit Committee - 5 Meetings		
S.No.	**Name of Directors**	**No. of Meetings Attended**
1	Mr. Manzoor Ahmed (Chairman) Independent Director	5
2	Mr. Masood Karim Shaikh Independent Director	5

3	Mr. Muhammad Sohail Tabba Non-Executive Director	5
4	Mr. Jawed Yunus Tabba Non-Executive Director	5
5	Mrs. Mariam Tabba Khan Non-Executive Director	4

The leave of absence was granted to the Directors who could not attend the meeting due to their preoccupation.

Terms of Reference

The terms of reference of the Audit Committee includes the following:

a. determination of appropriate measures to safeguard the company's assets;

b. review of annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:
   - major judgmental areas;
   - significant adjustments resulting from the audit;
   - going concern assumption;
   - any changes in accounting policies and practices;
   - compliance with applicable accounting standards;
   - compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 and other statutory and regulatory requirements; and
   - all related party transactions

c. review of preliminary announcements of results prior to external communication and publication;

d. facilitating the external audit and discussions with external auditors on major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

e. review of management letter issued by external auditors and management's response thereto;

f. ensuring coordination between internal and external auditors of the company;

g. review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;

h. consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

i. ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

j. review of the company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;

k. instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body;

l. determination of compliance with relevant statutory requirements;

m. monitoring compliance with the applicable Code of Corporate Governance Regulations and identification of significant violations thereof;

n. review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

o. recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof; and

p. Consideration of any other issue or matter as may be assigned by the Board of Directors.

HR AND REMUNERATION COMMITTEE

HR and Remuneration Committee - 2 Meetings

S.No.	Name of Directors	No. of Meetings Attended
1	Mr. Masood Karim Shaikh (Chairman) Independent Director	2
2	Mr. Muhammad Ali Tabba Executive Director	2
3	Mr. Muhammad Sohail Tabba Non-Executive Director	-
4	Mr. Jawed Yunus Tabba Non-Executive Director	1
5	Mrs. Mariam Tabba Khan Non-Executive Director	1

The leave of absence was granted to the Directors who could not attend the meeting due to their preoccupation.

Terms of Reference

The terms of reference of the Human Resource and Remuneration (HR&R) Committee shall include the following:

a. Provide strategic guidelines for the overall governance of Human Resource processes within the Company. Review, oversee and evaluate the compensation strategy implemented within the Company, approve the head count, review the annual performance appraisal, training and development and succession planning processes implemented across the company;

b. Approve any study/survey relevant to Human Resources to be undertaken in order to benchmark / obtain reliable data to assist the Board Human Resources Committee in discharging its duties;

c. To provide guidelines to the operational management of Human Recourses with respect to hiring of resources, including permanent, third party, management trainees and interns;

d. Recommend to the board for consideration and approval of a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The members of senior management shall include the same personnel who are designated as Key Management Personnel by the Board and which include, the ED, CFO, COO, all the directors, Head of Internal Audit and the Company Secretary;

e. Undertake annually a formal process of evaluation of performance of the board as a whole and its committees. The process of performance evaluation shall be undertaken either directly or by engaging external independent consultant as advised by the Board HR Committee of the Board of Directors. Necessary disclosure shall be made in the directors' report if an independent consultant is engaged;

f. Where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company;

g. Recommend human resource management policies to the board;

h. Recommend to the board the selection, evaluation, development, compensation (including retirement benefits) of ED, CFO, COO, Company Secretary and Head of Internal Audit;

i. Consideration and approval on recommendations of CEO on such matters for key management positions who report directly to the CEO; and

j. Review the audit observations, if any, raised by the internal and external auditors of the company relating to the HR function and to approve the appropriate action to implement the audit findings.

CEO PERFORMANCE REVIEW

The Board of Directors of Lucky Cement regularly evaluates the performance of the CEO based on the financial and non-financial KPIs presented by him at the start of the year. The board has reviewed the performance of the CEO for the latest financial year and is satisfied with the achievements for the year. The Board has full confidence in his abilities to manage the company in the most professional and competent manner. He is also responsible for setting the corporate objectives and its alignment with the KPIs for his management team and regularly updates the Board about the performance of the management team in achieving the desired goals.

VISION, MISSION AND OVERALL CORPORATE STRATEGY APPROVAL BY THE BOARD

The board of directors has carefully reviewed and approved the vision, mission, and overall corporate strategy of your Company and believes that it comprehensively states the ideology with which Lucky Cement was incorporated. We ensure that our vision and mission sets the direction for our overall corporate strategy and our future journey in everything we do at all levels. The entire organization is connected and driven by this purpose and it serves as the main decision-making criterion in our day to day business.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations, and reliable financial reporting. The independent Internal Audit function of Lucky Cement regularly appraises and monitors the implementation of financial controls, whereas the Audit Committee reviews the effectiveness of the internal control framework and financial statements on a quarterly basis.

STATEMENT OF UNRESERVED COMPLIANCE OF IFRS ISSUED BY IASB

The Board of Directors of your Company has reviewed the Financial Reporting process. The Financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 and the provisions of and directives issued under the Act.

QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

The Chief Financial Officer and Head of Internal Audit possess the requisite qualification and experience as prescribed in the Code of Corporate Governance.

PATTERN OF SHAREHOLDING

Pattern of shareholding of the Company in accordance with the Section 227 (2)(f) of the Companies Act, 2017 as at June 30, 2021 is annexed to this report.

AUDITORS

The financial statements of the company for the current year 2020-21 were audited by M/s A.F. Ferguson & Co. Chartered Accountants. The auditors will retire at the end of the Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Board has recommended the appointment of M/s A.F. Ferguson & Co. Chartered Accountants as auditors for the ensuing year, as recommended by the Audit Committee, subject to the approval of the members in the forthcoming Annual General Meeting.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company and the date of this report.

OUTLOOK

While the Covid-19 cases in Pakistan subsided in the past, the fourth wave of the pandemic has started to pose new challenges. With the Government's focus on getting the majority population vaccinated and curtailing the spread of the virus through smart lockdowns, it is optimistically expected that the economy in general will continue the growth momentum, as seen in the current year.

Increased surge in economic activity that triggered healthy demand for cement both in North and South regions during FY 2021 is expected to continue. Several initiatives of the Government which include the construction package, focus on low cost housing schemes and reallocation of liquidity available with local banks towards construction and housing sector, construction of dams and water reservoirs and CPEC related activities are expected to continue strengthening the demand. However, the intense hike in global commodity prices especially coal and furnace oil prices after ease of Covid lockdowns internationally, is expected to put pressure on margins. Export sales are anticipated to remain stable, however, prices will remain competitive due to surplus capacities available in the region.

International cement operations are expected to witness a stable demand. Increase in sales volumes will be mainly due to addition of 1.2 MTPA capacity in Samawah, Iraq in March, 2021. Margins from these operations will face some pressure due to increase in input costs.

The businesses under our subsidiary ICI, which include Polyester Staple Fiber, Soda Ash, Pharmaceutical, Animal Health and Agri Sciences are expected to witness a stable to strong demand in the near-term. The near-term challenge for these businesses would be rising energy prices and sea freights.

As far as our automotive business is concerned, Lucky Motors (formerly KIA Lucky Motors) will continue increasing its model line up for KIA as well as introducing Peugeot brands in near future.

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

ACKNOWLEDGEMENT

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

On behalf of the Board

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive / Director

Karachi: August 7, 2021

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019
Lucky Cement Limited
For the year ended June 30, 2021

The company has complied with the requirements of the regulations in the following manner:

1. The total number of directors are 7 as per the following:

Male:	6 (Six)
Female:	1 (One)

2. The composition of Board is as follows:

Independent Directors:

Manzoor Ahmed
Masood Karim Shaikh

Non-Executive Directors:

Muhammad Yunus Tabba
Muhammad Sohail Tabba
Jawed Yunus Tabba

Executive Director:

Muhammad Ali Tabba

Female Director (Non-Executive):

Mariam Tabba Khan

3. The directors have confirmed that none of them is serving as a director on the Board of more than seven listed companies, including this company;

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. All seven (7) members of Board of Directors comply with the requirements of Directors' Training as required under clause 19 of the Listed Companies (Code of Corporate Governance) Regulations, 2019;

10. The Board has approved the appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. CEO and CFO duly endorsed the financial statements before approval of the Board;

12. The Board has formed following Committees, comprising of members given below:

Audit Committee

- Manzoor Ahmed – Chairman
- Muhammad Sohail Tabba
- Jawed Yunus Tabba
- Mariam Tabba Khan
- Masood Karim Shaikh

HR and Remuneration Committee

- Masood Karim Shaikh – Chairman
- Muhammad Ali Tabba
- Muhammad Sohail Tabba
- Jawed Yunus Tabba
- Mariam Tabba Khan

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the Committee for compliance;

14. The frequency of meetings of the Committee were as per following:

    (a) Audit Committee: Five quarterly meetings during the financial year ended June 30, 2021

    (b) HR and Remuneration Committee: Two meetings during the financial year ended June 30, 2021

15. The Board has set up an effective internal audit function which comprises of professionals who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

MUHAMMAD YUNUS TABBA
Chairman / Director

Karachi: August 7, 2021

FINANCIAL HIGHLIGHTS SIX YEARS AT A GLANCE

Financial Position (PKR in million)	2016	2017	2018	2019	2020	2021
Assets Employed						
Property, plant and equipment	33,887	37,488	40,913	57,276	60,248	62,390
Intangible Assets	127	80	55	18	11	1
Long term investments	12,422	13,314	24,981	34,314	47,144	53,194
Long term advance	76	85	91	99	87	99
Long term deposit & deferred cost	3	3	3	3	3	8
Current assets	39,395	46,368	42,956	33,379	28,375	40,676
Total Assets	**85,909**	**97,337**	**108,999**	**125,089**	**135,868**	**156,368**
Financed By						
Shareholders' Equity	69,323	79,785	86,367	94,318	99,184	113,200
Long-term liabilities						
Long term finance	–	–	–	–	380	4,042
Current portion of long term finance	–	–	–	–	127	507
	–	–	–	–	507	4,549
Long term deposits and deferred liabilities	6,969	7,209	7,395	7,193	7,349	8,739
Current liabilities	9,618	0,344	15,237	23,578	28,955	30,387
Current portion of long term finance	–	–	–	–	(127)	(507)
	9,618	10,344	15,237	23,578	28,829	29,880
Total Funds Invested	**85,909**	**97,337**	**108,999**	**125,089**	**135,868**	**156,368**
Turnover & Profit						
Turnover - Net	45,135	45,687	47,542	48,021	41,871	62,941
Gross Profit	21,746	21,298	16,952	13,984	6,077	18,956
Operating Profit	18,620	18,573	13,870	10,052	1,188	12,840
Profit before taxation	18,400	18,778	15,119	12,221	3,820	16,992
Profit after taxation	12,944	13,692	12,197	10,490	3,344	14,070
Total comprehensive income	12,974	13,696	12,079	10,539	3,508	14,016
Cash Dividends	2,910	3,234	5,497	2,587	2,102	–
General Reserve	9,467	9,741	8,199	9,492	8,437	3,509
Profit carried forward	12,974	13,696	12,079	10,539	3,509	14,016
Earning per share (Rupees)	40.03	42.34	37.72	32.44	10.34	43.51
Cash Flow Summary						
Net Cash from Operating Activities	16,603	16,864	17,080	17,084	5,047	12,493
Net Cash used in Investing Activities	(3,353)	(6,688)	(25,793)	(28,155)	(8,396)	(5,762)
Net Cash (Outflow) / Inflow from Financing Activities	(2,889)	(3,243)	(5,477)	(2,573)	(1,667)	4,022
(Decrease) /Increase in Cash and Bank Balance	10,361	6,933	(14,190)	(13,644)	(5,016)	10,752
Cash and cash equivalent at the beginning of the Year	16,445	26,806	33,738	19,548	5,904	889
Cash and cash equivalent at the end of the Year	26,806	33,738	19,548	5,904	889	11,641

ANALYSIS OF STATEMENT OF FINANCIAL POSITION

PKR in '000	2016	2017	2018	2019	2020	2021
Share Capital & Reserves	69,322,838	79,784,981	86,366,822	94,318,417	99,183,861	113,200,258
Non Current Liabilities	6,968,744	7,208,757	7,395,033	7,192,747	7,729,261	12,780,738
Current Liabilities	9,617,734	10,343,627	15,237,262	23,578,050	28,955,352	30,387,066
Total Equity & Liabilities	**85,909,316**	**97,337,365**	**108,999,117**	**125,089,214**	**135,868,474**	**156,368,062**
Non Current Assets	46,514,689	50,969,440	66,043,440	91,710,415	107,493,561	115,691,694
Current Assets	39,394,627	46,367,925	42,955,677	33,378,799	28,374,913	40,676,368
Total Assets	**85,909,316**	**97,337,365**	**108,999,117**	**125,089,214**	**135,868,474**	**156,368,062**

Vertical Analysis - (%)	2016	2017	2018	2019	2020	2021
Share Capital & Reserves	80.69	81.97	79.24	75.40	73.00	72.39
Non Current Liabilities	8.11	7.41	6.78	5.75	5.69	8.17
Current Liabilities	11.20	10.62	13.98	18.85	21.31	19.44
Total Equity & Liabilities	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Non Current Assets	54.14	52.36	60.59	73.32	79.12	73.99
Current Assets	45.86	47.64	39.41	26.68	20.88	26.01
Total Assets	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Horizontal Analysis (i) Cumulative (%)	2016	2017	2018	2019	2020	2021
Share Capital & Reserves	-	15.09	24.59	36.06	43.08	63.29
Non Current Liabilities	-	3.44	6.12	3.21	10.91	83.40
Current Liabilities	-	7.55	58.43	145.15	201.06	215.95
Total Equity & Liabilities	**-**	**13.30**	**26.88**	**45.61**	**58.15**	**82.02**
Non Current Assets	-	9.58	41.98	97.16	131.10	148.72
Current Assets	-	17.70	9.04	(15.27)	(27.97)	3.25
Total Assets	**-**	**13.30**	**26.88**	**45.61**	**58.15**	**82.02**

Horizontal Analysis (ii) Year on Year (%)	2016 vs 2015	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020
Share Capital & Reserves	16.98	15.09	8.25	9.21	5.16	14.13
Non Current Liabilities	8.95	3.44	2.58	(2.74)	7.46	65.36
Current Liabilities	29.43	7.55	47.31	54.74	22.81	4.94
Total Equity & Liabilities	**17.55**	**13.30**	**11.98**	**14.76**	**8.62**	**15.09**
Non Current Assets	0.97	9.58	29.57	38.86	17.21	7.63
Current Assets	45.81	17.70	(7.36)	(22.29)	(14.99)	43.35
Total Assets	**17.55**	**13.30**	**11.98**	**14.76**	**8.62**	**15.09**

ANALYSIS OF STATEMENT OF PROFIT OR LOSS

PKR in '000	2016	2017	2018	2019	2020	2021
Turnover	45,135,037	45,687,043	47,541,724	48,021,399	41,870,796	62,940,805
Cost of Sales	23,389,268	24,388,760	30,589,363	34,037,568	35,794,031	43,984,873
Gross Profit	**21,745,769**	**21,298,283**	**16,952,361**	**13,983,831**	**6,076,765**	**18,955,932**
Distribution Cost	2,018,376	1,703,785	1,992,454	2,728,809	3,699,154	4,859,096
Administrative Cost	1,107,527	1,021,694	1,089,446	1,202,939	1,189,638	1,257,074
Operating Profit	**18,619,866**	**18,572,804**	**13,870,461**	**10,052,083**	**1,187,973**	**12,839,762**
Finance Cost	-	-	-	24,933	176,378	332,905
(Other Income)/Charges	219,644	(205,449)	(1,248,194)	(2,194,065)	(2,808,333)	(4,485,356)
Profit before taxation	**18,400,222**	**18,778,253**	**15,118,655**	**12,221,215**	**3,819,928**	**16,992,213**
Taxation	5,456,037	5,086,004	2,921,565	1,730,986	475,995	2,922,024
Profit after taxation	**12,944,185**	**13,692,249**	**12,197,090**	**10,490,229**	**3,343,933**	**14,070,189**
Other Comprehensive Income	30,258	3,644	(117,874)	48,366	164,550	(53,792)
Total Comprehensive Income	**12,974,443**	**13,695,893**	**12,079,216**	**10,538,595**	**3,508,483**	**14,016,397**

Vertical Analysis - (%)	2016	2017	2018	2019	2020	2021
Turnover	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Sales	51.82	53.38	64.34	70.88	85.49	69.88
Gross Profit	**48.18**	**46.62**	**35.66**	**29.12**	**14.51**	**30.12**
Distribution Cost	4.47	3.73	4.19	5.68	8.83	7.72
Administrative Cost	2.45	2.24	2.29	2.51	2.84	2.00
Operating Profit	**41.25**	**40.65**	**29.18**	**20.93**	**2.84**	**20.40**
Finance Cost	-	-	-	0.05	0.42	0.53
(Other Income)/Charges	0.49	(0.45)	(2.63)	(4.57)	(6.71)	(7.13)
Profit before taxation	**40.77**	**41.10**	**31.80**	**25.45**	**9.12**	**27.00**
Taxation	12.09	11.13	6.15	3.60	1.14	4.64
Profit after taxation	**28.68**	**29.97**	**25.66**	**21.84**	**7.99**	**22.35**
Other Comprehensive Income	0.07	0.01	(0.25)	0.10	0.39	(0.09)
Total Comprehensive Income	**28.75**	**29.98**	**25.41**	**21.95**	**8.38**	**22.27**

Horizontal Analysis (i) Cumulative - (%)	2016	2017	2018	2019	2020	2021
Turnover	-	1.22	5.33	6.39	(7.23)	39.45
Cost of Sales	-	4.27	30.78	45.53	53.04	88.06
Gross Profit	**-**	**(2.06)**	**(22.04)**	**(35.69)**	**(72.06)**	**(12.83)**
Distribution Cost	-	(15.59)	(1.28)	35.20	83.27	140.74
Administrative Cost	-	(7.75)	(1.63)	8.61	7.41	13.50
Operating Profit	**-**	**(0.25)**	**(25.51)**	**(46.01)**	**(93.62)**	**(31.04)**
Finance Cost	-	-	-	100.00	100.00	100.00
(Other Income)/Charges	-	(193.54)	(668.28)	(1,098.92)	(1,378.58)	(2,142.10)
Profit before taxation	**-**	**2.05**	**(17.83)**	**(33.58)**	**(79.24)**	**(7.65)**
Taxation	-	(6.78)	(46.45)	(68.27)	(91.28)	(46.44)
Profit after taxation	**-**	**5.78**	**(5.77)**	**(18.96)**	**(74.17)**	**8.70**
Other Comprehensive Income	-	(87.96)	(489.56)	59.85	443.82	(277.78)
Total Comprehensive Income	**-**	**5.56**	**(6.90)**	**(18.77)**	**(72.96)**	**8.03**

Horizontal Analysis (ii) Year vs Year - (%)	2016 vs 2015	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020
Turnover	0.83	1.22	4.06	1.01	(12.81)	50.32
Cost of Sales	(4.84)	4.27	25.42	11.27	5.16	22.88
Gross Profit	**7.74**	**(2.06)**	**(20.41)**	**(17.51)**	**(56.54)**	**211.94**
Distribution Cost	(35.45)	(15.59)	16.94	36.96	35.56	31.36
Administrative Cost	17.40	(7.75)	6.63	10.42	(1.11)	5.67
Operating Profit	**15.56**	**(0.25)**	**(25.32)**	**(27.53)**	**(88.18)**	**980.81**
Finance Cost	-	-	-	100.00	607.41	88.75
(Other Income)/Charges	9.33	(193.54)	507.54	75.78	28.00	59.72
Profit before taxation	**15.64**	**2.05**	**(19.49)**	**(19.16)**	**(68.74)**	**344.83**
Taxation	56.77	(6.78)	(42.56)	(40.75)	(72.50)	513.88
Profit after taxation	**4.12**	**5.78**	**(10.92)**	**(13.99)**	**(68.12)**	**320.77**
Other Comprehensive Income	(155.38)	(87.96)	(3,334.74)	141.03	240.22	(132.69)
Total Comprehensive Income	**4.83**	**5.56**	**(11.80)**	**(12.75)**	**(66.71)**	**299.50**

NOTES ON ANALYSIS

COMMENTS ON SIX YEAR STATEMENT OF COMPREHENSIVE INCOME ANALYSIS

Turnover

Revenues increased from PKR 45.14 billion in 2016 to PKR 62.94 billion in 2021 with an increase of 39.45%. Due to upward surge in construction activity, both local & export sales have shown an upward trend. The company was able to meet demand in the market with increased production capacity at Pezu.

Cost of Sales

Cost increased from PKR 23.39 billion in 2016 to PKR 43.98 billion in 2021 billion with an increase of 88.06%. This is mainly due to increase in fuel and gas prices, higher transportation cost on input material, increased packing material prices and adverse rupee exchange parity.

Gross Profit

GP decreased from PKR 21.75 billion in 2016 to PKR 18.96 billion in 2021 with a decrease of 12.83%. This is mainly attributed to change in sales mix from cement to clinker that resulted in lower net retentions. Moreover, higher prices of bought-in materials and other costs also contributed to the decrease of gross profit.

Finance Cost

Finance cost is minimal since debt financing is principally based on loans bearing lower rates of mark-up. Further, the Company's capital structure is significantly based on equity financing.

Comprehensive Income

Net Profit increased from PKR 12.97 billion in 2016 to PKR 14.02 billion in 2021 with an increase of 8.03%.

COMMENTS ON SIX YEAR STATEMENT OF FINANICAL POSITION ANALYSIS

Share Capital & Reserves

The share capital remained the same however, reserves increased due to increase in undistributed profits retained for financing new projects & investments.

Non Current Liabilities

There is an increase of 83.40% in NCL from 2016 to 2021 mainly due to loans obtained for financing new projects & investments.

Non Current Assets

There is an increase of 148.72% in NCA from 2016 to 2021 mainly due to capital expenditure on capacity expansion & enhancement, alternative energy, WHR, Ventometic Packing Plant, Vertical Grinding Mill, Vertical Cement Mills and equity investments in Lucky Motor Corporation (formerly KIA Lucky Motors), Lucky Electric Power and other offshore projects in Iraq & Congo.

COMMENTS ON SIX YEAR STATEMENT OF CASH FLOWS ANALYSIS

Lucky has a prudent cash flow approach. The Company's projects and investments are primarily financed by internally generated cash flows and the company has minimal borrowings as of June 30, 2021.

FINANCIAL PERFORMANCE

Financial Ratios	UoM	2016	2017	2018	2019	2020	2021
Profitability Ratios							
Gross profit to sales	percent	48.18%	46.62%	35.66%	29.12%	14.51%	30.12%
Operating Cost to sales	percent	58.75%	59.35%	70.82%	79.07%	97.16%	79.60%
Profit before tax to sales	percent	40.77%	41.10%	31.80%	25.45%	9.12%	27.00%
Net profit after tax to sales	percent	28.68%	29.97%	25.66%	21.84%	7.99%	22.35%
EBITDA to sales	percent	46.95%	46.41%	35.52%	27.80%	12.03%	27.25%
Operating Leverage	percent	1841.56%	(20.67%)	(623.68%)	(2728.45%)	688.49%	1940.09%
Return on Equity after tax	percent	18.72%	17.17%	13.99%	11.17%	3.54%	12.38%
Return on Capital Employed	percent	20.18%	18.37%	14.54%	11.67%	3.62%	12.89%
Liquidity Ratios							
Current ratio	times	4.10 : 1	4.48 : 1	2.82 : 1	1.42 : 1	0.98 : 1	1.34 : 1
Quick/Acid test ratio	times	3.31 : 1	3.67 : 1	2.12 : 1	0.95 : 1	0.65 : 1	0.89 : 1
Cash to Current Liabilities	times	2.79 : 1	3.26 : 1	1.28 : 1	0.25 : 1	0.03 : 1	0.38 : 1
Cash flow from Operations to Sales	times	0.37 : 1	0.37 : 1	0.36 : 1	0.36 : 1	0.12 : 1	0.20 : 1
Activity / Turnover Ratios							
Inventory turnover	times	3.30	3.05	3.22	3.15	3.49	3.81
No. of days in Inventory	days	110.61	119.67	113.35	115.87	104.58	95.80
Debtor turnover	times	21.37	24.27	23.73	21.42	15.28	20.53
No. of days in Receivables	days	17.08	15.04	15.38	17.04	23.89	17.78
Creditor turnover	times	3.13	2.74	2.73	2.11	1.86	2.19
No. of days in Payables	days	116.61	133.21	133.70	172.99	196.24	166.67
Operating Cycle	days	11.08	1.50	(4.97)	(40.08)	(67.77)	(53.09)
Total assets turnover	times	0.53	0.47	0.44	0.38	0.31	0.40
Fixed assets turnover	times	1.33	1.22	1.16	0.84	0.69	1.01
Investment Valuation Ratios							
Earnings per share (after tax)	rupees	40.03	42.34	37.72	32.44	10.34	43.51
Price / Earning ratio (after tax)	times	16.20	19.75	13.47	11.73	44.64	19.84
Dividend Yield	percent	1.54%	1.43%	2.56%	1.71%	0.00%	0.00%
Dividend Payout ratio	percent	24.98%	28.34%	34.47%	20.04%	0.00%	0.00%
Cash Dividend per share	rupees	10.00	12.00	13.00	6.50	-	-
Break up value per share	rupees	214.37	246.73	267.08	291.67	306.71	350.06
Market Value Per Share as on 30th June	rupees	648.51	836.26	507.93	380.47	461.58	863.44
Year High Close	Rupees	663.19	994.65	723.19	583.66	566.47	940.74
Year Low Close	Rupees	448.88	644.71	445.80	344.27	310.30	488.93
Price to Book Ratio	percent	3.03%	3.39%	1.90 %	1.30%	1.50%	2.47%
Capital Structure Ratios							
Financial leverage ratio	times	0.00 : 1	0.00 : 1	0.00 : 1	0.03 : 1	0.09 : 1	0.14 : 1
Weighted Average Cost of Debt	percent	0.00%	0.00%	0.00%	1.72%	3.11%	3.32%
Debt to Equity ratio	times	0.00 : 1	0.00 : 1	0.00 : 1	0.00 : 1	0.01 : 1	0.04 : 1
Interest Coverage ratio	times	-	-	-	403.16	6.74	38.57

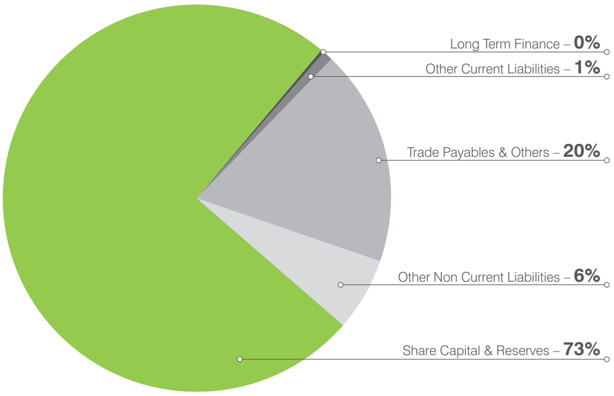
ANALYSES OF VARIATION IN INTERIM PERIOD

Particulars	Qtr-1	Qtr-2	Qtr-3	Qtr-4	FY 2020-21
Sales Volume (in '000 Tons)	**2,430**	**2,567**	**2,609**	**2,358**	**9,964**
Sales Revenue	14,335	15,740	17,027	15,839	62,941
Cost of Goods Sold	10,341	11,150	10,908	11,586	43,985
Gross Profit	**3,994**	**4,590**	**6,119**	**4,253**	**18,956**
Gross Profit Margin	28%	29%	36%	27%	30%
Operating Profit	2,351	**2,960**	**4,562**	**2,967**	**12,840**
Operating Profit Margin	16%	19%	27%	19%	20%
EBITDA	**3,426**	**4,037**	**5,628**	**4,058**	**17,149**
EBITDA Margin	24%	26%	33%	26%	27%
Net Profit Before Tax	**2,686**	**2,832**	**8,278**	**3,196**	**16,992**
Taxation	460	517	1,132	813	2,922
Net Profit After Tax	**2,226**	**2,315**	**7,146**	**2,383**	**14,070**
Net Profit After Tax Margin	16%	15%	42%	15%	22%
EPS in PKR	6.89	7.16	22.10	7.36	43.51

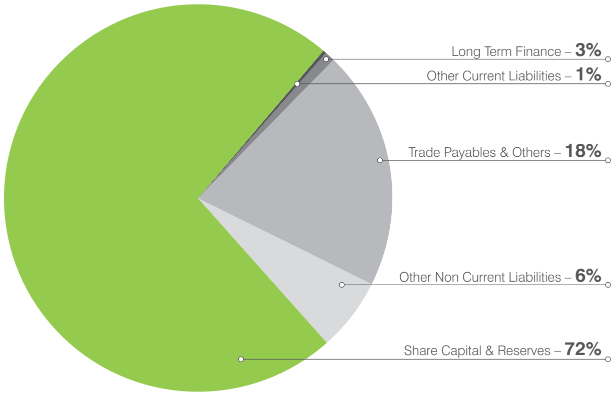
Third quarter outperformed during the year 2020-21 in terms of Gross Profit Margin (36%), Operating Profit (OP) Margin (27%) as well as EBITDA Margin (33%) mainly on account of lower input costs of coal & power. It also stood out in terms of bottom-line profitability & Earnings Per Share (EPS), the main contributor of which remained the payouts from the subsidiaries ICI Pakistan Limited and Lucky Motor Corporation (formerly KIA Lucky Motors). The Company was also able to dispatch high volumes of cement (2.6 Million Tons) during 3rd quarter.

COMPOSITION OF BALANCE SHEET

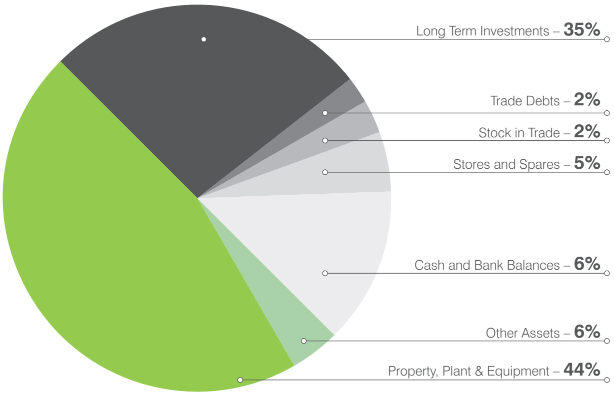
Equity and Liabilities - FY 2020
Percentage



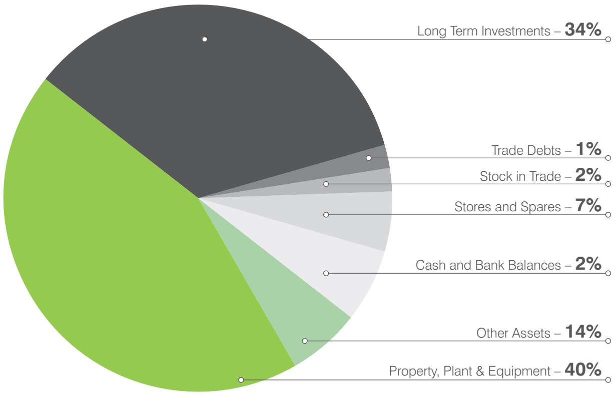
Equity and Liabilities - FY 2021
Percentage



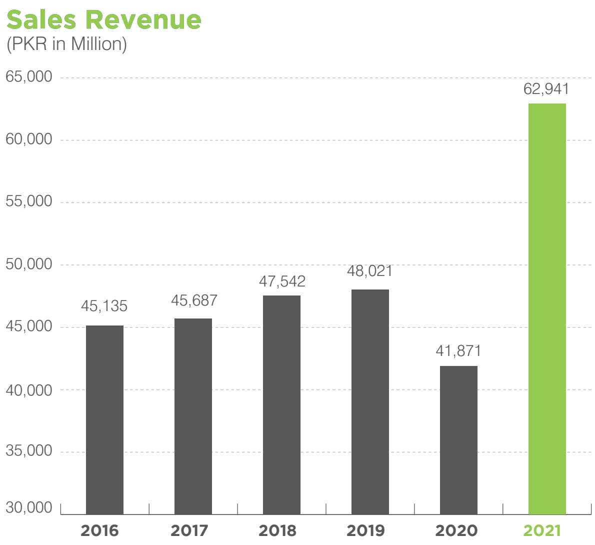
Assets - FY 2020
Percentage

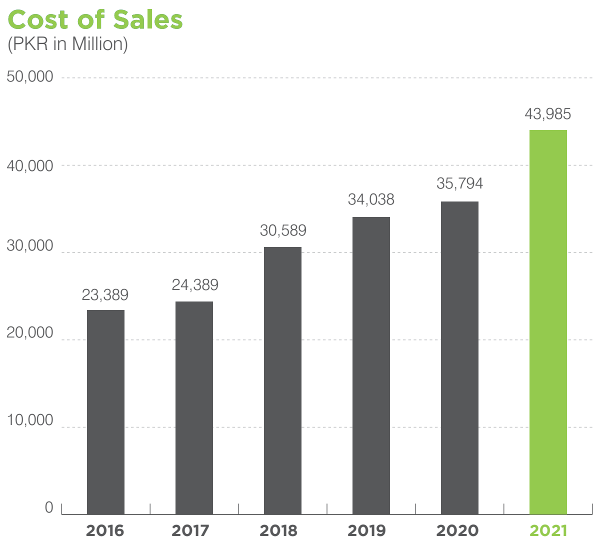


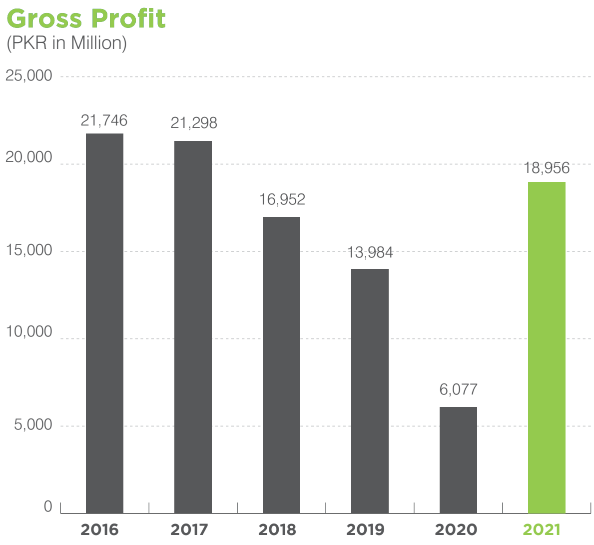
Assets - FY 2021
Percentage

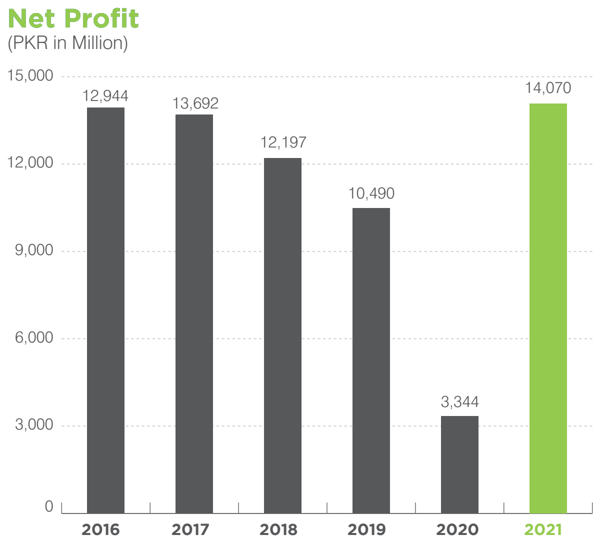


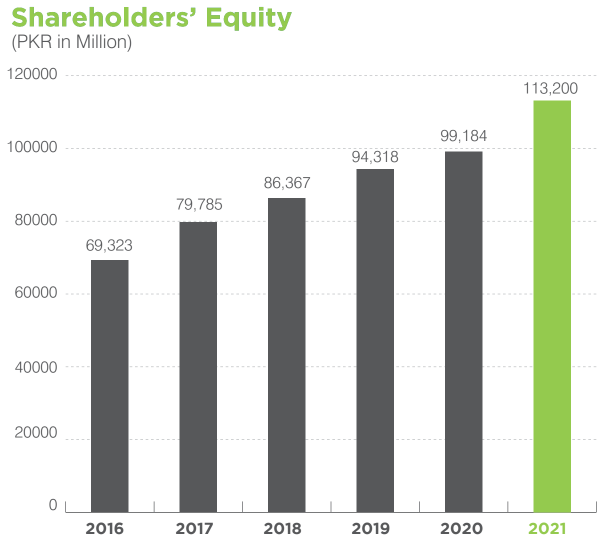
FINANCIAL AT A GLANCE

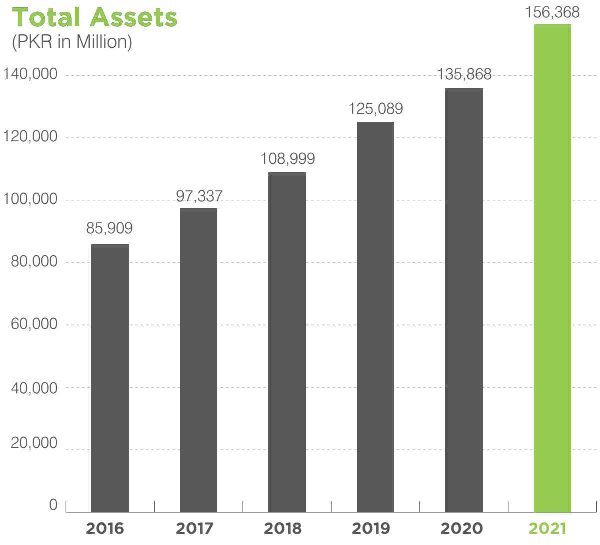










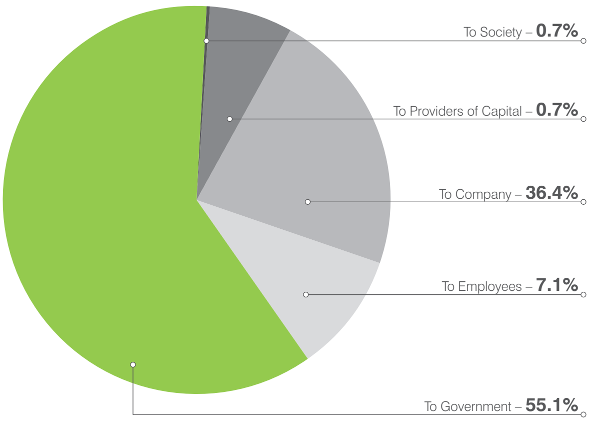


STATEMENT OF VALUE ADDITION AND WEALTH DISTRIBUTION

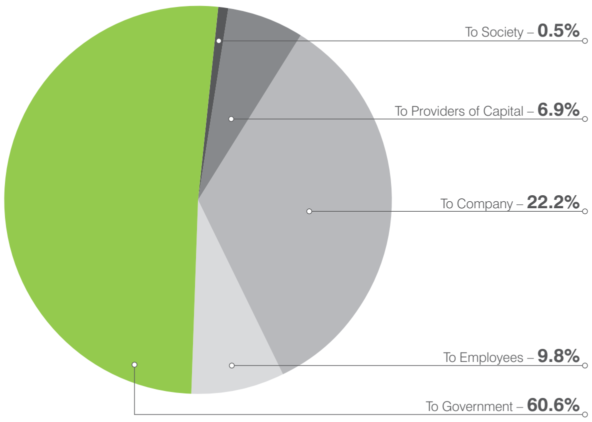
	2021 PKR in '000'	%	2020 PKR in '000'	%
Financial Position				
Gross Sales/ Revenues	88,357,695		62,302,086	
Bought-in-material and services	(37,964,034)		(29,226,320)	
	50,393,661	**100.0%**	**33,075,766**	**100.0%**

WEALTH DISTRIBUTION				
To Employees				
Salaries, benefits and other costs	3,590,228	7.1%	3,234,962	9.8%
To Government				
Income tax, sales tax, excise duty and others	27,802,700	55.1%	20,028,443	60.6%
To Society				
Donation towards education, health and environment	342,018	0.7%	174,748	0.5%
To Providers of Capital				
Dividend to shareholders		0.0%	2,101,938	6.4%
Markup / Interest expenses on borrowed funds	332,905	0.7%	176,378	0.5%
To Company				
Depreciation, amortization & retained profit	18,325,810	36.4%	7,359,297	22.2%
	50,393,661	**100.0%**	**33,075,766**	**100.0%**

Wealth Distribution - 2021
Percentage



Wealth Distribution - 2020
Percentage



ECONOMIC VALUE ADDED (EVA)

EVA is the relevant yardstick for measuring economic profits. EVA is the company's net operating profit after tax, after deducting the cost of capital. Companies, which return higher than the cost of capital, create wealth for the shareholders and on the other hand companies earning returns lower than the cost of capital, destroy shareholders wealth.

PKR in '000' unless otherwise mentioned

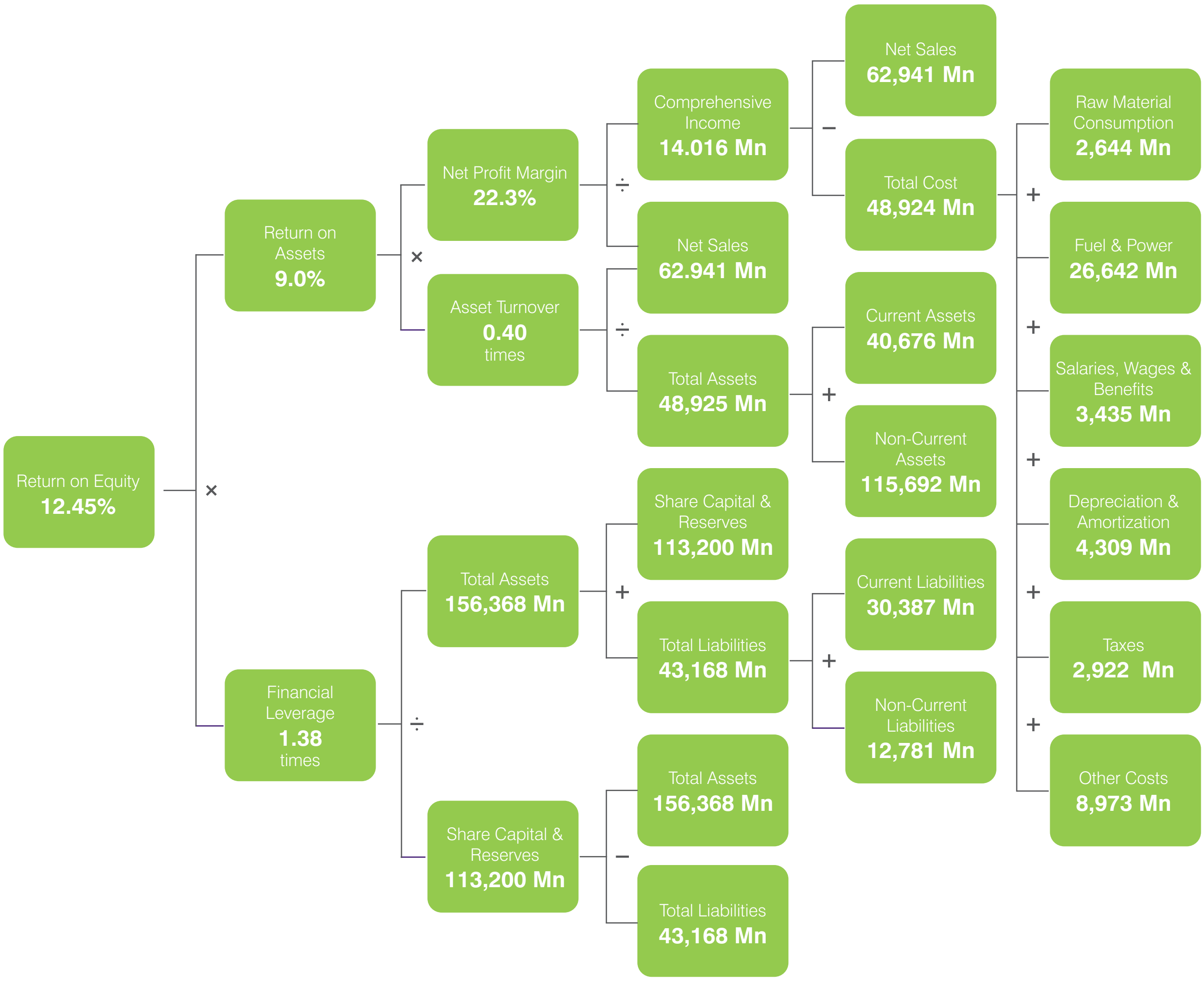
		2018-19	2019-20	2020-21
Cost of capital				
Cost of Equity	%	19.34%	11.20%	11.26%
Weighted average cost of capital (WACC)	%	21.06%	14.31%	10.85%
Average capital employed		90,342,620	96,751,139	108,719,960
Economic Value Added				
NOPAT		10,515,162	3,520,311	14,103,458
Less: Cost of capital		19,025,720	13,846,217	11,790,749
Economic Value added		**(8,510,558)**	**(10,325,906)**	**2,312,709**
Enterprise Value				
Market Value of Equity		123,034,487	149,263,433	279,214,910
Add: Debt		-	506,908	4,548,892
Less: Cash and cash equivalent		5,904,430	888,638	11,641,039
Enterprise Value		**117,130,057**	**148,881,703**	**272,122,763**
Return ratios				
NOPAT / Average capital employed	%	12%	4%	13%
EVA / Average capital employed	%	-9%	-11%	2%
Enterprise value / Average capital employed	times	1.19	1.46	2.50

FREE CASH FLOW (FCF)

PKR in '000'

	2018-19	2019-20	2020-21
Net cash provided by operating activities	17,083,851	4,953,941	12,492,631
Less: Capital Additions & Investments	(29,015,835)	(15,807,497)	(12,520,913)
Add: Net Debt Issued	-	506,908	4,548,892
FCF - Total	**(11,931,984)**	**(10,346,648)**	**4,520,610**

DUPONT ANALYSIS



DuPont Analysis

Year	Profit Margin (Net Profit/Turnover)	Assets Turnover (Turnover/Total Assets)	Financial Leverage (Total Assets/Total Equity)	ROE
	A	B	C	A x B x C
2021	22.27%	0.40	1.38	12.4%
2020	8.38%	0.31	1.37	3.5%
2019	21.84%	0.38	1.33	11.1%
2018	25.41%	0.44	1.26	14.0%
2017	30.00%	0.47	1.22	17.2%
2016	28.70%	0.53	1.24	18.7%

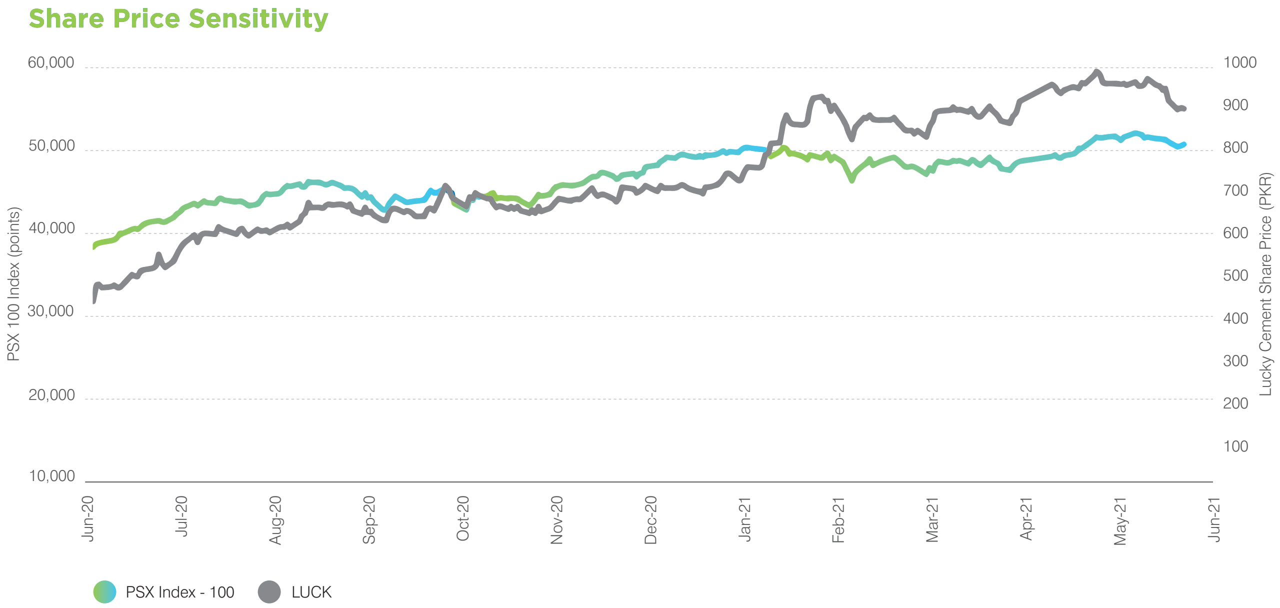
The main highlights of DuPont analysis are as follows:

1. The profit margins for the company increased during current year on account of better retentions and higher dividend income from subsidiaries.
2. The assets turnover of the company has improved during the current year mainly on account of cost savings and stimulus in demand of cement leading to higher turnover..
3. Though the financial leverage of the Company has increased due to ITERF loans, improved profits equally enhanced the equity stabilizing the financial leverage ratio.

CONCLUSION

Overall, the operational & assets efficiency and Equity Multiplier are monitored on a regular basis to remain aware of the financial health of the Company. The DuPont analysis for the last 6 years depicts a positive trend in Return on Equity (ROE) of the Company, regaining particularly in the current year after a dip in last year.

SHARE PRICE SENSITIVITY ANALYSIS



Shares of Lucky Cement Limited (LUCK) are traded on Pakistan Stock Exchange (PSX) and London Stock Exchange. Our free float is 33.02% and market capitalization at the end of day of fiscal year was PKR 279 Billion. There are many factors, which might affect the share price of our Company, few of which are listed below.

PROFITABILITY

Reduced margins on account of increasing production costs can contribute towards lower profitability and EPS which may decrease the share price in the market.

COMMODITY PRICES

Increase in major input price (coal, power and raw material tariffs) can negatively affect the margins and decrease the EPS which in turn can drive the share price downwards.

REGULATIONS AND GOVERNMENT POLICIES

The share price is also sensitive to any changes in policies by the government and regulatory authorities, both specific to the cement sector as well as overall business activities may affect the share prices in the market; either positively or negatively, depending on whether the policy is in favor of or against the industry.

CURRENCY RISK

The volatility in currency exchange rates can also affect the share price as the Company is involved in both export (of cement) and import (of input fuels). As such the margins can be affected positively or adversely.

MARKET RISK

Apart from systematic risk, the market share price is also exposed to all the risks of the platforms it is trading on. The Beta of LCL with respect to the stock exchange of Pakistan is 1.05.

DIVERSIFICATION

The Company has diversified both in terms of geographical location and in terms of nature of business. Our international footprint also opens us to the benefits and risks of the markets we are operating in and our business diversification affects our consolidated earnings, which in turn also affects our EPS and therefore can drive our share price positively or negatively.

GOODWILL

The market share price can also vary with the investor sentiments towards the company which changes very quickly in response to the news and events and because of the investors following the general market trend.

Shariah Governance

Being an SECP certified Shariah Compliant Company, Lucky Cement Limited monitors its compliance with the Shariah Governance Regulations, 2018. As such following ratios are assessed at June 30, 2020 as required by the regulation 11 to the Shariah Governance Regulations, 2018 based on unconsolidated financial statements of the Company:

	Benchmark	2021	2020
- Interest bearing loan to market capitalization	<=30%	0.00%	0.00%
- Interest taking deposit to market capitalization	<=30%	0.00%	0.00%
- Income generated from prohibited component to total income	<=5%	0.02%	0.02%
- Market price per share to net liquid assets per share	>=1	86.29	15.75

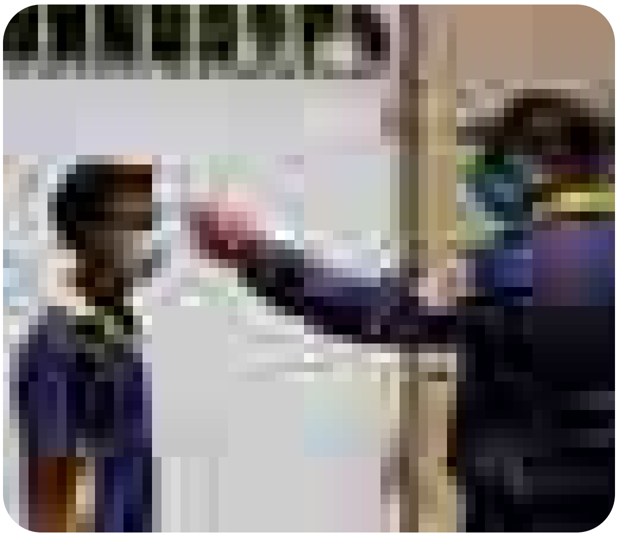
PANDEMIC RECOVERY PLAN

More than a year has passed since the beginning of the 'New Normal' situation for everyone. The consequences of Covid-19 unfolded last year when the management of Lucky Cement devised a Policy to combat the adverse effects of the pandemic on our people and process. The Company has responded to the global pandemic i-e. Covid-19 by thoroughly following all the SOPs and guidelines as advised by World Health Organization (WHO) and the Government of Pakistan. The Company's operations have been continued during pandemic while keeping the employees' health & safety as the first priority.

Basic Protective Measures Taken Against Coronavirus (Covid-19)

As part of our business continuity plan, we have formulated strategies to combat the adverse impact to the pandemic, we have extended our continued support to our vendors considering them our long-term strategic partners. Below are the key initiatives taken by the Company:

- The Company held a Covid-19 vaccination drive for its employees and their families.
- Awareness sessions / regular safety talks were held to timely aware the employees regarding the safety precautions, transmission and symptoms of coronavirus.



- Awareness videos were shared on all social media platforms to educate as many audience as possible. Various posters were put in place at all locations which provided awareness to employees. Maximum number of employees at head office and area offices were advised to work from home by using digital / technological tools.

- Regular temperature check was ensured at all the entry points of the Head Office, Area Offices and production plants.

- Hand sanitizing machines were installed at easily accessible locations. Protective gloves and masks were distributed amongst the employees with strict guidelines to wear them at all times.

- Strict protocols on social distancing (including non-physical greetings), and hand hygiene (especially after handling cash) were put in place. Handshake or any kind of physical contact was strictly prohibited irrespective of Eid or any other religious or cultural festivity.

- Visitors were discouraged and if unavoidable, designated visitor meeting rooms were established which were disinfected regularly.

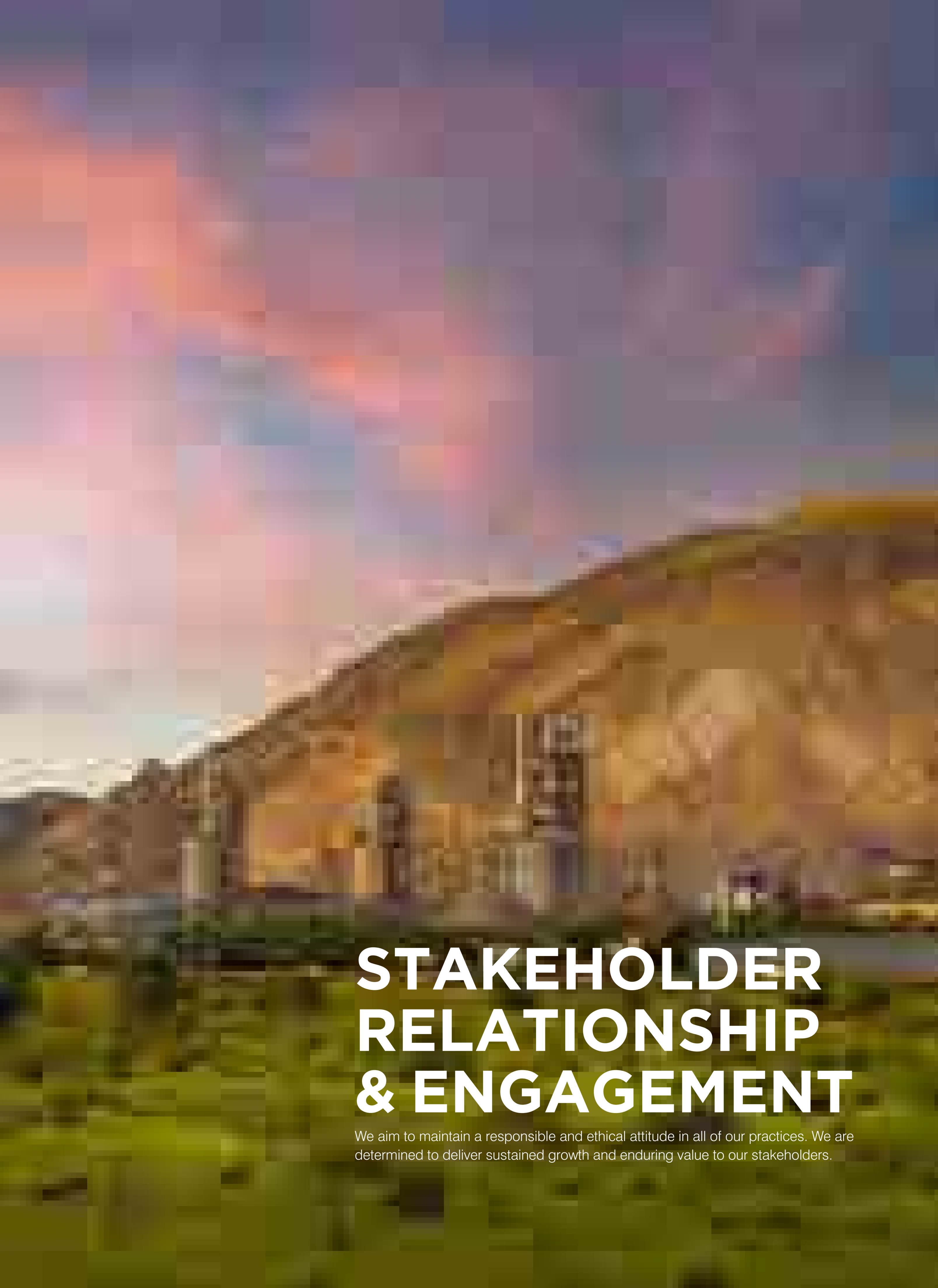
- Any goods or vehicles carrying the goods inside the premises were disinfected at entry point.

- Subsequent to receding of Covid-19, flexible timings were introduced to ensure implementation of social distancing.

- Disinfectant Tunnel were installed at all of the entry points of Company's plants and offices. Continuing the exercise of efficient use or available resources and recycling. Most of the items used in manufacturing a disinfectant tunnel were indigenously developed as markets were not open during this period.

- A contingency plan was developed to allocate / redistribute work in case if any employee got infected.

With stringent safety precautions, we continued our operations at production facilities and the offices with reduced staff and flexible working hours to curb the spread of COVID-19. We fully utilized innovative measures and digital technology to promote work-from-home by our employees to ensure social distancing.



STAKEHOLDER RELATIONSHIP & ENGAGEMENT

We aim to maintain a responsible and ethical attitude in all of our practices. We are determined to deliver sustained growth and enduring value to our stakeholders.

STAKEHOLDER ENGAGEMENT-BRIDGING THE GAP

OUR STAKEHOLDERS

The management of the Company take pleasure in identifying and assessing the needs of all the stakeholders of the Company. Our stakeholders are all the people and corporations impacted by our business processes.
Our stakeholders include:

OUR STAKEHOLDER ENGAGEMENT PROCESS

	Our People	Our Customers & Suppliers	Our Communities	Our Shareholders and Analysts	Our regulators	Our providers of Financial Capital
Our priorities and commitments	Focused and continuous conversations related to new health and safety procedures Regular employee surveys to understand and act on needs and wellbeing Offering personalized experiences and opportunities for personal and professional growth Building the best teams in the industry	Ongoing dialogue and surveys with our customers to understand and address their needs We understand consumers' needs and preferences through collecting consumer insights.	To understand what was needed by our communities and support the people affected by COVID-19, we partnered with Prime Ministers' Ehsaas Emergency Rashan Programme to provide rashan (Ration) to those affected by the Covid-19 outbreak across Pakistan.	Through open, honest communication during our Annual General Meetings, Analysts/ Corporate briefings, press releases and ongoing dialogue with analysts and investors, we kept our shareholders informed of all the ongoing activities of the Company.	We monitor and adopt all the policies and governance practices as required by our regulators including PSX, SECP, etc. We followed all the SOPs as advised by the Government as a response to fight against the Covid-19 Pandemic.	We ensure that our lenders are informed of our strategic decisions which affect their financial exposure. We strive to comply with the agreed timelines and secure our lenders' interest.
Frequency of engagement	Continuous	Periodic surveys	Continuous	Quarterly	As and when required	Continuous

ENCOURAGEMENT OF MINORITY SHAREHOLDERS TO ATTEND THE GENERAL MEETINGS

We value our shareholders who are the providers of Financial Capital. Each shareholder is important to the Company irrespective of the holding and voting power. We value our investors, their concerns and grievances (if any). At the Annual and Extraordinary General Meetings we ensure a two-way communication with the shareholders particularly the minority shareholders. We take the following steps to encourage our minority shareholders to attend the general meetings:

- Notice of the meeting is sent to all the shareholders at least 21 days before the meeting
- Notices are published in the English and Urdu newspapers having country-wide circulation
- DVDs of the Annual Report of the Company along with the printed proxy forms are circulated to every shareholder. The proxy forms enables them to nominate someone to attend the meeting on their behalf.
- Notices are posted on the Company's website and disseminated to PSX for better reach to the shareholders.
- We encourage and appreciate two-way communication in the general meetings, in this way we listen to our shareholders views and concerns.

ISSUES RAISED IN THE LAST AGM

Lucky Cement remains committed to engage with its shareholders, to understand their concerns, devise appropriate strategies and deliver to their expectations. During the last Annual General Meeting, we transparently briefed our shareholders about our performance. No issues were raised during the meeting. The Chairman Audit Committee addressed all questions to the satisfaction of the shareholders.

STAKEHOLDER ENGAGEMENT POLICY AND PROCEDURES

Lucky Cement is fully committed to developing effective working relationships with all our stakeholders and makes efforts to resolve issues that occur while carrying out its business dealings. We believe that Company's value depends on the trust placed in us by our stakeholders and promote dialogue with them. Lucky Cement proactively advises all stakeholders of its business operations keeping in mind corporate policies and government regulations. Throughout all its business dealings, Lucky Cement has provided stakeholders with opportunities to provide meaningful input into management decision-making. The policy, to a certain extent, allows stakeholders to understand how their views affect the company's decision-making process. The Company endeavors to provide full and fair disclosure of all material information to its stakeholders besides providing a wide range of information about strategy and financial information through its Annual Report and website for all stakeholders. The policy enables Lucky Cement to utilize a variety of methods to stimulate stakeholder engagement and to understand how to best deal with them. The strategies resulting from various engagements are tailored to suit business decisions, activities and processes. With respect to engagement with its stakeholders, Lucky Cement is committed to:

- Being open and honest with all stakeholders;
- Providing accurate and timely information to all stake holders;
- Listening and responding to stakeholder views and concerns;
- Evaluating the effectiveness of stakeholder engagement activities and working continuously to improve engagement performance.

Frequency of engagements is based on the corporate and business requirements as laid down by the Code of Corporate Governance, contractual obligations or as and when required. Employee communication is undertaken through in-house newsletters, Climatic surveys, employee portals and electronic bulletin boards.

UNDERSTANDING SHAREHOLDERS' VIEWS

Company shareholders comprise of a cross section of investors, which include, mutual funds, investment companies, brokerage houses, insurance companies, foreign shareholders, pension funds, high net worth individuals, housewives, professionals and individuals of varied requirements. The Company regularly interacts with all categories of shareholders, through regular Corporate / investor briefings in and outside Pakistan, press releases, quarterly reports etc. The Chief Executive Officer and the Chief Financial Officer remain available to respond to any shareholder / investor's query in person or on telephone. The Chief Executive Officer regularly updates the non-executive members of the views of the major shareholders about the Company.

INVESTOR RELATIONS SECTION ON LUCKY CEMENT'S WEBSITE & REDRESSAL OF INVESTOR COMPLAINTS

The management of the Company is committed to provide equal and fair treatment to all investors/shareholders through transparent investor relations, increased awareness, effective communication, and prompt resolution of investors'/ shareholders' complaints.

The Company disseminates information to its investors and shareholders through a mix of information exchange platforms, including its corporate website, maintained in both, English and Urdu languages under the applicable regulatory framework. Moreover, the Company's website is updated regularly to provide detailed and latest Company information including but not limited to business strategy, financial highlights, investor information, dividend history and other requisite information.

In order to promote investor relations and facilitate access to the Company for grievance / other query registration, a specific 'investors' relations' section is also maintained for the purpose on the Company's website.

CORPORATE BRIEFING SESSIONS

Lucky Cement continues to maintain a healthy relationship with the Investor community by holding Corporate Briefings quarterly, whereby the company apprises the Local & Foreign Investor base about the entity's business environment as well as the economic indicators of the country. The company also takes this as an opportunity to brief analysts regarding its performance, investment decisions, challenges along with the business outlook.

https://www.lucky-cement.com/media-center/corporate-documentary/

https://www.lucky-cement.com/media-center/#

CALENDAR OF MAJOR EVENTS

During the Year

8th
September 2020

Won the Environment Excellence Award at the 17th Annual Environment Excellence Awards 2020.

24th
September 2020

Launched a dedicated vocational training program for the permanent residents of District Lakki Marwat.

29th
September 2020

26th Annual General Meeting at the Registered Office at Pezu.

14th
October 2020

Won the Best Corporate Report Award with 2nd position in the Cement category.

24th
October 2020

Board of Directors' Meeting – 1st Quarter.

2nd
November 2020

Launched Second Scholarship Program for the Deserving Students of District Lakki Marwat.

21st
December 2020

Recognized for Pakistan Stock Exchange (PSX) Top 25 Companies Awards 2019 consecutively for the third year.

24th
December 2020

Awarded at the 10th Fire & Safety Awards 2020.

29th
January 2021

Board of Directors' Meeting – Half Yearly.

30th
January 2021

Announced Brownfield Capacity Expansion of 3.15 MTPA at Pezu Plant.

8th
February 2021

Won the Int'l Corporate Social Responsibility Award in the category of "Business Transformation".

28th
March 2021

Highest dispatches in the month of March'21 of 1.03 million tons.

30th
March 2021

Launched Third Scholarship Program for the Deserving Students of District Lakki Marwat.

21st
December 2020

Awarded Best in Cement Business category at the Business Excellence Awards 2020.

10th
March 2021

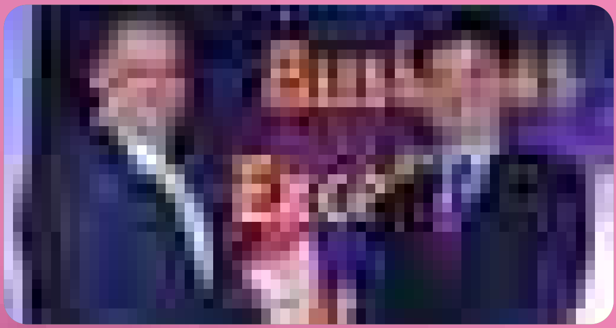
Greenfield Cement Expansion at Samawah, Iraq commenced commercial operations.

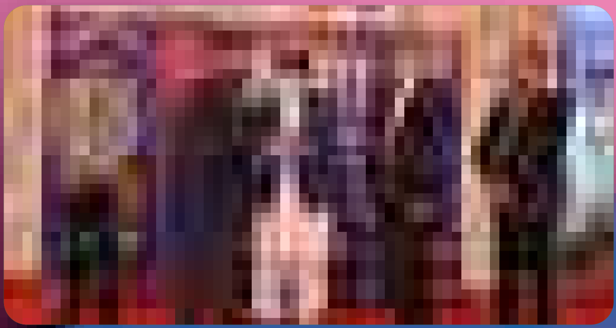
10th
March 2021

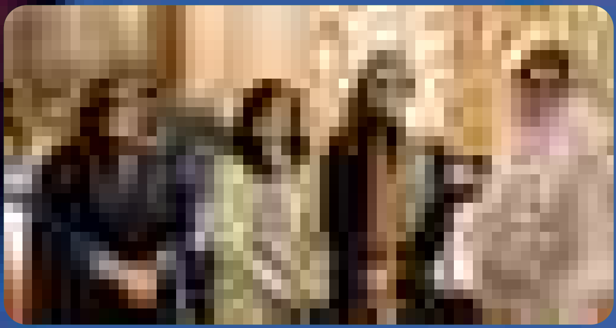
Completion of the loading of Pakistan's largest clinker export vessel of 67,000 tons.

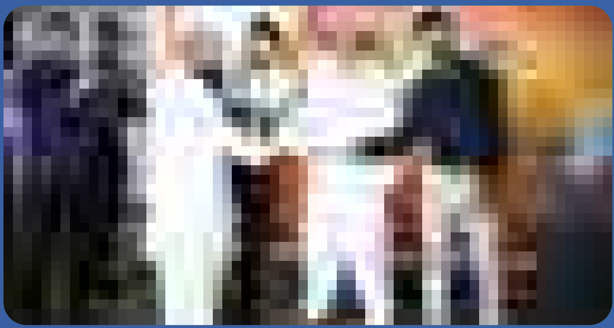
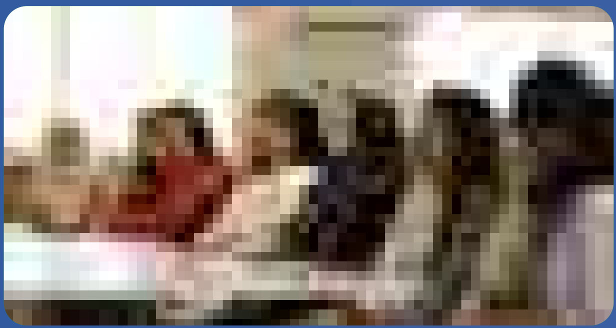
27th
April 2021

Board of Directors' Meeting – Third Quarter.








OUTLOOK

We aim to maintain a responsible and ethical attitude in all of our practices. We are determined to deliver sustained growth and enduring value to our stakeholders.

FORWARD LOOKING STATEMENT

Lucky Cement, being the largest producer of Cement in Pakistan continued to maintain its position as a market leader during the year 2020-21. While the resurgence of Covid-19 cases in different waves in Pakistan subsided in the past, with the Government's focus on getting the majority population vaccinated and curtailing the spread of the virus through smart lockdowns, it is optimistically expected that the economy in general will continue the growth momentum, as seen in the outgoing financial year. Increased surge in economic activity that triggered healthy demand for cement both in North and South regions during FY 2021 is expected to continue.

Several initiatives of the Government which include the construction package, focus on low cost housing schemes and reallocation of liquidity available with local banks towards construction and housing sector, construction of dams and water reservoirs and CPEC related activities are expected to continue strengthening the demand. However, the intense hike in global commodity prices especially coal and furnace oil prices after ease of Covid lockdowns internationally, is expected to put pressure on margins. Moreover, the PKR devaluation also results in increased costs across the board.

Export sales are anticipated to remain stable; however, prices will remain competitive due to surplus capacities available in the region. Your Company has continued to export clinker to different regions and is continuously working in exploring new markets.

In the long-term, Pakistan's Cement industry's outlook remains promising on account of the Government's key initiatives to build both small and mega-capacity / multipurpose water reservoirs / dams, construction of Special Economic Zones as part of CPEC projects, and low-cost affordable houses for the public at large. Going forward, the Cement industry is poised to derive benefits from such infrastructure development, reduction in energy shortfall, and improved law & order situation.

International cement operations are expected to witness a stable demand. The Company will derive benefit of addition of 1.2 MTPA capacity in Samawah, Iraq for full year in forthcoming financial year, in the form of increased sales volume. However, margins from international cement operations will face some pressure due to increase in input costs.

The businesses under our subsidiary ICI, which include Polyester Staple Fiber, Soda Ash, Pharmaceutical, Animal Health and Agri Sciences are expected to witness a stable to strong demand in the near term. The near-term challenge for these businesses would be rising energy prices and sea freights.

As far as our automotive business is concerned, Lucky Motors (formerly KIA Lucky Motors) will continue increasing its model lineup for KIA as well as introducing Peugeot brands in near future.

Lucky Cement's strong financial position and free cash flow generating ability are anticipated to further support its vision to improve operational efficiencies, make new investments and enhance shareholders' value.

The management of your Company will consolidate the competencies and experience it has gained over the years to take your Company through all the challenges and uncertainties. At the same time your Company will continue to exploit opportunities for creating value for shareholders by seeking benefit of the synergies, diversification and team work.

The Company shall continue to support its diversification initiatives with the focus to enhance shareholders' value by investments in high yielding projects.

Status of projects is explained in Director's Report section of this Annual Report, and the effect of external environment is discussed in Overview and External Environment section of this Report.

FINANCIAL PROJECTIONS

In view of surge in economic activity that triggered healthy demand for cement both in North and South regions during FY 2021, Lucky Cement foresees that the overall volumetric cement sales performance will remain strong. With the highest cement capacity of 12.15MTPA, Lucky Cement will remain a key driver of growth of cement industry in Pakistan and is poised to maintain its leading position. Strong sales volumes coupled with stable prices will lead to a sizeable top-line for the Company. However, the intense hike in global commodity prices especially coal and furnace oil prices and devaluation of PKR versus USD will put pressure on Company's margins.

SOURCES OF INFORMATION AND ASSUMPTIONS USED FOR PROJECTIONS / FORECASTS

The future projections and forecasts are based on certain assumptions after critically analyzing the current macroeconomic conditions, historical trends, and prospective developments as well as other relevant factors that might have an impact on the Cement Industry.

The external information, such as industry trends, macro, and microeconomic factors and, market dynamics are gathered from different publications and forums like APCMA, PBC, and ICAP, etc. The management internally carries out a corporate planning activity to forecast future revenues and trends for the Company while considering the market dynamics, demand/supply situation, seasonal variations, and international cement prices. The Board Budget Committee critically scrutinizes the budgets and forecasts while devising new projects of expansion and diversification. The future projections are based on management's best judgments and estimates.

ANALYSIS OF FORWARD LOOKING DISCLOSURES MADE IN THE PREVIOUS YEAR

Extract of matters reported in Forward Looking Statement last year	Actual performance
"With the post- Covid-19 pandemic macro-economic situation, your Company believes that in the short to medium term, the Outlook of the Cement industry will continue to improve due to increase in demand in both domestic and international markets." "In view of subdued cement sales during the last two years, your company foresees the overall volumetric cement sales performance to improve."	Cement industry in Pakistan grew by 20.1% to 57.45 million tons during the year ended 30 June 2021 in comparison to 47.81 million tons during the same period last year. The local sales volume registered a healthy growth of 20.4% to reach 48.13 million tons during the year under review versus 39.97 million tons during last year. Export sales volumes also registered an increase of 18.7% to reach 9.31 million tons during the year compared to 7.85 million tons during last year. In comparison to the Cement Industry, your Company's overall sales volumes posted a high double digit growth of 30.7% to reach 9.96 million tons during the year ended 30 June 2021. The local sales volumes grew by 38.3% to reach 7.56 million tons in comparison to 5.46 million tons during last year. Also, the export sales volumes of the Company increased by 11.3% to 2.41 million tons as compared to 2.16 million tons during last year.
"Export sales are anticipated to remain stable, however, prices will come under pressure due to regional competition. Our Company expects a healthy growth in export sales considering favorable market dynamics and foreign currency parity adjustment versus PKR"	As anticipated, the export performance of the Cement Industry has been exceptional during the current financial year, which supported the overall Industry volumes to increas Cement Industry's sales volumes registered an increase of 18.7% to reach 9.31 million tons as compared to 7.85 million tons last year.
"We also expect that the package announced for the construction industry by the Federal Government will have a positive impact on the cement demand of the country."	The various incentives announced by the Government for the construction sector, including the package for construction industry had a positive impact on the cement demand of the Country. The local sales volume of Cement Industry registered a healthy growth of 20.4% to reach 48.13 million tons during the year under review versus 39.97 million tons during last year.
"The Company shall continue to support its diversification initiatives with the focus to enhance shareholders' value by investments in high yielding projects."	During FY 2021 the Company announced a brownfield expansion at its Pezu Plant by 3.15 MTPA. Despite the impacts of Covid-19 pandemic situation, the Greenfield cement production facility in Samawah, Iraq, successfully completed its trial production and commenced commercial operations with effect from March 10, 2021.
	Moreover, during the outgoing financial year, Lucky Motor Corporation, (a subsidiary of Lucky Cement Limited), entered into an agreement with Samsung Gulf Electronics Co., FZE for producing Samsung branded Mobile Devices in Pakistan.

SUSTAINABILITY & ENVIRONMENT

We aim to maintain a responsible and ethical attitude in all of our practices. We are determined to deliver sustained growth and enduring value to our stakeholders.

ADOPTING THE SUSTAINABLE DEVELOPMENT GOALS

Being a socially responsible company, Lucky Cement has embedded sustainability at the core of its operations. Although we support all seventeen SDGs, we have prioritized our actions where we can create the most impact.

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

15 LIFE ON LAND

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

2030 AS OUR ROAD MAP TOWARDS A SUSTAINABLE SOCIETY

Last year, we adopted the UN Sustainable Development Goals (SDGs) as a guiding map of our journey towards sustainability. This year, we continued to align our practices to meet the Global goals by 2030. The integration of the SDGs has taught us to view sustainable development as a business response to the challenges we face as a society — to use business driven approaches to create lasting economic growth to address social needs and empower communities.

The UN Sustainable Development Goals provide us with a common understanding and route-map to achieve a better future. We see the SDGs as a win-win opportunity, improving the world for future generations, whilst supporting our vision to become a value-based, sustainable company.

Out of the 17 goals of the United Nations, we have thirteen SDGs to integrate into our business operations and formulated action plans to embed sustainable development practices within our business strategy. Our company's efforts to meet the UN SDGs are highlighted below:

The goal	What it means to us	Examples of our contribution
1 NO POVERTY **End poverty in all its forms everywhere**	We aim at ending all forms of poverty in our domain through inclusive growth by ensuring social protection, community welfare, providing access to basic services to our employees and to the poorest and the most vulnerable segments of the communities where we operate.	• Lucky Cement strongly believes in empowering its people. We ensure market competitive pay packages to our employees, and follow the guidelines of minimum wage to our human capital. • We realize the importance of giving back to the community, our rural development programs continue to uplift the under privileged communities. (More details are given in CSR Section of the AR 2021) • Being a socially responsible Company, we understand and acknowledge the needs of the underprivileged. Our CSR initiatives are designed to help the people of our society in any vulnerable situations arising due to the natural calamities and adverse environmental changes
3 GOOD HEALTH AND WELL-BEING **Ensure healthy lives and promote well-being for all at all ages**	We aspire to provide a safe working environment to all our employees and to transform lives by improving access to quality and affordable healthcare services to our employees and the communities where we operate.	• Our dedicated HSE function ensures that our operations comply with the best practices of Occupational Health, Safety and Environment. • Our logistics fleet is always on the roads serving the needs of our customers. Our drivers are given trainings regularly to reduce the risk of accidents and injury which may lead to human suffering. • Our dispensaries at both the plant sites provide medical facilities to the employees and the community. Free medical camps in the peripheral areas of our plant sites also ensure well-being of our communities. • We support the community by providing state-of-the-art and affordable health care services through Tabba Heart and Tabba Kidney Institutes:
4 QUALITY EDUCATION **Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**	We aim to provide an environment where our employees continue to learn new skills, and we strive to expand access to education to all through scholarships and promoting girls' education.	• Our Company's focus on women empowerment through education has strengthened its collaboration with Zindagi Trust by supporting the two leading Government girls' schools in Karachi. We strive to empower women by providing equal schooling opportunities, keeping in view the importance and impact of women education in Pakistan. • For our cause to help and support the differently-abled, we generously offered financial assistance to alleviate suffering of needy patients through Pakistan Association of the Blind – an NGO that provides educational and rehabilitation services for those suffering from blindness. • To provide merit-based support for the deserving and less privileged segments of the society, Lucky Cement continues to extend a number of scholarships to various students of leading universities in Pakistan. • We have collaborated with various prestigious institutes of Pakistan, providing educational assistance

The goal	What it means to us	Examples of our contribution
Achieve gender equality and empower all women and girls	We desire to provide fair chances to both women and men, create a safe environment for our employees, create equal opportunities and provide equal compensation to all.	• We take pride in being an equal opportunity employer and we promote gender diversity at all the levels. • We provide same opportunities with equal compensation and benefits to our female employees, which is offered to their male counterparts. • We have women representation at all levels including the Board of Directors. • We have policies in place that promote harassment-free work place for our female employees.
Ensure availability and Sustainable management of water and sanitation for all	To embed the ideology of water conservation in our business strategies so as to conserve the natural capital for a sustainable future.	• Our Company believes in responsible consumption of valuable resource of water and makes every effort to reduce its usage. • Some water conservation projects include, installation of RO plants at our production facilities to provide safe and clean drinking water for its employees. • To provide clean water to our communities, we have also installed tube wells at various location around Pezu plant. • We have defined goals for efficient water usage to reduce the impact on the depleting fresh water sources across the Country.
Ensure access to affordable, reliable, sustainable and modern energy for all	Increase the use of clean energy at our production facilities and leverage technology to provide solar energy solutions to the community.	• We use our power generation infrastructure to conserve as much energy as possible. • We use efficient technologies and appliances which consume minimal energy. • Our group has significant contributions towards power generation for the national grid.

The goal	What it means to us	Examples of our contribution
8 DECENT WORK AND ECONOMIC GROWTH **Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**	To be an employer by choice, diversifying into other industries to promote economic growth across the value-chain, training youth for greater employability and upskilling our employees.	• We have manufacturing facilities at two sites in Pakistan besides marketing office in different cities. After havinga strong footprint in cement manufacturing industry in Pakistan, Iraq and DR of Congo, Lucky Cement has evolved into a conglomerate having strategic investments in diversified industries such as Chemicals, Automobiles and Power. • With these diversifications, the Company will stand out as a progressive Pakistani conglomerate promoting the growth of industrialization in Pakistan. • We regularly provide various trainings to our employees in order to increase their productivity. • By rigorously following the laid down HSE guidelines, Lucky Cement is committed to provide a safe working environment for all of its employees and stakeholders engaged in its business operations. We are an OHSAS 18001, ISO 14001 and ISO 9001 certified organization and continuously implement practices that offer health, safety and environment development at our work place.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE **Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**	We aim at ensuring sustainable growth of the economy with responsible industrialization, so as to make available the basics of life and standards of living, for all.	• Being the pioneer in the production of high quality cement, we recognize that Cement/ construction industry is vital for the Country's economic growth, infrastructural development and employment generation. • We strive to keep our processes environmentally friendly thereby promoting sustainability by reducing emissions during our production processes. • We have used innovative methods to bring efficiencies and reduce wastages. We use Waste Heat Recovery Plants to utilize waste heat released in the air to produce electricity. • We have installed latest technology and efficient Cement Mills at our Pezu Plant, which are state of the art with respect to efficiency & safety for smooth and stable operation.
10 REDUCED INEQUALITIES **Reduce inequality within and among countries**	Reduce inequalities within our domain by providing everyone with equal access to opportunities, using our leadership, network, technologies and solutions.	• At Lucky Cement, we have stringent HR policies to promote and maintain equal and fair compensation policies for women, promote gender and cultural diversity, hiring on merit basis etc.

The goal	What it means to us	Examples of our contribution
11 SUSTAINABLE CITIES AND COMMUNITIES **Make cities and human settlements inclusive, safe, resilient and sustainable.**	We support Government and private sector in large infrastructure projects by providing quality cement in economical prices, and we ensure that our operations have no adverse impact on the cities and communities in which we operate	• We believe that as countries develop, solutions for sustainable prosperity are needed. Under the Government of Pakistan's initiative to provide low cost and affordable housing to the people, we remain available to address the significant need for affordable housing. • As a part of our community development programs, to empower the community and to improve income-earning possibilities, we embarked on a journey of developing a model village near our Karachi Plant. • We often sponsor initiatives that are not only environment friendly but also supports the aspect of sustainable development in society.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION **Ensure sustainable consumption and production patterns**	Managing our operations responsibly, decreasing our environmental impact and promoting responsible behavior among all our stakeholders.	• Lucky Cement focuses on energy conservation, operational efficiencies and carbon footprint reduction. Company's effluent emissions are regularly monitored. Regular environmental audits are also performed. • To reduce our environmental footprint, we have policies to identify, reduce and dispose of waste arising from our operations in a manner that minimizes harm to the environment and prevents pollution of land, air and water, to reduce the consumption of energy and water and use renewable and/or recyclable resources wherever practicable. • The sourcing of our raw materials accounts for a large portion of our economic, operational and environmental footprint. We promote responsible consumption of all raw and packing material. • Being an environmentally responsive Company, we take pride in promoting sustainable business practices all across our value chain as well as at public forums. • To add to our commitment towards the adoption of sustainable practices, we promote and explain our sustainable business practices on various public platforms.

The goal	What it means to us	Examples of our contribution
13 CLIMATE ACTION **Conserve and sustainably use the oceans, seas and marine resources for sustainable development**	We aim at taking accelerated action on mitigation of the impact of climate change.	• As climate change becomes an over-growing threat with only ten years to achieve the UN Sustainability Development Goals, we at Lucky Cement strive to build sustainability into everything we do. • Our responsible use of raw material, efficient technology, emission control procedures and regular tree plantations act towards mitigating the impact of climate change. • As a socially responsible manufacturing concern, we believe in creating awareness towards sustainable practices to protect the climate and environment.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS **Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**	Manage our operations responsibly and ethically. We promote transparency and accountability in our dealings with internal and external stakeholders	• Anti-bribery and corruption policy is an essential part of our code of conduct. We strongly discourage all such acts to promote equal and fair opportunities for everyone. • External Advocacy through different forums, like APCMA, Pakistan Business Council, KCCI etc. to timely apprise the relevant Government departments and Regulators of all issues that may have an adverse impact on the Industry or competitive environment. • From top to bottom, the management of Lucky Cement, empowers the employees by listening to their suggestions and recommendations. We have an investor grievance mechanism to listen to the views of our shareholders as well. • We engage proactively and transparently with governments and other external stakeholders to support, promote and enforce policies for sustainable development practices.

OUR CONTRIBUTION TOWARDS SUSTAINABILITY

Lucky Cement is strongly driven by international benchmarks for sustainable practices in business. With the Board of Directors and management's strong support to conserve the natural capital, we stay committed to improve land and water use, protect forest tracts and green sanctuaries.

We remain constantly focused on the management and rational use of natural resources, a methodology that permits us to decrease the effect of our operations and increase our operational productivity. All the initiatives we have developed in relation to eco-efficiency are based on our strategy for sustainable profitability.

The Company's contribution to conservation falls into two categories: the efforts of Lucky Cement to preserve and enrich the environment in and around their areas of operation, and the philanthropic thrust of the Company, which support the society with the management of natural resources, community development and livelihoods.

In line with our commitment towards SDG 7, we remain focused on energy conservation by continuously investing in renewable energy sources and implementing energy efficient initiatives at our production facilities as well as our offices. We invest in an energy matrix of renewable sources for our operations.

ENERGY CONSERVATION

Waste Heat Recovery Plants - Usage of Green Technology

In any industrial process, heat is wasted as a result. If not used efficiently, waste heat is released into the atmosphere. A Waste Heat Recovery (WHR) Plant utilizes residual heat, consuming no fuel, and lowering dust emissions and temperature of discharged heat thus having a positive impact on the environment.

The WHR unit does not need any externally fed fuel to operate, but it uses the waste heat from the system. The design of these plants hinges on the idea of encapsulating all the waste heat and using this heat to generate steam from boilers, which drive the turbine engines, thus producing electricity.

Being one of the leading cement manufacturers in Pakistan, we have the responsibility and opportunity to contribute in bringing sustainability in the cement industry. For this we have extensively invested in implementing projects that reduce energy consumption and address issues of environmental degradation. These projects not only bring production efficiencies, but have significantly reduced carbon emission.

With these technological developments in place, we have earned precious carbon credits as per the Kyoto Protocol, under the United Nations Clean Development Mechanism for our environment friendly operations and green projects. We are also one of the few companies in Pakistan to report sustainability performance in shape of a sustainability report, and were the first company in Pakistan to receive an A+ ranking on our sustainability report by the Global Reporting Initiative (GRI), Netherlands.

Water Conservation

Responsible consumption of water and its conservation are an integral part of Lucky Cement's sustainability efforts and its drive towards utilizing the resources responsibly. The Nature of Cement processing is a Dry Process, where water is used only for machinery cooling and generating the steam for boilers. Water sprinkling is done in the Yards, storage, roads and sideways to improve the health and to improve working environment of the area. Lucky Cement makes every effort towards reducing water wastage and ensures that water is consumed responsibly.

We reduce water intensity in all our operations and focus particularly on our impact in water conservation. We make efforts to restore natural water cycles, benefiting multiple aspects of our value chain and the people and communities we serve. We aim at ensuring that everyone has access to safe drinking water as well as adequate water for hygiene and sanitation purposes. For our commitment towards SDG 6; Clean Water & Sanitation, Lucky Cement provides awareness and encourages its employees towards water conservation through regular safety talks. We work towards achieving SDG 6 by delivering services to enable access to safe drinking water and sanitation facilities in communities and schools, to people living in poverty, in hard-to-reach, climate-affected and under-served urban areas, including Jhang Khel, Wazir Kala, Shehbaz Khel, Tabi Murad and Azghar Khel where we have installed solar based tube wells for the locals. We have defined goals for efficient water usage to reduce the impact on the depleting fresh water sources across the Country.

Environment Conservation

Lucky Cement aims to be a more sustainable business, for a more sustainable society. This means protecting biodiversity and natural resources, while encouraging others to act responsibly. Sustainability and responsibility are not just words on paper, they should be firmly embedded in the operations of every forward-thinking company, like ourselves with aspirations beyond simply short-term profit. Our ambition is to strive for zero environmental impact in our operations. We use sustainably-managed renewable resources, operate more efficiently, re-use and/or re cycle wherever possible, and improve water management. Cutting energy usage is central to global efforts to cut carbon-based emissions and address the problems of climate change.

The impacts of climate change are already apparent. It is a global issue that will affect everyone. We are innovating to reduce our environmental footprint, in line with our commitment to use natural resources sustainably to conserve the environment in the times when natural resources are depleting at a high rate.

Our sustained efforts to reduce our costs and improve our impact have generated significant results for our business, our communities, society and the environment. These results correspond to contributions to the Sustainable Development Goals for sustainable communities, responsible production, and climate action. We see the SDGs as a win-win opportunity, improving the world for future generations, whilst supporting our vision to become a value-based, sustainable company.

Implementation of environment friendly operations and practices has always been a priority of Lucky Cement. We have been successful in establishing a leadership position in the market by achieving this target through strategic orientation.

REDUCTION IN CO_2 EMISSIONS

Advanced Sustainability Initiatives

We are the pioneer of revolutionizing sustainable manufacturing through the execution of our Dual-Fuel Conversion Project which has helped in conversion of energy generation from furnace oil to environment-friendly alternative sources.

We have the capacity to use alternatives to coal through innovations like the Tyre Derived Fuel (TDF) Plant. The Dual Fuel Project also qualifies for the Clean Development Mechanism (CDM) under the Kyoto Protocol that creates emissions reduction credits through emissions reduction projects in developing countries. Under this protocol, pro-environment organizations can earn Certified Emission Reduction (CER) credits.

As a Company we also have the capacity to utilize Refuse Derived Fuel (RDF) system that is making use of Municipal Solid Waste (MSW) and Rice Husk as alternative to fuel. The ability to transform from a fossil-fuel based energy to alternative-energy structure is a specimen of our drive to protect the ecosystem and community around our plants.

Tree Plantation at Karachi and Pezu Plant –“Sustaining Green” Initiative at Lucky Cement

We are proactive in promoting activities that deal with environment-preservation. Tree plantation drives are at the forefront of our sustainable eco-friendly practices and the areas surrounding Karachi and Pezu cement plants bear testimony to this fact. As part of our on-going tree plantation drive, till date, Lucky Cement has planted over 40,000 tree saplings within the surrounding area of each plant. A green belt project, spanning across some of the old mining areas of the Karachi plant, was initiated to implement sustainable mining practices.

SUSTAINABILITY PRACTICES AND CONTROLS

Bag Houses (Dust Collectors)

Lucky Plants are equipped with bag houses to control Emission of Particulate Matter (PM).

Further improvements in the Bag-Houses; Installation of more efficient bag filtration system in the Plant, with improved parameters of; Advance technology of Pulse Jet Bag Filters, instead of Reverse Air Bag House.

Increased surface area of filtration, 2800 bags filters /House, instead 2200 bags filters/House Reduce dust emission, to <20 mg N/m3 Micron size with glass fiber @ PTFE coated membrane, from previously used, <30 mg/Nm3 size. Low Energy (Electricity) consumption due to simplicity in electro-mechanical system.

Waste heat recovery system

Lucky cement has also adopted waste heat recovery system that also helps to control; Exhaust gas temperature , Green House Gasses & Particulate matter emissions.

MITIGATING EFFORTS TO CONTROL INDUSTRY EFFLUENTS & SEWAGE

The Nature of Cement processing is a Dry Process, means no water consumption required, in the production of any type of Cement.

We only use water in the cooling of hot gases, in our heat exchangers & generating the steam in boilers, for WHR. The same water then condensate and use for tree plantation.

Sewage water is treated to bring its pollution load within the specified values of the NEQS, for its use for irrigation of vegetation and trees within the plant boundaries. Resultantly, ambient environment is not affected in any way due to sewage.

Raw Materials

Raw materials/raw mix are recycled.

Paper bags

Burst paper bags sold in the market where they are reused for either paper pulp manufacture or other packing materials.

Used oil and lubricants

Used oil, lubricants are used to lubricate re-claimmer's chains

Brick waste

Brick waste from the lining of the kiln is sold to the contractors for reuse in small-scale kilns for ceramic, acid proof bricks and such other refractory materials' manufacturing. Waste from Quality Control: Cement cubes (broken by strength determination), cement, pieces of cement pellets, daily analyzed samples of limestone, shale, iron ore, sand, gypsum, raw mix, kiln feed and clinker is transferred to clinker storage yard. The quantity of these materials is very low thus, there is no impact on the quality of clinker.

Empty drums and containers

Empty drums and containers are returned to the suppliers of the chemicals in them for recycling and reuse at their end.

Grinding media

The used grinding media of cement mill is sold in the market through contractor for its reuse in small scale manufacturing.

Environmental Monitoring and control

We have a comprehensive air quality measurement program/ Plan so as to identify the limits of pollution parameters in the ambient air in and around Lucky Cement's plants. The stack emissions monitoring is done on a monthly basis for the priority parameters in compliance with the requirements of NEQS (Self-Monitoring and Reporting).

Emissions from Power Generation and Cement Manufacturing Process

Natural gas is the most utilized fuel for power generation. Furnace oil is also used in some engines. The levels of particulate matter, Sulphur dioxides, oxides of nitrogen, and carbon monoxide are monitored from the stacks of power generation engines by a reputable third party laboratory.

All of the parameters monitored are well below their respective limits specified in the National Environmental Quality Standards (NEQS). Similarly, the levels of emissions from stacks for particulate matter, Sulphur dioxides, oxides of nitrogen, carbon monoxide and carbon dioxide are well below their respective limits specified in the NEQS.

Nitrogen Oxides (NOx)

Emissions from the power generators in the power houses are minimized by using special low NOx burners, in addition to achieving fuel burning efficiency. Thus we have ensured that the levels of gaseous emissions and particulate matter will remain within the NEQS limits.

Sulphur Oxides (SOx)

Like NOx emissions, the power house emissions of SOx are guaranteed to remain within the NEQS. Moreover, we have shifted from the use of Furnace Oil to Natural Gas for power generation. This has also contributed in the significant reduction of the SOx emissions.

Particulate Matter

Bag houses are installed in the entire production system and dropping distances during material transfers are kept minimum thereby reducing emissions of particulate matters. Limestone is the major raw material used in cement production. Limestone has high moisture content and is hard in nature. Due to these properties, emission of fine limestone during the blasting at the quarry is very low. Additionally, splinters generated during blasting are quite large and resultantly they do not fly over longer distances.

Coal transport from supply point to the factory and handling at the plant are other big sources of particulate matter emissions all along the roads used for transport and at the plant. Imported coal from Karachi Port is transported by trucks. In order to minimize fugitive coal dust on the way, these trucks have special covers. This drastically cuts the fugitive coal dust on the way to the plant site.

Noise Pollution

The designing of the plants at Karachi and Pezu has been done while taking into account that; The noise levels remain within the acceptable limits of the NEQS.

The plant site at Pezu is surrounded by high hills in a semicircle on its North-East side. These hills are additionally a good barrier for noise cut off in the environment.
Monitoring for noise levels was carried out at different points at Karachi and Pezu plant sites and limestone and clay quarries. Similarly, monitoring for noise levels was carried out at different points on the boundary walls of the plant sites where minimal instances of excursions were witnessed.
Regular repair and maintenance of the Plants to reduce noise levels within NEQS limits.

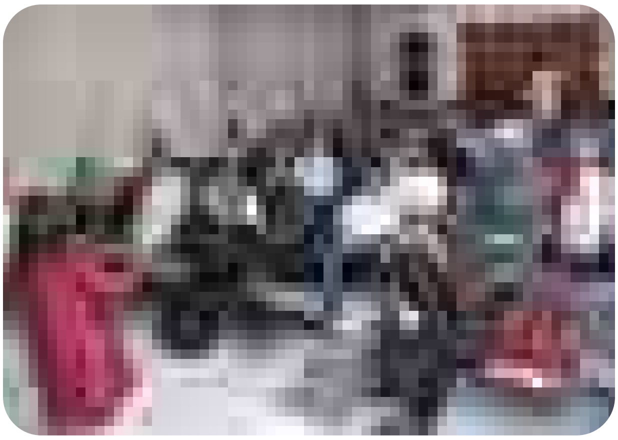
Monitoring for noise levels is carried out periodically.

Haulage Management

The vehicles used for handling and transportation activities are properly inspected and closely monitored before loading and leaving.

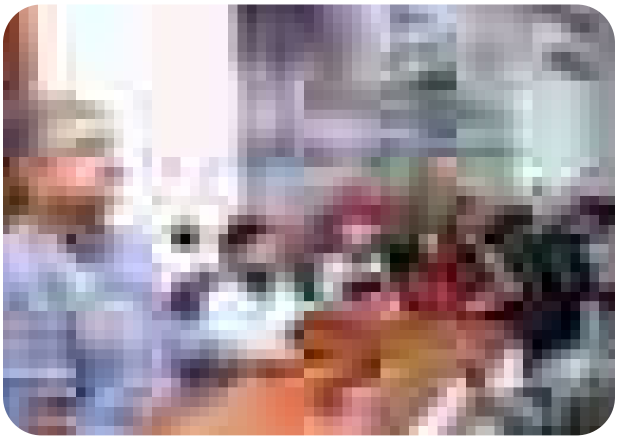
All transport conveying material from chopping machine to silos and from silos to Pre-Calciner are completely covered, Use of appropriate cover on vehicle for transportation of Raw material, Use of Certified vehicle duly tested on emission fitness.

OUR PARTNERSHIPS AND COMMITMENTS TO PROMOTE SUSTAINABLE DEVELOPMENT



Sponsorship for Environmental Reporting Workshop

The first Environmental Reporting Workshop was held at Karachi Press Club on the occasion of World Ozone Day. The workshop was organized in collaboration with Lucky Cement Limited and Environment Consultants & Services. The session focused on the rights and future of journalists covering environmental news and the importance of environmental journalism in Pakistan. The workshop was attended by senior officials, journalists and citizens. During various sessions, speakers highlighted the impact of the environment on human life in the country and the threats posed by use of plastic in all walks of life. The speakers highlighted that environmental reporting relates to human life and should be given due importance.

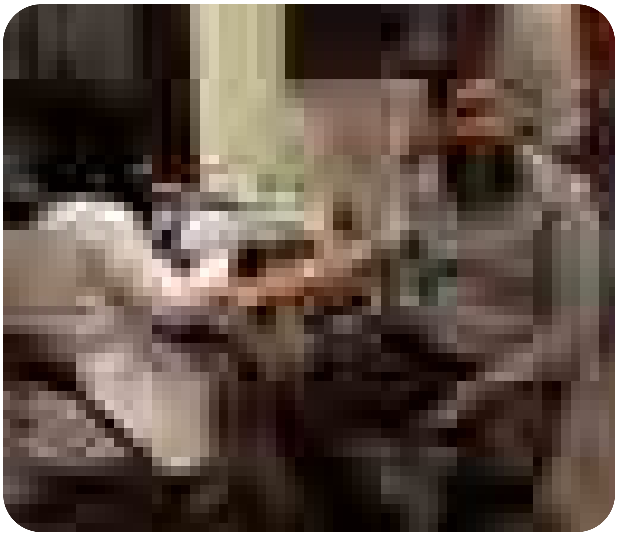


Lucky Cement Limited has always made efforts for environmental conservation through various initiatives embedded in its business operations. Sponsorships of such events is an example of company's focus on environment and sustainability through various means possible.

CORPORATE SOCIAL RESPONSIBILITY

As a socially responsible corporate entity, we strive hard to develop the communities in which we operate. We believe in creating value for our social capital through initiatives focusing on education, health and community development.

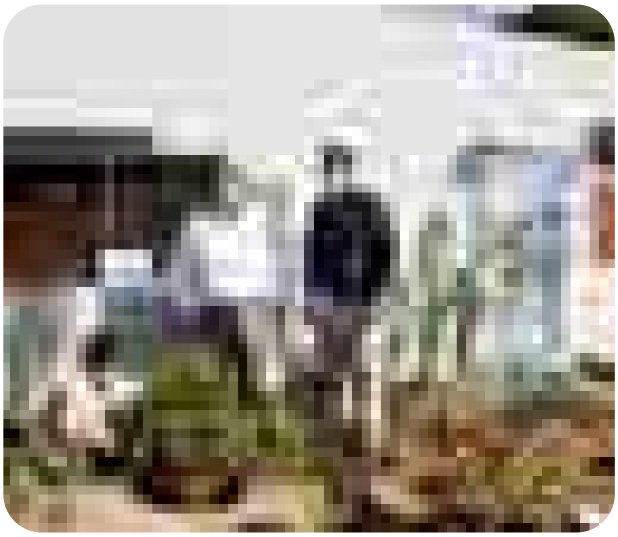
CORPORATE SOCIAL RESPONSIBILITY



OUR CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Lucky Cement strongly believes that business's profitability and positive societal impact must be mutually reinforcing. This is the core of our Creating Shared Value approach to business. Our company can only be successful in the long term if we create value for our Social Capital.

Organizations that Create Shared Value demonstrate that business should be a force for good. Making a genuine commitment to society and helping to find solutions to global challenges is fundamental to our way of doing business. To give focus to our efforts, we have set goals that include best environmental, social and governance practices across our operations.
On the surface, the company's CSR strategy is all about the natural environment and support for solutions to community and societal issues. Company's corporate social responsibility strategy involves environmental programs and community support initiatives to fulfill stakeholders' interests.



TREE PLANTATION

Continuing the effort to contribute in conserving the environment, a tree plantation drive was initiated in which free tree saplings were distributed amongst employees in an effort to make Pakistan greener and environment friendly. Like every year employees were briefed about the significance of tree plantation and were encouraged to plant trees within their vicinity.

BLOOD DONATION CAMP

As part of its social responsibility, the Company, arranged a blood donation camp at the Head Office. The event, organized in collaboration with The Indus Hospital, witnessed a commendable turnout of donors who volunteered to support maintenance of blood bank stock and contribute to the health of many people.

Being one of Company's yearly CSR initiatives, the drive is aimed at raising awareness of voluntary blood donation, promoting the values of civic responsibility and giving back to the local community.

EDUCATION

As our commitment to SDG 4, Quality Education plays a key role in our CSR efforts. Following from last year, we have sustained our goal of promoting quality education in the country by granting several merit-based scholarships to students at different institutes of Pakistan.

CONTRIBUTIONS TOWARDS LITERACY AND GIRLS EDUCATION

Keeping in view the importance and impact of women education in Pakistan, we have collaborated with Zindagi Trust to support two leading Government girls' schools (SMB Fatimah Jinnah Government School and Khatoon -e- Pakistan Government School) in Karachi. With primary focus on social intervention in the development of women education in the country, through our support, Zindagi Trust transformed these schools into model educational institutions for girls in Pakistan.

INSTITUTE OF BUSINESS MANAGEMENT (IOBM)

We have collaborated with IoBM for its Creek High School, Creek College and University Campus for providing scholarships to deserving students. With this we are determined to take forward the mission of making quality education accessible for the bright minds of Pakistan irrespective of their financial status.

LAHORE UNIVERSITY OF MANAGEMENT SCIENCES

We strongly believe that the youth of today are the leaders of tomorrow. Sowing the seeds today for a brighter future, Lucky Cement generously granted scholarships to deserving students with the aim of increasing access to education. We are providing scholarships to students nominated by the National Outreach Program (NOP) of LUMS.

INSTITUTE OF BUSINESS ADMINISTRATION (IBA)

We have collaborated with Institute of Business Administration (IBA), to provide educational assistance to a number of students in pursuit of quality education from the IBA through annual scholarship programs. The Abdul Razzak Tabba Academic Block at the IBA Karachi, inaugurated in 2013 by our Chairman Mr. Yunus Tabba, is a testament of our commitment towards education.

OTHER UNIVERSITIES

We have also awarded scholarships to students in other leading universities of Pakistan. A collaboration of endowment program with National University of Sciences and Technology (NUST) is another prime example of our efforts towards sustainable and affordable education.

SCHOLARSHIPS AND FINANCIAL ASSISTANCE

We have collaborated with various prestigious institutes of Pakistan, providing educational assistance to deserving and bright students.

In this respect, we particularly focused District Lakki Marwat this year which is one of the most deprived and underprivileged regions of Khyber Pakhtunkhwa.

In an effort to empower the youth of Pakistan, Lucky Cement Limited has expanded its existing national scholarship program for the bright students of District Lakki Marwat.

Under this initiative deserving students are granted scholarships for graduate, undergraduate and vocational training programs. Three dedicated scholarship programs

were announced for the rural youth of this district with an aim to empower the youth through skill development and education.

More than 150 youth appeared in the entry test for the dedicated vocational training program. The selected students were transferred to The Hunar Foundation's Rashidabad Branch in TandoAllahyar District. Where they are enrolled for professional vocational training diploma in various trades. Lucky Cement Limited is covering the boarding, lodging, and tuition fee of these students.

In the second scholarship program students were offered scholarships for intermediate and in the third scholarship program students were offered scholarships for graduate and undergraduate programs in Pakistan's top universities including LUMS, IBA & NUST along with the local institutions of Khyber-Pakhtunkhwa.

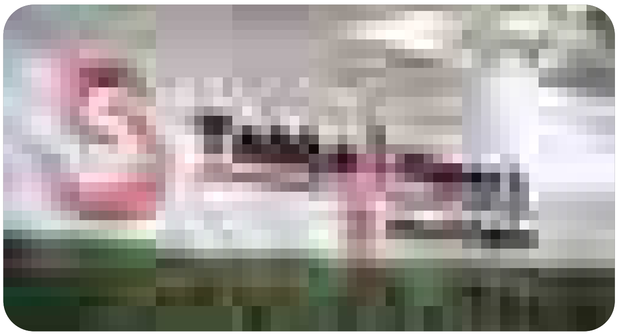
All of these scholarship programs were designed specifically for the rural youth of district Lakki Marwat and students having domicile of the local district were eligible for this opportunity.

The primary aim of the program is to make education accessible and affordable for talented students especially from the rural areas regardless of their financial background.

HEALTH AND OTHER COMMUNITY PROJECTS

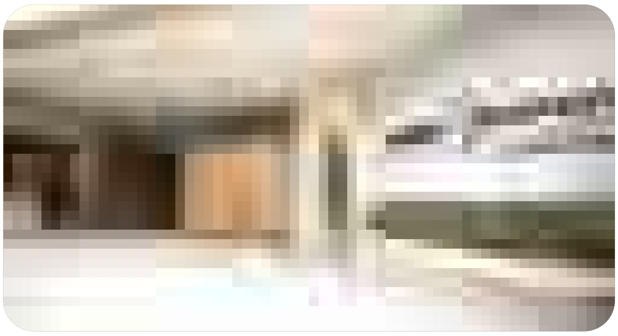
HEALTH PROJECTS

We have joined hands with various institutions from the healthcare industry to provide better, efficient and accessible treatment to the public.



TABBA HEART INSTITUTE (THI)

Tabba Heart Institute (THI) is a state-of-the-art, not-for-profit cardiac hospital, which was established with the aim provide quality services and compassionate care at an affordable cost. Devoted to the cause of community welfare development, we have generously contributed towards THI to make healthcare more accessible.



TABBA KIDNEY INSTITUTE (TKI)

We fervently support organizations that are dedicated to patient care without any discrimination. Tabba Kidney Institute (TKI) is a center of excellence that provides cost effective and state-of-the- art dialysis facilities to the underprivileged section of the society. Acknowledging TKI's efforts, we have generously donated funds to support their noble cause.

COMMUNITY PROJECTS

We have partnered with various not for profit organizations with an aim of community development in Pakistan:

PAKISTAN WELFARE ASSOCIATION OF THE BLIND (PWAB)

Pakistan Welfare Association of the Blind (PWAB) is an NGO that provides educational and rehabilitation services for those suffering from blindness. Lucky Cement generously offered financial assistance to alleviate suffering of needy patients.

CITIZEN POLICE LIAISON COMMITTEE (CPLC)

CPLC is a unique example of public-private partnership whereby citizens have come forward as volunteers, took charge to rectify the deteriorating law and order situation in coordination with law enforcement agencies and has worked untiringly to achieve its righteous objectives.

CPLC Strive to Monitor & Prevent Crimes, Protect Lives & Property, Uphold the Rule of Law and ensure continuous improvement in its services.

The services and functions of CPLC Sindh kept on increasing whether it be combatting crime or providing relief to masses, whether it be providing assistance to law enforcement agencies or assisting poor masses/police families, LEAs martyrs families etc. through welfare based activities. CPLC has left no stone unturned to work untiringly for the peace, tranquility, betterment of masses and deprived sections of society without any discrimination of caste, creed or religion.

SHAHID AFRIDI FOUNDATION

Shahid Afridi Foundation (SAF) was founded by Shahid Afridi, the former captain of Pakistan cricket team. Started in 2014 SAF, is non a profit organization in Pakistan, with an aim to improve the conditions of underprivileged communities in terms of Education, Healthcare services, Access to Water and Sports Rehabilitation.

Lucky Cement Limited has adopted Rehri Goth School of (SAF) in Karachi. Rehri Goth is 400 hundred years old fishing community; a coastal area of Karachi, with a population of approximately 50,000.

SAF Rehri Goth Campus is a secondary school which currently enrolls 250 students. The school target out of school children (children who have never been enrolled in a school). Out of school children go through an accelerated

educational program that allows them to be enrolled in age appropriate class.

To encourage families to enroll their daughters into school's continuous community engagement programs take place at the school under SAF campaign of 'Taleem Hogi Aam Her Beti Kay Naam'.

Interventions after the Adoption

Uniform Distribution: As part of SAF education initiative all students enrolled at SAF schools are provided Uniforms, Sweaters Shoes and Socks at the start of each term.

Mini MBA Program: A program specifically for the parents of students and nearby community to coach and train to setup/grow their small businesses through improved management skills to assuage indigence and societal impoverishment through qualifying micro-entrepreneurs with the most sought-after knowledge and desired skillset.

Mini MBA for Teachers: Beyond skills, the ability to think critically and creatively is what often separates the most successful from the average. SAF Rehri Goth campus teachers were trained to impart entrepreneurial skills. Trained teachers will train the broader community at Rehri Goth and help them grow and sustain their small businesses.

RURAL DEVELOPMENT PROGRAMS

We realize the importance of giving back to the community because that is the real reason the Company has achieved the level of success that it currently enjoys. Continuing to uplift under privileged communities, we installed five solar energy based tube wells at various targeted locations near the Pezu plant including Jhang Khel, Wazir Kala, Shehbaz Khel, Tabi Murad and Azghar Khel. Earlier, limited facilities were available for drinking water in these areas. The PKR 16.2 million project is an effort made to facilitate the local residents in order to meet their everyday needs.

We have also installed drinking water pumps, constructed drinking water storage ponds and installed water supply lines. To empower the community and to improve income earning possibilities, we embarked on a journey of developing a model village near our Karachi Plant. In this regard, Yamin Goth, a small shanty village on the outskirts of Karachi was granted a renovated mosque, public toilets and primary schools.

Over the years we also renovated the Government High Secondary School (GHSS) of Dara Pezu and more than 2,000 books were also donated to GHSS Pezu and Yarik village. We also constructed Computer Lab at GHHS Shahbaz Khel village in District Lakki Marwat and installed pressure pumps and constructed toilets in school of Wanda Jogi village. We also took the initiative to provide medical

facilities for the population free of cost. A dispensary clinic called "Abdul Razzak Tabba Welfare Dispensary" was set up, and a state-of-the-art ambulance equipped with the latest first aid medical apparatus, was also provided at the Pezu plant.

Since we firmly believe that an active lifestyle leads to a healthier lifestyle. In this regards we organize numerous sporting activities at both of our plants. The promotion of sporting activities provides education and awareness about the health benefits associated with engaging in physical activities.

RATION DISTRIBUTION

Lucky Cement Limited in partnership with the Prime Minister's Ehsaas Emergency Rashan Programme/Scheme distributed ration bags to families affected by the COVID-19 outbreak in the rural areas of District Lakki Marwat in KPK.

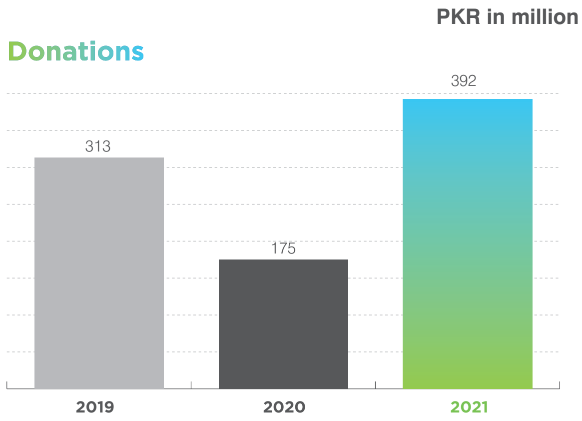
Under this initiative rations bags were distributed in around 5,000 families in various areas of District Lakki Marwat including Tehsil Tajori, Tehsil Landiwa, Lakki Marwat City, Tehsil Sarai Naurang and Pezu.

Since the outbreak, the Company is already at the forefront of providing support to the marginalized communities of Pakistan. Earlier, 20,000 ration bags were distributed amongst the affected families in the rural areas of Khyber-Pakhtunkhwa and Sindh.

Later, the Company further expanded its muscle to support more deserving families. For its outstanding efforts the Company was also recognized as one of the top ten Most Supportive Brands of Pakistan during the current pandemic by IPSOS, a multinational market research company with headquarters in Paris, France

DONATIONS

Our company has a strong sense of Corporate Social Responsibility and we are effusively committed to support the areas of women empowerment, education, health, and community development. Our aim is to increase our contribution every year towards social responsibilities for creating a positive social impact.



HEALTH & SAFETY

We are committed to cultivate an environment which ensures health and safety embedded at its core. We are determined to offer a safe & secure workplace for our employees and all stakeholders engaged in our business operations.

HEALTH AND SAFETY – PROTECTING THE HUMAN CAPITAL

By rigorously following the laid down HSE guidelines, Lucky Cement is committed to provide a safe working environment for all of its employees and stakeholders engaged in its business operations. We are an ISO 45001, ISO 14001 and ISO 9001 certified organization and continuously implement practices that offer development of health, safety and environment at our work place.

We have a dedicated HSE department to ensure effective systems of measuring, monitoring and reporting of necessary compliance with health, safety and environment matters. The HSE department at Lucky Cement is involved in environmental protection, safety at work, occupational health and safety, compliance and following best practices. HSE aims to prevent and reduce accidents, overcome emergencies and health issues at work and to protect the environment.

Our workforce is regularly updated about occupational health, safety and environment concerns through a continuous process of training and coaching at different levels. To enhance safety awareness and to build a culture of continuous improvement in personal and process safety, a comprehensive communication structure has been established such as daily, weekly and monthly safety reviews and safety talks.

Safety measures at Lucky Cement have been taken according to the work environment (by conducting risk assessment) at both plants and the corporate offices. At all our sites, safety is everybody's responsibility therefore every area/ functional head is the owner of safety practices under the umbrella of HSE principles. The operations team at all locations collaborate in implementation of OH&S policies and procedures. To sustain HSE awareness and to build a culture of continuous improvement in personal and process safety, different committees at appropriate levels are formed and periodic reviews are carried out during SOC (Safety Operation Committee) meetings and through Management Safety Audits (MSA).

To ensure regulatory compliances, environmental testing is performed regularly from EPA approved laboratory. We also strive to save the environment by recycling exhaust heat from production process to generate electricity through WHR (Waste Heat Recovery) process. Plantation of trees for maintaining the green belt in and surrounding areas of the plant sites and offices is also a regular practice.

CARDIOPULMONARY RESUSCITATION (CPR) – BASIC LIFE SUPPORT (BLS)

Basic Life Support (BLS) is a first-aid resuscitation that educates and equips individuals to recognize various life threatening emergencies. We conduct comprehensive BLS workshops to educate our employees about the necessary safety precautions that can assist victims who are suffering from cardiac arrest or choking. By teaching about basic life support and medical practices we are maintaining a safe and healthy work setting for our employees.

We also foster a tradition of trainings and medical camps for our employees. We also envision a hazard-free setting and frequently invest in various tools and techniques to ensure that employees are equipped with contemporary safety skills in their daily operations.

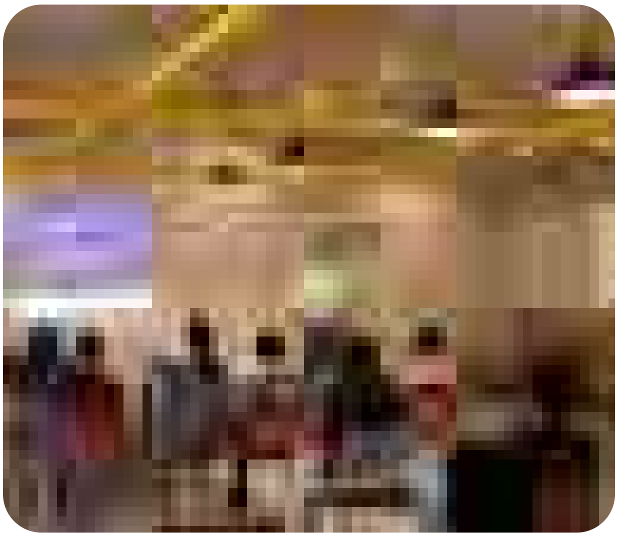
Moreover, we support leading cardiac hospital and dialysis centers in Karachi to alleviate patients' suffering from various diseases, such as but not limited to: urology, transplantation, cardiac, pediatric, kidney diseases and dialysis facilities.

At our plants, free medical facilities through the Lucky Welfare dispensaries is also provided to all employees. Furthermore, a fully equipped Silicosis Diagnostics Center is also established for monitoring and early detection of silicosis disease amongst the Company employees.

CONSUMER PROTECTION MEASURES

We are committed to provide our customers with top quality cement and ensure the compliance of ISO 9001:2015 (Quality Management System) by conducting regular internal and independent third party audits at our plants and offices. The manufacturing units have cutting-edge technology and quality management systems which enable us to deliver products that are of highest quality and which follow international safety standards.

We also hire the services of independent parties who serve as an additional quality check point to ensure that the cement pertains to international benchmarks of safety and quality. In compliance with the South African, Kenyan and EN 197-I & II standards, a safety notice is imprinted



on the packaging material of cement sold in the mentioned markets. This informs the customers about the safety measures to be taken such as suitable safety clothing, dust masks etc. Along with this, Safety Data Sheets are also provided to consumers and users to ensure that they have all the necessary information about the product usage and any additional safety precautions that need to be taken.

EMERGENCY PREPAREDNESS AND RESPONSE

Safety of employees lies at the core of our operational framework. In this regard, we have made considerable efforts to enable employees to handle unforeseen emergencies effectively. Emergency plans are in place, pertinent to the nature of their operations and assessed site risks. Practical demonstrations along with theoretical explanations are conducted periodically by skilled instructors at both plants and head office, so that employees get the knowledge and confidence required to cope with such situations. Regular mock drills are also carried out to familiarize everyone with the steps and procedures to follow in emergency situations; such knowledge and practice turns out to be lifesaving during a real time situation.

At the plants, mock drills of chemical spillage, firefighting, evacuation, casualty handling (sick or injured) and security breach management are regularly demonstrated. A high level Crisis Management Committee is also operative to deal with all such unforeseen situations related to health, safety, environment, security and natural disasters. Crisis Management members are fully competent to overcome these emergency situations smoothly.

As a company we are committed to fostering an environment which ensures safety and security. By fortifying safety and security goals as pillars of perpetual progress, we are in pursuit of a 100% safe and secure workplace for our employees and all stakeholders engaged in the business operations.

We efficiently implement our HSE policies and procedures mitigating the accident rate at our vicinities and reducing the risks of injury or health-hazards at the workplace.

STRIVING FOR EXCELLENCE IN CORPORATE REPORTING

FINANCIAL STATEMENTS

For the year ended June 30, 2021

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF LUCKY CEMENT LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Lucky Cement Limited for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

A. F. Ferguson & Co
Chartered Accountants

Karachi

Date: September 04, 2021

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KARACHI LAHORE ISLAMABAD

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INDEPENDENT ASSURANCE REPORT ON COMPLIANCE

with the Shariah Governance Regulations, 2018

To the Board of Directors of Lucky Cement Limited

1. Introduction

We have undertaken a reasonable assurance engagement that the Securities and Exchange Commission of Pakistan (the Commission) has required in terms of its Shariah Governance Regulations, 2018 (the Regulations) for assessing compliance of the Lucky Cement Limited's (the Company's) financial arrangements, contracts and transactions having Shariah implications with the Shariah principles (criteria specified in paragraph 2 below) for the year ended June 30, 2021. This engagement was conducted by a multidisciplinary team including assurance practitioner and independent Shariah scholar.

2. Applicable Criteria

The criteria for the assurance engagement, against which the underlying subject matter (financial arrangements, contracts and transactions having Shariah implications for the year ended June 30, 2021) is assessed, comprised of the Shariah principles in light of the following:

(a) rules, regulations and directives issued by the Commission from time to time;

(b) pronouncements of the Shariah Advisory Board,

(c) Shariah Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions, as adopted by the Commission, if any;

(d) requirements of the applicable Islamic Financial Accounting Standards as notified by the Commission, if any; and

(e) approvals and rulings given by the Shariah Advisor of the Company in line with the Regulations and in accordance with the rulings of the Shariah Advisory Board.

The above criteria were evaluated for their implications on the financial statements of the Company for the year ended June 30, 2021.

3. Management's Responsibility for Shariah Compliance

The Company's management is responsible to ensure that the financial arrangements, contracts and transactions having Shariah implications, entered into by the Company and related policies and procedures are in compliance with the Shariah principles (criteria specified in paragraph 2 above). The management is also responsible for design, implementation and maintenance of appropriate internal control procedures with respect to such compliance and maintenance of relevant accounting records.

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4. Our Independence and Quality Control

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code.

The firm applies International Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Statements, And Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

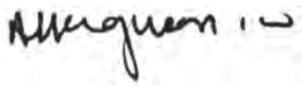
Our responsibility in connection with this engagement is to express an opinion on compliance of the Company's financial arrangements, contracts and transactions having Shariah implications with Shariah principles, in all material respects, for the year ended June 30, 2021 based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial information', issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about the compliance of the Company's financial arrangements, contracts and transactions having Shariah implications with Shariah principles (criteria specified in paragraph 2 above).

The procedures selected by us for the engagement depend on our judgement, including the assessment of the risks of material non-compliance with the Shariah principles. In making those risk assessments, we considered and tested the internal control relevant to the Company's compliance with the Shariah principles in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. We have designed and performed necessary verification procedures on various financial arrangements, contracts and transactions having Shariah implications and related policies and procedures based on judgmental and systematic samples with regard to the compliance with Shariah principles (criteria specified in paragraph 2 above).

We believe that the evidence we have obtained through performing our procedures is sufficient and appropriate to provide a basis for our opinion.

6. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, the Company's financial arrangements, contracts and transactions having Shariah implications for the year ended June 30, 2021 are in compliance with the Shariah principles (criteria specified in paragraph 2 above), in all material respects.



A. F. Ferguson & Co
Chartered Accountants

Karachi

Date: September 04, 2021

FINANCIAL STATEMENTS

For the year ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUCKY CEMENT LIMITED

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Lucky Cement Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2021, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following are the Key audit matters:

<table>
<tr><th>S. No.</th><th>Key audit matters</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>(i)</td><td>Revenue recognition

(refer notes 4.16 and 29 to the annexed unconsolidated financial statements)

The principal activity of the Company is manufacturing and marketing of cement. Revenue is recognised when performance obligation is satisfied by transferring control of promised goods to a customers.

We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and due to the reason that revenue increased significantly as compared to last year. In addition, revenue was also considered as an area of significant audit risk as part of the audit process.</td><td>Our audit procedures, amongst others, included the following:

• Assessed the design, implementation and operating effectiveness of the key internal controls involved in revenue recognition.

• Understood and evaluated the accounting policy with respect to revenue recognition.

• Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices.

• Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period.

• Performed audit procedures to analyze variation in the price and quantity sold during the year.

• Assessed the adequacy of disclosures made in the financial statements related to revenue.</td></tr>
<tr><td>(ii)</td><td>Stock in trade and stores and spares

(refer notes 3, 10 and 11 to the annexed unconsolidated financial statements)

Stock in trade includes:

• raw materials like limestone, clay and gypsum; and

• work-in-progress mainly comprising clinker.

Further, stores and spares include coal.

The above inventory items are stored in purpose-built sheds, stockpiles and silos. As the weighing of these inventory items is not practicable, the management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements into unit of volumes by using angle of repose and bulk density values. The Company also involves an external surveyor in the inventory count process.

Due to the significance of inventory balances and related estimations involved, this was considered as a key audit matter.</td><td>The Company performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts. Our audit procedures to assess the existence of inventory included the following:

• Attended physical inventory counts performed by the Company.

• Assessed the reasonableness of the management's process of measurement of stockpiles and the determination of volumes using angle of repose and bulk density values.

• Obtained and reviewed the inventory count report of the management's external surveyor.</td></tr>
</table>

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

(a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

(b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

(c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

(d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

A. F. Ferguson & Co
Chartered Accountants

Karachi

Date: September 04, 2021

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at June 30, 2021

	Note	2021	2020
		(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	62,389,947	60,247,570
Intangible assets	6	670	11,323
		62,390,617	60,258,893
Long-term investments	7	53,194,485	47,144,485
Long-term loans and advances	8	98,655	87,008
Long-term deposits	9	7,937	3,175
		115,691,694	107,493,561
CURRENT ASSETS			
Stores and spares	10	10,526,573	6,520,170
Stock-in-trade	11	3,105,037	2,915,552
Trade debts	12	2,710,081	3,422,767
Loans and advances	13	944,987	390,966
Trade deposits and short-term prepayments	14	85,403	81,169
Accrued return		22,309	47,572
Other receivables	15	3,690,639	3,670,300
Tax refunds due from the Government	16	538,812	538,812
Short term investments	17	16,227,103	2,970,999
Cash and bank balances	18	2,825,424	7,816,606
		40,676,368	28,374,913
TOTAL ASSETS		156,368,062	135,868,474
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up share capital	19	3,233,750	3,233,750
Reserves	20	109,966,508	95,950,111
		113,200,258	99,183,861
NON-CURRENT LIABILITIES			
Long-term deposits	21	243,633	233,062
Long-term loans	22	2,934,044	320,461
Deferred Government grant	23	1,107,940	59,720
Deferred liabilities			
- Staff gratuity - unfunded		2,337,897	1,948,457
- Deferred tax liability		6,157,224	5,167,161
	24	8,495,121	7,116,018
		12,780,738	7,729,261
CURRENT LIABILITIES			
Trade and other payables	25	20,789,760	19,354,794
Current maturity of long-term loans	22	506,908	126,727
Short term borrowings	26	7,050,000	7,931,444
Unclaimed dividend		53,458	55,767
Unpaid dividend	27	–	17,580
Accrued markup		70,868	46,173
Taxation - net		1,916,072	1,422,867
		30,387,066	28,955,352
		43,167,804	36,684,613
CONTINGENCIES AND COMMITMENTS	28		
TOTAL EQUITY AND LIABILITIES		156,368,062	135,868,474

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2021

	Note	2021	2020
		(PKR in '000')	
Gross sales	29	88,357,695	62,302,086
Less: Sales tax and federal excise duty		23,861,689	19,349,670
Rebates, incentive and commission		1,555,201	1,081,620
		25,416,890	20,431,290
Net sales		62,940,805	41,870,796
Cost of sales	30	(43,984,873)	(35,794,031)
Gross profit		18,955,932	6,076,765
Distribution cost	31	(4,859,096)	(3,699,154)
Administrative expenses	32	(1,257,074)	(1,189,638)
Finance costs	33	(332,905)	(176,378)
Other expenses	34	(1,361,005)	(377,526)
Other income	35	5,846,361	3,185,859
Profit before taxation		16,992,213	3,819,928
Taxation			
- current		(1,906,413)	(656,005)
- deferred		(1,015,611)	180,010
	36	(2,922,024)	(475,995)
Profit after taxation		14,070,189	3,343,933
		(PKR)	
Earnings per share - basic and diluted	37	43.51	10.34

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2021

	Note	2021	2020
		(PKR in '000')	
Profit after taxation		14,070,189	3,343,933
Other comprehensive (loss) / income:			
Other comprehensive (loss) / income which will not be reclassified to the profit or loss in subsequent periods			
(Loss) / gain on remeasurement of post retirement benefit obligation	24.1.2	(101,705)	238,329
Deferred tax thereon		29,494	(69,115)
		(72,211)	169,214
Unrealized gain / (loss) on remeasurement of equity instrument at fair value through other comprehensive income		21,965	(5,487)
Deferred tax thereon		(3,546)	823
		18,419	(4,664)
		(53,792)	164,550
Total comprehensive income for the year		14,016,397	3,508,483

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2021

	Note	2021	2020
		(PKR in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	38	13,285,674	4,141,776
Income tax paid		(832,798)	(603,777)
Gratuity paid		(100,969)	(109,054)
Finance costs paid		(308,210)	(140,543)
Increase in long-term deposits (liabilities)		10,571	142,798
Income from deposits with Islamic banks		454,772	1,603,352
Increase in long-term deposits (assets)		(4,762)	–
(Increase) / decrease in long-term loans and advances		(11,647)	12,308
Net cash generated from operating activities		12,492,631	5,046,861
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(6,470,913)	(6,855,816)
Long-term investments made		(6,050,000)	(9,044,601)
Sale proceeds on disposal of property, plant and equipment		109,962	83,141
Dividend received from subsidiary companies		4,345,673	1,162,684
Dividend received from associated company		61,137	122,273
Dividend received on short term investments		613,816	200,861
Release of placements / balances held as lien	38.2	1,628,000	5,935,560
Net cash used in investing activities		(5,762,325)	(8,395,898)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan obtained - net		4,041,984	506,908
Dividends paid		(19,889)	(2,173,663)
Net cash generated from / (used in) financing activities		4,022,095	(1,666,755)
Net increase / (decrease) in cash and cash equivalents		10,752,401	(5,015,792)
Cash and cash equivalents at the beginning of the year		888,638	5,904,430
Cash and cash equivalents at the end of the year	38.2	11,641,039	888,638

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2021

	Issued, subscribed and paid-up share capital	Capital reserve	Revenue reserves		Total reserves	Total equity
		Share premium	General reserves	Unappropriated profit		
	(PKR in '000')					
Balance as at July 1,2019	3,233,750	7,343,422	73,202,650	10,538,595	91,084,667	94,318,417
Transfer to general reserves	–	–	8,436,657	(8,436,657)	–	–
Effect of scheme of arrangement - LCLHL	–	–	–	(22,708)	(22,708)	(22,708)
Effect of scheme of arrangement - LCHPL	–	–	–	3,481,607	3,481,607	3,481,607
Transactions with owners in their capacity as owners						
Final dividend at the rate of PKR 6.5/- per share each for the year ended June 30, 2019	–	–	–	(2,101,938)	(2,101,938)	(2,101,938)
Profit after taxation for the year	–	–	–	3,343,933	3,343,933	3,343,933
Other comprehensive income for the year	–	–	–	164,550	164,550	164,550
Total comprehensive income for the year	–	–	–	3,508,483	3,508,483	3,508,483
Balance as at June 30, 2020	3,233,750	7,343,422	81,639,307	6,967,382	95,950,111	99,183,861
Transfer to general reserves	–	–	3,508,483	(3,508,483)	–	–
Profit after taxation for the year	–	–	–	14,070,189	14,070,189	14,070,189
Other comprehensive loss for the year	–	–	–	(53,792)	(53,792)	(53,792)
Total comprehensive income for the year	–	–	–	14,016,397	14,016,397	14,016,397
Balance as at June 30, 2021	3,233,750	7,343,422	85,147,790	17,475,296	109,966,508	113,200,258

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Muhammad Yunus Tabba	Muhammad Ali Tabba	Atif Kaludi
Chairman / Director	Chief Executive	Chief Financial Officer

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

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

1.2 These unconsolidated 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

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these unconsolidated financial statements in conformity with approved accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to these unconsolidated financial statements:

Property, plant and equipment

Estimates with respect to residual value, depreciation method and depreciable lives of property, plant and equipment as disclosed in notes 4.3 and 5.1 to these unconsolidated financial statements. Further, the Company reviews the carrying value of assets for impairment, if any, on each reporting date.

Impairment of financial and non-financial assets

Estimates with respect to impairment of financial and non-financial assets as disclosed in note 4.20 to these unconsolidated financial statements.

Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

Stores and spares and stock-in-trade

Estimates made with respect to provision for slow moving, damaged and obsolete items and their net realizable value are disclosed in notes 4.7 and 4.8 to these unconsolidated financial statements.

Further, the Company's certain inventory items [i.e. raw materials (limestone, clay and gypsum), work-in-process (clinker) and stores and spares (coal)] are stored in purpose-built sheds, stockpiles and silos. As the weighting of these inventory items is not practicable, the management assess the reasonableness of the on-hand inventory by obtaining measurement of stockpiles and converting these measurements into unit of volume by using angle of repose and bulk density values. In making this estimate the Company involves external surveyor for determining the inventory existence.

Provision for doubtful debts and other receivables

The Company reviews the recoverability of its trade debts and other receivables to assess the amount required for provision for doubtful debts / receivables as disclosed in notes 4.18 and 4.20 to these unconsolidated financial statements.

Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 4.11 and note 24.1 to these unconsolidated financial statements for valuation of present value of defined benefit obligation.

Income taxes

In making the estimates for income taxes payable by the Company, the management considers current income tax law and the decisions of appellate authorities on certain cases issued in the past.

Future estimation of export sales

Deferred tax calculation is based on estimate of future ratio of export and local sales.

Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non occurrence of the uncertain future events.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements of the Company for the year ended June 30, 2020, except for the effects of change as detailed in note 4.24 below.

4.1 Accounting convention

These financial statements have been prepared under the historical cost convention except otherwise stated.

4.2 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 year:

There were certain amendments to the accounting and reporting standards which became mandatory for the Company during the year. 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 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, 2021. 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 financial statements.

4.3 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any, except for freehold land and capital work-in-progress which are stated at cost less impairment losses, if any. Cost in relation to certain items in operating fixed assets and capital work-in-progress, signifies historical cost and financial charges on borrowings.

Depreciation is charged to the profit or loss, applying the straight line method at the rates mentioned in note 5.1 to these unconsolidated financial statements. Depreciation on additions is charged from the date of acquisition / transfer of asset, whereas depreciation on disposals is charged till the date of disposal.

The assets' residual values, the method of depreciation and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Maintenance and normal repairs are charged to the profit or loss as and when incurred. Major renewals and improvements which increase the assets' remaining useful economic life or the performance beyond the current estimated levels are capitalized and the assets so replaced, if any, are retired.

Gains and losses on disposal of operating fixed assets, if any, are included in the profit or loss.

4.4 Intangible assets

These are stated at cost less accumulated amortization and impairment losses, if any.

Amortization is charged to the profit or loss applying the straight line method at the rate mentioned in note 6 to these unconsolidated financial statements.

4.5 Investments in subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment losses, if any.

4.6 Investments in associates

Associates are entities over which the Company has significant influence but not control. Investments in associates are carried at cost less accumulated impairment losses, if any.

All purchases and sales of investments are recognised on the trade date which is the date that the Company commits to purchase or sell the investment.

4.7 Stores and spares

These are valued at lower of weighted average cost and net realizable value, except items in transit, which are stated at cost. Provision for slow moving, damaged and obsolete items are charged to the profit or loss. Ageing and value of items of stores and spares are reviewed at each reporting date to record provision for any slow moving, damaged and obsolete items.

Net realizable value signifies the selling price in the ordinary course of business less estimated cost of completion and costs necessary to be incurred in order to make the sale.

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are shown separately as major spare parts and are carried at cost less accumulated impairment, if any.

4.8 Stock-in-trade

These are stated at the lower of cost and net realizable value. The methods used for the calculation of cost are as follows:

(i)	Raw and packing material	at weighted average cost comprising quarrying / purchase price, transportation, government levies and other overheads.
(ii)	Work-in-process and finished good	at weighted average cost comprising direct cost of raw material, labour and other manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

4.9 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest rate method.

4.10 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash and cheques in hand, current and Islamic saving accounts with banks, investment in highly liquid mutual fund units, short term borrowings and sales collection in transit.

4.11 Staff retirement benefits

The Company operates an unfunded gratuity scheme covering all permanent employees. Contribution is made to this scheme on the basis of actuarial recommendations. The actuarial valuation is carried out using the Projected Unit Credit Method.

Staff retirement benefits are payable to staff on completion of prescribed qualifying period of service under the scheme.

All remeasurement gains and losses are recognised in other comprehensive income.

4.12 Compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provisions to cover the obligation are made using the current salary levels of the employees. No actuarial valuation of compensated absences is carried out as the management considers that the financial impact of such valuation will not be material.

4.13 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not invoiced to the Company.

4.14 Provisions

Provisions are recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

4.15 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with the Income Tax Ordinance, 2001 and taxes paid / payable on final tax basis, after taking into account tax credit available, if any.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at reporting date.

4.16 Revenue recognition

(a) Sale of goods

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised good or service to a customer; control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

(b) Revenue from the sale of electricity is recorded based on the output delivered at the rates as specified under the Power Purchase Agreement.

(c) Profit on bank deposit in Islamic savings account is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

(d) Dividend income is recognized when the right to receive such payment is established.

4.17 Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupee using the exchange rate ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and on translation of monetary assets and liabilities denominated in foreign currencies at reporting date are recognized in the profit or loss.

4.18 Financial assets and liabilities

Financial assets

(i) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

(ii) Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value or amortized cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in profit or loss.

4.19 Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.20 Impairment

(a) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The Company applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in profit or loss, as an impairment loss (or reversal of impairment), the amount of expected credit losses (or reversal of impairment) that is required to adjust the loss allowance at the reporting date.

(b) Non-Financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognized as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

4.21 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. It is recognised as income on a systematic basis over the periods in which the related costs, for which it is intended to compensate, are recorded.

4.22 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

4.23 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (PKR), which is the Company's functional and presentation currency.

4.24 Inclusion of a separate statement of comprehensive income

During the year, the Company has changed its accounting policy in respect of the presentation of components of 'Other Comprehensive Income' by including a separate statement titled 'Unconsolidated Statement of Comprehensive Income'. Previously, components of other comprehensive income were shown in a single statement titled 'Unconsolidated Statement of Profit or Loss and Other Comprehensive Income '. As a result of the above change, two statements are now being presented i.e. 'Unconsolidated Statement of Profit or Loss' and 'Unconsolidated Statement of Comprehensive Income'. This change in accounting policy has been made for better presentation and has been applied retrospectively.

	Note	2021	2020
		(PKR in '000')	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	5.1	58,033,791	59,650,770
Capital work-in-progress	5.5	4,015,044	334,191
Capital spares		341,112	262,609
		62,389,947	60,247,570

5.1 Operating fixed assets - tangible

	Note	Leasehold land	Freehold land	Buildings on leasehold land	Buildings on freehold land	Plant and machinery	Generators	Quarry equipment	Vehicles including cement bulkers	Aircraft	Furniture and fixtures	Office equipment	Computer and accessories	Other assets (Laboratory equipment etc.)	Total
		(PKR in '000')													
As at July 1, 2019															
Cost		1,394,929	359,599	5,952,556	3,594,422	36,393,594	16,442,667	2,015,140	2,006,387	744,664	116,785	270,965	160,867	403,588	69,856,163
Accumulated depreciation		(159,486)	–	(2,472,497)	(2,198,784)	(11,737,601)	(6,815,417)	(1,209,904)	(965,061)	(460,825)	(90,398)	(223,848)	(137,837)	(265,985)	(26,737,643)
Net book value		1,235,443	359,599	3,480,059	1,395,638	24,655,993	9,627,250	805,236	1,041,326	283,839	26,387	47,117	23,030	137,603	43,118,520
Year ended June 30, 2020															
Transfers from CWIP		–	–	10,892	4,898,265	14,521,851	128,393	100,208	704,436	–	6,368	21,390	9,845	10,992	20,412,640
Disposals															
Cost		–	–	(1,176)	(1,266)	(3,620)	(5,367)	(1,743)	(99,175)	–	(15,875)	(39,683)	(27,194)	(10,693)	(205,792)
Accumulated depreciation		–	–	726	76	1,639	4,285	1,743	69,851	–	14,936	39,396	26,808	9,510	168,970
		–	–	(450)	(1,190)	(1,981)	(1,082)	–	(29,324)	–	(939)	(287)	(386)	(1,183)	(36,822)
Depreciation charge for the year	5.2	(21,339)	–	(298,179)	(302,965)	(1,856,551)	(802,076)	(143,113)	(253,675)	(70,959)	(12,963)	(32,236)	(14,721)	(34,791)	(3,843,568)
Net book value as at June 30, 2020		1,214,104	359,599	3,192,322	5,989,748	37,319,312	8,952,485	762,331	1,462,763	212,880	18,853	35,984	17,768	112,621	59,650,770
Year ended June 30, 2021															
Transfers from CWIP	5.5	–	–	72,478	289,491	1,209,655	912,297	5,375	94,370	–	7,632	23,790	19,291	77,178	2,711,557
Disposals	5.3														
Cost		–	–	–	–	–	–	(103,349)	(90,760)	–	(64)	(1,451)	(12,582)	(414)	(208,620)
Accumulated depreciation		–	–	–	–	–	–	103,349	61,222	–	50	1,430	12,389	404	178,844
		–	–	–	–	–	–	–	(29,538)	–	(14)	(21)	(193)	(10)	(29,776)
Depreciation charge for the year	5.2	(21,340)	–	(300,131)	(433,521)	(2,129,611)	(815,551)	(148,962)	(285,754)	(70,959)	(14,121)	(27,895)	(14,424)	(36,491)	(4,298,760)
Net book value as at June 30, 2021		1,192,764	359,599	2,964,669	5,845,718	36,399,356	9,049,231	618,744	1,241,841	141,921	12,350	31,858	22,442	153,298	58,033,791
At June 30, 2020															
Cost		1,394,929	359,599	5,962,272	8,491,421	50,911,825	16,565,693	2,113,605	2,611,648	744,664	107,278	252,672	143,518	403,887	90,063,011
Accumulated depreciation		(180,825)	-	(2,769,950)	(2,501,673)	(13,592,513)	(7,613,208)	(1,351,274)	(1,148,885)	(531,784)	(88,425)	(216,688)	(125,750)	(291,266)	(30,412,241)
Net book value		1,214,104	359,599	3,192,322	5,989,748	37,319,312	8,952,485	762,331	1,462,763	212,880	18,853	35,984	17,768	112,621	59,650,770
At June 30, 2021															
Cost		1,394,929	359,599	6,034,750	8,780,912	52,121,480	17,477,990	2,015,631	2,615,258	744,664	114,846	275,011	150,227	480,651	92,565,948
Accumulated depreciation		(202,165)	–	(3,070,081)	(2,935,194)	(15,722,124)	(8,428,759)	(1,396,887)	(1,373,417)	(602,743)	(102,496)	(243,153)	(127,785)	(327,353)	(34,532,157)
Net book value		1,192,764	359,599	2,964,669	5,845,718	36,399,356	9,049,231	618,744	1,241,841	141,921	12,350	31,858	22,442	153,298	58,033,791
Annual rates of depreciation		1.01% to 2.63%	–	5%	5%	3.33% to 20%	5%	10%	10% to 20%	10%	20%	33%	33%	10% to 33%	

5.2 Depreciation charge for the year has been allocated as follows:

	Note	2021	2020
		(PKR in '000')	
Cost of sales	30	3,802,281	3,431,969
Distribution cost	31	214,821	186,253
Administrative expenses	32	169,189	165,341
Capital work-in-progress		–	3,624
Cost of sale of electricity		112,469	56,381
		4,298,760	3,843,568

5.3 The details of operating fixed assets disposed of during the year are as follows:

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain	Mode of Disposal	Particulars of Buyers	Relationship of purchaser with Company or director, if any
			(PKR in '000')					
Vehicle	5,931	2,255	3,676	5,574	1,898	Insurance Claim	IGI General Insurance	N/A
----do----	4,739	1,151	3,588	4,800	1,212	Tender	Augmentic business solution	----do----
----do----	1,555	438	1,117	1,684	567	Tender	Maaz Saleem	----do----
----do----	1,554	484	1,070	1,703	633	Tender	Maaz Saleem	----do----
----do----	1,552	484	1,068	1,611	543	Tender	Usman Shahid	----do----
----do----	1,552	484	1,068	1,611	543	Tender	Usman Shahid	----do----
----do----	1,512	483	1,029	1,613	584	Tender	Augmentic business solution	----do----
----do----	1,411	710	701	1,506	805	Tender	Usman Shahid	----do----
----do----	1,411	764	647	1,554	907	Tender	IGI Insurance	----do----
----do----	1,410	719	691	1,515	824	Tender	Augmentic business solution	----do----
----do----	1,410	719	691	1,485	794	Tender	Augmentic business solution	----do----
----do----	1,410	719	691	1,518	827	Tender	Augmentic business solution	----do----
Trailer	15,637	4,417	11,220	16,550	5,330	Insurance Claim	IGI General Insurance	----do----
Items having book value less than Rs 500,000 each	167,536	165,017	2,519	67,238	64,719	Various		
Total	208,620	178,844	29,776	109,962	80,186			
2020	205,792	168,970	36,822	83,141	46,319			

5.4 Following are the particulars of the Company's material immovable fixed assets:

S.No	Business Unit Type	Location	Total Area of land in acre
1	Karachi Plant	Main Super Highway, Gadap Town, Karachi	955.52
2	Pezu Plant	Main Indus Highway, Pezu, District Lakki Marwat, KPK	885.74

5.5 The following is the movement of capital work-in-progress during the year:

	Opening balance	Additions	Transferred to fixed assets	Closing balance
		(PKR in '000')		
Building on leasehold land				
- Cement Plant	23,046	143,636	60,446	106,236
- Power Plant	–	24,675	6,346	18,329
- Other	4,522	4,347	5,686	3,183
Building on freehold land				
- Cement Plant	34,214	674,971	288,627	420,558
- Power Plant	751	109,055	864	108,942
Land - Freehold	1,000	–	–	1,000
Plant and machinery	229,530	2,446,293	1,209,655	1,466,168
Generators	21,865	2,678,306	912,297	1,787,874
Quarry equipment	3,592	9,148	5,375	7,365
Vehicles including cement bulkers	14,124	162,247	94,370	82,001
Furniture and fixtures	294	8,611	7,632	1,273
Office equipment	287	28,325	23,790	4,822
Computer and accessories	–	24,998	19,291	5,707
Other assets (Laboratory equipment etc.)	966	77,798	77,178	1,586
	334,191	6,392,410	2,711,557	4,015,044

6. INTANGIBLE ASSETS

Represent various computer softwares amortized on straight line basis over a period of 36 months. Movement during the year is as follows:

	Note	2021	2020
		(PKR in '000')	
Balance as at July 1, 2020 / 2019		11,323	18,152
Transfer from capital work-in-progress		–	4,040
		11,323	22,192
Less: Amortization charge for the year	6.2	(10,653)	(10,869)
As at June 30, 2021 / 2020		670	11,323

6.1 As at June 30	2021	2020
Cost	219,110	219,110
Accumulated amortization	(218,440)	(207,787)
Net book value	670	11,323

		Note	2021	2020
			(PKR in ‘000’)	
6.2	Amortization charge for the year has been allocated as follows:			
	Cost of sales	30	5,552	2,997
	Distribution cost	31	1,093	538
	Administrative expenses	32	4,008	7,334
			10,653	10,869
7.	**LONG-TERM INVESTMENTS - at cost**			
	Subsidiaries			
	Lucky Holdings Limited	7.1	32,145	32,145
	LCL Investment Holdings Limited	7.2	4,580,500	4,580,500
	Lucky Electric Power Company Limited	7.3	25,500,000	19,450,000
	Lucky Motor Corporation Limited (formerly Kia Lucky Motors Pakistan Limited)	7.4	12,876,384	12,876,384
	ICI Pakistan Limited	7.5	9,594,091	9,594,091
			52,583,120	46,533,120
	Associate			
	Yunus Energy Limited	7.6	611,365	611,365
			53,194,485	47,144,485

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

7.2 Represents 100% equity investment in LCL Investment Holdings Limited (LCLIHL) comprising of 45,000,002 issued, subscribed and paid up shares of USD 1 each, a wholly owned subsidiary of the Company, incorporated and domiciled in Mauritius. LCLIHL has entered into joint venture agreements with Al Shumookh group to form Lucky Al Shumookh Holdings Limited (LASHL) for operating a cement grinding unit in Basra, Iraq and Al Shumookh Lucky Investment Limited (ASLIL) for constructing and operating a fully integrated cement manufacturing unit in Samawah, Iraq. LASHL and ASLIL are companies with limited liability registered in Jebel Ali Free Zone, United Arab Emirates. LCLIHL holds 50 percent ownership in the aforesaid joint ventures.

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

7.3 Lucky Electric Power Company Limited (LEPCL) was incorporated in Pakistan on June 13, 2014, as a public unlisted company. The Company holds 100 percent shares comprising of 2,430,000,000 (2020: 1,635,000,000 shares) issued, paid-up and subscribed shares of PKR 10 each of LEPCL. The amount of investment includes advance against issuance of shares amounting to PKR 1,200 million. The aforementioned shares held by the Company are pledged under a Shares Pledge Agreement in connection with the lending facilities provided by the lenders.

The commercial operations of LEPCL have not yet started. LEPCL is setting up a 660 MW coal based power project in Karachi. Its registered office is situated at 6-A, Muhammad Ali Society, A. Aziz Hashim Tabba Street, Karachi in the province of Sindh.

7.4 Represents equity investment in Lucky Motor Corporation Limited (LMC) [formerly Kia Lucky Motors Pakistan Limited], a public unlisted company incorporated in Pakistan. The Company holds 71.14% (2020: 71.55%) shares of LMC comprising of 1,287,638,359 issued, subscribed and paid-up shares of PKR 10 each.

7.5 ICI Pakistan Limited (ICI) was incorporated in Pakistan and is listed on the Pakistan Stock Exchange. The Company holds 55% (2020: 55%) comprising of 50,798,000 shares of PKR 10 each. ICI is engaged in the manufacture of polyester staple fiber, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchanting of general chemicals. It also acts as an indenting agent and toll manufacturer. Its manufacturing facilities are situated in Karachi, Lahore and Khewra and its registered office is situated at 5 West Wharf, Karachi.

7.6 Represents equity investment in Yunus Energy Limited (YEL), a public unlisted company incorporated in Pakistan. As of the statement of financial position date, the Company owns 20% (2020: 20%) shares of YEL comprising of 61,136,500 issued, subscribed and paid up shares of PKR 10 each.

	Note	2021	2020
		(PKR in '000')	
8. LONG-TERM LOANS AND ADVANCES			
(secured & considered good)			
Long-term loans			
Due from employees	8.1	127,133	116,899
Less: Recoverable within one year	13	90,462	85,262
		36,671	31,637
Other advances	8.3	61,984	55,371
		98,655	87,008

8.1 Loans given to employees are in accordance with the Company policy and are repayable within a period of 2 to 5 years. These loans are return free and are secured against the gratuity of the respective employees. These loans are carried at cost due to the materiality of the amounts involved. These include outstanding balances of loans given to key management personnel namely Mr. Amin Ganny, Mr. Zaher Shah and Mr. Ahmed Waseem Khan (2020: M/s. Amin Ganny, Mashkoor Ahmed, Muhammad Shabbir, Adnan Ahmed and Zaher Shah) as at June 30, 2021.

8.2 The maximum amount outstanding at the end of any month during the year ended June 30, 2021 from key management personnel aggregated to PKR 17.608 million (2020: PKR 25.497 million).

8.3 These include return free advances given to Sui Southern Gas Company Limited in respect of additional gas line which will be adjusted after the commissioning of gas line in 48 equal monthly installments.

9. LONG-TERM DEPOSITS

Represent return free long-term deposits paid to various parties in ordinary course of business with them.

	2021	2020
	(PKR in '000')	
10. STORES AND SPARES		
Stores	5,473,493	2,386,726
Spares	5,531,496	4,363,517
	11,004,989	6,750,243
Less: Provision for slow moving spares	478,416	230,073
	10,526,573	6,520,170
11. STOCK-IN-TRADE		
Raw and packing materials	880,710	655,336
Work-in-process	1,887,232	1,882,802
Finished goods	367,095	407,414
	3,135,037	2,945,552
Less: Provision for slow moving packing material	30,000	30,000
	3,105,037	2,915,552

	Note	2021	2020
		(PKR in '000')	
12. TRADE DEBTS			
(considered good)			
Bills receivable - secured		494,956	1,289,487
Others - unsecured		2,237,754	2,155,414
		2,732,710	3,444,901
Less: Provision for doubtful debts	12.2	22,629	22,134
		2,710,081	3,422,767
12.1 The status of trade debts as at June 30 is as follows:			
Not impaired		2,710,081	3,422,767
12.2 Movement of provision for doubtful debts is as follows:			
Balance as of July 1		22,134	21,253
Provision during the year		33,215	2,180
Less: Doubtful debts recovered		13,636	–
Net provision for doubtful debts during the year		19,579	2,180
Less: Doubtful debts written-off		19,084	1,299
Closing balance		22,629	22,134
13. LOANS AND ADVANCES			
(secured & considered good)			
Current portion of long term loans and advances to employees	8	90,462	85,262
Other advances given to employees - return free	13.1	26,520	8,463
		116,982	93,725
Advances to suppliers and others - return free	13.2	828,005	297,241
		944,987	390,966

13.1 Advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.

13.2 Includes advances made to various oil marketing companies in respect of procurement of fuel amounting to PKR 293.797 million (2020: 107.979 million).

	2021	2020
	(PKR in '000')	
14. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits - return free		
Containers	–	120
Utilities	17	1,169
Others	13,595	19,264
	13,612	20,553
Prepayments		
Insurance	38,814	34,236
Rent	12,038	10,439
Others	20,939	15,941
	71,791	60,616
	85,403	81,169

	Note	2021	2020
		(PKR in '000')	
15. OTHER RECEIVABLES			
(unsecured & considered good)			
Rebate on export sales		43,575	46,175
Due from Collector of Customs	15.1	19,444	19,444
Hyderabad Electricity Supply Company (HESCO)	15.2	3,604,017	3,531,365
Others	15.3 & 15.4	23,603	73,316
		3,690,639	3,670,300

15.1 The Company had imported cement bulkers during October 19, 2006 to December 5, 2006 under SRO 575(1) of 2006 dated June 5, 2006 for export of loose cement which provided concessionary rate of import duty to an industrial concern. The Company claimed exemption of duty at the time of port clearance. However, the Collector of Customs passed an order allowing provisional release of consignment subject to final approval from the Federal Board of Revenue (FBR) and deposit of post dated cheques for the differential amount of duty. The Company deposited three post dated cheques aggregating PKR 19.444 million for three different consignments of cement bulkers and simultaneously approached the FBR for giving direction to the Collector of Customs, Karachi.

The FBR moved a summary to the Federal Government / Economic Coordination Committee (ECC) on the representation of the Company and finally issued SRO 41(1) of 2007 dated January 7, 2007 which clarified that the imported cement bulkers were also entitled for concessional rate of duty of 5%. The Collector of Customs instead of releasing the post dated cheques, encashed the same on the plea that the effect of SRO will not be applied retrospectively despite the fact that the said clarification was issued on the representation of the Company.

The Company filed a constitutional petition before the Honorable High Court of Sindh at Karachi on July 30, 2007 challenging the illegal and malafide act of encashment of post dated cheques. The High Court of Sindh passed an order in favour of the Company and has ordered the Collector of Customs to refund the amount collected within one month from the date of judgement. The judgement has been challenged by the FBR before the Honorable Supreme Court of Pakistan which remains pending.

15.2 The Company and HESCO entered into a Power Purchase Agreement (PPA) dated March 22, 2011 pursuant to a policy in place at the time for the New Captive Power Plants (NCPPs), which had been reviewed by National Electric Power Regulatory Authority (NEPRA).

Subsequent to the signing of the PPA, NEPRA purported to re-determine the tariff through determination dated January 9, 2013, which was challenged by all the NCPPs in the High Court of Sindh. The High Court of Sindh decided the case in favor of NEPRA vide judgement dated August 19, 2015.

The Company filed an appeal in the Supreme Court of Pakistan (SCP) against the decision of the High Court of Sindh. Detailed hearings were held and the Court's judgement was reserved in November 2016. However, the said judgment has not been announced since then and the case was relisted for hearing. The case is currently being heard in Supreme Court of Pakistan.

On March 6, 2017, the Company and HESCO entered into an interim agreement, which is subject to the outcome of the above Civil Appeals pending in the Supreme Court of Pakistan. As per the agreement, HESCO fulfilled certain conditions and also provided an amount of PKR 642 million to the Company which was netted off against other receivables and the Company supplied and invoiced electricity from March 2017 to May 2019 based on PPA rates. The Company suspended electricity sale to HESCO from May 2019 due to non-payment of bill since January 2019. The Company then resumed the supply of electricity in January, 2020 after signing another settlement agreement with HESCO.

In August, 2017, the Government of Sindh promulgated Sindh New Captive Power Plants Subsidy Act, 2017 read in light of corrigendum issued by the Government of Sindh gazetted on February 1, 2018 for provision of tariff differential support to captive power producers in the province of Sindh. Under the aforementioned Act, the

Company claimed and received subsidy for the period March 2015 to May 2019 amounting to PKR 1,256 million. However, the Company's subsidy claims pertaining to the period from January 2020 to April 2021 have not yet been settled. The Company is actively following up with relevant departments for settlement of its dues.

15.3 Include amounts of PKR 12.797 million, PKR 0.013 million, PKR 0.056 million and PKR 0.041 million receivable from the Yunus Textile Mills Limited, Lucky Commodities (Private) Limited, YB Holdings Limited and Lucky Motor Corporation Limited (formerly Kia Lucky Motors Pakistan Limited) respectively on account of certain expenses incurred by the Company on behalf of these related parties.

15.4 The maximum aggregate outstanding at the end of any month during the year from the above related parties is PKR 12.907 million (2020: Nil).

16. TAX REFUNDS DUE FROM THE GOVERNMENT

A dispute with respect to the calculation of excise duty on retail price of cement arose between the Company and the FBR from the very first day the Company started sales of cement in 1996. The FBR was of the view that excise duty is to be calculated on the declared retail price, inclusive of excise duty whereas the Company contended that the excise duty would not be included in retail price for the calculation of the excise duty payable to the Government. On June 2, 1997, the Company filed a writ petition before the Honorable Peshawar High Court on seeking judgment on this matter. The dispute related to the period from June 26, 1996 to April 19, 1999 after which the FBR changed the mechanism of levying excise duty from percentage of retail price to a fixed amount of duty at the rate of Rs 1,400 per ton. The Peshawar High Court after hearing both the parties issued a detailed judgment, operating paragraph of which is reproduced as follows:

"For the reasons we accept the petitions declare, that present system of realization of duties of excise on the "Retail Price" inclusive of excise duty is illegal and without lawful authority, the duties of excise on cement must not form part of retail price and the petitioners are not liable to pay duties of excise forming part of the retail price of cement."

Simultaneously, a similar nature of dispute arose between various beverage companies operating in the provinces of Sindh and Punjab and accordingly such companies also filed petitions before the High Courts of Sindh and Lahore respectively. Both the High Courts also decided the case against the method of calculation of excise duty as interpreted by the FBR.

The FBR preferred an appeal before the Supreme Court of Pakistan against the judgments of all three High Courts of the country. A full bench of the Supreme Court of Pakistan heard the legal counsel of all the parties and finally announced the judgment on April 14, 2007, upholding the judgments of the High Courts and dismissed the appeal of the FBR.

As a result of the full bench judgment of the Supreme Court of Pakistan, the Company filed a refund claim of PKR 538.812 million on May 8, 2007 with the Collector of Central Excise and Sales Tax, Peshawar, who had earlier collected the same due to incorrect interpretation of law. The Company on the basis of legal opinions obtained, recognised this refund claim in the unconsolidated financial statements for the year ended June 30, 2007.

A review petition was also filed by the FBR before the Supreme Court of Pakistan. The Supreme Court of Pakistan vide its order dated January 27, 2009 dismissed the review petition filed by the FBR and upheld its earlier decision which was in favour of the Company.

While verifying the refund claim, the Collector of Excise and Sales Tax Peshawar issued show cause notice to the Company, raising certain objections against the release of the refund including an objection that the burden of this levy has been passed on to the end consumer. The Company challenged this show cause notice the High Court of Peshawar and took the stance that this matter has already been dealt with at the Supreme Court of Pakistan level, based on the doctrine of res judicata. The High Court of Peshawar granted a stay order to the Company against any adverse proceeding by the FBR in this case.

During the year ended June 30, 2013, the Company filed a complaint before the Federal Tax Ombudsman (FTO) with a request that the FBR may be directed for early issuance of refund alongwith the compensation for the delayed refund. The FTO directed the FBR to verify the claim of the Company and submit a report in the matter. Subsequently, the FBR on the basis of audit conducted submitted a report to the FTO. However, the Company did not agree to the findings of the FBR and argued before the FTO that the report submitted by the FBR is not based on the facts of the case.

After hearing the arguments of both the parties, the FTO forwarded its recommendations / findings to the Secretary, Revenue Division, Islamabad through its order dated November 22, 2013.

The FBR filed representation, before the President of Pakistan against the recommendations of the FTO under Section 32 of Federal Tax Ombudsman Ordinance, 2000. However, the President of Pakistan endorsed the recommendations of the FTO of having an audit conducted by independent firms. The FBR filed a writ petition in the High Court of Peshawar against the findings of the FTO as endorsed by the President which suspended the operations of the orders of FTO and President of Pakistan on July 14, 2015 till further orders. The Company has filed a counter affidavit in response to the FBR's writ petition, which is pending adjudication in the Peshawar High Court.

In January 2018, the FBR's writ petition was dismissed by the High Court of Peshawar after which the FBR filed an appeal in the Supreme Court of Pakistan. The FBR filed a review petition in the Peshawar High Court for review of judgment given in favour of the Company and also filed an appeal before the Supreme Court in March 2018. The review petition filed by FBR was dismissed since the matter is now before the Supreme Court. During the year, the Company has also filed a contempt application against the Chief Commissioner, RTO Peshawar for refusing to implement the judgment of the Peshawar High Court in which a show-cause notice has been issued to Chief Commissioner RTO, Peshawar. The Company is trying to get the matter expedited for early fixation of the matter in Supreme Court of Pakistan.

The management is confident on the advise of its legal advisor that the ultimate outcome of the case would be in its favor and the full amount would be recovered in due course, therefore no provision for the above receivable has been made in these unconsolidated financial statements.

	Note	2021	2020
		(PKR in '000')	
17. SHORT TERM INVESTMENTS			
Investments - Fair value through profit or loss	17.1 & 17.2	16,187,615	2,953,476
Investments - Fair value through other comprehensive income	17.3	39,488	17,523
		16,227,103	2,970,999

17.1 These represent investment in units of Shariah Compliant mutual funds, the details of which are as follows:

	2021		2020	
	Number of units	Value of investment	Number of units	Value of investment
		'PKR in '000'		'PKR in '000'
Faysal Islamic Cash Fund	5,088,096	508,810	–	–
ABL Islamic Cash Fund	102,196,207	1,021,962	–	–
UBL - Al Ameen Islamic Cash Fund	31,825,758	3,182,576	–	–
Meezan Rozana Amdani Fund	167,957,693	8,397,885	59,069,530	2,953,476
MCB - Alhamra Islamic Money Market Fund	30,915,305	3,076,382	–	–
		16,187,615		2,953,476

17.2 Investments with mutual funds include an amount of PKR 322 million held by a mutual fund on behalf of a bank as security against facilities obtained from the bank.

17.3 These represent investment in 1,769,940 shares (2020: 1,769,940 shares) of Pakistan Stock Exchange.

	Note	2021	2020
		(PKR in '000')	
18. CASH AND BANK BALANCES			
Sales collection in transit		600,509	429,766
Cash at bank			
- in current accounts		163,643	194,953
- in Islamic saving accounts	18.1	2,042,410	7,185,052
		2,206,053	7,380,005
		2,806,562	7,809,771
Cash in hand		18,862	6,835
		2,825,424	7,816,606

18.1 These are shariah compliant bank balances and carry profit at rates ranging from 2.51% to 7.25% (2020: 2.35% to 13.65%) per annum.

18.2 These include an amount of Nil (2020: PKR 1,950.500 million) held by a bank as security against the guarantees obtained from the bank issued on behalf of subsidiary companies.

	2021	2020
	(PKR in '000')	
19. SHARE CAPITAL		
Authorized capital		
500,000,000 (2020: 500,000,000)		
Ordinary shares of PKR 10/- each	5,000,000	5,000,000
Issued, subscribed and paid-up share capital		
305,000,000 (2020: 305,000,000) Ordinary		
shares of PKR 10/- each issued for cash	3,050,000	3,050,000
18,375,000 (2020: 18,375,000) Ordinary		
shares of PKR 10/- each issued as bonus shares	183,750	183,750
	3,233,750	3,233,750

19.1 During the year ended June 30, 2008, the Company was admitted to the official list of the Financial Services Authority and to the London Stock Exchange for trading of the Global Depository Receipts (GDRs) issued by the Company on the Professional Securities Market of the London Stock Exchange. The GDR issue constituted an offering to qualified institutional buyers in the United States under Rule 144A and to non US persons outside the United States (US) under Regulation - S of the US Securities Act of 1933. The GDRs have also been included for trading on the International Order Book system of the London Stock Exchange, which made the GDRs issued under Rule 144A to become eligible for trading by qualified institutional buyers in the Portal Market; a subsidiary of the NASDAQ Stock Market, Inc in the US. The Company had issued 15,000,000 GDRs each representing four ordinary equity shares at an offer price of US$ 7.2838 per GDR (total receipt being US$ 109.257 million).

Accordingly, based on an exchange rate of PKR 65.90 = US$ 1.00 (which was the exchange rate on the date of final offering circular relating to the GDR issue made by the Company) 60,000,000 ordinary equity shares of a nominal value of PKR 10 each of the Company were issued at a premium of PKR 110 per ordinary equity share (total premium amount being PKR 6,600 million).

The holders of GDRs are entitled, subject to the provisions of the Deposit Agreement, to receive dividend, if any and rank pari passu with other equity shareholders in respect of dividend. However, the holders of GDRs have no voting rights or other direct rights of shareholders with respect to the equity shares underlying such GDRs. Subject to the terms and restrictions set out in the offering circular dated May 8, 2008, the deposited equity shares in respect of which the GDRs were issued may be withdrawn from the depository facility. Upon withdrawal, the holders will rank pari passu with other equity shareholders in respect of dividend, voting and other direct rights of shareholders.

		Note	2021	2020
			(PKR in '000')	
20.	**RESERVES**			
	Capital reserve			
	Share premium	20.1	7,343,422	7,343,422
	Revenue reserves			
	General reserve		85,147,790	81,639,307
	Unappropriated profit		17,475,296	6,967,382
			102,623,086	88,606,689
			109,966,508	95,950,111

20.1 This reserve can be utilised by the Company only for the purpose specified in section 81 of the Companies Act, 2017.

		Note	2021	2020
			(PKR in '000')	
21.	**LONG-TERM DEPOSITS**			
	Cement stockists	21.1	179,253	181,282
	Transporters	21.2	61,200	50,500
	Others		3,180	1,280
			243,633	233,062

21.1 These represent return free security deposits received from stockists and are repayable on cancellation or withdrawal of stockist arrangement and are also adjustable against unpaid amount of sales.

21.2 These represent return-free security deposits received from transporters and are repayable on cancellation or withdrawal of contracts.

		Note	2021	2020
			(PKR in '000')	
22.	**LONG-TERM LOANS**			
	Salary Refinance Loan	22.1	839,180	447,188
	Islamic Temporary Economic Refinance	22.2	2,601,772	–
			3,440,952	447,188
	Less: Current maturity of long-term loans		506,908	126,727
			2,934,044	320,461

22.1 The Company entered into a long-term loan agreement with Habib Metropolitan Bank Limited - Islamic under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loan is repayable in eight equal quarterly installments, which started from April 2021. This long term financing facility is secured by way of hypothecation charge over specific plant & machinery of the Company. The facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 0%) plus bank's spread of 0.50% per annum starting from the date of disbursement and is payable in arrears on quarterly basis.

22.2 During the year, the Company entered into long-term loan agreements with Habib Bank Limited - Islamic, MCB Islamic Bank Limited, Bank Alfalah - Islamic, Faysal Bank Limited - Islamic and Habib Metropolitan Bank - Islamic under the Islamic Temporary Economic Refinance Facility (ITERF) by the State Bank of Pakistan. The loans are repayable in semi-annual installments over a period of ten years which include a grace period of two years secured by way of hypothecation charge over specific plant & machinery of the Company. These facilities carry mark-up ranging from 1.5% to 1.95% which is payable in arrears.

22.3 Following is the movement of long-term loans:

	2021	2020
	(PKR in '000')	
Balance as at July 1	506,908	–
Loans obtained during the year	4,168,711	506,908
Loan repaid during the year	(126,727)	–
Balance as at June 30	4,548,892	506,908
Less: Deferred Government grant	1,107,940	59,720
	3,440,952	447,188

23. DEFERRED GOVERNMENT GRANT

The value of benefit of below-market interest rate on the loans disclosed in note 22 to these unconsolidated financial statements has been accounted for as government grant under IAS - 20 Government grants. The break-up of carrying amount of the deferred government grant in respect of each of the loans is as follows:

	Note	2021	2020
		(PKR in '000')	
Salary Refinance Loan		47,909	59,720
Islamic Temporary Economic Refinance		1,060,031	–
		1,107,940	59,720

24. DEFERRED LIABILITIES

	Note	2021	2020
Staff gratuity	24.1	2,337,897	1,948,457
Deferred tax liability	24.2	6,157,224	5,167,561
		8,495,121	7,116,018

24.1 The amounts recognized in the statement of financial position and other details, based on the recent actuarial valuation carried on June 30, 2021, are as follows:

		2021	2020
		(PKR in '000')	
24.1.1	Present value of defined benefit obligation	2,337,897	1,948,457
24.1.2	Changes in the present value of defined benefit obligation are as follows:		
	Balance as at July 1	1,948,457	1,823,204
	Charge for the year	388,704	472,636
	Remeasurement loss / (gain) recognised in other comprehensive income	101,705	(238,329)
		2,438,866	2,057,511
	Payments made during the year	(100,969)	(109,054)
		2,337,897	1,948,457

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

		2021	2020
		(PKR in '000')	
24.1.3	Charge for the year recognised in the profit or loss is as follows:		
	Current service cost	203,872	206,272
	Finance cost	184,832	266,364
		388,704	472,636
24.1.4	The charge for the year has been allocated as follows:		
	Cost of sales	292,180	343,738
	Distribution cost	7,613	36,147
	Administrative expenses	88,592	89,236
	Cost of sale of electricity	319	3,515
		388,704	472,636
24.1.5	Principal actuarial assumptions used are as follows:		
	Expected rate of increase in salary level		
	Next year	12.00%	9.25%
	Second year onwards	10.25%	9.25%
	Valuation discount rate	10.25%	9.25%

24.1.6 Sensitivity analysis

A sensitivity analysis for the above principal actuarial assumptions as of the reporting date showing how the defined benefit obligation would have been affected by changes in the said assumptions is as follows:

	2021
	(PKR in '000')
Discount rate +1%	(211,579)
Discount rate -1%	246,451
Long term salary +1%	232,429
Long term salary -1%	(203,673)

24.1.7 Description of the risks to the Company

The defined benefit plan exposes the Company to the following risks:

Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service/age distribution and the benefit.

Final salary risks - The risk that the final salary at the time of cessation of service is different than what was assumed. Since the benefit is calculated on the final salary, the benefit amount changes similarly.

Withdrawal risks – The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service/age distribution and the benefit.

24.1.8 Expected charge to unfunded gratuity scheme for the year ending June 30, 2022 is PKR 479.352 million.

24.1.9 The weighted average duration of the defined benefit obligation is 9.74 years (2020: 9.98 years).

		Note	2021	2020
			(PKR in '000')	
24.2	**Deferred tax liability**			
	This comprises the following:			
	- Taxable temporary differences arising due			
	to accelerated tax depreciation allowance		7,090,871	5,605,449
	- Deductible temporary differences arising			
	in respect of provisions and minimum tax		(933,647)	(437,888)
			6,157,224	5,167,561
25.	**TRADE AND OTHER PAYABLES**			
	Creditors		2,882,434	2,599,290
	Accrued liabilities		4,235,009	3,383,846
	Payable to a subsidiary company against claim			
	of tax losses	25.1	613,992	33,582
	Advances from customers / contract liabilities	25.5	1,622,376	1,756,904
	Retention money		195,502	1,281,272
	Sales tax, excise duty and other government levies	25.2	9,365,588	8,892,577
	Workers' Profit Participation Fund (WPPF)	25.3	650,560	201,135
	Workers' Welfare Fund (WWF)	25.4	1,089,363	1,094,951
	Others		134,936	111,237
			20,789,760	19,354,794

25.1 The Company has claimed tax loss amounting to PKR 2,117.212 million (2020: PKR 115.8 million), surrendered by its subsidiary company Lucky Electric Power Company Limited (LEPCL), as allowed under section 59B of the Income Tax Ordinance, 2001. Tax impact of the loss aggregated to PKR 613.992 million (2020: PKR 33.582 million).

25.2 The Supreme Court of Pakistan (SCP) through its judgment dated August 13, 2020 ("GIDC Judgment") declared the Gas Infrastructure Development Cess Act, 2015 ("GIDC Act 2015") as valid and intra vires the Constitution of Pakistan 1973. It further allowed recovery of GIDC that has become due up to July 31, 2020, by the gas companies from their consumers in twenty-four equal monthly installments.

The Company has filed suits before the High Court of Sindh (SHC) on September 30, 2020 & July 8, 2021 challenging the recovery of GIDC on the grounds that factual determination of whether the burden of GIDC has been passed-on to end consumers or not needs to be carried out. The SHC has granted an interim injunction to the Company and has restrained the gas companies from recovering GIDC from the Company.

The Company has followed the relevant accounting standards and guidelines issued by the Institute of Chartered Accountants of Pakistan in this regard.

		Note	2021	2020
			(PKR in '000')	
25.3	The movement of WPPF payable is as follows:			
	Opening balance		201,135	647,779
	Allocation for the year and return thereon	34	900,607	202,778
			1,101,742	850,557
	Payments during the year		(451,182)	(649,422)
			650,560	201,135

25.4 On May 10, 2017, the Company received a show cause notice from the Sindh Revenue Board (SRB) demanding payment of Sindh Workers' Welfare Fund. The Company has challenged the said notice in High Court of Sindh dated May 29, 2017 on the ground that after the 18th Amendment, SRB and Federation of Pakistan, both can only collect Workers' Welfare Fund (WWF) from the Company after a law is enacted catering to WWF collection from trans-provincial organizations. The Federation of Pakistan and the Province of Sindh along with SRB have been made parties in the said matter.

The case was fixed for hearing on May 31, 2017, wherein the SHC has restrained SRB from taking any coercive action against the Company. The Company's legal counsel is of the view that the Company, being a trans-provincial organization, has a good chance of success.

During the year, on December 17, 2020, FBR issued a notice to the Company demanding payment of WWF amounting to PKR 86 million pertaining to tax year 2019. The Company has filed a petition before the Peshawar High Court challenging the said notice and maintaining the aforementioned stance.

25.5 The contract liabilities at the beginning of each year are recognised as revenue in the ordinary course of business.

26. SHORT TERM BORROWINGS

The Company has obtained Islamic Export Refinance Facility of PKR 7,050 million (June 30, 2020: PKR 6,050 million) from a number of banks. The facility is secured by way of hypothecation charge over plant and machinery, stock-in-trade and stores and spares. The export refinance facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 2%) plus spread upto a maximum of 1.00% per annum.

The Foreign Currency Import Finance (FCIF) Facility under Islamic mode outstanding on June 30, 2020 has been repaid during the year.

27. UNPAID DIVIDEND

This represented dividend withheld due to awaiting legal process.

28. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

28.1 The Company was entitled to sales tax exemption on cement produced by it from the date of commissioning to June 30, 2001 under SROs 580(1)/91 and 561(1)/94 dated June 27, 1991 and June 9, 1994 respectively. During the year ended June 1997, the Federal Government extended the sales tax exemption to all cement manufacturers of Pakistan and deprived the Company from the advantage of its sales tax exemption. Being aggrieved, the Company filed a writ petition with the Peshawar High Court in 2000. Subsequently, the sales tax exemption was restored on September 5, 2000. The writ petition was therefore withdrawn on legal advice and a suit was filed for compensation. The civil judge Peshawar granted ex-parte decree in favor of the Company for an amount of PKR 1,693.61 million along with 14% return per annum until the said amount is actually paid.

On August 3, 2011, the Company filed an execution petition for realisation of the decretal amount as per the decree granted by the civil court on November 20, 2009 which was challenged by the government. The Civil Judge, Peshawar, dismissed the suit of the Company on December 18, 2012. Dismissal of the suit by the lower court has been challenged by the Company in the High Court of Peshawar on March 9, 2013 in which relief is sought that the judgment of December 18, 2012 may be set aside. The case is currently pending before the Peshawar High Court.

28.2 The Competition Commission of Pakistan (CCP) passed a single order on August 27, 2009 against all the cement manufacturers of the country on the alleged ground of formation of cartel for marketing arrangement and imposed a penalty at the rate of 7.5% of total turnover of each company consisting of both local and export sales. The amount of penalty imposed on the Company is PKR 1,271.84 million. The Company challenged the constitutionality of the Competition Law before the Lahore High Court and also the show cause notice and subsequent order issued by the CCP. The Lahore High Court on October 26, 2020, however, dismissed the petitions of the cement manufacturers and declared the Competition Law to be intra vires. Nevertheless, the High Court struck down the constitution of the Competition Appellate Tribunal (CAT). The Company has filed an appeal before the Honorable Supreme Court of Pakistan to challenge the said decision. Meanwhile, the Government has also filed an appeal to challenge the judgment of the Lahore High Court.

The Company has also filed a petition before the High Court of Sindh in relation to the constitution mechanism of CAT, wherein the High Court of Sindh has granted a stay to the cement manufacturers.

Based on advice of the Company's legal advisor, the management is confident of a positive outcome in this regard.

28.3 Details of other matters are stated in notes 15.1, 15.2 and 16 to these unconsolidated financial statements.

		2021	2020
		(PKR in '000')	
	COMMITMENTS		
28.4	**Capital commitments**		
	Plant, machinery and equipment under letters of credit	14,952,741	816,405
28.5	**Other commitments**		
	Stores, spares, packing material and other supplies / services under letters of credit	1,649,345	1,636,056
	Bank guarantees issued by the Company on behalf of the subsidiary companies	19,114,000	19,114,000
	Bank guarantees issued on behalf of the Company	2,231,982	2,589,829
	Post-dated cheques	825,010	883,551
	Commitment on behalf of a subsidiary company in respect of cost over-run and PSRA support	21,689,041	23,135,522
29.	**GROSS SALES**		
	Local	74,503,468	49,962,174
	Export	13,854,227	12,339,912
		88,357,695	62,302,086

29.1 All revenue earned by the Company is shariah compliant.

		Note	2021	2020
			(PKR in '000')	
30.	**COST OF SALES**			
	Salaries, wages and benefits		2,496,697	2,364,172
	Raw material consumed		2,643,590	1,589,409
	Packing material consumed	30.1	4,759,397	3,629,535
	Fuel and power		26,641,768	20,932,372
	Stores and spares consumed		2,366,054	1,461,493
	Repairs and maintenance		585,356	413,858
	Depreciation	5.2	3,802,281	3,431,969
	Amortization	6.2	5,552	2,997
	Insurance		92,571	82,367
	Earth moving machinery		305,549	270,170
	Vehicle running and maintenance		51,686	50,327
	Communication		13,069	11,789
	Mess subsidy		7,266	6,966
	Transportation		13,021	6,213
	Travelling and conveyance		2,761	3,472
	Rent, rates and taxes		25,794	28,410
	Printing and stationery		2,548	2,146
	Other manufacturing expenses		134,024	111,236
			43,948,984	34,398,901
	Work-in-process:			
	Opening		1,882,802	2,750,407
	Closing		(1,887,232)	(1,882,802)
			(4,430)	867,605
	Cost of goods manufactured		43,944,554	35,266,506
	Finished goods:			
	Opening		407,414	934,939
	Closing		(367,095)	(407,414)
			40,319	527,525
			43,984,873	35,794,031

30.1 These are net of duty draw back on export sales amounting to PKR 33.516 million (2020: PKR 31.77 million).

	Note	2021	2020
		(PKR in '000')	

31. DISTRIBUTION COST

	Note	2021	2020
Salaries and benefits		324,676	294,426
Logistics and other distribution related charges		2,539,419	2,370,504
Loading and others		1,535,505	672,604
Communication		6,523	6,427
Travelling and conveyance		4,595	9,678
Printing and stationery		1,337	1,013
Insurance		41,509	35,246
Rent, rates and taxes		41,979	46,864
Utilities		5,238	4,421
Vehicle running and maintenance		20,344	17,543
Repairs and maintenance		32,446	18,599
Fees, subscription and periodicals		2,697	1,920
Advertisement and sales promotion		45,911	13,627
Entertainment		9,311	7,101
Security services		5,285	5,611
Depreciation	5.2	214,821	186,253
Amortization	6.2	1,093	538
Provision for doubtful debt	12.2	19,579	2,180
Others		6,828	4,599
		4,859,096	3,699,154

32. ADMINISTRATIVE EXPENSES

	Note	2021	2020
Salaries and benefits		613,592	576,364
Communication		9,246	8,133
Travelling and conveyance		25,730	28,785
Insurance		26,912	17,446
Rent, rates and taxes		23,794	22,126
Vehicle running and maintenance		28,431	24,711
Aircraft running and maintenance		40,991	43,688
Printing and stationery		9,252	7,472
Fees and subscription		35,464	32,690
Security services		9,098	9,036
Legal and professional fee		57,017	50,319
Utilities		17,124	10,707
Repairs and maintenance		136,186	131,847
Advertisement		882	4,755
Auditor's remuneration	32.1	4,378	6,690
Depreciation	5.2	169,189	165,341
Amortization	6.2	4,008	7,334
Training cost		9,454	16,023
Bank charges		18,072	14,840
Others		18,254	11,331
		1,257,074	1,189,638

		Note	2021	2020
			(PKR in '000')	
32.1	**Auditor's remuneration**			
	Statutory audit fee - standalone		1,985	1,985
	Statutory audit fee - consolidation		469	468
	Half yearly review fee		469	468
	Fee for the review of compliance with the Code of Corporate Governance		110	110
	Others	32.1.1	570	2,565
			3,603	5,596
	Out of pocket expenses and government levies		775	1,094
			4,378	6,690

32.1.1 This pertains to fee for services rendered in relation to taxation and compliance related matters.

		Note	2021	2020
			(PKR in '000')	
33.	**FINANCE COSTS**			
	Mark-up on :			
	Short-term finances		299,636	176,186
	Long-term finances		33,269	192
			332,905	176,378
34.	**OTHER EXPENSES**			
	Workers' Profit Participation Fund	25.3	900,607	202,778
	Workers' Welfare Fund		118,380	–
	Donations and scholarships	34.1 & 34.2	342,018	174,748
			1,361,005	377,526

34.1 These include donations amounting to PKR 200 million (2020: PKR 80 million) to Aziz Tabba Foundation (ATF). Mr. Muhammad Younus Tabba, Chairman of the Board of Directors of the Company, is the Chairman of ATF and Mr. Muhammad Ali Tabba, the Chief Executive of the Company, is the Vice Chairman of ATF. Further, Mr. Muhammad Sohail Tabba, Mr. Muhammad Jawed Tabba and Mrs. Mariam Tabba Khan, the Directors of the Company, are also Trustees of ATF.

The names of donees to whom donation amount exceeds 10% of total donations is ATF.

34.2 Include charitable donations made to purify Shariah non-compliant element of the Company's income in accordance with the requirements of the Shariah Governance Regulations, 2018.

	2021	2020
	(PKR in '000')	
Balance as of July 1, 2020 / 2019	–	–
Charity due	14,347	9,759
Less: Charity paid	14,347	9,759
Balance at end of the year	–	–

	Note	2021	2020
		(PKR in '000')	

35. OTHER INCOME

	Note	2021	2020
Income from non-financial assets			
Gain on disposal of property, plant and equipment		80,186	46,319
Gain from sale of electricity		212,556	179,743
Exchange loss - net	35.1	(146,668)	(104,533)
Sale of scrap and others		250,152	41,457
		396,226	162,986
Income from financial assets			
Dividend from subsidiaries	35.2	4,345,673	1,162,684
Dividend from associate	35.2	61,137	122,273
Dividend from a mutual fund		613,816	200,861
Income from deposits with Islamic banks	35.3	429,509	1,537,055
		5,450,135	3,022,873
		5,846,361	3,185,859

35.1 Represents exchange loss - net arising on revaluation of foreign currency financial assets and liabilities and on transactions in foreign currencies. The realised amount of exchange loss aggregates to PKR 139.835 million.

35.2 Dividend income earned from the subsidiaries and associate has been purified by making charitable donations as more fully explained in note 34.2 to these unconsolidated financial statements.

35.3 Represents profit earned from shariah compliant bank deposits and bank balances.

36. TAXATION

36.1 Relationship between income tax expense and accounting profit:

	2021	2020
	(PKR in '000')	
Profit before taxation	16,992,213	3,819,928
Tax at the applicable tax rate of 29%	4,927,742	1,107,779
Tax effect under lower rate of tax	(664,526)	(195,918)
Tax effect of exempt income	(1,260,245)	(337,178)
Others	(80,947)	(98,688)
	2,922,024	475,995
Effective tax rate	17%	12%

37. BASIC AND DILUTED EARNINGS PER SHARE

	2021	2020
Profit after taxation (PKR in thousands)	14,070,189	3,343,933
Weighted average number of ordinary shares (in thousands)	323,375	323,375
Basic and diluted earnings per share (PKR)	43.51	10.34

		Note	2021	2020
			(PKR in '000')	
38.	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation		16,992,213	3,819,928
	Adjustments for non cash charges and other items			
	Depreciation	5.2	4,298,760	3,843,568
	Amortization of intangible assets	6.2	10,653	10,869
	Provision for slow moving spares		248,343	–
	Provision for doubtful debts	12.2	19,579	2,180
	Gain on disposal of property, plant and equipment	35	(80,186)	(46,319)
	Income from deposits with Islamic banks	35	(429,509)	(1,537,055)
	Dividend income from subsidiaries	35	(4,345,673)	(1,162,684)
	Dividend income from associate	35	(61,137)	(122,273)
	Dividend income from mutual fund	35	(613,816)	(200,861)
	Provision for staff gratuity	24	388,704	472,636
	Finance cost	33	332,905	176,378
	Profit before working capital changes		16,760,836	5,256,367
	Increase in current assets			
	Stores and spares		(4,254,746)	289,554
	Stock-in-trade		(189,485)	1,337,468
	Trade debts		693,107	(1,366,228)
	Loans and advances		(554,021)	295,559
	Trade deposits and short-term prepayments		(4,234)	(6,946)
	Other receivables		(20,339)	(1,539,393)
			(4,329,718)	(989,986)
	Increase / (decrease) in current liabilities			
	Trade and other payables		854,556	(124,604)
			13,285,674	4,141,776
38.1	**CASH FLOWS FROM OPERATING ACTIVITIES**			
	(Direct method)			
	Collections from customers		88,916,274	60,152,412
	Receipts of other income		750,473	180,626
	Payments to suppliers and service providers		(48,183,696)	(41,061,909)
	Payments to employees		(3,590,228)	(3,139,897)
	Payments relating to income taxes		(832,798)	(603,777)
	Payments relating to post retirement benefits - net		(100,969)	(109,054)
	Payment of mark-up		(308,210)	(140,543)
	Payments relating to indirect taxes		(24,158,215)	(10,323,917)
	Net cash generated from operating activities		12,492,631	4,953,941
38.2	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances	18	2,825,424	7,816,606
	Short term investments	17	16,187,615	2,953,476
	Placements / balances held as lien		(322,000)	(1,950,000)
	Short term borrowings	26	(7,050,000)	(7,931,444)
			11,641,039	888,638

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Executives		Total	
	2021	2020	2021	2020	2021	2020
	(PKR in '000')					
Managerial remuneration	60,000	60,000	1,241,418	1,099,284	1,301,418	1,159,284
Charge for defined benefit obligation	5,000	5,000	218,904	88,977	223,904	93,977
	65,000	65,000	1,460,322	1,188,261	1,525,322	1,253,261
Number of persons	1	1	380	332	381	333

39.1 In addition to the above, the Chief Executive, Directors and some Executives are provided with Company maintained cars and other benefits as per the Company policy.

39.2 No remuneration has been paid to directors during the year except as disclosed in note 39.3 below.

39.3 An amount of PKR 1.688 million was paid to 7 non executive directors and PKR 0.219 million was paid to 1 executive director during the current year as the fee for attending board meetings (2020: PKR 1.625 million was paid to 7 non executive directors and PKR 0.156 million was paid to 1 executive director).

40. RELATED PARTIES

40.1 Following are the related parties with whom the Company had entered into transactions during the year:

40.1.1

S No.	Name of Related Party	Relationship	Direct Shareholding % in the Company
1	ICI Pakistan Limited	Subsidiary	Nil
2	Lucky Electric Power Company Limited	Subsidiary	Nil
3	Lucky Holdings Limited	Subsidiary	Nil
4	Lucky Motor Corporation Limited (Formerly Kia Lucky Motors Limited)	Subsidiary	Nil
5	Lucky Energy (Private) Limited	Associated Company	3.5509%
6	Yunus Textile Mills Limited	Associated Company	6.9068%
7	Lucky Textile Mills Limited	Associated Company	Nil
8	Gadoon Textile Mills Limited	Associated Company	Nil
9	Lucky Paragon ReadyMix Limited	Associated Company	Nil
10	Lucky One (Private) Limited	Associated Company	Nil
11	Lucky Knits (Private) Limited	Associated Company	Nil
12	Lucky Foods (Private) Limited	Associated Company	Nil
13	Lucky Commodities (Private) Limited	Associated Company	Nil
14	Aziz Tabba Foundation	Associated Company	Nil
15	Lucky Air (Private) Limited	Associated Company	Nil
16	Energas Terminal (Private) Limited	Associated Company	Nil
17	Tabba Heart Institute	Associated Company	Nil
18	YB Holdings (Private) Limited	Associated Company	Nil
19	Lucky Landmark (Private) Limited	Associated Company	Nil
20	Yunus Energy Limited	Associated Company	Nil
21	Kenzo Holdings Limited	Associated Company	7.0516%
22	Mr. Muhammad Yunus Tabba	Director	3.4513%
23	Mrs. Khairunnisa Aziz	Spouse of director	2.4932%
24	Mr. Muhammad Ali Tabba	Director	2.6865%
25	Mrs. Feroza Tabba	Spouse of director	0.1995%
26	Mr. Muhammad Sohail Tabba	Director	4.0675%
27	Mrs. Saima Sohail	Spouse of director	1.8771%
28	Mr. Jawed Yunus Tabba	Director	5.9446%
29	Mrs. Mariam Tabba Khan	Director	1.4430%

40.1.1 S No.	Name of Related Party	Relationship	Direct Shareholding % in the Company
30	Mr. Ikram Hussain Khan	Spouse of director	0.0015%
31	Mr. Manzoor Ahmed	Director	Nil
32	Mr. Masood Karim Shaikh	Director	Nil
33	Mr. Syed Noman Hasan	Key management personnel	0.0003%
34	Mr. Muhammad Atif Kaludi	Key management personnel	Nil
35	Mr. Amin Ganny	Key management personnel	0.0014%
36	Mr. Faisal Mahmood	Key management personnel	Nil
37	Mr. Ahmed Waseem Khan	Key management personnel	Nil
38	Mr. Muhammad Shabbir	Key management personnel	Nil
39	Mr. Mashkoor Ahmed	Key management personnel	Nil
40	Mr. Kalim Ahmed Mobin	Key management personnel	Nil
41	Mr. Murtaza Abbas	Key management personnel	0.0003%
42	Mr. Adnan Ahmed	Key management personnel	Nil
43	Mr. Zahir Shah	Key management personnel	Nil
44	Mr. Waqas Abrar Khan	Key management personnel	Nil
45	Mr. Muhammad Safdar Ashraf Malik	Key management personnel	Nil

40.2 BALANCES AND 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. Balances with related parties are disclosed in respective notes. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these unconsolidated financial statements, are as follows:

	2021	2020
	(PKR in '000')	
Transactions with Subsidiary Companies		
Reimbursement of expenses to the Company	89	35,028
Investments made during the year	6,050,000	9,044,601
Purchase of vehicles	71,153	230,419
Claim of tax losses on account of group tax adjustment	615,169	33,582
Other purchases	13,137	12,639
Sales	50,153	22,160
Services	983	384
Bank guarantee released	–	2,155,878
Dividend received	4,345,673	1,162,684
Transactions with Directors and their close family members		
Dividends paid	–	465,883
Meeting fee	1,906	1,781
Sales	366	–

	2021	2020
	(PKR in '000')	
Transactions with Associated Undertakings		
Sales	372,387	899,854
Purchases	–	4,439,114
Reimbursement of expenses to the Company	32,025	23,071
Reimbursement of expenses from the Company	115	2,983
Donation and charity	200,000	80,000
Services	31,335	23,859
Sale of fixed assets	–	4,545
Dividends paid	10,341	463,451
Dividend received from an associate company	61,137	122,273
Transactions with other key management personnel		
Salaries and benefits	280,321	245,794
Dividends paid	–	53
Post employment benefits	44,749	21,798

	2021	2020
	Metric Tons	
41. PRODUCTION CAPACITY		
Production Capacity - (Cement)	12,150,000	12,150,000
Production Capacity - (Clinker)	11,542,500	11,542,500
Actual Production Cement	9,119,486	6,492,074
Actual Production Clinker	9,044,055	6,795,210

41.1 Cement and clinker production capacities utilization is 75.06% and 78.35% respectively of the total installed capacities due to planned maintenance shutdowns. The actual production was maintained at sufficient level to meet the market demand.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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. The Company's financial risk-taking activities are governed by appropriate policies and procedures and financial risks are identified, measured and managed in accordance with the Company's policies and risk appetite. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2021. The policies for managing each of these risk are summarized below:

42.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: return rate risk, currency risk and other price risk.

42.1.1 Return rate risk

Return rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market return rates. As of the reporting date the Company is not materially exposed to significant return rate risk.

42.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates and arises where transactions are conducted in foreign currency. Approximately 15.68% (2020: 19.8%) of the Company's sales are denominated in currencies other than Pakistan Rupee.

As at June 30, 2021, if Pakistan Rupee appreciated / depreciated by 1% against US Dollar and British Pound, with all other variables held constant, the Company's profit before tax would have been PKR 4.732 million (2020: PKR 2.311 million) higher / lower as a result of exchange gain / loss on translation of foreign currency denominated financial instruments.

42.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. As at the reporting date, the Company is not exposed to significant other price risk.

42.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted. The Company manages credit risk by limiting significant exposure to any individual customer, by obtaining advance against sales and does not have significant exposure to any individual customer. As of the reporting date, the Company is exposed to credit risk on the following assets:

Particulars	Note	2021	2020
		(PKR in '000')	
At amortized cost			
Long-term deposits	9	7,937	3,175
Trade debts	12	2,710,081	3,422,767
Loans	8 & 13	127,133	116,899
Trade deposits	14	13,612	20,553
Accrued return		22,309	47,572
Other receivables	15	3,627,620	3,604,681
Bank balances	18	2,806,562	7,809,771
		9,315,254	15,025,418
At fair value through profit or loss			
Short term investments - units of mutual funds	17	16,187,615	2,953,476
At fair value through other comprehensive income			
Short term investments - 1,769,940 shares of PSX (2020: 1,769,940 shares of PSX)	17	39,488	17,523

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings agencies or the historical information about counter party default rates as shown below:

	2021	2020
	(PKR in '000')	
Trade debts		
Neither past due nor impaired	2,420,077	2,910,284
Past due but not impaired	290,004	512,483
Total	2,710,081	3,422,767
Bank balances		
A1+	2,806,443	5,592,816
A1	119	2,216,955
	2,806,562	7,809,771

Other receivables include PKR 3,604.017 million (2020: PKR 3,531.365 million) due from HESCO, a government organisation. Accordingly, financial assets other than amount due from HESCO, trade debts and bank balances are not exposed to any material credit risk.

42.3 Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. Management closely monitors the Company's liquidity and cash flow position. This includes monitoring of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers. As of the reporting date, the Company has unavailed credit facilities aggregating PKR 26,047 million (2020: PKR 17,859 million) out of the total facilities of PKR 75,080 million (2020: PKR 51,014 million), which are secured by hypothecation on certain assets of the Company. These facilities include financing arranged for expected capital expenditure in respect of the Company's plan to increase its production capacity.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Within one year	1 to 10 years	Total
		(PKR in '000')	
June 30, 2021			
Long-term deposits	–	243,633	243,633
Trade and other payables	8,061,873	–	8,061,873
Long-term loans	506,908	4,378,761	4,885,669
Short term borrowings	7,050,000	–	7,050,000
Accrued markup	70,868	–	70,868
Unclaimed dividend	53,458	–	53,458
Unpaid dividend	–	–	–
	15,743,107	4,622,394	20,365,501
June 30, 2020			
Long-term deposits	–	233,062	233,062
Trade and other payables	7,409,227	–	7,409,227
Long-term loans	126,727	384,311	511,038
Short term borrowings	7,931,444	–	7,931,444
Accrued markup	46,173	–	46,173
Unclaimed dividend	55,767	–	55,767
Unpaid dividend	17,580	–	17,580
	15,586,918	617,373	16,204,291

Fair values of financial instruments

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment in subsidiary companies and associates are carried at cost. The carrying values of all other financial assets and liabilities reflected in these unconsolidated financial statements approximate their fair values.

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).

	Level 1	Level 2	Level 3	Total
		(PKR in '000')		
Assets				
Financial assets at fair value through				
Profit or loss -				
Short-term investments - unit of mutual funds	–	16,187,615	–	16,187,615
Financial assets at fair value through				
other comprehensive income -				
Short-term investments - shares of PSX	39,488	–	–	39,488

There were no transfers amongst levels during the year.

43. CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to maintain capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the year ended June 30, 2021.

44. NUMBER OF EMPLOYEES

The total number of persons employed as on the reporting date and the average number of employees during the year are as follows:

	2021	2020
	(PKR in '000')	
Number of employees as at June 30	2,541	2,529
Average number of employees during the year	2,535	2,523

45 SUBSEQUENT EVENT

45.1 The Board of Directors in its meeting held on August 7, 2021 approved the transfer of PKR 14,016.397 million (2020: PKR 3,508.483 million) from un-appropriated profit to general reserve. These unconsolidated financial statements do not reflect this appropriation.

46. GENERAL

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

46.2 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.

47. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on August 7, 2021 by the Board of Directors of the Company.

Muhammad Yunus Tabba	**Muhammad Ali Tabba**	**Atif Kaludi**
Chairman / Director	Chief Executive	Chief Financial Officer

FINANCIAL STATEMENTS

For the year ended June 30, 2021

CONSOLIDATED

A·F·FERGUSON&CO.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUCKY CEMENT LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Lucky Cement Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2021, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

S. No.	Key Audit Matters	How the matter was addressed in our audit
(i)	**Revenue recognition** (refer notes 5.19 and 30 to the annexed consolidated financial statements) Revenue from sale of goods is recognised when performance obligation is satisfied by transferring control of promised goods to the customers. We considered revenue recognition relating to cement and automobile segments as a key audit matter due to revenue being one of the key performance indicators of the Group and due to the reason that revenue for the year relating to these segments increased significantly as compared to the last year. In addition, revenue relating to both these segments was considered as an area of significant audit risk as part of the audit process.	Our audit procedures, amongst others, included the following: • Assessed the design, implementation and operating effectiveness of the key internal controls involved in revenue recognition. • Understood and evaluated the accounting policy with respect to revenue recognition. • Performed testing of revenue transactions on a sample basis with underlying documentation including dispatch documents and sales invoices. • Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue was recognised in the correct period. • Performed audit procedures to analyze variation in the price and quantity sold during the year. Assessed the adequacy of disclosures made in the financial statements related to revenue.

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KARACHI LAHORE ISLAMABAD

S. No.	Key Audit Matters	How the matter was addressed in our audit
(ii)	**Stock in trade and stores and spares** (refer notes 3.4, 12 and 13 to the annexed consolidated financial statements) Stock-in-trade in the Group's cement segment includes: • raw materials like limestone, clay and gypsum; and • work-in-progress mainly comprising clinker. Further, stores and spares include coal. The above inventory items are stored in purpose-built sheds, stockpiles and silos. As the weighing of these inventory items is not practicable, the management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements into unit of volumes by using angle of repose and bulk density values. The Group also involves an external surveyor in the inventory count process. Due to the significance of the related stock-in-trade and stores, spares and consumables balances and the estimates involved, this is considered as a key audit matter.	The Group performs annual inventory counts at year end and issues prior notification of procedures to be performed for such inventory counts. Our audit procedures to assess the existence of inventory included the following: • Attended physical inventory counts performed by the Group. • Assessed the reasonableness of the management's process of measurement of stockpiles and the determination of volumes using angle of repose and bulk density values. • Obtained and reviewed the inventory count report of the management's external surveyor.
(iii)	**Impairment of NutriCo Morinaga (a Cash Generating Unit)** (refer notes 3.10 and 30.8 to the annexed consolidated financial statements) The total assets of NutriCo Morinaga (Private) Limited, a separate Cash Generating Unit (CGU) for the Group, amounted to Rs 8,137.016 million as at June 30, 2021. The CGU was subject to impairment test due to operating loss incurred during the current and prior year. As the impairment test was undertaken based on value in use approach under International Accounting Standard 36 'Impairment of assets', and involved significant judgements, assumptions and estimates in determination of recoverable amount by estimating future cashflows in relation to the CGU, we have considered the same as a key audit matter.	We issued instructions to the component auditor in which implications of impairment was specifically identified as an area for their consideration. We, as group auditor, evaluated the procedures performed by the component auditor in respect of impairment testing of the CGU. The procedures, amongst others included the following: • Obtained an understanding of the management's process for determination of recoverable amount / value in use (VIU) of the CGU. • Assessed the reasonableness of commercial and other assumptions used in the determination of VIU such as the expected cashflows, inflation rates, sales price increase, sales volume growth, discount rates etc. • Consulted with internal specialists to assess the appropriateness of technical assumptions used in the VIU computation. • Checked the accuracy of VIU computations based on the financial model prepared by the management. Assessed the adequacy and appropriateness of the disclosures in the annexed consolidated financial statements as required under the applicable financial reporting framework.

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the unconsolidated and consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

A. F. Ferguson & Co
Chartered Accountants

Karachi

Date: September 04, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at June 30, 2021

	Note	2021	2020
		(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	6	215,725,120	190,881,880
Intangible assets	7	7,024,057	7,341,737
Right-of-use assets	8	234,202	318,279
		222,983,379	198,541,896
Long-term investments	9	26,958,382	23,970,762
Long-term loans and advances	10	737,417	617,130
Long-term deposits and prepayments	11	53,297	46,672
		250,732,475	223,176,460
CURRENT ASSETS			
Stores, spares and consumables	12	12,406,105	8,072,831
Stock-in-trade	13	36,258,277	21,292,185
Trade debts	14	5,645,184	5,834,590
Loans and advances	15	2,189,186	1,636,587
Trade deposits and short-term prepayments	16	921,196	1,000,279
Other receivables	17	12,282,222	9,202,663
Tax refund due from the Government	18	538,812	538,812
Taxation receivable		736,597	2,335,223
Accrued return		23,440	94,208
Short term investments	19	26,286,983	2,970,999
Cash and bank balances	20	13,377,143	15,731,810
		110,665,145	68,710,187
TOTAL ASSETS		361,397,620	291,886,647
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	21	3,233,750	3,233,750
Reserves	22	132,389,387	110,543,591
Attributable to the owners of the Holding Company		135,623,137	113,777,341
Non-controlling interest		21,403,155	17,709,710
Total equity		157,026,292	131,487,051
NON-CURRENT LIABILITIES			
Long-term finance	23	93,558,287	82,464,420
Long-term deposits and other liabilities	24	5,422,053	5,689,629
Lease liabilities	8	171,533	253,591
Deferred income - Government grant	26	1,948,977	59,720
Deferred liabilities			
- Staff Gratuity - unfunded		2,520,556	2,104,551
- Deferred tax liability		9,902,174	9,028,979
	25	12,422,730	11,133,530
		113,523,580	99,600,890
CURRENT LIABILITIES			
Current portion of long-term finance	23	5,309,741	2,637,451
Trade and other payables	27	70,917,677	42,536,979
Provision for taxation		2,275,047	1,792,626
Accrued return		248,689	848,931
Short-term borrowings and running finance	28	11,949,034	12,830,116
Current portion of lease liabilities	8	94,102	79,256
Unclaimed dividend		53,458	55,767
Unpaid dividend	21.2	–	17,580
		90,847,748	60,798,706
		204,371,328	160,399,596
CONTINGENCIES AND COMMITMENTS	29		
TOTAL EQUITY AND LIABILITIES		361,397,620	291,886,647

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Yunus Tabba	**Muhammad Ali Tabba**	**Atif Kaludi**
Chairman / Director	Chief Executive	Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended June 30, 2021

	Note	2021	2020
		(PKR in '000')	
Revenue	31.1	267,725,109	162,868,206
Less: Sales tax and excise duty		50,261,392	32,210,557
Rebates and commission		10,304,844	6,890,060
		60,566,236	39,100,617
		207,158,873	123,767,589
Cost of sales	31.2	(159,613,718)	(104,810,654)
Gross profit		47,545,155	18,956,935
Distribution cost	33	(10,021,626)	(7,648,737)
Administrative expenses	34	(5,509,068)	(4,221,555)
Finance cost	35	(1,463,781)	(2,367,101)
Other expenses	36	(4,915,446)	(1,203,342)
Other income	37	2,927,644	2,376,253
		28,562,878	5,892,453
Share of profit - joint ventures and associates	9.7	4,438,860	3,038,446
Profit before taxation		33,001,738	8,930,899
Taxation			
- current		(3,865,870)	(2,113,459)
- deferred		(906,944)	499,767
	38	(4,772,814)	(1,613,692)
Profit after taxation		28,228,924	7,317,207
Attributable to:			
Owners of the Holding Company		22,857,948	6,132,025
Non-controlling interest		5,370,976	1,185,182
		28,228,924	7,317,207
		(PKR)	
Earnings per share - basic and diluted	39	70.69	18.96

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2021

	2021	2020
	(PKR in '000')	
Profit after taxation	28,228,924	7,317,207
Other comprehensive (loss) / income:		
Other comprehensive (loss) / income which will not be reclassified to profit or loss in subsequent periods:		
Foreign exchange differences on translation of foreign operations	(932,869)	688,874
(Loss) / gain on remeasurements of post retirement benefit obligations	(128,064)	176,209
Deferred tax thereon	38,027	(55,239)
Unrealised gain / (loss) on remeasurement of equity instrument at fair	(90,037)	120,970
value through other comprehensive income	21,965	(5,487)
Deferred tax thereon	(3,546)	823
	18,419	(4,664)
	(1,004,487)	805,180
Total comprehensive income for the period	27,224,437	8,122,387
Attributable to:		
Owners of the Holding Company	21,858,828	6,957,787
Non-controlling interest	5,365,609	1,164,600
	27,224,437	8,122,387

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended June 30, 2021

	Note	2021	2020
		(PKR in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	42,905,846	14,744,514
Finance cost paid		(7,101,547)	(7,825,100)
Income tax paid		(1,784,823)	(1,671,382)
Income from deposits with Islamic banks and other financial institutions		1,600,976	1,769,592
Staff retirement benefits paid		(228,380)	(220,187)
Long term deposits - net		65,777	–
Increase in long-term loans and advances		(120,287)	(65,776)
Increase in long-term deposits and prepayments		(6,625)	147,200
Net cash generated from operating activities		35,330,937	6,878,861
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(28,345,961)	(55,448,544)
Effect of merger of LAI	43	(18,319)	–
Investment in joint venture		–	(2,355,988)
Dividends from associates		741,137	922,273
Dividends received on short term investments		613,815	200,861
Bank balance held as lien		1,628,000	5,935,560
Sale proceeds on disposal of property, plant and equipment		187,209	123,283
Net cash used in investing activities		(25,194,119)	(50,622,555)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance - net		15,322,061	50,236,230
Dividend paid to owners of the Holding Company		(19,889)	(2,173,663)
Dividend paid to Non-controlling interest		(2,261,877)	(776,008)
Payment against finance lease liability		(100,913)	(84,017)
Issuance of shares to Non-controlling interest		595,000	1,135,565
Net cash generated from financing activities		13,534,382	48,338,107
Net increase in cash and cash equivalents		23,671,200	4,594,413
Cash and cash equivalents at the beginning of the year		3,905,170	(743,735)
Effect of foreign currency translation on cash and cash equivalents		(222,766)	54,492
Cash and cash equivalents at the end of the year	40.1	27,353,604	3,905,170

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Yunus Tabba	Muhammad Ali Tabba	Atif Kaludi
Chairman / Director	Chief Executive	Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2021

	Attributable to the owners of the Holding Company							
	Issued, subscribed and paid up capital	Capital reserves		Revenue reserves		Total reserves	Non – controlling interest	Total equity
		Share premium	Foreign currency translation reserve	General reserves	Unappropriated profit			
	(PKR in '000')							
Balance as at 1st July 2019	3,233,750	7,343,422	3,936,146	73,202,650	21,305,260	105,787,478	16,249,228	125,270,456
Transfer to general reserves	–	–	–	8,436,657	(8,436,657)	–	–	–
Transactions with owners								
Final dividend at the rate of PKR 6.5 per share for the year ended June 30, 2019	–	–	–	–	(2,101,938)	(2,101,938)	–	(2,101,938)
Dividends paid to non-controlling interests of ICI	–	–	–	–	–	–	(645,329)	(645,329)
Dividends paid to non-controlling interests of LHL	–	–	–	–	–	–	(125,483)	(125,483)
Increase in ownership interest in ICI	–	–	–	–	(97,419)	(97,419)	(68,871)	(166,290)
Shares issued to NCI of ICI	–	–	–	–	–	–	245,000	245,000
Share of non-controlling interests of LMC	–	–	–	–	–	–	890,565	890,565
Total comprehensive income								
Profit after taxation	–	–	–	–	6,129,708	6,129,708	1,185,182	7,314,890
Other comprehensive income	–	–	688,874	–	136,888	825,762	(20,582)	805,180
Total comprehensive income for the year	–	–	688,874	–	6,266,596	6,955,470	1,164,600	8,120,070
Balance as at June 30, 2020	3,233,750	7,343,422	4,625,020	81,639,307	16,935,842	110,543,591	17,709,710	131,487,051
Transfer to general reserves	–	–	–	3,508,483	(3,508,483)	–	–	–
Transactions with owners								
Dividends paid to non-controlling interests of ICI	–	–	–	–	–	–	(1,039,016)	(1,039,016)
Dividends paid to non-controlling interests of LHL	–	–	–	–	–	–	(74,646)	(74,646)
Dividends paid to non-controlling interests of LMC	–	–	–	–	–	–	(1,148,215)	(1,148,215)
Shares issued to NCI of ICI	–	–	–	–	–	–	490,000	490,000
Shares issued to NCI of LMC	–	–	–	–	–	–	105,000	105,000
Effect of merger of Lucky Auto Industries in LMC - note 43	–	–	–	–	(13,032)	(13,032)	(5,287)	(18,319)
Total comprehensive income								
Profit after taxation	–	–	–	–	22,857,948	22,857,948	5,370,976	28,228,924
Other comprehensive income	–	–	(932,869)	–	(66,251)	(999,120)	(5,367)	(1,004,487)
Total comprehensive income for the year	–	–	(932,869)	–	22,791,697	21,858,828	5,365,609	27,224,437
Balance as at June 30, 2021	3,233,750	7,343,422	3,692,151	85,147,790	36,206,024	132,389,387	21,403,155	157,026,292

The annexed notes from 1 to 51 form an integral part of these consolidated financial statements.

Muhammad Yunus Tabba
Chairman / Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

1. THE GROUP AND ITS OPERATIONS

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

1.1 Lucky Cement Limited

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

1.2 LCL Investment Holdings Limited

The Holding Company has made an investment in LCL Investment Holdings Limited (LCLIHL), incorporated and domiciled in Mauritius.

LCLIHL has entered into a joint venture agreement, i.e. Lucky Al Shumookh Holdings Limited (LASHL) with Al Shumookh Group. LASHL is a company with limited liability registered in Jebel Ali Free Zone, United Arab Emirates. LCLIHL holds 50 percent ownership interest in LASHL.

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

LCLIHL held 50% shares in Al Shumookh Lucky Investments Limited (ASIL) as at June 30, 2021, which is incorporated in Jebel Ali, Free Zone, Dubai. The principal activity of ASIL is investment in its wholly owned subsidiary Najmat Al-Samawa Company for Cement Industry (a company incorporated in Samawah, Republic of Iraq).

The Holding Company held 100% shares of LCLIHL as at June 30, 2021 (2020: 100% holding).

1.3 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 Rooms No 5, 6 and 7, Third Floor, Syed Towers,University Road,Opp: Custom House, Peshawar, 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 June 30, 2021 (2020: 75% holding).

1.4 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). Its registered office is situated at 6-A, Muhammad Ali Society, A. Aziz Hashim Tabba Street, Karachi. LEPCL is a wholly owned subsidiary of the Holding Company.

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

The cost of the Project is estimated at USD 845 million which is financed through a combination of debt and equity. LEPCL has arranged foreign debt financing of USD 210 million and local debt financing of PKR 56 billion initially, out of which LEPCL has availed USD 185.975 million and PKR 52.205 billion (approximately USD 340.692 million) upto June 30, 2021. Due to adverse change in exchange rate parity since financial close of the project, LEPCL has also procured additional local currency funding arrangement of PKR 7.876 billlion out of which PKR 3.450 billion (approximately USD 21.753 million) has been availed as of June 30, 2021.

The Commercial Operation Date (COD) as mentioned in the Power Purchase Agreement (PPA) signed between LEPCL and the Central Power Purchasing Agency (Guarantee) Limited (CPPA) was March 1, 2021. However, the said date was subject to extension as per the provisions of PPA as a result of occurrence of Force Majeure Event (FME) as described below.

LEPCL's Engineering, Procurement and Construction (EPC) contractor had notified the cessation of FME vide its letter dated September 3, 2020 as a result of removal of certain restrictions by Government of Pakistan. Earlier on February 6, 2020 LEPCL received a notice of occurrence of FME from its contractor. LEPCL, in compliance with the provisions of the PPA, had notified the receipt of the aforesaid notices (both occurrence and cessation of FME) to the CPPA and Private Power Infrastructure Board (PPIB).

CPPA has also notified cessation of FME vide their letter dated October 16, 2020 which was earlier notified vide their letter dated March 27, 2020 on account of delay in inter-connection works. In FME cessation letter CPPA has intimated that interconnection related activities have recommenced from October 1, 2020 while the period till September 30, 2020 shall be treated as excused. LEPCL in consultation with legal advisor, has not accepted the CPPA's FME claim because delay in inter-connection works comes under the ambit of concurrent delay as per PPA. In respect of this, LEPCL has also initiated dispute resolution proceedings under section 18.2 of the Power Purchase Agreement. LEPCL contends that such delay in inter-connection works was already likely regardless of COVID-19 outbreak owing to National Transmission and Despatch Company's (NTDC) inability to resolve right of way issues with different entities.

LEPCL is taking all possible measures to mitigate the impacts of COVID-19 on the development of the Project. However, due to delay in the availability of inter-connection facility, the COD is being targetted in fourth quarter of calender year 2021. LEPCL is following up with the CPPA, NTDC and Government of Pakistan (GoP) for the earliest availability of inter-connection facility. Further, to catch up the lost time, LEPCL has been able to successfully arrange the availibility of temporary back feed power of 132 kv from K-Electric grid enabling all possible testing and commissioning activities of the plant which are currently in progress.

1.5 ICI Pakistan Limited

ICI Pakistan Limited (ICI) was incorporated in Pakistan and is listed on the PSX. ICI is engaged in the manufacture of polyester staple fiber, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and merchanting of general chemicals. It also acts as an indenting agent and toll manufacturer. The registered office of ICI is situated at 5 West Wharf, Karachi. The Holding Company held 55% of shares of ICI as at June 30, 2021 (2020: 55% holding). Details of ICI's equity investments are as follows:

(a) ICI Pakistan PowerGen Limited

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

(b) NutriCo Morinaga (Private) Limited

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

Geographical location and addresses of major business units including mills / plants of ICI are as under:

Karachi	**Purpose**
ICI House, 5 West Wharf	Head office and production plant
S-33, Hawksbay road, S.I.T.E	Production plant
Lahore	
ICI House, 63 Mozang road	Regional office
30-Km, Sheikhupura road, Lahore	Regional office and production plant
45-Km, off Multan road, Lahore	Production plant
Khewra	
ICI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	Regional office and production plant
Haripur	
Plot No.32/2A Phase III, Industrial Estate Hattar, District Haripur	Production plant
Islamabad	
Islamabad Corporate Center, 2nd Floor, H-13, Islamabad	Regional office

1.6 Lucky Motor Corporation Limited

Lucky Motor Corporation Limited (LMC) [formerly Kia Lucky Motors Pakistan Limited] was incorporated in Pakistan as a public unlisted company in December 2016. LMC is engaged in assembly, marketing, distribution and sale of various types of Kia branded vehicles, parts, accessories and related services.

LMC started its Complete Built Up (CBU) operations from June 2018. LMC's manufacturing 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 30 June, 2021 (2020: 71.55% 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 Shahrah-e-Faisal	Plot # 14, Main Shahrah-e-Faisal, Block 7/8, Bangalore Co-operative Housing Society, Karachi.
Kia Motors Township	41-10/B-1, Main PECO Road, Near Akbar Chowk, Township Lahore.

2. STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Act differ from the IFRSs, the provisions of and directives issued under the Act have been followed.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements in conformity with accounting and reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In the process of applying the Group's accounting policies, management has made the following estimates and judgments which are significant to these consolidated financial statements:

3.1 Income taxes

In making the estimates for income taxes payable by the Group, the management considers current income tax law and the decisions of Appellate authorities on certain cases issued in the past.

3.2 Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in note 25 to these consolidated financial statements for valuation of present value of defined benefit obligations and fair value of plan assets. Any changes in these assumptions in future years might affect gains and losses in those years.

3.3 Property, plant and equipment

Estimates with respect to residual value, depreciation method and depreciable lives of property, plant and equipment are disclosed in notes 5.4 and 6.1 to these consolidated financial statements. Further, the Group reviews the carrying value of assets for impairment, in case there are any indicators, on each reporting date.

3.4 Stores and spares and stock-in-trade

The Group has made estimation with respect to provision for slow moving, damaged and obsolete items and the net realisable value as disclosed in notes 5.9 and 5.10 to these consolidated financial statements. Further, the Group's certain inventory items [i.e. raw materials (limestone, clay and gypsum), work-in-process (clinker) and stores and spares (coal)] are stored in purpose-built sheds, stockpiles and silos. As the weighting of these inventory items is not practicable, the management assess the reasonableness of the on-hand inventory by obtaining measurement of stockpiles and converting these measurements into unit of volume by using angle of repose and bulk density values. In making this estimate the Group involves external surveyor for determining the inventory existence.

3.5 Provision for doubtful debts and other receivables

The Group reviews the recoverability of its trade debts and other receivables, to assess the amount required for provision for doubtful debts as disclosed in note 5.24 to these consolidated financial statements.

3.6 Future estimation of export sales

Deferred tax calculation has been based on estimate of future ratio of export and local sales.

3.7 Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Group, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non occurrence of the uncertain future events.

3.8 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Group would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

3.9 Impairment of goodwill and intangibles with indefinite lives

Impairment testing involves a number of judgemental areas which are subject to inherent significant uncertainty, including the preparation of cash flow forecasts for periods that are beyond the normal requirements of management reporting and the assessment of the discount rate appropriate to the business. The detailed assumptions underlying impairment testing of goodwill and intangibles with indefinite lives are given in note 7 to these consolidated financial statements.

3.10 Impairment of financial and non-financial assets

Estimates with respect to impairment of financial and non-financial assets as disclosed in note 5.24 to these consolidated financial statements.

3.11 Warranty obligations

The Group exercises professional judgment, based on its internal risk assessment while making assessment in respect of the warranty obligations.

4. BASIS OF CONSOLIDATION

These consolidated financial statements include the financial statements of the Holding Company and its subsidiaries.

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies. The accounting policies of the subsidiaries have been changed to conform with accounting policies of the Group, where required.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in other comprehensive income, and recognises fair value of consideration received, any investment retained, surplus or deficit in profit or loss, and reclassifies the Group’s share of components previously recognised in other comprehensive income to profit or loss.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and carrying value of investments held by the Holding Company is eliminated against the subsidiary companies’ shareholders’ equity in these consolidated financial statements.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of these consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements of the Group for the year ended June 30, 2020, except for the effects of changes as detailed in note 5.31 below.

5.1 Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except otherwise stated.

5.2 Change in accounting standards, interpretations and amendments to accounting and reporting standards

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

There were certain amendments to the accounting and reporting standards which became mandatory for the Group during the year. 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 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 Group's annual accounting periods beginning on or after July 1, 2021. 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 financial statements.

5.3 Waiver from application of standards and interpretations

The SECP vide SRO 986(I)/2019 dated September 2, 2019 partially modified its previously issued SRO 24(I)/2012 dated January 16, 2012 and granted exemption to all companies that have executed their power purchase agreements before January 1, 2019 from requirements of the following:

- IFRS 16 'Leases' to the extent of the power purchase agreements;
- IAS 21 'The Effects of Changes in Foreign Exchange Rates' to the extent of capitalisation of exchange differences; and
- In case of capitalisation of exchange differences, recognition of embedded derivative under IFRS 9 'Financial Instruments' shall not be permitted.

Accordingly these exemptions have been taken into account when consolidating the financial statements of ICI PowerGen (via ICI) and LEPCL into these consolidated financial statements.

5.4 Property, plant and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any, except for freehold land and capital work-in-progress which are stated at cost less impairment losses, if any. Cost in relation to certain items in operating fixed assets and capital work-in-progress, signifies historical cost, financial charges and exchange differences on borrowings.

Depreciation is charged to profit or loss applying the straight line method at the rates mentioned in note 6.1 to these consolidated financial statements. Depreciation on additions is charged from the date of acquisition / transfer of asset, whereas depreciation on disposals is charged till the date of disposal.

The assets' residual values, the method of depreciation and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

Maintenance and normal repairs are charged to the profit or loss as and when incurred. Major renewals and improvements which increase the assets' remaining useful economic life or the performance beyond the current estimated levels are capitalised and the assets so replaced, if any, are retired.
Gains and losses on disposal of operating fixed assets, if any, are included in the profit or loss.

5.5 Intangible assets

Intangible assets other than goodwill, distribution relationship, principal relationships and product rights are stated at cost less accumulated amortization and accumulated impairment losses, if any. Distribution relationship, principal relationships and product rights are stated at cost less accumulated impairment losses, if any, as their useful life is indefinite. However, these assets are tested for impairment annually.

Amortization is charged to the profit or loss applying the straight line method, whereby, the cost of intangible asset is written off over its useful economic life. The useful lives of the intangible assets are stated in note 7 to these consolidated financial statements. Full month's amortization is charged in the month of addition, whereas, amortization on disposals is charged upto the month in which the disposal takes place.

5.6 Goodwill

Goodwill is initially measured as at the acquisition date, being the excess of (a) the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree; and (b) the net of the acquisition date amount of the identifiable assets acquired and the liabilities assumed.

In case the fair value attributable to the Group's interest in the identifiable net assets exceeds the fair value of consideration, the Group recognises the resulting gain in the profit or loss on the acquisition date.

Goodwill acquired in a business combination is measured, subsequent to initial recognition, at cost less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating unit (CGU) (or the groups of CGUs) that are expected to benefit from the synergies of the operations irrespective of whether other assets or liabilities of the acquiree are assigned to these units or group of units.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on pro rata based on the carrying amount of each asset in the CGU. Any impairment loss for goodwill is recognised directly in the consolidated profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

5.7 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as disclosed in note 8 to these consolidated financial statements.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the note 5.24 to these consolidated financial statements for policy on impairment of non-financial assets.

5.8 Investments in associates / joint ventures

Investments in associates / joint ventures are accounted for using the equity method, whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the net assets of the associates / joint ventures. The consolidated statement of profit or loss and other comprehensive income reflects the Group's share of the results of the operations of the associates / joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associates / joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate / joint venture and its carrying value and recognises the same in the profit or loss.

5.9 Stores and spares

These are valued at lower of weighted average cost and net realisable value, except items in transit, which are stated at cost. Provision for slow moving, damaged and obsolete items are charged to profit or loss. Value of items is reviewed at each reporting date to record provision for any slow moving items, damaged and obsolete items.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon upto the reporting date.

Net realisable value signifies the selling price in the ordinary course of business less estimated cost necessarily to be incurred in order to make the sale, which is generally equivalent to the estimated replacement cost.

Spare parts of capital nature which can be used only in connection with an item of property, plant and equipment are shown separately as major spare parts and are carried at cost less accumulated impairment, if any.

5.10 Stock-in-trade

These are stated at the lower of cost and net realisable value. The methods used for the calculation of cost are as follows:

(i)	Raw and packing material	at weighted average cost comprising of quarrying / purchase price, transportation, government levies and other overheads.
(ii)	Work-in-process finished goods	at weighted average cost comprising direct cost of raw material, labour and other manufacturing overheads.

Items in transit are valued at cost comprising invoice value plus other charges incurred thereon upto the reporting date.

Net realisable value signifies the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

Provision is made for obsolete and slow moving stock-in-trade based on management's best estimate and is recognised in the profit or loss.

5.11 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Group holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortized cost using the effective interest rate method.

5.12 Cash and cash equivalents

Cash and cash equivalents are stated at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash and cheques in hand, current and Islamic saving accounts with banks, short term borrowings, investment in highly liquid mutual fund units and sales collection in transit.

5.13 Staff retirement benefits

The Group's retirement benefit plans comprise of provident funds, pensions and gratuity schemes for eligible retired employees.

Defined benefit plans

The Group recognises staff retirement benefits expense and liability in accordance with IAS 19 "Employee Benefits". An actuarial valuation of all defined benefit schemes is conducted every year. The valuation uses the Projected Unit Credit method. All remeasurement gains and losses are recognised in the other comprehensive income.

i) The Holding Company and LEPCL operate unfunded gratuity scheme covering all its permanent employees.

ii) ICI operates a funded pension scheme and a funded gratuity scheme for the management staff. Pension and gratuity schemes for ICI's management staff are invested through two approved trust funds. ICI also operates unfunded gratuity scheme for non-management staff and the unfunded pensioners' medical scheme. The pension and gratuity plans are final salary plans. The pensioner's medical plan reimburses actual medical expenses to pensioners as per entitlement.

iii) LMC operates a funded gratuity scheme for its permanent employees.

Defined contribution plans

The Group operates two registered contributory provident funds for entire staff of ICI and a registered defined contribution superannuation fund for management staff of ICI, who have either opted for this fund by July 31, 2004 or have joined ICI after April 30, 2004. In addition to this, ICI also provides group insurance to all employees.

5.14 Compensated absences

The Group accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provisions to cover the obligation are made using the current salary levels of the employees. No actuarial valuation of compensated absences is carried out as the management considers that the financial impact of such valuation will not be material.

5.15 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date, where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of regional sales offices, warehouses, summer houses and beach huts (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income due to its operating nature.

5.16 Trade and other payables

Liabilities for trade and other amounts payable are carried at fair value of the consideration to be paid in future for goods and services received, whether or not invoiced to the Group.

5.17 Provisions

Provisions are recognised in the consolidated statement of financial position when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

5.18 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation in accordance with the tax laws and taxes paid / payable on final tax basis, after taking into account tax credit available, if any.

Deferred

Deferred tax is recognised, using the balance sheet liability method, on all temporary differences arising at the reporting date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the assets may be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

5.19 Revenue recognition

(a) Revenue from sale of goods is recognised when or as performance obligations are satisfied by transferring control (i.e. at the time of transfer of physical possession) of a promised good or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

(b) Revenue from toll manufacturing is recognised when services are rendered.

(c) Revenue from the sale of electricity is recorded based on the output delivered and capacity available at the rates as specified under Power Purchase Agreement.

(d) Mark-up / profit on bank deposits is recognised on a time proportion basis on the principal amount outstanding and at the rate applicable.

(e) Commission income is recognised on date of shipment from suppliers.

(f) Dividend income is recognised when the right to receive such payment is established.

(g) Scrap sales and miscellaneous income are recognised on receipt basis.

5.20 Borrowing cost

Borrowing cost and other related costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs include exchange differences arising on foreign currency borrowings, obtained for acquisition, construction or production of qualifying assets, to the extent that they are regarded as an adjustment to interest cost are included in the cost of qualifying assets in accordance with SECP S.R.O. referred to in note 5.3.

5.21 Foreign currency transactions and translation

Foreign currency transactions are recorded using the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupee using the exchange rate ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and on translation of monetary assets and liabilities denominated in foreign currencies at reporting date are recognised in the profit or loss except as explained in note 5.20.

On consolidation, the assets and liabilities of foreign operations are retranslated into presentation currency i.e. Pakistan Rupees at the rate of exchange prevailing at the reporting date and their income and expenses are translated using the average of exchange rates for the period. The exchange differences arising on such translations are recognised in other comprehensive income.

5.22 Financial assets and liabilities

Financial assets

(i) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flow represents solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

(ii) Fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income or assets that are designated at fair value through profit or loss using fair value option, are measured at fair value through profit or loss. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in the profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in the profit or loss. Dividends from such investments continue to be recognised in the profit or loss when the Group's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to the profit or loss following the derecognition of the investment.

Financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the profit or loss for the period in which it arises.

Financial assets are derecognised when the Group loses control of the contractual rights that comprise the financial asset. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Group.

Financial liabilities

Financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

5.23 Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.24 Impairment

(a) Financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets. The Group applies the simplified approach to recognise lifetime expected credit losses for trade debts, due from customers and contract assets.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Group recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

The SECP through its SRO No. 985(I)/2019 dated September 2, 2019 notified that in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of the Expected Credit Loss (ECL) method shall not be applicable till June 30, 2021, provided such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period.

(b) Non financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised as an expense in the profit or loss. The recoverable amount is the higher of an asset's fair value less cost of disposal and value-in-use. Value-in-use is ascertained through discounting of the estimated future cash flows using an appropriate discount rate. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

5.25 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in these consolidated financial statements in the period in which these are approved.

5.26 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupee, which is the Group's functional and presentation currency.

5.27 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Operating Decision Makers (the CODMs) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the CODMs include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, income tax assets, liabilities and related income and expenditure. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment.

5.28 Operating leases / Ijarah contracts

Leases, other than those under Ijarah contracts, in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Ijarah contracts are classified as operating leases irrespective of whether significant portion of the risks and rewards of ownership are retained by lessor. Payments made under operating leases and Ijarah contracts (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

5.29 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. It is recognised as income on a systematic basis over the periods in which the related costs, for which it is intended to compensate, are expensed.

5.30 Warranty obligations

The Group recognises the estimated liability, on an accrual basis, to repair or replace products under warranty at the reporting date, and recognises the estimated product warranty costs in profit or loss when the sale is recognised.

5.31 Inclusion of a separate statement of comprehensive income

During the year, the Group has changed its accounting policy in respect of the presentation of components of 'Other Comprehensive Income' by including a separate statement titled 'Consolidated Statement of Comprehensive Income'. Previously, components of other comprehensive income were shown in a single statement titled 'Consolidated Statement of Profit or Loss and Other Comprehensive Income '. As a result of the above change, two statements are now being presented i.e. 'Consolidated Statement of Profit or Loss' and 'Consolidated Statement of Comprehensive Income'. This change in accounting policy has been made for better presentation and has been applied retrospectively.

	Note	2021	2020
		(PKR in '000')	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	6.1	102,227,387	103,464,039
Capital work-in-progress	6.6	113,156,621	87,155,233
Capital spares		341,112	262,608
		215,725,120	190,881,880

6.1 Operating fixed assets - tangible

	Leasehold land	Freehold land	Buildings on leasehold land	Buildings on freehold land	Limebeds on freehold land	Plant and machinery	Generators	Quarry equipment	Vehicles including cement bulkers and rolling stock	Aircraft	Furniture and fixtures	Office equipment	Computer and accessories	Other assets (Laboratory equipment etc.)	Total
	(PKR in '000')														
As at July 1, 2019															
Cost	4,629,569	1,835,181	16,110,828	5,000,952	399,158	70,704,524	16,424,719	2,015,140	2,402,539	744,664	1,044,402	286,181	204,938	791,453	122,594,248
Accumulated depreciation															
and impairment	(160,007)	–	(3,378,950)	(2,609,421)	(91,450)	(22,019,837)	(6,797,469)	(1,209,904)	(1,049,687)	(460,825)	(573,974)	(195,932)	(104,706)	(275,976)	(38,928,138)
Net book value	4,469,562	1,835,181	12,731,878	2,391,531	307,708	48,684,687	9,627,250	805,236	1,352,852	283,839	470,428	90,249	100,232	515,477	83,666,110
Year ended June 30, 2020															
Addition / Transfers from CWIP	78,162	–	147,824	6,944,865	76,146	19,168,078	128,393	100,208	791,064	–	116,142	21,937	16,032	15,939	27,604,790
Disposals (note 6.4)															
Cost	–	–	(14,554)	(3,299)	–	(152,412)	(5,367)	(1,743)	(136,647)	–	(28,579)	(39,733)	(27,346)	(10,693)	(420,373)
Accumulated depreciation	–	–	14,104	2,108	–	140,567	4,285	1,743	79,140	–	27,161	39,401	26,884	9,510	344,904
	–	–	(450)	(1,190)	–	(11,845)	(1,082)	–	(57,507)	–	(1,418)	(332)	(462)	(1,183)	(75,470)
Depreciation charge for															
the year (note 6.2)	(60,994)	–	(851,225)	(421,079)	(21,904)	(4,667,352)	(802,076)	(143,113)	(341,667)	(70,959)	(161,925)	(37,233)	(41,010)	(110,854)	(7,731,391)
Net book value as at June 30, 2020	4,486,730	1,835,181	12,028,027	8,914,127	361,950	63,173,568	8,952,485	762,331	1,744,742	212,880	423,227	74,621	74,792	419,379	103,464,039
Year ended June 30, 2021															
Addition / Transfers from CWIP	1,433,237	641	299,223	293,200	9,854	3,422,425	912,297	5,375	204,514	–	216,717	391,878	55,548	77,178	7,322,088
Disposals (note 6.4)															
Cost	–	–	(74,771)	(6,697)	–	(589,911)	–	(103,349)	(144,018)	–	(202,350)	(1,516)	(13,214)	(417)	(1,136,243)
Accumulated depreciation	–	–	64,606	6,601	–	573,519	–	103,349	103,642	–	197,138	1,475	12,857	404	1,063,591
	–	–	(10,165)	(96)	–	(16,391)	–	–	(40,376)	–	(5,212)	(41)	(357)	(13)	(72,652)
Depreciation charge for															
the year (note 6.2)	(60,994)	–	(850,432)	(578,859)	(28,060)	(5,145,479)	(815,551)	(148,962)	(369,167)	(70,959)	(152,596)	(183,081)	(45,456)	(36,491)	(8,486,088)
Net book value as at June 30, 2021	5,858,973	1,835,822	11,466,653	8,628,372	343,744	61,434,122	9,049,231	618,744	1,539,713	141,921	482,136	283,376	84,528	460,053	102,227,387
At June 30, 2020															
Cost	4,707,731	1,835,181	16,244,098	11,942,518	475,304	89,720,190	16,547,745	2,113,605	3,056,956	744,664	1,131,965	268,385	193,624	796,699	149,778,665
Accumulated depreciation															
and impairment	(221,001)	–	(4,216,071)	(3,028,392)	(113,354)	(26,546,622)	(7,595,260)	(1,351,274)	(1,312,214)	(531,784)	(708,738)	(193,764)	(118,832)	(377,320)	(46,314,625)
Net book value	4,486,730	1,835,181	12,028,027	8,914,127	361,950	63,173,568	8,952,485	762,331	1,744,742	212,880	423,227	74,621	74,792	419,379	103,464,039
At June 30, 2021															
Cost	6,140,968	1,835,822	16,468,550	12,229,021	485,158	92,552,704	17,460,042	2,015,631	3,117,452	744,664	1,146,332	658,747	235,958	873,460	155,964,509
Accumulated depreciation															
and impairment	(281,995)	–	(5,001,897)	(3,600,649)	(141,414)	(31,118,581)	(8,410,811)	(1,396,887)	(1,577,739)	(602,743)	(664,196)	(375,370)	(151,431)	(413,407)	(53,737,122)
Net book value	5,858,973	1,835,822	11,466,653	8,628,372	343,744	61,434,122	9,049,231	618,744	1,539,713	141,921	482,136	283,376	84,528	460,053	102,227,387
Annual rates of depreciation	1.01% to 4%	–	2.5% to 10%	5% to 10%	3.33% to 7.5%	3.33% to 20%	5%	10%	10% to 25%	10%	10% to 33%	10% to 33%	33%	10% to 33%	

6.2 Depreciation charge for the year has been allocated as follows:

	Note	2021	2020
		(PKR in '000')	
Cost of sales	32	7,733,481	7,054,136
Distribution cost	33	293,996	269,301
Administrative expenses	34	336,437	337,498
Capital work-in-progress		9,705	14,075
Cost of sale of electricity		112,469	56,381
		8,486,088	7,731,391

6.3 The Government of Sindh through its Land Utilization Department, Board of Revenue (BoR) allotted 250 acres land in Deh Ghangyaro, Bin Qasim Town for setting up power plant and accordingly lease agreement was signed by LEPCL with BoR. However, the Port Qasim Authority (PQA) subsequently filed a civil suit against LEPCL in August 2017 in the High Court of Sindh alleging that 139 acres land out of 250 acres allotted to LEPCL, falls in the jurisdiction of PQA and PQA obtained injunction order in its favour. The court order was subsequently modified in September 2018 upon completion of a report by the Survey of Pakistan and injunction granted by the High Court of Sindh was reduced to land measuring 75.09 acres. Subsequently, the PQA contested the said order and argued that disputed land is 109 acres. During the year, LEPCL has entered into settlement arrangement with PQA whereby LEPCL has acquired 35 acres land at the rate mentioned in PQA's schedule of charges for land allotment aggregating to PKR 1.4 billion without foregoing its right to claim from Board of Revenue the land area disputed by the PQA. The said parcel of land was necessarily required for the Project completion. The arrangement has been finalised by way of a decree issued by the High Court of Sindh.

6.4 The details of property, plant and equipment disposed off during the year are as follows:

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain/ (loss)	Mode of Disposal	Particulars of Buyers	Relationship of purchaser with Company or director, if any
			(PKR in '000')					
Vehicle	5,931	2,255	3,676	5,574	1,898	Insurance Claim	IGI General Insurance	N/A
----do----	4,739	1,151	3,588	4,800	1,212	Tender	Augmentic business solution	----do----
----do----	1,555	438	1,117	1,684	567	Tender	Maaz Saleem	----do----
----do----	1,554	484	1,070	1,703	633	Tender	Maaz Saleem	----do----
----do----	1,552	484	1,068	1,611	543	Tender	Usman Shahid	----do----
----do----	1,552	484	1,068	1,611	543	Tender	Usman Shahid	----do----
----do----	1,512	483	1,029	1,613	584	Tender	Augmentic business solution	----do----
----do----	1,411	710	701	1,506	805	Tender	Usman Shahid	----do----
----do----	1,411	764	647	1,554	907	Tender	IGI Insurance	----do----
----do----	1,410	719	691	1,515	824	Tender	Augmentic business solution	----do----
----do----	1,410	719	691	1,485	794	Tender	Augmentic business solution	----do----
----do----	1,410	719	691	1,518	827	Tender	Augmentic business solution	----do----
Trailer	15,637	4,417	11,220	16,550	5,330	Insurance claim	IGI General Insurance	----do----
Certain Civil work at boiler area	4,000	3,263	737	-	(737)	Scrap	Shahid Hanif Ghori Mandibahudin	----do----
Certain portions of offices at CFB area	791	236	555	154	(401)	Scrap	Shahid Hanif Ghori Mandibahudin	----do----
Bulker 1 for bulk transportation of Soda Ash	4,176	800	3,376	3,800	424	Scrap	Muhammad Rizwan	----do----
Chilling unit for carbonating tower cooling water	18,029	15,429	2,600	3,491	891	Scrap	Sher Ali Rawalpindi	----do----
Chilling unit (Phase 2)	21,091	17,550	3,541	4,756	1,215	Scrap	Sher Ali Rawalpindi	----do----
Lahore office (certain portions)	2,396	893	1,503	440	(1,063)	Scrap	Tariq Mehmood	----do----
Building	2,084	990	1,094	1,492	398	Insurance Claim	EFU General Insurance	----do----
Plant and machinery	3,600	2,177	1,423	1,550	127	Tender	Five Star Mining & Logistics	----do----
Vehicle	4,481	1,494	2,987	4,250	1,263	Insurance Claim	IGI General Insurance	----do----
Items having book value less than PKR 500,000 each	1,034,511	1,006,932	27,579	124,552	96,973	-	Various	
	1,136,243	1,063,591	72,652	187,209	114,557			
2020	420,373	344,904	75,470	123,283	47,813			

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6.5 Following are the particulars of the Group's immovable fixed assets:

S.No	Business Unit Type	Location	Total Area of land in acre
1	**Holding Company:**		
1.1	Karachi Plant	Main Super Highway, Gadap Town, Karachi	955.52
1.2	Pezu Plant	Main Indus Highway, Pezu, District Lakki Marwat, KPK	885.74
2	**LEPCL:**		
	Plant	Deh Gangiaro, Port Qasim, Karachi	250.00
3	**ICI:**		
3.1	ICI Head Office and Production Plant	ICI House, 5 West Wharf, Karachi - 74000	2.70
3.2	ICI Production Plant	S-33, Hawksbay Road, S.I.T.E, Karachi - 75730	0.26
3.3	ICI Regional Office	ICI House, 63 Mozang Road, Lahore - 54000	0.65
3.4	ICI Production Plant	30-KM, Sheikhupura Road, Lahore	44.28
3.5	ICI Production Plant	45-KM, Off Multan Road, Lahore	0.34
3.6	ICI Regional Office and Production Plant	ICI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	63.00
3.7	ICI Production Plant	Plot No.32/2A Phase III, Industrial Estate Hattar, District Haripur	0.92
4	**LMC:**		
4.1	LMC Head Office and Production Plant	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	100.00
4.2	LMC Regional Office / Dealership	41-10/B-1, Main PECO Road, Near Akbar Chowk, Township Lahore	0.46

6.6 **Capital work-in-progress**

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

	Opening balance	Additions	Transferred to operating fixed assets and intangible assets	Closing balance
		(PKR in '000')		
Leasehold land	–	180,010	–	180,010
Freehold land	1,000	–	–	1,000
Building on leasehold land	4,522	366,461	175,501	195,482
Building on freehold land	79,387	1,405,649	595,031	890,004
Plant and machinery (notes 6.7 and 6.8)	86,272,374	25,108,751	3,008,825	108,372,300
Generators	21,865	2,678,306	912,297	1,787,874
Quarry equipment	3,592	9,148	5,375	7,365
Vehicles including cement bulkers and rolling stock	9,773	162,247	94,370	77,650
Furniture and fixtures	147,795	26,764	21,431	153,129
Office equipment	287	28,325	23,790	4,822
Computer and accessories	–	24,998	19,291	5,707
Other assets	614,638	1,484,689	618,049	1,481,278
	87,155,233	31,475,348	5,473,960	113,156,621

6.7 Had the waiver through SRO 986(I)/2019 as detailed in note 5.3 not been available, exchange loss amounting to PKR Nil (2020: PKR 170.617 million) relating to LEPCL would have been charged to the profit or loss.

6.8 This mainly includes expenditure on the Group's 660 MW coal-fired power plant, including net borrowing cost capitalized during the year amounting to PKR 5,071 million (2020: PKR 7,562 million).

7. INTANGIBLE ASSETS

	2021				
	At July 1, 2020	Additions	Amortization / impairment	At June 30, 2021	Amortization rate %
			(PKR in '000')		
Goodwill	2,340,329	–	–	2,340,329	–
Brands					
- Definite useful life - trademark and roundel	574,781	–	(229,912)	344,869	10
- Indefinite useful life	1,437,679	–	–	1,437,679	Indefinite
	2,012,460	–	(229,912)	1,782,548	
Customer relationships	194,446	–	(63,527)	130,919	9 - 25
Distribution relationship	77,792	–	–	77,792	Indefinite
Principal relationships	1,766,423	–	–	1,766,423	Indefinite
Product rights	826,855	–	–	826,855	Indefinite
Software and license	123,432	24,911	(49,152)	99,191	20 - 50
	7,341,737	24,911	(342,591)	7,024,057	

	2020				
	At July 1, 2019	Additions	Amortization / impairment	At June 30, 2020	Amortization rate %
			(PKR in '000')		
Goodwill	2,340,329	–	–	2,340,329	–
Brand					
- Definite useful life - trademark and roundel	804,694	–	(229,913)	574,781	10
- Indefinite useful life	1,437,679	–	–	1,437,679	Indefinite
	2,242,373	–	(229,913)	2,012,460	
Customer relationships	257,973	–	(63,527)	194,446	9 - 25
Distribution relationship	77,792	–	–	77,792	Indefinite
Principal relationships	1,766,423	–	–	1,766,423	Indefinite
Product rights	826,855	–	–	826,855	Indefinite
Software and license	141,975	29,185	(47,728)	123,432	20 - 50
	7,653,720	29,185	(341,168)	7,341,737	

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7.1 The amortization charge for the year has been allocated as follows:

	Note	2021	2020
		(PKR in '000')	
Cost of sales	32	115,361	111,776
Distribution cost	33	28,888	28,302
Administrative expenses	34	198,342	201,090
		342,591	341,168

7.2 Description of intangibles

Significant intangible assets have been described as below:

Goodwill

Goodwill amounting to PKR 2,133.955 million has been recognised by the Group on the acquisition of ICI, PKR 79.864 million on acquisition of Cirin Pharmaceuticals (Private) Limited (Cirin) and PKR 126.510 million on acquisition of certain assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited.

Brands

Definite useful life

Under an arrangement with ICI Omicron B.V., the Group had acquired the right to use ICI word mark and roundel for ICI's Polyester and Soda Ash segments only. This agreement is effective for a period of 10 years.

Indefinite useful life

These have been recognised on the acquisition of Cirin and assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited amounting to PKR 684.219 million and PKR 753.460 million.

Customer and distribution relationships

The Group has established (i.e. non-contractual) customer and distribution relationships for its Soda Ash segment, Polyester segment and Polyurethanes and Specialty Chemicals sub-segments.

Principal relationships

The Group has contractual relationships with a number of principals / suppliers, which met the contractual-legal criterion for recognition as an intangible asset.

Product rights

The Group has its own portfolio of products in the Pharma, Animal health and Chemical and Agri Sciences business segment, which met the separability criterion for recognition as an intangible asset.

7.3 Impairment testing of goodwill

7.3.1 Goodwill recognised on acquisition of ICI

For impairment testing, goodwill recognised on acquisition of ICI has been allocated to the following segments which are Cash Generating Units (CGUs) based on their operating results at the acquisition date. These are also among the reportable segments of the Group:

(i) Soda Ash
(ii) Pharma
(iii) Animal Health; and
(iv) Chemicals and Agri Sciences

The recoverable amounts of all CGUs have been determined based on value-in-use calculations. The Group has used the Income Approach - Discounted Cash Flow Method (DCF) to determine the value-in-use of the operating segments. The financial projections used have been prepared by the management of ICI and approved by its Board of Directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below:

Key assumptions used in value-in-use calculation

The calculation of value-in-use is most sensitive to the following assumptions:

(a) Discount rates

Discount rates reflect management estimates of the rate of return required for each business. The management used the Weighted Average Cost of Capital (WACC) to determine the cost of capital rate. The cost of equity has been computed through the Capital Asset Pricing Model.

The following discount rates have been used which are based on the WACC of that CGU:

	Terminal growth rate	Discount rate
Soda Ash	5%	14.74%
Chemicals and Agri Sciences	7%	12.97%
Pharma	6%	13.62%
Animal Health	6%	13.99%

(b) Key commercial assumptions

The valuation is based on the key commercial assumptions that revenue growth and contribution margins in the products of the CGUs would be achieved.

7.3.2 Other goodwill and brands having indefinite useful life

Goodwill and Brands recognised on the acquisition of Cirin Pharmaceuticals (Private) Limited (Cirin), certain assets of Wyeth Pakistan Limited and Pfizer Pakistan Limited have been allocated and monitored at the Pharma division of the Group. The Group has performed its annual impairment test in respect of these intangible assets as at June 30, 2021.

The recoverable amount these assets is determined based on a value-in-use calculation using cash flow projections from financial budgets approved by the senior management covering a five year period and applying the expected value approach. The discount rate applied to cash flow projections is 14 percent for impairment testing of goodwill and intangibles with indefinite useful lives. The growth rate used to extrapolate the cash flows beyond the five-year period is 2 percent. As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of PKR 206.374 million and intangibles with indefinite useful lives (Brands) of PKR 1,437.679 million are allocated.

7.4 Impairment testings of other intangibles acquired on acquisition of ICI

The recoverable amounts of these intangibles have been determined based on fair value less cost of disposal calculations, using following methods:

Intangibles	**Basis of valuation**
Distribution relationship	Income Approach - Multi-Period Excess Earnings Method
Principal relationships	Income Approach - Multi-Period Excess Earnings Method
Product rights	Income Approach - Multi-Period Excess Earnings Method

No impairment indicators were identified in relation to 'Brand trademark and roundel' and customer relationships.

7.4.1 Key assumptions used

The following key assumptions have been made by the management for other intangibles assets:

	Terminal growth rate	Discount rate
Distribution relationship	7%	16.2%
Principal relationships	6%	12.85% - 15%
Product rights	6%	12.85% - 15%

7.4.2 At June 30, 2021, the Group carried out an impairment testing of its intangible assets (with indefinite life) as recorded at the time of acquisition of ICI. Based on the said testing, the recoverable amount of intangible assets was in excess on their respective carrying amounts as at June 30, 2021. Hence, no impairment has been recorded during the year.

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for various items of land and buildings and vehicles used in its operations. Leases of land and buildings generally have lease terms between 2 and 9 years, while motor vehicles generally have lease terms of between 4 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of sales offices, warehouses, summer houses and beach huts with lease terms of 12 months or less. The Group applies the 'short-term lease' exemptions for these leases. For such contracts, the management has competitive options available in the market and the replacement costs are estimated to be minimal.

Set out below is the carrying amount of right-of-use assets recognised and the movement during the year:

	Motor Vehicles	Land and Buildings	As at June 30, 2021	As at June 30, 2020
	'PKR in '000'			
Opening	8,527	309,752	318,279	402,827
Depreciation charged	(4,447)	(79,630)	(84,077)	(84,548)
Closing	**4,080**	**230,122**	**234,202**	**318,279**
Useful life (years)	4 to 5	2 to 9		

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below is the carrying amount of lease liabilities and the movement during the year:

	Note	For the year ended June 30, 2021	For the year ended June 30, 2020
		(PKR in '000')	
As at July 1, 2020		332,847	375,287
Accretion of interest		33,701	41,577
Payments		(100,913)	(84,017)
As at June 30, 2021		265,635	332,847
Current portion of lease liabilities		94,102	79,256
Non-current portion of lease liabilities		171,533	253,591
		265,635	332,847

8.1 Allocation of depreciation expense

	Note	For the year ended June 30, 2021	For the year ended June 30, 2020
Cost of sales	32	45,871	27,645
Distribution cost	33	6,052	26,748
Administrative expenses	34	32,154	30,155
		84,077	84,548

9. LONG-TERM INVESTMENTS

	Note	2021	2020
		(PKR in '000')	
Equity accounted investments			
Joint Ventures			
Lucky Al Shumookh Holdings Limited	9.1	8,133,565	6,927,802
LuckyRawji Holdings Limited	9.2	12,099,843	11,471,453
Al Shumookh Lucky Investments Limited	9.3	4,394,448	3,319,116
		24,627,856	21,718,371
Associates			
NutriCo Pakistan (Private) Limited	9.4	953,341	1,106,787
Yunus Energy Limited	9.5	1,373,614	1,143,104
		2,326,955	2,249,891
		26,954,811	23,968,262
Equity securities			
Arabian Sea Country Club Limited			
(250,000 ordinary shares of PKR 10 each)		2,500	2,500
Others	9.8	1,071	–
		26,958,382	23,970,762

9.1 Lucky Al Shumookh Holdings Limited (LASHL)

	Note	2021	2020
Investment at cost		1,912,283	1,912,283
Share of cumulative profit at the beginning of the year		2,870,544	1,584,931
Share of profit during the year	9.1.2	1,667,570	1,285,613
		4,538,114	2,870,544
Foreign currency translation reserve		1,683,168	2,144,975
		8,133,565	6,927,802

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		Note	2021	2020
			(PKR in '000')	
9.1.1	**The Group's interest in LASHL's assets and liabilities is as follows:**			
	Non-current assets		12,763,638	11,915,620
	Current assets excluding cash and cash equivalents		3,063,784	2,155,786
	Cash and cash equivalents		1,036,252	289,507
	Liabilities		(596,545)	(505,309)
	Net assets (100%)		16,267,129	13,855,604
	The Group's share of net assets (50%)		8,133,565	6,927,802
9.1.2	**The Group's share in LASHL's profit or loss is as follows:**			
	Revenue		13,822,326	10,658,479
	Cost of sales		(10,157,969)	(7,734,151)
	General and administrative expenses		(104,393)	(97,204)
	Selling and distribution expenses		(16,416)	(12,501)
	Finance cost		(211,374)	(243,397)
	Gain on disposal of fixed assets		2,966	–
	Net profit (100%)		3,335,140	2,571,226
	The Group's share of net profit (50%)		1,667,570	1,285,613
9.2	**LuckyRawji Holdings Limited (LRHL)**			
	Investment at cost		6,870,050	6,870,050
	Share of cumulative profit / (loss) at the beginning of the year		237,439	(494,136)
	Share of profit during the year	9.2.2	1,369,147	731,575
			1,606,586	237,439
	Foreign currency translation reserve		3,623,207	4,363,964
			12,099,843	11,471,453
9.2.1	**The Group's interest in LRHL's assets and liabilities is as follows:**			
	Non-current assets		31,031,872	35,748,464
	Current assets excluding cash and cash equivalents		6,516,812	3,447,046
	Cash and cash equivalents		287,793	1,569,973
	Liabilities		(13,636,791)	(17,822,578)
	Net assets (100%)		24,199,686	22,942,905
	The Group's share of net assets (50%)		12,099,843	11,471,453
9.2.2	**The Group's share in LRHL's profit or loss is as follows:**			
	Revenue		14,503,055	11,131,345
	Cost of sales		(8,828,252)	(7,147,334)
	Operating expenses		(2,936,509)	(2,520,862)
	Net profit (100%)		2,738,294	1,463,149
	The Group's share of net profit (50%)		1,369,147	731,575

		Note	2021	2020
			(PKR in '000')	
9.3	**Al Shumookh Lucky Investment Limited (ASIL)**			
	Investment at cost		2,661,856	446,270
	Investments made during the year		737,166	2,352,708
			3,399,022	2,798,978
	Share of cumulative profit at the beginning of the year		374,794	105,343
	Share of profit during the year	9.3.2	583,942	269,451
			958,736	374,794
	Foreign currency translation reserve		36,690	145,344
			4,394,448	3,319,116
9.3.1	**The Group's interest in ASIL's assets and liabilities is as follows:**			
	Non-current assets		20,657,594	13,639,298
	Current assets excluding cash and cash equivalents		1,391,927	350,604
	Cash and cash equivalents		2,112,575	2,795,461
	Liabilities		(15,373,199)	(10,147,131)
	Net assets (100%)		8,788,897	6,638,232
	The Group's share of net assets (50%)		4,394,448	3,319,116
9.3.2	**The Group's share in ASIL's profit or loss is as follows:**			
	Revenue		3,170,733	–
	Cost of sales		(1,938,103)	–
	Finance income		135,746	404,369
	General and administrative expenses		(54,288)	(66,149)
	Finance cost		(146,203)	–
	Impairment of capital work-in-progress		–	200,682
	Net profit (100%)		1,167,885	538,902
	The Group's share of net profit (50%)		583,942	269,451
9.4	**NutriCo Pakistan (Private) Limited (NutriCo)**			
	Investment at cost		960,000	960,000
	Share of cumulative profit at the beginning of the year		146,787	515,773
	Share of profit during the year	9.4.1	526,554	431,014
	Dividend received during the year		(680,000)	(800,000)
			(6,659)	146,787
			953,341	1,106,787
9.4.1	**The Group's share in NutriCo's profit or loss is as follows:**			
	Revenue		10,420,213	9,523,528
	Net profit (100%)		1,316,383	1,077,534
	The Group's share of net profit (40%)		526,554	431,014

9.4.2 The shareholders of ICI in the extraordinary general meeting held on June 30, 2021 have authorised ICI to purchase further 55,013 (representing 11%) ordinary shares of its associate, NutriCo Pakistan (Private) Limited, having face value of PKR 1,000/- each from the sellers at an aggregate price of PKR 770.182 million on such terms and conditions as negotiated and finalised by the authorised representatives of ICI. Subsequent to the year end, a Share Purchase Agreement (SPA) has been signed between ICI and the sellers on July 1, 2021, thereby, increasing the shareholding of the Group in NutriCo Pakistan (Private) Limited to 51% making it a subsidiary of ICI. The impact of such acquisition on the consolidated financial statements for the year ending June 30, 2022 and fair value of acquired assets (including intangibles and goodwill / bargain purchase) could not be quantified at this stage since the purchase price allocation is not complete until these consolidated financial statements are authorised for issue.

		2021	2020
		(PKR in '000')	
9.5	**Yunus Energy Limited (YEL)**		
	Investment at cost	611,365	611,365
	Share of cumulative profit		
	at the beginning of the year	531,739	333,219
	Share of profit for the year	291,647	320,793
	Dividend received during the year	(61,137)	(122,273)
		762,249	531,739
		1,373,614	1,143,104

9.5.1 YEL's profit before tax and profit after tax for the year ended June 30, 2021 amounted to PKR 1,462 million (2020: PKR 1,606 million) and PKR 1,459 million (2020: PKR 1,600 million) respectively. As at June 30, 2021 YEL's net assets amounted to PKR 6,770 million (2020: PKR 5,620 million).

9.6 Investments made in joint ventures and associated companies as above have been made in accordance with the requirements of the Companies Act, 2017.

		2021	2020
		(PKR in '000')	
9.7	Share of profit from joint ventures and associates is as follows:		
	Joint Ventures		
	Lucky Al Shumookh Holdings Limited	1,667,570	1,285,613
	LuckyRawji Holdings Limited	1,369,147	731,575
	Al Shumookh Lucky Investments Limited	583,942	269,451
		3,620,659	2,286,639
	Associates		
	NutriCo Pakistan (Private) Limited	526,554	431,014
	Yunus Energy Limited	291,647	320,793
		818,201	751,807
		4,438,860	3,038,446

9.8 On June 2, 2021, LCLIHL made an investment of USD 6,803 in LR International General Trading FZCO (LRIGT) which was incorporated in Jebel Ali Free Zone Authority, Dubai United Arab Emirates.

		Note	2021	2020
			(PKR in '000')	
10.	**LONG-TERM LOANS AND ADVANCES**			
	Long-term loans - considered good			
	due from employees	10.1 & 10.2	962,386	814,037
	Less: Recoverable within one year	15	(286,953)	(252,278)
			675,433	561,759
	Others	10.4	61,984	55,371
			737,417	617,130

10.1 Loans given to employees are in accordance with the Holding Company policy and are repayable within a period of 2 to 5 years. These loans are return free and are secured against the gratuity of the respective employees. These loans are carried at cost due to the materiality of the amounts involved. These include outstanding balances of loans given to key management personnel namely Mr. Amin Ganny, Mr. Zaher Shah and Mr. Ahmed Waseem Khan (2020: M/s. Amin Ganny, Mashkoor Ahmed, Muhammad Shabbir, Adnan Ahmed and Zaher Shah) as at June 30, 2021.

10.2 Loans for purchase of motor cars and house building are repayable between two and ten years. These loans are interest free and granted to the employees, including executives of ICI, in accordance with their terms of employment.

10.3 The maximum amount outstanding at the end of any month during the year ended June 30, 2021 from key management personnel aggregated to PKR 79.7 million (2020: PKR 54.75 million).

10.4 These include free advance given to Sui Southern Gas Company Limited by the Holding Company in respect of additional gas line which will be adjusted after the commissioning of gas line in 48 equal monthly installments.

		Note	2021	2020
			(PKR in '000')	
11.	**LONG-TERM DEPOSITS AND PREPAYMENTS**			
	Deposits	11.1	53,297	46,289
	Prepayments		–	383
			53,297	46,672

11.1 These include return free deposits to Water and Power Development Authority and Central Depository Company of Pakistan Limited.

		Note	2021	2020
			(PKR in '000')	
12.	**STORES, SPARES AND CONSUMABLES**			
	Stores	12.1	5,598,854	2,431,879
	Spares	12.1	7,276,004	5,753,255
	Consumables		154,765	159,161
			13,029,623	8,344,295
	Less: Provision for slow moving spares		623,518	271,464
			12,406,105	8,072,831

12.1 These include stores and spares in transit of PKR 76.623 million as at June 30, 2021 (2020: PKR 15.859 million).

		Note	2021	2020
			(PKR in '000')	
13.	**STOCK-IN-TRADE**			
	Raw and packing material	13.1	16,089,441	6,757,869
	Work-in-process		4,216,719	6,285,766
	Finished goods - net		9,300,036	4,977,294
			29,606,196	18,020,929
	Less: Provision for slow moving and obsolete stock-in-trade"			
	- Raw and packing material		105,359	140,116
	- Finished goods		89,271	141,102
		13.2	194,630	281,218
	In transit		6,846,711	3,552,474
			36,258,277	21,292,185

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

13.1 Raw and packing materials held with various toll manufacturers as at June 30, 2021 amounted to PKR 453.438 million (2020: PKR 481.560 million).

13.2 Movement of provision for slow moving and obsolete stock-in-trade is as follows:

	Note	2021	2020
		(PKR in '000')	
Balance at the beginning of the year		281,218	226,364
Charge for the year	34	94,007	135,413
Write-off for the year against provision		(180,595)	(80,559)
		194,630	281,218

13.3 Stock-in-trade amounting to PKR 4,203.313 million (2020: PKR 777.761 million) is measured at net realisable value and expense amounting to PKR 43.565 million (2020: PKR 75.381 million) has been recognised in cost of sales.

	Note	2021	2020
		(PKR in '000')	
14. TRADE DEBTS			
Considered good			
Bills receivable - secured		1,402,462	2,035,598
Others - unsecured	14.1	4,537,291	4,119,976
		5,939,753	6,155,574
Considered doubtful	14.3	206,735	257,655
		6,146,488	6,413,229
Provision for doubtful trade debts		206,735	257,655
Provision for price adjustments and discounts		294,569	320,984
		501,304	578,639
		5,645,184	5,834,590
14.1 These include amounts due from the following associates:			
Yunus Textile Mills Limited		7,373	10,130
Lucky Textile Mills Limited		1,285	2,258
Lucky Foods (Private) Limited		6,367	1,576
Tabba Kidney Institute		613	–
Tabba Heart Institute, Karachi		393	–
		16,031	13,964

14.2 The maximum amount outstanding at any time during the year from associates calculated by reference to month end balances are as follows.

	2021	2020
	(PKR in '000')	
Unsecured		
Yunus Textile Mills Limited	10,307	10,130
Lucky Textile Mills Limited	6,275	3,020
Lucky Foods (Private) Limited	6,367	3,279
Tabba Kidney Institute	613	–
Tabba Heart Institute	1,694	–
	25,256	16,429

14.3 Movement in provision for doubtful trade debts is as follows:

	Note	2021	2020
		(PKR in '000')	
Balance at the beginning of the year		257,655	279,562
Provisions reversed during the year		(11,099)	(19,979)
Write-off against provision during the year		(39,821)	(1,928)
		206,735	257,655

15. LOANS AND ADVANCES

	Note	2021	2020
Considered good			
Current portion of loans and advances given to employees	10.2	286,953	252,278
Advance to suppliers	15.1	1,774,460	1,346,817
Other advances given to employees - return free - unsecured	15.2	60,046	27,844
Margin held with banks against imports		67,727	9,648
		2,189,186	1,636,587
Considered doubtful		17,472	17,742
		2,206,658	1,654,329
Less: Provision for doubtful loans and advances		17,472	17,742
		2,189,186	1,636,587

15.1 Includes advances made to various oil marketing companies by the Holding Company in respect of procurement of fuel amounting to PKR 293.797 million (2020: PKR 107.979 million).

15.2 Advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.

	Note	2021	2020
		(PKR in '000')	
16. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Trade deposits - return free			
Containers		–	120
Utilities		17	1,169
Others		280,118	286,545
		280,135	287,834
Prepayments			
Insurance		39,692	35,124
Rent		18,742	13,449
Processing fees for financing arrangement	16.1	290,955	478,426
Others		291,672	185,446
		641,061	712,445
		921,196	1,000,279

16.1 The total cost incurred in connection with securing finance facilities for LEPCL aggregate to PKR 2,535.529 million (2020: PKR 2,421.085 million) out of which an amount of PKR 292.634 million (2020: PKR 255.234 million) has been charged to capital work-in-progress, while the amount of PKR 1,951.940 million (2020: PKR 1,693.585 million) which is linked directly to the utilised portion of the facility has been netted off against loan proceeds as transaction cost. The amount of PKR 290.955 million (2020: PKR 478.426 million) shown as prepayment relates to unutilised facility and shall be adjusted against the future draw downs as and when arise.

		Note	2021	2020
			(PKR in '000')	
17.	**OTHER RECEIVABLES**			
	Unsecured			
	Considered good			
	Duties, sales tax and octroi refunds due	17.1	7,550,808	4,497,902
	Commission and discounts receivable		142,549	101,554
	Receivable from principal		380,000	63,947
	Rebate on export sales		43,575	46,175
	Due from Collector of Customs	17.2	19,444	19,444
	Due from Hyderabad Electricity Supply Company (HESCO)	17.3	3,604,017	3,531,365
	Others		541,829	942,276
			12,282,222	9,202,663
	Considered doubtful		9,007	9,007
			12,291,229	9,211,670
	Less: Provision for doubtful receivables	17.4	9,007	9,007
			12,282,222	9,202,663

17.1 These include sales tax amounting to PKR 2,378.898 million charged on certain payments made to the contractor / vendors in relation to the development of the 660 MW coal fired power plant. Due to the absence of output tax, LEPCL has filed for refund with the taxation authorities and recorded the amount of sales tax paid as a refundable in accordance with Rule 34(d) of the Sales Tax Rules, 2006.

17.2 The Holding Company had imported cement bulkers during October 19, 2006 to December 5, 2006 under SRO 575(1) of 2006 dated June 5, 2006 for export of loose cement which provided concessionary rate of import duty to an industrial concern. The Holding Company claimed exemption of duty at the time of port clearance. However, the Collector of Customs passed an order allowing provisional release of consignment subject to final approval from the Federal Board of Revenue (FBR) and deposit of post dated cheques for the differential amount of duty. The Holding Company deposited three post dated cheques aggregating PKR 19.444 million for three different consignments of cement bulkers and simultaneously approached the FBR for giving direction to the Collector of Customs, Karachi.

The FBR moved a summary to the Federal Government / Economic Coordination Committee (ECC) on the representation of the Holding Company and finally issued SRO 41(1) of 2007 dated January 7, 2007 which clarified that the imported cement bulkers were also entitled for concessional rate of duty of 5%. The Collector of Customs instead of releasing the post dated cheques, encashed the same on the plea that the effect of SRO will not be applied retrospectively despite the fact that the said clarification was issued on the representation of the Holding Company.

The Holding Company filed a constitutional petition before the Honorable High Court of Sindh at Karachi on July 30, 2007 challenging the illegal and malafide act of encashment of post dated cheques. The High Court of Sindh passed an order in favour of the Holding Company and has ordered the Collector of Customs to refund the amount collected within one month from the date of judgement. The judgement has been challenged by the FBR before the Honorable Supreme Court of Pakistan which remains pending.

17.3 The Holding Company and HESCO entered into a Power Purchase Agreement (PPA) dated March 22, 2011 pursuant to a policy in place at the time for the New Captive Power Plants (NCPPs), which had been reviewed by National Electric Power Regulatory Authority (NEPRA).

Subsequent to the signing of the PPA, NEPRA purported to re-determine the tariff through determination dated January 9, 2013, which was challenged by all the NCPPs in the High Court of Sindh. The High Court of Sindh decided the case in favour of NEPRA vide judgement dated August 19, 2015.

The Holding Company filed an appeal in the Supreme Court of Pakistan (SCP) against the decision of the High Court of Sindh. Detailed hearings were held and the Court's judgement was reserved in November 2016. However, the said judgment has not been announced since then and the case was relisted for hearing. The case is currently being heard in Supreme Court of Pakistan.

On March 6, 2017, the Holding Company and HESCO entered into an interim agreement, which is subject to the outcome of the above Civil Appeals pending in the Supreme Court of Pakistan. As per the agreement, HESCO fulfilled certain conditions and also provided an amount of PKR 642 million to the Holding Company which was netted off against other receivables and the Holding Company supplied and invoiced electricity from March 2017 to May 2019 based on PPA rates. The Holding Company suspended electricity sale to HESCO from May 2019 due to non-payment of bill since January 2019. The Holding Company then resumed the supply of electricity in January, 2020 after signing another settlement agreement with HESCO.

In August, 2017, the Government of Sindh promulgated Sindh New Captive Power Plants Subsidy Act, 2017 read in light of corrigendum issued by the Government of Sindh gazetted on February 1, 2018 for provision of tariff differential support to captive power producers in the province of Sindh. Under the aforementioned Act, the Holding Company claimed and received subsidy for the period March 2015 to May 2019 amounting to PKR 1,256 million. However, the Holding Company's subsidy claims pertaining to the period from January 2020 to April 2021 have not yet been settled. The Holding Company is actively following up with relevant departments for settlement of its dues.

17.4 Movement in provision for doubtful receivables is as follows:

	2021	2020
	(PKR in '000')	
Balance at beginning of the year	9,007	2,798
Charge for the year	–	6,209
	9,007	9,007

18. TAX REFUND DUE FROM THE GOVERNMENT

A dispute with respect to the calculation of excise duty on retail price of cement arose between the Holding Company and the FBR from the very first day the Holding Company started sales of cement in 1996. The FBR was of the view that excise duty is to be calculated on the declared retail price, inclusive of excise duty whereas the Holding Company contended that the excise duty would not be included in retail price for the calculation of the excise duty payable to the Government. On June 2, 1997, the Holding Company filed a writ petition before the Honorable Peshawar High Court on seeking judgment on this matter. The dispute related to the period from June 26, 1996 to April 19, 1999 after which the FBR changed the mechanism of levying excise duty from percentage of retail price to a fixed amount of duty at the rate of Rs 1,400 per ton. The Peshawar High Court after hearing both the parties issued a detailed judgment, operating paragraph of which is reproduced as follows:

For the reasons we accept the petitions declare, that present system of realization of duties of excise on the "Retail Price" inclusive of excise duty is illegal and without lawful authority, the duties of excise on cement must not form part of retail price and the petitioners are not liable to pay duties of excise forming part of the retail price of cement.

Simultaneously, a similar nature of dispute arose between various beverage companies operating in the provinces of Sindh and Punjab and accordingly such companies also filed petitions before the High Courts of Sindh and Lahore respectively. Both the High Courts also decided the case against the method of calculation of excise duty as interpreted by the FBR.

The FBR preferred an appeal before the Supreme Court of Pakistan against the judgments of all three High Courts of the country. A full bench of the Supreme Court of Pakistan heard the legal counsel of all the parties and finally announced the judgment on April 14, 2007, upholding the judgments of the High Courts and dismissed the appeal of the FBR.

As a result of the full bench judgment of the Supreme Court of Pakistan, the Holding Company filed a refund claim of PKR 538.812 million on May 8, 2007 with the Collector of Central Excise and Sales Tax, Peshawar, who had earlier collected the same due to incorrect interpretation of law. The Holding Company on the basis of legal opinions obtained, recognised this refund claim in the unconsolidated financial statements for the year ended June 30, 2007.

A review petition was also filed by the FBR before the Supreme Court of Pakistan. The Supreme Court of Pakistan vide its order dated January 27, 2009 dismissed the review petition filed by the FBR and upheld its earlier decision which was in favour of the Holding Company.

While verifying the refund claim, the Collector of Excise and Sales Tax Peshawar issued show cause notice to the Holding Company, raising certain objections against the release of the refund including an objection that the burden of this levy has been passed on to the end consumer. The Holding Company challenged this show cause notice the High Court of Peshawar and took the stance that this matter has already been dealt with at the Supreme Court of Pakistan level, based on the doctrine of res judicata. The High Court of Peshawar granted a stay order to the Holding Company against any adverse proceeding by the FBR in this case.

During the year ended June 30, 2013, the Holding Company filed a complaint before the Federal Tax Ombudsman (FTO) with a request that the FBR may be directed for early issuance of refund along with the compensation for the delayed refund. The FTO directed the FBR to verify the claim of the Holding Company and submit a report in the matter. Subsequently, the FBR based on audit conducted submitted a report to the FTO. However, the Holding Company did not agree to the findings of the FBR and argued before the FTO that the report submitted by the FBR is not based on the facts of the case.

After hearing the arguments of both the parties, the FTO forwarded its recommendations / findings to the Secretary, Revenue Division, Islamabad through its order dated November 22, 2013.

The FBR filed representation, before the President of Pakistan against the recommendations of the FTO under Section 32 of Federal Tax Ombudsman Ordinance, 2000. However, the President of Pakistan endorsed the recommendations of the FTO of having an audit conducted by independent firms. The FBR filed a writ petition in the High Court of Peshawar against the findings of the FTO as endorsed by the President which suspended the operations of the orders of FTO and President of Pakistan on July 14, 2015 till further orders. The Holding Company has filed a counter affidavit in response to the FBR's writ petition, which is pending adjudication in the Peshawar High Court.

In January 2018, the FBR's writ petition was dismissed by the High Court of Peshawar after which the FBR filed an appeal in the Supreme Court of Pakistan. The FBR filed a review petition in the Peshawar High Court for review of judgment given in favour of the Holding Company and also filed an appeal before the Supreme Court in March 2018. The review petition filed by FBR was dismissed since the matter is now before the Supreme Court. During the year, the Holding Company has also filed a contempt application against the Chief Commissioner, RTO Peshawar for refusing to implement the judgment of the Peshawar High Court in which a show-cause notice has been issued to Chief Commissioner RTO, Peshawar. The Holding Company is trying to get the matter expedited for early fixation of the matter in Supreme Court of Pakistan.

The management of the holding company is confident on the advise of its legal advisor that the ultimate outcome of the case would be in its favour and the full amount would be recovered in due course, therefore no provision for the above receivable has been made in these consolidated financial statements.

	Note	2021	2020
		(PKR in '000')	
19. SHORT TERM INVESTMENTS			
At fair value through profit or loss	19.1	16,187,615	2,953,476
At fair value through other comprehensive income	19.3	39,488	17,523
At amortized cost	19.4	10,059,880	–
		26,286,983	2,970,999

19.1 These represent investment in units of Shariah Compliant mutual funds, the details of which are as follows:

Name to fund	2021 Number of units	2021 Value of investment 'PKR in '000'	2020 Number of units	2020 Value of investment 'PKR in '000'
Faysal Islamic Cash Fund	5,088,096	508,810	–	–
ABL Islamic Cash Fund	102,196,207	1,021,962	–	–
UBL - Al Ameen Islamic Cash Fund	31,825,758	3,182,576	–	–
Meezan Rozana Amdani Fund	167,957,693	8,397,885	59,069,530	2,953,476
MCB - Alhamra Islamic Money Market Fund	30,915,305	3,076,382	–	–
		16,187,615		2,953,476

19.2 Investments with mutual funds include an amount of PKR 322 million held by a mutual fund on behalf of a bank as security against facilities obtained from the bank.

19.3 These represent investment in 1,769,940 shares (2020: 1,769,940 shares) of Pakistan Stock Exchange.

19.4 These are held with scheduled banks having original maturity period of upto 3 months. These carry profit at the rates of 6.75% to 8.25%.

	Note	2021	2020
		(PKR in '000')	
20. CASH AND BANK BALANCES			
Sales collection in transit		600,509	429,766
Cash at bank			
- in current accounts		360,517	662,259
- in Islamic savings and deposit accounts		12,387,720	14,625,316
	20.1 to 20.3 & 27.5	12,748,237	15,287,575
Cash in hand		28,397	14,469
		13,377,143	15,731,810

20.1 These carry profit at the rate ranging from 2.51% to 10.00% (2020: from 2.35% to 13.65%) per annum.

20.2 These include an amount of PKR Nil (2020: PKR 1,950 million) held as security against the guarantees obtained from the bank issued on behalf of subsidiary companies.

20.3 Bank balances include foreign currency balances amounting to USD 1.5 million (2020: USD 22.5 million). These carry markup at the rate of 1.2% per annum (2020: 1.75% to 3.25% per annum).

	Note	2021	2020
		(PKR in '000')	
21. SHARE CAPITAL			
Authorised capital			
500,000,000 (2020: 500,000,000)			
Ordinary shares of PKR 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up capital			
305,000,000 (2020: 305,000,000) Ordinary			
shares of PKR 10 each issued for cash	21.1	3,050,000	3,050,000
18,375,000 (2020: 18,375,000) Ordinary			
shares of PKR 10 each issued as bonus shares		183,750	183,750
		3,233,750	3,233,750

21.1 During the year ended June 30, 2008, the Holding Company was admitted to the official list of the Financial Services Authority and to the London Stock Exchange for trading of the Global Depository Receipts (GDRs) issued by the Holding Company on the Professional Securities Market of the London Stock Exchange. The GDR issue constituted an offering to qualified institutional buyers in the United States under Rule 144A and to non US persons outside the United States (US) under Regulation - S of the US Securities Act of 1933. The GDRs have also been included for trading on the International Order Book system of the London Stock Exchange, which will make the GDRs issued under Rule 144A to become eligible for trading by qualified institutional buyers in the Portal Market; a subsidiary of the NASDAQ Stock Market, Inc in the US. The Holding Company had issued 15,000,000 GDRs each representing four ordinary equity shares at an offer price of US$ 7.2838 per GDR (total receipt being US$ 109.257 million).

Accordingly, based on an exchange rate of PKR 65.90 = USD 1.00 (which was the exchange rate on the date of final offering circular relating to the GDR issue made by the Holding Company) 60,000,000 ordinary equity shares of a nominal value of PKR 10 each of the Holding Company were issued at a premium of PKR 110 per ordinary equity share (total premium amount being PKR 6,600 million).

The holders of GDRs are entitled, subject to the provisions of the Deposit Agreement, to receive dividend, if any and rank pari passu with other equity shareholders in respect of dividend. However, the holders of GDRs have no voting rights or other direct rights of shareholders with respect to the equity shares underlying such GDRs. Subject to the terms and restrictions set out in the offering circular dated May 08, 2008, the deposited equity shares in respect of which the GDRs were issued may be withdrawn from the depository facility. Upon withdrawal, the holders will rank pari passu with other equity shareholders in respect of dividend, voting and other direct rights of shareholders.

21.2 Unpaid dividend amounting to PKR 17.580 million as at June 30, 2020 represented dividend withheld due to awaiting legal process.

	Note	2021	2020
		(PKR in '000')	
22. RESERVES			
Capital reserve			
Share premium	22.1	7,343,422	7,343,422
Foreign currency translation reserve		3,692,151	4,625,020
		11,035,573	11,968,442
Revenue reserves			
General reserve		85,147,790	81,639,307
Unappropriated profit		36,206,024	16,935,842
		121,353,814	98,575,149
		132,389,387	110,543,591

22.1 This reserve can be utilised by the Holding Company only for the purpose specified in section 81 of the Companies Act, 2017.

	Note	2021	2020
		(PKR in '000')	
23. LONG-TERM FINANCE			
Secured			
LCL			
Salary Refinance Loan	23.1	839,180	447,188
Islamic Temporary Economic Refinance	23.2	2,601,772	–
		3,440,952	447,188
LEPCL			
Foreign currency borrowings	23.3 & 23.4	29,439,845	28,982,813
Local currency borrowings	23.5 to 23.7	55,655,000	40,504,749
		85,094,845	69,487,562
Less: unamortized transaction cost		(1,428,848)	(1,422,184)
		83,665,997	68,065,378
ICI			
Banking companies / Financial Institutions	23.8	3,301,003	2,596,248
Under Islamic financing	23.9	4,257,417	7,413,172
		7,558,420	10,009,420
LMC			
Diminishing musharaka	23.10	314,386	161,571
Term loan	23.11	200,439	200,440
Islamic Temporary Economic Refinance	23.12	1,482,222	–
		1,997,047	362,011
LCLIHL			
Banking companies / Financial Institutions	23.13	2,205,612	6,217,874
		2,205,612	6,217,874
Total long-term loans		98,868,028	85,101,871
Less: Current portion of long-term finance		(5,309,741)	(2,637,451)
		93,558,287	82,464,420

23.1 The Holding Company entered into a long-term loan agreement with Habib Metropolitan Bank Limited - Islamic under the Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns by the State Bank of Pakistan. The loan is repayable in eight equal quarterly instalments, which started from April 2021. This long term financing facility is secured by way of hypothecation charge over specific plant & machinery of the Holding Company. The facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 0%) plus bank's spread of 0.50% per annum starting from the date of disbursement and is payable in arrears on quarterly basis.

23.2 During the year, the Holding Company entered into long-term loan agreements with Habib Bank Limited - Islamic, MCB Islamic Bank Limited, Bank Alfalah - Islamic, Faysal Bank Limited - Islamic and Habib Metropolitan Bank - Islamic under the Islamic Temporary Economic Refinance Facility (ITERF) by the State Bank of Pakistan. The loans are repayable in semi-annual installments over a period of ten years which include a grace period of two years secured by way of hypothecation charge over specific plant & machinery of the Holding Company. These facilities carries mark-up ranging from 1.5% to 1.95% which is payable in arrears.

23.3 The LEPCL entered into a USD facility agreement on May 31, 2018 with Habib Bank Limited (HBL), Bahrain for an aggregate amount of USD 190 million for a period of 14 years. The amount is repayable in 21 semi-annual installments after 48 months of first utilisation date and thereafter subsequent principal repayment dates will fall after every 6 months. This loan facility carries a mark-up at the rate of 6 month USD LIBOR plus 4.50%. The facility is secured through a USD guarantee issued by the HBL, Pakistan (non-funded facility). As per the terms of the agreement, there will be a risk participation arrangement for this guarantee under which HBL will bring in foreign currency guarantee participating banks which will participate risk with HBL. The guarantee under the non-funded facility will reduce in line with the principal repayments of the USD facility.

The non-funded facility (along with other lenders) will be secured by a first security interest with 25% security margin in USD over all present and future tangible and intangible assets of LEPCL, assignment of the LEPCL rights and benefits under the Project documents and insurances, any permitted subordinated loans from a shareholder in the LEPCL. Further, the shareholder of the LEPCL has pledged shares in favour of the security trustee to the facilities. Upto June 30, 2021, the LEPCL has made drawdowns aggregating USD 165.975 million (2020: USD 153.75 million) from this facility while the undrawn facility amounted to USD 24.025 million as at June 30, 2021 (2020: USD 36.25 million).

23.4 LEPCL entered into a USD facility agreement on May 31, 2018 with United National Bank Limited, United Kingdom for an aggregate amount of USD 20 million. The amount is repayable in 40 quarterly installments commencing from the earlier of (i) 39 months from the facility effective date; and (ii) commercial operations date. The first principal repayment date is defined as a date occurring three months after the aforementioned date and thereafter March 31, June 30, September 30 and December 31. This loan facility carries a mark-up at the rate of 3 month USD LIBOR + 4.5%. The LEPCL has fully availed the facility aggregating to USD 20 million (2020: USD 18 million).This facility is secured as mentioned in note 23.7.

23.5 LEPCL also entered into following loan agreements on May 31, 2018:

- Musharaka facility agreement with four banks namely Meezan Bank Limited, Faysal Bank Limited, Dubai Islamic Bank Limited and Soneri Bank Limited for an aggregate amount of PKR 12,259.918 million. Up to June 30, 2021, the LEPCL has made drawdowns aggregating PKR 11,433.688 million (2020: PKR 8,992.764 million) from this facility while the undrawn facility amounted to PKR 826.23 million (2020: PKR 3,267.154 million) as at June 30, 2021.

- PKR facility agreement with a UBL-led consortium [comprising United Bank Limited (UBL), National Bank of Pakistan, Bank Alfalah Limited, Askari Bank Limited, The Bank of Punjab and Soneri Bank Limited] for an aggregate amount PKR 43,717.560 million. Up to June 30, 2021 the LEPCL has made drawdowns aggregating PKR 40,771.312 million (2020: PKR 31,511.985 million) from this facility while the undrawn facility amounted to PKR 2,946.248 million (2020: PKR 12,205.575 million) as at June 30, 2021.

These loans are repayable in 40 quarterly installments commencing from the earlier of (i) 39 months from the facility effective date; and (ii) commercial operations date. The first principal repayment date is defined as a date occurring three months after the aforementioned date and thereafter March 31, June 30, September 30 and December 31. These loan facilities carry mark-up at the rate of 3 months KIBOR plus 3.50%. these loans are secured as mentioned in note 23.7.

23.6 LEPCL has entered into following loan agreements on June 2, 2021, for additional financing facility of Rs 7,876 million:

- Second PKR facility agreement with a UBL-led consortium (comprising Pak Oman Investment Company Limited and The Bank of Punjab) for an aggregate amount of PKR 3,000 million. Up to June 30, 2021 LEPCL has made drawdowns aggregating PKR 1,314.119 million from this facility while the undrawn facility amounted to PKR 1,685.881 million as at June 30, 2021.

- Second Musharaka facility agreement with four financial institutions namely Meezan Bank Limited, Pak Kuwait Investment Company Limited, Dubai Islamic Bank Limited and Pak Libya Holding Company Limited for an aggregate amount of PKR 4,876 million. Up to June 30, 2021, LEPCL has made drawdowns aggregating PKR 2,135.881 million from this facility while the undrawn facility amounted to PKR 2,740.119 million as at June 30, 2021.

These loans are repayable in 40 quarterly installments commencing from the earlier of (i) 39 months from the facility effective date; and (ii) commercial operations date. The first principal repayment date is defined as a date occurring three months after the aforementioned date and thereafter March 31, June 30, September 30 and December 31. These loan facilities carry mark-up at the rate of 3 months KIBOR plus 2.50%. These loans are secured as mentioned in note 23.7.

23.7 The facilities are secured primarily through first ranking hypothecation charge over future cash flows of the Project, assignment of the LEPCL rights and benefits under the Project documents and insurances, first ranking hypothecation charge over all current and future movable assets of LEPCL with a 20% margin and equitable mortgage over the unencumbered LEPCL right in immovable property on which the Project will be established with a 20% margin. Further, the shareholder of LEPCL has pledged shares in favour of the security trustee to the facilities.

23.8 This includes following facilities:

- ICI has availed TERF amounting to PKR 546.674 million (2020: PKR Nil) for the purpose of plant expansion having limit of PKR 4 billion. These loans are secured by a charge against the fixed assets of Soda Ash business. The markup rate on TERF is SBP Rate + 0.30%. Grace period for principal repayment has been availed which entails that the first principal repayment falls in December 2023 and the last repayment will be on June 2031. The principal repayments will be made on a semi annual basis and mark up payment will be made on quarterly basis. Government grant has been recorded in respect of this facility. There are no unfulfilled conditions or contingencies attached to this grant. ICI has also unavailed facility of PKR 500 million as of the year end from National Bank of Pakistan.

- Long-term loans amounting to PKR 1,621.081 million (2020: PKR 1,954.308 million) availed from various banks. These loans are secured against fixed assets of Soda Ash Business and Polyester Business amounting to PKR 2,500 million and PKR 17,608 million respectively. Markup is payable on quarterly and half yearly basis. The markup on the loan ranges from SBP rate + 0.30% to 0.50% and the limit stands at PKR 2,665.82 million (2020: PKR 2,665.82 million). The maturities of these loans range from 1 to 6 years.

- ICI has availed further long term loan facilities in the form of the Refinance Scheme for Payment of Wages and Salaries amounting to PKR 1,133.248 million (2020: PKR 439.82 million). These loans are secured against the current assets of the Group. The markup rate on Refinance Scheme for Payment of Wages and Salaries are at a rate ranging from 0.5% to 1%. Grace period for principal repayment has been availed which entails that the first principal repayment falls in April 2021 and the last repayment will be on December 2022. The principal repayments and mark up will be made on a quarterly basis. Government grant has been recorded in respect of this facility. There are no unfulfilled conditions or contingencies attached to this grant

23.9 Represent Shariah compliant loans. The limits for these Islamic loans stand at PKR 4,601 million while the profit rate on Islamic term finance ranges from 3 month KIBOR to 6 month KIBOR + 0.05% to 1.15 %. The maturity of Islamic loans ranges from 6 to 8 years. These loans are secured by a charge against the fixed assets of the Group. Grace period for principal repayment has been availed which entails that the first principal repayment falls in August 2021 and the last repayment will be on August 2024. The principal repayments and mark up will be made on a semi annual basis.

23.10 LMC has obtained a diminishing musharika facility from a scheduled bank amounting to PKR 359 million, in order to finance salaries and wages, under the SBP COVID scheme of payroll financing for businesses. The amount due is repayable in quarterly installments, following the end of six months grace period, commencing from January 1, 2020 over a term of 2.5 years ending October 2023. The facility carries a markup of 0.7% per annum and is secured against first pari passu hypothecation charge over plant and machinery amounting to PKR 467 million (2020: PKR 208.05 million).

23.11 LMC has obtained a long-term financing facility from a scheduled bank amounting to PKR 200.439 million, in order to finance establishment of Renewable Energy Project. The amount is repayable in quarterly installments of equal amounts following the end of one-year grace period, commencing from June 30, 2021 over a term of 2 years ending June 30, 2023. The facility is secured against first pari passu hypothecation charge over all present and future plant and machinery amounting to PKR 400 million.

23.12 LMC has obtained ITERF from scheduled banks amounting to PKR 2,130.029 million, in order to finance new projects. The amount is repayable in quarterly / half yearly installments of equal amounts, following the end of 2 years grace period, over a period of 10 years. The facility is secured against first pari passu hypothecation charge over all present and future plant and machinery amounting to PKR 6,667 million. Rate applicable for disbursed amount is 1.50% all inclusive (SBP Rate 1%, Bank Spread 0.50%).

23.13 This represents the aggregate outstanding principal on unsecured long-term offshore facilities from Credit Suisse Bank, AG Singapore amounting to USD 14 million (2020: USD 30 million). At June 30, 2021 the facilities bear interest at 3-month LIBOR+3.50% (2020: 3-month LIBOR+3.50%). The loan has to be repaid in a period of 48 months from December 9, 2019. During the year, an amount of USD 16 million was repaid.

	Note	**2021** (PKR in '000')	2020
24. LONG-TERM DEPOSITS AND OTHER LIABILITIES			
Long-term deposits			
Cement stockists	24.1	179,252	181,282
Transporters	24.2	61,200	50,500
Others		183,180	126,073
		423,632	357,855
Other liabilities			
Other non-current payables	24.3	4,998,421	5,331,774
		5,422,053	5,689,629

24.1 These represent return-free security deposits received from stockists and are repayable on cancellation or withdrawal of stockist arrangement and are also adjustable against unpaid amount of sales.

24.2 These represent return-free security deposits received from transporters and are repayable on cancellation or withdrawal of contracts.

24.3 These represent unsecured non-interest bearing liabilities relating to LCLIHL payable after one year from the reporting date.

	Note	**2021** (PKR in '000')	2020
25. DEFERRED LIABILITIES			
Staff gratuity - unfunded	25.1	2,520,556	2,104,551
Deferred tax liability	25.2	9,902,174	9,028,979
		12,422,730	11,133,530

25.1 The amounts recognised in the consolidated statement of financial position in respect of staff benefit schemes, based on the recent actuarial valuation carried out on June 30, 2021, are as follows:

25.1.1 The amounts recognised in the profit or loss are as follows:

	2021				2020			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Current service cost	9,585	115,087	124,672	229,023	11,018	38,167	49,185	146,112
Interest cost	61,900	50,862	112,762	193,499	94,037	70,950	164,987	278,259
Expected return on plan assets	(68,042)	(41,657)	(109,699)	–	(110,642)	(64,632)	(175,274)	–
Net charge / (reversal) for the year	3,443	124,292	127,735	422,522	(5,587)	44,485	38,898	424,371
Other comprehensive income:								
Loss on obligation	57,361	52,841	110,202	113,756	100,049	(5,429)	94,620	138,541
Gain on plan assets	(60,943)	(34,951)	(95,894)	–	(43,594)	(13,358)	(56,952)	–
Net (gain) / loss	(3,582)	17,890	14,308	113,756	56,455	(18,787)	37,668	138,541

25.1.2 Movement in the net assets / (liabilities) recognised in the consolidated statement of financial position are as follows:

	2021				2020			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Opening balance	74,450	(41,670)	32,780	(2,104,551)	125,318	(79,381)	45,937	(1,957,008)
Net reversal / (charge) - note 25.1.1	(3,443)	(124,292)	(127,735)	(422,522)	5,587	(44,485)	(38,898)	(424,371)
Other comprehensive income / (loss)	3,582	(17,890)	(14,308)	(113,756)	(56,455)	18,787	(37,668)	138,541
Contributions / payments during the year	–	108,107	108,107	120,273	–	63,409	63,409	138,287
Closing balance	74,589	(75,745)	(1,156)	(2,520,556)	74,450	(41,670)	32,780	(2,104,551)

25.1.3 The amounts recognised in the consolidated statement of financial position are as follows:

	2021				2020			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Fair value of plan assets - note 25.1.5	861,259	711,280	1,572,539	–	917,233	556,453	1,473,686	–
Present value of defined benefit obligation - note 25.1.4	(786,670)	(787,025)	(1,573,695)	(2,520,556)	(842,783)	(598,123)	(1,440,906)	(2,104,551)
Net asset / (liability)	74,589	(75,745)	(1,156)	(2,520,556)	74,450	(41,670)	32,780	(2,104,551)

The recognized asset / liability of funded gratuity is netted off against recognized asset / liability of funded pension and recorded accordingly.

25.1.4 Movement in the present value of defined benefit obligation:

	2021				2020			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Opening balance	842,783	598,123	1,440,906	2,104,551	781,750	576,504	1,358,254	1,957,008
Current service cost	9,585	115,087	124,672	413,855	11,018	38,167	49,185	146,112
Interest cost	61,900	50,862	112,762	8,667	94,037	70,950	164,987	278,259
Benefits paid	(184,959)	(29,707)	(214,666)	(120,273)	(144,071)	(82,069)	(226,140)	(138,287)
Benefits payable	–	(181)	(181)	–	–	–	–	–
Actuarial loss / (gain)	57,361	52,841	110,202	113,756	100,049	(5,429)	94,620	(138,541)
Closing balance	786,670	787,025	1,573,695	2,520,556	842,783	598,123	1,440,906	2,104,551

25.1.5 Movement in the fair value of plan assets:

	2021				2020			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Opening balance	917,233	556,453	1,473,686	–	907,068	497,123	1,404,191	–
Expected return	68,042	41,657	109,699	–	110,642	64,632	175,274	–
Contributions	–	108,107	108,107	–	–	63,409	63,409	–
Benefits paid	(184,959)	(29,707)	(214,666)	–	(144,071)	(82,069)	(226,140)	–
Benefits payable	–	(181)	(181)	–	–	–	–	–
Actuarial gain	60,943	34,951	95,894	–	43,594	13,358	56,952	–
Closing balance - note 25.1.7	861,259	711,280	1,572,539	–	917,233	556,453	1,473,686	–

25.1.6 Historical information - funded plans

	June 30			
	2021	2020	2021	2020
	(PKR in '000')			
Present value of defined benefit obligation	1,573,695	1,440,906	1,358,254	1,793,024
Fair value of plan assets	(1,572,539)	(1,473,686)	(1,404,191)	(1,807,832)
Net (asset) / liability	1,156	(32,780)	(45,937)	(14,808)

25.1.7 Major categories / composition of plan assets are as follows:

	2021	2020
Debt instruments	71.73%	84.04%
Equity at market value	29.51%	17.00%
Cash / Others	-1.24%	-1.04%

Fair value of plan asset

Investment

	Pension	Gratuity	Pension	Gratuity
	As at June 2021		As at June 2020	
	(PKR in '000')			
National savings deposits	348,447	–	307,107	–
Government bonds	266,157	485,961	479,573	400,560
Mutual funds - equity	–	–	–	29,918
Mutual funds - fixed income	–	–	–	256
Corporate bonds	–	47,380	–	50,989
Shares	264,839	178,340	145,635	74,935
Cash and term deposits	3,482	7,320	16,336	7,884
Benefit due	(21,666)	(7,721)	(31,418)	(8,089)
Total	861,259	711,280	917,233	556,453

	2021	2020
	(PKR in '000')	
Actual return on plan assets during the year:	205,593	232,226

25.1.8 The principal actuarial assumptions at the reporting date were as follows:

	2021	2020
	(PKR in '000')	
Discount rate	9.5% to 10.25%	8.25%
Future salary increases - Management	4.25% to 12%	3.00%
Future salary increases - Non - Management	5.25%	4.00%
Future pension increases	4.25%	3.00%

25.1.9 Impact of changes in assumptions on defined benefit scheme is as follows:

	1% Increase	1% Decrease
	(PKR in '000')	
Discount rate	(546,064)	618,151
Salary increase	571,208	(513,183)
Pension increase	33,967	(30,839)

The weighted average duration of the defined benefit obligation is 9.74 years (2020: 9.98 years) for the Holding Company, 10.10 years (2020: 9.95 years) for LMC and 5.7 years (2020: 5.7 years) for ICI.

25.1.10 During the year, the Group contributed in the fund as follows:

	2021	2020
	(PKR in '000')	
Provident fund	157,040	132,626
Defined contribution superannuation fund	134,125	120,504

25.1.11 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

25.1.12 Description of the risks to the Group

The defined benefit plan exposes the Group to the following risks:

Mortality risks - The risk that the actual mortality experience is different. The effect depends on the beneficiaries' service / age distribution and the benefit.

Final salary risks - The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount increases similarly.

Withdrawal risks - The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

25.1.13 Expected charge to unfunded gratuity scheme for the year ending June 30, 2022 is approximately PKR 597.6 million.

		Note	2021	2020
			(PKR in '000')	
25.2	**Deferred tax liability**			
	This comprises of the following:			
	- Taxable temporary differences		12,050,503	10,397,926
	- Deductible temporary differences		(2,148,329)	(1,368,947)
			9,902,174	9,028,979
26.	**DEFERRED GOVERNMENT GRANT**			
	Represents Deferred Government grant recognized on account of:			
	Salary Refinance Loan		46,707	59,720
	Islamic Temporary Economic Refinance		1,902,270	–
			1,948,977	59,720
27.	**TRADE AND OTHER PAYABLES**			
	Creditors	27.6	14,975,843	11,812,312
	Accrued liabilities		16,717,386	10,226,718
	Advance from customers / contract liabilities	27.1	20,788,578	6,622,501
	Retention money		492,847	1,614,797
	Sales tax payable, excise and other government levies	27.2	10,852,325	9,677,762
	Workers' Profit Participation Fund (WPPF) payable	27.3	1,397,225	253,861
	Workers' Welfare Fund (WWF) payable	27.4	1,520,028	1,311,883
	Distributors' security deposits - payable on termination of distributorship	27.5	633,878	128,550
	Others		3,539,567	888,595
			70,917,677	42,536,979

27.1 The contract liabilities at the beginning of each year are recognised as revenue in the ordinary course of business.

27.2 The Supreme Court of Pakistan (SCP) through its judgment dated August 13, 2020 ("GIDC Judgment") declared the Gas Infrastructure Development Cess Act, 2015 ("GIDC Act 2015") as valid and intra vires the Constitution of Pakistan 1973. It further allowed recovery of GIDC that has become due up to July 31, 2020, by the gas companies from their consumers in twenty-four equal monthly installments.

The Holding Company has filed suits before the High Court of Sindh (SHC) on September 30, 2020 & July 08, 2021 challenging the recovery of GIDC on the grounds that factual determination of whether the burden of GIDC has been passed-on to end consumers or not needs to be carried out. The SHC has granted an interim injunction to the Holding Company and has restrained the gas companies from recovering GIDC from the Holding Company.

The Holding Company has followed the relevant accounting standards and guidelines issued by the Institute of Chartered Accountants of Pakistan in this regard.

		Note	2021	2020
			(PKR in '000')	
27.3	**The movement of WPPF is as follows:**			
	Opening balance		253,861	836,037
	Allocation for the year	36	2,025,870	433,566
			2,279,731	1,269,603
	Payments during the year		(882,506)	(1,015,742)
			1,397,225	253,861

27.4 This includes PKR 1,089.363 million (2020: PKR 1,094,951 million) pertaining to the Holding Company. On May 10, 2017, the Holding Company received a show cause notice from the Sindh Revenue Board (SRB) demanding payment of Sindh Workers' Welfare Fund. The Holding Company has challenged the said notice in High Court of Sindh dated May 29, 2017 on the ground that after the 18th Amendment, SRB and Federation of Pakistan, both can only collect Workers' Welfare Fund (WWF) from the Holding Company after a law is enacted catering to WWF collection from trans-provincial organizations. The Federation of Pakistan and the Province of Sindh along with SRB have been made parties in the said matter.

The case was fixed for hearing on May 31, 2017, wherein the High Court of Sindh has restrained SRB from taking any coercive action against the Holding Company. The Holding Company's legal counsel is of the view that the Holding Company, being a trans-provincial organization, has a good chance of success.

During the year, on December 17, 2020, FBR issued a notice to the Holding Company demanding payment of WWF amounting to PKR 86 million pertaining to tax year 2019. The Holding Company has filed a petition before the Peshawar High Court challenging the said notice and maintaining the aforementioned stance.

27.5 These include security deposits amounting to PKR 127.320 million (2020: PKR 128.550 million) relating to ICI distributors. Interest on these security deposits from certain distributors that are placed with various separate bank accounts is payable at ranging from 6% to 10% (June 30, 2020: 8% to 11%) per annum as specified in the respective agreements. These security deposits are non utilizable. Further, ICI has not utilized any such deposit for the purpose of its business during the year.

27.6 Includes amount due to NutriCo Pakistan (Private) Limited and Morinaga Milk Industry Co Ltd amounting to PKR 112.7 million (2020: PKR 127.30 million) and PKR 193.30 million (2020: PKR 87.10 million) respectively.

		Note	2021	2020
			(PKR in '000')	
28.	**SHORT-TERM BORROWINGS AND RUNNING FINANCE**			
	ICI			
	Short-term running finance - secured	28.1 & 28.2	3,287,149	3,840,108
	Export Refinance	28.3	450,000	–
	FE 25 Facility		–	958,564
	Money Market		–	100,000
			3,737,149	4,898,672
	LCL			
	Export Refinance	28.4	7,050,000	6,050,000
	Foreign Currency Import Finance		–	1,881,444
			7,050,000	7,931,444
	LCLIHL			
	Short-term running finance - secured	28.5	1,161,885	–
			11,949,034	12,830,116

28.1 These represent short-term facilities wherein, Islamic Facilities have a limit of PKR 10,346 Million. These facilities carry mark-up ranging from KIBOR + 0.02 % to KIBOR + 1.25 % per annum with an average mark-up rate of relevant KIBOR + 0.16 % (June 30, 2020: relevant KIBOR + 0.05 % to KIBOR + 1.25 % per annum with an average mark-up rate of relevant KIBOR + 0.40 %). The conventional short term facilities, have a limit amounting to PKR 5,950 million (June 30, 2020: PKR 7,331 million). These facilities carry mark-up ranging from KIBOR + 0.05 % to KIBOR + 0.30 % per annum with an average mark-up rate of relevant KIBOR + 0.17 % (June 30, 2020: relevant KIBOR + 0.05 % to KIBOR + 0.30 % per annum with an average mark-up rate of relevant KIBOR + 0.15 %). These facilities are secured against current assets of ICI.

28.2 Includes facility from National Bank of Pakistan amounting to PKR 321.20 million, against a total limit of PKR 1,000 million, carrying mark-up at the rate of 3 month KIBOR + 0.15 %. ICI has executed other transactions mainly for payments to Government and related authorities in the ordinary course of business.

28.3 ICI has availed export refinance facility (ERF) amounting to PKR 450 million (2020: PKR Nil) as at June 30, 2021. PKR 300 million was availed from National Bank of Pakistan, PKR 100 million from Habib Metropolitan Bank - Islamic Banking and PKR 50 million from Allied Bank Limited-Islamic Banking (2020: PKR Nil). The above export refinance facility is secured by first pari passu hypothecation charge. The export refinance facility carries mark-up at State Bank of Pakistan (SBP) rate ranging from 0.15% to + 0.50% per annum (2020: SBP rate + Nil % per annum).

28.4 The Holding Company has obtained Islamic Export Refinance Facility of PKR 7,050 million (2020: PKR 6,050 million) from a number of banks. The facility is secured by way of hypothecation charge over plant and machinery, stock-in-trade and stores and spares. The export refinance facility carries mark-up at State Bank of Pakistan (SBP) rate (currently 2%) plus spread upto a maximum of 1.00% per annum. The Foreign Currency Import Finance (FCIF) under Islamic mode outstanding on June 30, 2020 has been repaid during the year.

28.5 These represent loans obtained by LCLIHL from its joint ventures i.e. Lucky Al Shumookh Holdings Limited and Lucky Rawji Holdings Limited aggregating to USD 6.0 million and USD 1.375 million respectively. The loan is repayable within one year.

29 CONTINGENCIES AND COMMITMENTS

29.1 CONTINGENCIES

THE HOLDING COMPANY

29.1.1 The Holding Company was entitled to sales tax exemption on cement produced by it from the date of commissioning to June 30, 2001 under SROs 580(1)/91 and 561(1)/94 dated June 27, 1991 and June 9, 1994 respectively. During the year ended June 1997, the Federal Government extended the sales tax exemption to all cement manufacturers of Pakistan and deprived the Holding Company from the advantage of its sales tax exemption. Being aggrieved, the Holding Company filed a writ petition with the Peshawar High Court in 2000. Subsequently, the sales tax exemption was restored on September 5, 2000. The writ petition was therefore withdrawn on legal advice and a suit was filed for compensation. The civil judge Peshawar granted ex-parte decree in favour of the Holding Company for an amount of PKR 1,693.61 million along with 14% return per annum until the said amount is actually paid.

On August 3, 2011, the Holding Company filed an execution petition for realisation of the decretal amount as per the decree granted by the civil court on November 20, 2009 which was challenged by the government. The Civil Judge, Peshawar, dismissed the suit of the Holding Company on December 18, 2012. Dismissal of the suit by the lower court has been challenged by the Holding Company in the High Court of Peshawar on March 9, 2013 in which relief is sought that the judgment of December 18, 2012 may be set aside. The case is currently pending before the Peshawar High Court.

29.1.2 The Competition Commission of Pakistan (CCP) passed a single order on August 27, 2009 against all the cement manufacturers of the country on the alleged ground of formation of cartel for marketing arrangement and imposed a penalty at the rate of 7.5% of total turnover of each company consisting of both local and export sales. The amount of penalty imposed on the Holding Company is PKR 1,271.84 million. The Holding Company challenged the constitutionality of the Competition Law before the Lahore High Court and also the show cause notice and subsequent order issued by the CCP. The Lahore High Court on October 26, 2020, however, dismissed the petitions of the cement manufacturers and declared the Competition Law to be intra vires. Nevertheless, the High Court struck down the constitution of the Competition Appellate Tribunal (CAT). The Holding Company has filed an appeal before the Honorable Supreme Court of Pakistan to challenge the said decision. Meanwhile, the Government has also filed an appeal to challenge the judgment of the Lahore High Court.

The Holding Company has also filed a petition before the High Court of Sindh in relation to the constitution mechanism of CAT, wherein the High Court of Sindh has granted a stay to the cement manufacturers.

Based on advice of the Holding Company's legal advisor, the management is confident of a positive outcome in this regard.

29.1.3 Details of other matters are stated in notes 17.2, 17.3 and 18 to these consolidated financial statements.

ICI PAKISTAN LIMITED

29.1.4 Claims against ICI not acknowledged as debts are as follows:

	2021	2020
	(PKR in '000')	
Local bodies	76,500	81,500
Others	7,238	22,979
	83,738	104,479

29.1.5 ICI imported a series of consignments of Wannate 8019 under PCT Heading 3909.5000. Collectorate of customs raised demand of PKR 3 million on May 12, 2015 & May 21, 2015, against ICI on the ground that ICI is classifying its imported product Wannate 8019 in wrong PCT Heading. ICI filed 12 appeals at the Customs Appellate Tribunal. The Collector of Customs (Appeals) at Karachi issued an order on November 25, 2015, through which it waived the penalty of PKR 0.6 million and fine of PKR 2.9 million originally imposed but two issues Classification of Goods and Benefit of FTA PKR 0.7 million were not allowed / accepted. ICI appealed before the Customs Appellate Tribunal.

Through order dated June 9, 2019, the Custom Appellate Tribunal (a) agreed to the Classification determined under impugned order dated May 21, 2015 (above) passed by the Collector Customs; (b) held that the goods being not part of SRO 1125(I)/2011 dated December 31, 2011 do not qualify for cover of zero rating of sales tax; (c) penalty imposed upon ICI is scaled down to PKR 200,000 in every case involving penalty and penalty imposed upon custom house agent is reduced to PKR 25,000 (in each case involving penalty); (d) declared recovery of additional sales tax as invalid; (e) benefit of FTA (Pak-China Free trade Agreement) has been extended to ICI. This decision has been challenged before the High Court of Sindh vide 10 custom references.

Special Customs Reference Applications were filed before the High Court of Sindh against order dated July 9, 2019. ICI's stay application was dismissed so ICI filed a writ petition in the SHC. The Special Customs Reference Application 831 to 840 of 2019 were decided in favour of ICI by the High Court of Sindh through order dated December 22, 2020. The High Court has remanded all ten cases to the Customs Appellate Tribunal for the appeals to be decided afresh. The Court has also restrained the Custom authorities from enforcing any demand till the Custom Appellate Tribunal decides the appeals.

For one other product Wannate PM 2010/ 8221, consignments were again withheld by Customs Intelligence on Classification issue. ICI paid PKR 94 million as security deposit for provisional clearance of these consignments till final decision. Classification committee through a public notice dated June 12, 2017 gave its view on classification of the product against ICI. Customs after the issuance of this public notice raised further demand relating to period prior to issuance of Public Notice, amounting to PKR 65 million. ICI being dissatisfied with the verdict filed a suit in High Court of Sindh on certain grounds including that applicability of public notice cannot be done retrospectively. The court has granted a stay in favour of ICI till the next date of hearing. ICI is confident that it has a strong grounds to defend the case and is hopeful of positive outcome.

29.1.6 ICI has received a notice dated March 11, 2016 issued by the Tehsil Municipal Administration Pin Dadan Khan, Tehsil Officer, whereby a sum of PKR 67 million was demanded as conversion fee with respect to land acquired/ purchased in the years 2010 and 2015. ICI filed a response to the said notice as well as appeal before the Secretary Local Government Community (SLG). The SLG disposed of the appeal by stating that the land purchased was Banjar Qadeem and that MC was competent to charge conversion fee. Thereafter another notice was by issued by the MC on November 15, 2018 for payment of PKR 67 million.

ICI filed a Writ Petition No.225 of 2019 on January 17, 2019 before the Lahore High Court, Rawalpindi Bench against the Notices as well as order of SLG. On October 31, 2019 the Learned Judge was pleased to stay the operation of the impugned orders/notices, subject to the deposit of PKR 24 million with the Deputy Registrar Judicial, which was deposited through Pay Order dated February 14, 2019.

ICI is confident that the above cases would be decided in ICI's favour. Accordingly, no provision in this respect has been made in these consolidated financial statements.

29.1.7 The assessment finalized for AY 1998-99 was revised on certain issues amounting to PKR 79 million and after being remanded by the Appellate Tribunal, the Order dated June 29, 2010 was issued. In this Order mainly the date of commissioning of PTA's plant was in dispute i.e. it was considered to fall in the subsequent tax period. Consequently, tax depreciation thereon was disallowed. Additionally, the cost of capitalization of PTA plant was restricted and additions to income were made.

In first appeal, the Commissioner (Appeals) [CIR(A)] decided all the issues in ICI's favor except the matter of restriction of cost of capitalization.

Currently appeals of ICI and FBR are pending before the Tribunal.

29.1.8 In relation to AY 2002-03, after the disposal of ICI's petition by the Supreme Court of Pakistan, the assessment proceedings were finalized vide Order dated May 15, 2017.

Despite the finality on the de-merger of the PTA Plant and related matters in the AY 2001-2002, the date of that event was considered as falling in this year. Consequently, in this Order, the tax officer proceeded to tax the event of transfer of PTA plant & exchange of shares and restrict the claim of depreciation relating to PTA assets. Other matters included the disallowance of financial charges and other issues.

Simultaneously, the orders for the Tax Years 2003 to 2010 were issued, to reflect the reduction in carry forward of depreciation. The significant issues in this year as well as the subsequent years were maintained in first appeal. Some relief on other matters in the AY 2002-2003 was given.

During the year, the Tribunal vide order dated June 7, 2021 has decided all the issues amounting to PKR 2,143 million involved in AY 2002-03 in ICI's favor. However, appeal effect order is pending.

The appeals for Tax Years 2003 to 2010 are still pending before Tribunal, having a financial impact of PKR 1,915 million. Since these involve a consequential matter, ICI is confident that these will also be favorably resolved.

With respect to the demand involved, ICI has sought stay from the High Court of Sindh which is valid till the decision of Tribunal.

29.1.9 The FBR, as part of regular assessments and audits, vide various Orders relating to TYs 2003 to 2010, made certain disallowances against provisions charged under various heads, financial charges, gain on disposal of fixed assets, exchange loss, proration of expenses against capital gains and interest free loans offered to employees.

The CIR(A) had allowed all the issues in ICI's favor except for one issue in TY 2010 which has been challenged before Tribunal having an estimated financial impact of PKR 79 million, the hearing in respect of which is pending.

FBR also challenged the CIR(A) order in the Tribunal which has been decided against ICI on certain matters including addition on account of disposal of fixed assets and apportionment of expenses against capital gain etc. References in this regard have been filed in the High Court and are pending adjudication.

29.1.10 Following proceedings were finalized by FBR for TY 2016:

(i) Income tax audit finalized vide assessment order dated December 30, 2019, raising demand on various issues such as disallowance of provisions, exchange loss, BMR credit etc. Although the demand amounting to PKR 36 million has been paid under protest, an appeal against the order has been filed before the CIR(A). Hearing of appeal before the CIR(A) is pending.

(ii) Monitoring proceedings have been finalized vide order dated September 2, 2016 wherein demand amounting to PKR 138 million was raised on account of alleged non-deduction of income tax on dividends paid to parties having specific exemptions. Appeal filed against the order before CIR(A) was decided against ICI which has been challenged before the Tribunal. Hearing of appeal before the Tribunal is pending.

29.1.11 Sales tax audit for July 2012 to June 2013 was finalized by FBR vide order dated September 12, 2014 in which major demand amounting to PKR 952 million was raised by declaring exempt / zero-rated sales as taxable along with certain other issues.

Appeal filed with CIR(A) was decided against ICI which has been challenged before the Tribunal. Hearing of appeal before the Tribunal is pending.

29.1.12 Sales tax audit for July 2014 to June 2015 was finalized by the FBR vide order September 25, 2018 creating demand amounting to PKR 26 million on various issues including inadmissible sales tax claimed on blacklisted / inactive suppliers and goods used for non-business activity, which has been paid under protest. After all these issues were remanded back by the CIR(A), FBR has filed an appeal before Tribunal.

Similar issues for July 2016 to June 2017, having an estimated financial impact of PKR 29 million, have been decided against ICI vide order dated June 29, 2021. ICI is in the process of filing an Appeal before CIR (A).

29.1.13 In addition to above as referred in notes 29.1.5 to 29.1.12, there are certain other tax and legal cases relating to ICI which are pending before various authorities. ICI is confident that all these cases (including those stated in notes 29.1.5 to 29.1.12) will be decided in favour of ICI.

LUCKY ELECTRIC POWER COMPANY LIMITED

29.1.14 During the year, LEPCL received a claim from its Supply and Construction Contractors seeking additional compensation including compensation on account of the cost incurred due to COVID-19 measures, changes in the law and extra cost incurred due to change in location of Seawater intake system (SWI) to address the concerns of the Port Qasim Authority. LEPCL's management, based on its assessment and legal opinion, has concluded that the claim of the contractors does not have any legal merit and thus LEPCL has no contractual obligation in this respect and is also confident that any amounts relating to the COVID-19 pandemic and changes in the law aggregating to USD 30.06 million shall only be payable if the same is determined to be recoverable in the tariff. LEPCL intends to pursue the contractor claim through the dispute resolution method outlined in the Supply and Construction Contract. However, a cost of USD 12.5 million has been recognised as liability (note 27) in these consolidated financial statements representing estimated cost incurred due to changes in location of SWI as this will be borne by LEPCL.The amount has been charged to the profit or loss [other expenses (note 36)] as this will not have any economic benefit to the Project. The ultimate resolution of the matter is dependent on the outcome of the dispute resolution mechanism. However, the management considers that except for this amount, no other net outflow of economic benefit is likely on this account.

		2021	2020
		(PKR in '000')	
	COMMITMENTS		
29.2	**Capital commitments**		
	Plant and machinery under letters of credit and others	23,342,394	13,333,475
	Other commitments		
	Stores, spares and packing material under letters of credit	1,649,345	1,636,056
	Bank guarantees issued	30,844,597	20,126,180
	Standby letter of credit	34,996,248	23,761,570
	Post dated cheques	1,245,770	2,036,197
	Commitment in connection with LEPCL's project's cost over-run and payment service reserve account (PSRA) support	21,689,041	23,135,522

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

	2021	2020
	(PKR in '000')	
Year		
2021-22	2,013	2,313
2022-23	6,436	2,464
2023-24	6,608	2,625
2024-25	7,038	2,795
2025-26	5,621	–
	27,716	10,197
Payable not later than one year	2,013	2,313
Payable later than one year but not later than five years	25,703	7,884
	27,716	10,197

30 OPERATING SEGMENT RESULTS

		Note	Cement		Polyester		Soda Ash		Pharma		Animal Health		Chemicals & Agri Sciences		NutriCo Morinaga (Note 30.8)		Automobiles		Power Generation		Others		Group	
			2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021 (PKR in '000')	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	Gross revenue																							
	Exports		13,854,227	12,339,912	257,768	525,043	1,119,467	764,064	109,836	32,517	-	-	4,170	-	-	-	-	-	-	-	-	-	15,345,468	13,661,536
	Inter-segment		50,153	-	-	-	-	-	-	-	-	-	28,115	12,041	-	-	410,231	-	-	-	1,655,467	873,569	2,143,966	885,610
	Local		74,453,315	49,962,174	28,580,555	22,930,044	19,327,709	18,401,487	10,838,050	8,861,777	6,625,863	4,851,709	10,477,845	9,825,534	2,148,248	977,770	99,592,214	33,826,316	-	-	209,391	-	252,253,190	149,636,811
			88,357,695	62,302,086	28,838,323	23,455,087	20,447,176	19,165,551	10,947,886	8,894,294	6,625,863	4,851,709	10,510,130	9,837,575	2,148,248	977,770	100,002,445	33,826,316	-	-	1,864,858	873,569	269,742,624	164,183,957
	Commission / toll income		-	-	-	-	-	-	-	35,368	226	4,675	126,225	131,337	-	-	-	-	-	-	-	-	126,451	171,380
	Revenue	31.1	88,357,695	62,302,086	28,838,323	23,455,087	20,447,176	19,165,551	10,947,886	8,929,662	6,626,089	4,856,384	10,636,355	9,968,912	2,148,248	977,770	100,002,445	33,826,316	-	-	1,864,858	873,569	269,869,075	164,355,337
	Sales tax and excise duty		23,847,318	19,349,670	4,105,654	3,298,092	2,706,463	2,613,205	43,506	38,861	9,137	9,873	1,054,444	786,993	-	-	18,285,478	6,138,786	-	-	209,392	109,526	50,261,392	32,345,006
	Rebates and commission		1,555,201	1,081,620	433,665	269,707	1,032,183	905,481	3,090,145	2,007,922	1,503,227	937,744	882,705	1,158,986	-	-	1,807,718	528,600	-	-	-	-	10,304,844	6,890,060
			25,402,519	20,431,290	4,539,319	3,567,799	3,738,646	3,518,686	3,133,651	2,046,783	1,512,364	947,617	1,937,149	1,945,979	-	-	20,093,196	6,667,386	-	-	209,392	109,526	60,566,236	39,235,066
			62,955,176	41,870,796	24,299,004	19,887,288	16,708,530	15,646,865	7,814,235	6,882,879	5,113,725	3,908,767	8,699,206	8,022,933	2,148,248	977,770	79,909,249	27,158,930	-	-	1,655,466	764,043	209,302,839	125,120,271
	Cost of sales	32	43,976,029	35,794,031	21,032,017	18,748,443	11,619,750	11,258,944	5,266,224	4,665,713	3,898,373	3,006,616	6,570,738	6,061,335	2,147,177	801,274	65,537,087	25,062,345	-	-	1,126,663	328,798	161,174,058	105,727,498
	Gross profit		18,979,147	6,076,765	3,266,987	1,138,845	5,088,780	4,387,921	2,548,011	2,217,167	1,215,352	902,152	2,128,468	1,961,598	1,071	176,496	14,372,162	2,096,585	-	-	528,803	435,245	48,128,781	19,392,773
	Distribution costs	33	4,857,984	3,699,154	245,066	179,234	537,027	326,430	1,309,793	1,158,943	743,939	563,413	966,721	926,754	433,472	241,828	927,623	516,852	-	-	-	36,129	10,021,626	7,648,737
	Administrative expenses	34	1,256,361	1,189,638	188,945	293,705	1,020,978	454,156	402,430	436,731	91,737	164,338	255,223	353,095	152,967	96,796	1,981,943	1,038,494	138,083	123,715	20,401	70,887	5,509,068	4,221,555
	Operating results		12,864,802	1,187,973	2,832,976	665,906	3,530,775	3,607,335	835,788	764,519	379,676	174,401	906,524	681,749	(585,368)	(162,128)	11,462,596	541,239	(138,083)	(123,715)	508,402	328,229	32,598,087	7,522,481
30.1	**Segment assets**	31.3	100,348,153	80,907,383	9,823,522	9,364,128	25,406,934	24,917,545	5,810,736	6,037,209	4,279,340	4,167,580	9,344,984	8,938,995	8,137,016	7,813,044	56,330,229	28,707,292	109,826,249	90,116,114	1,303,682	505,359	330,610,845	245,496,063
30.2	**Unallocated assets**																						45,194,999	46,390,584
																							375,805,844	291,886,647
30.3	**Segment liabilities**	31.4	31,444,586	28,126,741	14,723,344	14,632,440	3,341,690	3,102,176	5,563,382	5,841,748	2,209,108	1,961,237	2,424,499	1,898,406	410,257	4,718,771	36,534,948	12,605,116	5,227,947	4,096,984	72,281	1,538,695	101,952,042	78,522,314
30.4	**Unallocated liabilities**																						111,230,038	99,024,81
30.5	**Depreciation and amortisation**		4,186,275	3,794,432	725,357	768,366	1,762,404	1,748,652	143,799	201,475	64,740	92,162	144,545	174,636	349,131	170,298	1,381,435	1,095,829	16,557	17,221	16,339	23,581	8,790,582	8,086,651
30.6	**Capital expenditure**		6,470,911	6,762,896	308,653	213,022	2,372,994	1,138,805	115,929	60,076	26,702	71,712	4,074	76,076	32,022	716,771	5,090,744	510,470	10,872,617	45,766,469	20,718	39,327	25,315,364	55,355,624

30.7 There were no major customers of the Group in excess of 10% or more of the Group's revenue.

30.8 NutriCo Morinaga (Private) Limited is considered as a separate business segment / Cash Generating Unit (CGU) of the Group which has been reflected as 'NutriCo Morinaga' in these consolidated financial statements. The assets of the segment are subject to impairment test due to losses in initial years of its operations. The Group has performed impairment test on the CGU as of June 30, 2021.

The recoverable amount is determined based on a value-in-use calculation considering commercial and other assumptions used such as the expected cash flow, inflation rate, sales price increase, sales volume growth, discount rate etc. Cash flow projections from financial budgets are approved by the senior management covering a five year period and applying the expected value approach. The discount rate used in cash flow projections is 15 percent which reflects current market assessment of the rate of return required for the business and is calculated using the Capital Asset Pricing Model. The growth rate used to extrapolate the cash flows beyond the five-year period is 4 percent. Management expects revenues and margins to improve as and when the utilisation level of its new plant increases in years to come based on growth of existing products and launch of new products. As a result of this analysis, the management did not identify any impairment in the CGU.

Management believes that after considering the various scenarios no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGU to materially exceed its recoverable amount.

31 RECONCILIATIONS OF REPORTABLE SEGMENTS REVENUE, COST OF SALES, ASSETS AND LIABILITIES

		Note	2021	2020
			(PKR in '000')	
31.1	**Gross revenue**			
	Gross revenue for reportable segments	30	269,869,075	164,355,337
	Elimination of inter-segment revenue		(2,143,966)	(1,487,131)
			267,725,109	162,868,206
31.2	**Cost of sales**			
	Total cost of sales for reportable segments	30	161,174,058	105,727,498
	Elimination of inter-segment purchases		(1,560,340)	(916,844)
			159,613,718	104,810,654
31.3	**Assets**			
	Total assets reported by the segments	30	330,610,845	245,496,063
	Less: Adjustments and elimination of inter-segment balances		14,408,224	229,913
	Total assets for reportable segments of the Group		316,202,621	245,266,150
	Unallocated assets included in:			
	- taxation receivable		736,597	2,335,223
	- cash and bank balances	20	13,377,143	15,731,810
	- intangibles - goodwill and brands		4,122,877	4,582,702
	- long-term investments	9	26,958,382	23,970,762
			361,397,620	291,886,647
31.4	**Liabilities**			
	Total liabilities reported by the segments	30.3	101,952,042	78,522,314
	Less: Adjustments and elimination of inter-segment balances		111,860,579	17,207,252
	Total liabilities for reportable segments of the Group		(9,908,537)	61,315,062
	Unallocated liabilities included in:			
	- short-term borrowings and running finance	28	11,949,034	12,830,116
	- long-term finance	23	98,868,028	85,161,591
	- unclaimed and unpaid dividend		53,458	73,347
	- accrued return		248,689	848,931
	- deferred Government grant		1,948,977	59,720
	- others		110,829	110,829
			103,270,478	160,399,596

32 COST OF SALES

	Note	Cement 2021	Cement 2020	Polyester 2021	Polyester 2020	Soda Ash 2021	Soda Ash 2020	Pharma 2021	Pharma 2020	Animal Health 2021	Animal Health 2020	Chemicals and Agri Sciences 2021	Chemicals and Agri Sciences 2020	NutriCo Morinaga 2021	NutriCo Morinaga 2020	Automobiles 2021	Automobiles 2020	Power Generation 2021	Power Generation 2020	Others 2021	Others 2020	Group 2021	Group 2020
												(PKR in '000')											
Salaries, wages and benefits		2,496,697	2,364,172	675,215	614,527	1,217,333	1,058,373	497,613	400,688	59,953	49,888	183,279	139,391	50,192	25,211	–	–	–	–	16,144	13,852	5,196,426	4,666,102
Raw material consumed		2,643,590	1,589,409	17,360,168	14,962,528	3,943,478	3,842,428	3,941,037	2,942,191	1,139,040	658,393	4,180,771	3,394,051	1,878,591	885,904	60,565,808	21,982,115	–	–	923,194	267,537	96,575,677	50,524,556
Packing material	32.1	4,759,397	3,629,535	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	4,759,397	3,629,535
Fuel and power		26,641,768	20,932,373	2,233,904	1,637,959	4,247,998	4,165,344	151,024	121,849	7,341	7,257	38,950	32,943	90,264	42,140	–	–	–	–	738	700	33,411,987	26,940,565
Stores and spares consumed		2,366,054	1,461,493	245,130	263,191	275,268	253,732	149,949	64,373	19,787	14,202	38,230	12,708	–	(149,230)	–	–	–	–	29,718	16,570	3,124,136	1,937,039
Conversion fee paid to contract manufacturers		–	–	–	–	–	–	354,185	335,962	3,045	2,171	36,541	32,218	–	–	–	–	–	–	–	–	393,771	370,351
Repairs and maintenance		585,356	413,858	22,936	16,323	12,311	8,446	3,947	20,153	4,560	2,776	12,156	14,314	3,509	5,452	–	–	–	–	120	120	644,895	481,442
Depreciation and amortization	6.2, 7.1 & 8.1	3,798,989	3,434,966	646,775	714,244	1,630,591	1,684,005	114,760	132,688	42,712	38,207	97,454	78,353	349,131	170,298	1,197,962	917,216	–	–	16,339	23,581	7,894,713	7,193,557
Insurance		92,571	82,367	22,300	25,000	31,961	43,918	5,046	5,787	1,544	571	418	664	7,562	220	–	–	–	–	726	1,214	162,128	159,741
Earth moving machinery charge		305,549	270,170	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	305,549	270,170
Vehicle running and maintenance		51,686	50,327	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	51,686	50,327
Communication		13,069	11,789	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	13,069	11,789
Mess subsidy		7,266	6,966	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	7,266	6,966
Transportation		13,021	6,213	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	13,021	6,213
Travelling and conveyance		2,761	3,472	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2,761	3,472
Rent, rates and taxes		25,794	28,410	1,714	1,501	1,887	2,569	1,164	3,430	–	200	7	168	90	–	–	–	–	–	420	420	31,076	36,698
Printing and stationery		2,548	2,146	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2,548	2,146
Excise duty		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	12,195	3,710	12,195	3,710
Technical fees		–	–	–	–	–	–	–	–	–	–	–	–	39,543	37,037	–	–	–	–	–	–	39,543	37,037
Other manufacturing expenses		134,024	111,236	339,982	274,006	348,116	328,295	39,169	57,956	9,494	7,371	30,525	29,252	66,281	12,458	1,717,689	1,059,483	–	–	127,069	1,094	2,812,349	1,881,151
		43,940,140	34,398,901	21,548,124	18,509,279	11,708,943	11,387,110	5,257,894	4,085,077	1,287,476	781,036	4,618,331	3,734,062	2,485,163	1,029,490	63,481,459	23,958,814	–	–	1,126,663	328,798	155,454,193	98,212,566
Work-in-process:																							
Opening		1,882,802	2,750,407	223,575	148,741	–	–	21,681	60,311	(7,468)	6,444	12,483	27,425	–	–	–	–	–	–	–	–	2,133,073	2,993,328
Closing		(1,887,232)	(1,882,802)	(130,765)	(223,575)	–	–	(39,187)	(21,681)	(17,796)	7,468	(13,996)	(12,483)	–	–	–	–	–	–	–	–	(2,088,976)	(2,133,073)
		(4,430)	867,605	92,810	(74,834)	–	–	(17,506)	38,630	(25,264)	13,912	(1,513)	14,942	–	–	–	–	–	–	–	–	44,097	860,255
Cost of goods manufactured		43,935,710	35,266,506	21,640,934	18,434,445	11,708,943	11,387,110	5,240,388	4,123,707	1,262,212	794,948	4,616,818	3,749,004	2,485,163	1,029,490	63,481,459	23,958,814	–	–	1,126,663	328,798	155,498,290	99,072,821
Finished goods:																							
Opening		407,414	934,939	706,589	891,258	471,197	343,031	447,444	358,803	559,430	750,481	1,522,760	1,872,817	274,652	–	446,707	349,814	–	–	–	–	4,836,193	5,501,143
Purchases		–	–	(2,461)	129,329	–	–	110,097	709,012	2,518,138	2,053,875	2,195,196	1,986,064	–	46,436	2,719,812	1,200,424	–	–	–	–	7,540,782	6,125,140
Closing		(367,095)	(407,414)	(1,313,045)	(706,589)	(560,390)	(471,197)	(478,103)	(447,444)	(413,908)	(559,430)	(1,751,130)	(1,522,760)	(612,638)	(274,652)	(1,110,891)	(446,707)	–	–	–	–	(6,607,200)	(4,836,193)
Provision		–	–	–	–	–	–	(53,602)	(78,365)	(27,499)	(33,258)	(12,906)	(23,790)	–	–	–	–	–	–	–	–	(94,007)	(135,413)
		40,319	527,525	(608,917)	313,998	(89,193)	(128,166)	25,836	542,006	2,636,161	2,211,668	1,953,920	2,312,331	(337,986)	(228,216)	2,055,628	1,103,531	–	–	–	–	5,675,768	6,654,677
		43,976,029	35,794,031	21,032,017	18,748,443	11,619,750	11,258,944	5,266,224	4,665,713	3,898,373	3,006,616	6,570,738	6,061,335	2,147,177	801,274	65,537,087	25,062,345	–	–	1,126,663	328,798	161,174,058	105,727,498

32.1 These are net of duty draw back on export sales amounting to PKR 33.516 million (2020: PKR 31.77 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended June 30, 2021

33. DISTRIBUTION COST

	Note	Cement		Polyester		Soda Ash		Pharma		Animal Health		Chemicals and Agri Sciences		NutriCo Morinaga		Automobiles		Power Generation		Others		Group	
		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021 (PKR in '000')	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Salaries and benefits		324,676	294,426	67,484	65,611	59,178	48,369	637,834	526,999	417,652	264,094	429,623	364,344	3,067	2,204	108,266	77,241	–	–	–	–	2,047,780	1,643,288
Logistics and related charges		2,539,419	2,337,349	67,577	55,336	424,689	218,651	109,313	94,650	131,907	130,475	133,323	146,336	28,777	14,614	–	–	–	–	–	–	3,435,005	2,997,411
Loading and others		1,535,505	672,604	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1,535,505	672,604
Communication		6,523	6,427	1,422	1,347	2,365	4,951	18,287	14,944	7,564	5,371	11,644	10,613	5	16	1,720	1,806	–	–	–	–	49,530	45,475
Travelling and conveyance		4,595	9,678	5,687	8,925	1,002	3,486	180,636	160,313	76,085	72,443	80,344	87,362	–	825	1,628	3,072	–	–	–	–	349,977	346,104
Printing and stationery		1,337	1,013	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1,337	1,013
Insurance		41,509	35,246	–	–	481	240	11,341	7,328	7,532	7,454	10,915	11,311	44	228	2,945	2,060	–	–	–	–	74,767	63,867
Rent, rates and taxes		41,979	46,864	46	283	343	622	6,562	12,526	6,593	6,548	7,692	7,964	–	–	11,976	9,454	–	–	–	–	75,191	84,261
Utilities		5,238	4,421	61	82	1,855	2,000	4,176	3,698	1,432	3,890	13,946	9,271	–	–	1,342	1,369	–	–	–	–	28,050	24,731
Vehicle running and maintenance		20,344	17,543	–	–	–	–	–	–	–	–	–	–	–	–	2,945	2,461	–	–	–	–	23,289	20,004
Repairs and maintenance		32,446	18,599	213	197	868	634	4,402	3,373	1,664	1,406	9,491	13,877	–	–	2,625	1,982	–	–	–	–	51,709	40,068
Fees, subscription and periodicals		2,697	1,920	–	–	–	–	–	–	–	–	–	–	–	–	5,148	3,660	–	–	–	–	7,845	5,580
Advertisement and sales promotion		45,911	13,627	58,937	31,768	10,592	–	188,116	180,073	38,204	14,170	67,824	50,990	320,168	198,128	198,833	257,442	–	–	–	–	928,585	746,198
Entertainment		9,311	7,101	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	9,311	7,101
Security services		5,285	5,611	–	–	–	–	–	–	–	–	–	–	–	–	6,005	4,878	–	–	–	–	11,290	10,489
Royalty		–	–	–	–	–	–	–	–	–	–	–	–	79,480	–	–	–	–	–	–	–	79,480	–
Depreciation and																							
amortization	6.2, 7.1 & 8.1	214,802	186,791	8,830	–	10,975	2,041	15,688	24,811	20,940	30,370	21,006	44,615	–	–	36,695	35,723	–	–	–	–	328,936	324,351
Provision for doubtful debt	14.3	19,579	2,180	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	19,579	2,180
Other general expenses		6,828	37,754	34,809	15,685	24,679	45,436	133,438	130,228	34,366	27,192	180,913	180,071	1,931	61,942	547,496	115,703	–	–	–	–	964,460	614,011
		4,857,984	3,699,154	245,066	179,234	537,027	326,430	1,309,793	1,158,943	743,939	563,413	966,721	926,754	433,472	277,957	927,623	516,852	–	–	–	–	10,021,626	7,648,737

34. ADMINISTRATIVE EXPENSES

	Note	Cement 2021	Cement 2020	Polyester 2021	Polyester 2020	Soda Ash 2021	Soda Ash 2020	Pharma 2021	Pharma 2020	Animal Health 2021	Animal Health 2020	Chemicals and Agri Sciences 2021	Chemicals and Agri Sciences 2020	NutriCo Morinaga 2021	NutriCo Morinaga 2020	Automobiles 2021	Automobiles 2020	Power Generation 2021	Power Generation 2020	Others 2021	Others 2020	Group 2021	Group 2020
Salaries and benefits		613,592	576,364	80,776	178,681	674,929	292,938	226,703	206,883	44,844	68,829	213,084	249,352	40,903	22,018	433,066	308,966	20,598	18,629	–	759	2,348,495	1,923,419
Communication		9,246	8,133	–	2,134	–	3,064	–	3,758	–	962	–	2,647	–	939	6,882	7,225	518	656	–	77	16,646	29,595
Travelling and conveyance		25,730	28,785	830	5,257	4,830	5,910	3,411	9,477	962	2,074	1,511	3,126	3,366	18,176	6,513	12,289	–	–	–	–	47,153	85,094
Insurance		26,912	17,446	31	1,134	5,855	2,804	1,254	3,558	618	1,305	643	1,096	2,052	4,730	11,780	8,239	2,937	3,254	–	–	52,082	43,566
Rent, rates and taxes		23,794	22,126	33	467	596	604	1,501	1,063	10	301	53	199	1,256	5,598	47,902	37,815	12,067	13,637	–	–	87,212	81,810
Vehicle running and maintenance		28,431	24,711	–	–	–	–	–	–	–	–	–	–	–	–	11,778	2,461	2,163	2,586	–	–	42,372	29,758
Aircraft running and maintenance		40,991	43,688	–	–	–	–	–	–	–	–	–	–	–	–	–	7,929	–	–	–	–	40,991	51,617
Printing and stationery		9,252	7,472	–	–	–	–	–	–	–	–	–		–	–	–	–	596	569	–	–	9,848	8,041
Fees and subscription		35,464	32,690	–	–	–	–	–	–		–	–	–	–	–	20,590	14,641	31,330	28,124	3	29	87,387	75,484
Security services		9,098	9,036	–	–	–	–	–	–		–	–	–	–	–	24,018	19,514	40,006	28,406	–	–	73,122	56,956
Legal fee		57,017	50,319	–	–	–	–	–	–	–	–	–	–	–	–	–	–	908	570	60	910	57,985	51,799
Professional and advisory services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	375	–	375	–
Utilities		17,124	10,707		3,984		3,767		9,411		3,008	–	4,543	–	–	5,368	5,476	1,497	1,486	–	–	23,989	42,382
Repairs and maintenance		136,186	131,847	430	2,269	10,935	5,120	4,692	4,567	704	1,543	985	2,110	2,302	8,917	10,498	7,929	3,850	3,598	–	–	170,582	167,900
Advertisement		882	4,755	610	1,542	30,090	3,638	1,620	1,470	659	475	2,736	1,213	–	93	–	–	215	–	–	–	36,812	13,186
Auditors' remuneration	34.1	4,378	6,690	–	–	–	–	–	–	–	–	–	–	–	–	1,716	850	1,115	2,316	9,191	8,535	16,400	18,391
Depreciation and																							
amortization	6.2, 7.1 & 8.1	172,484	172,675	69,752	54,122	120,838	62,606	13,351	43,976	1,088	23,585	26,085	51,668	–	–	146,778	142,890	16,557	17,221	–	–	566,933	568,743
Provision for doubtful debts		–	–	–	–	23,231	3,516	(5,327)	(2,836)	(6,542)	7,472	(42,310)	(22,381)	–	–	–	–	–	–	270	(7,930)	(30,678)	(22,159)
Provision for slow moving		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
and obsolete stocks		–	–	–	–	–	–	53,602	78,365	27,499	33,258	12,906	23,790	–	–	–	–	–	–	–	–	94,007	135,413
Provision for slow moving spares		–	–	784	–	8,429	6,065	–	–	–	–	–	–	–	–	–	–	–	–	–	–	9,213	6,065
Training cost		9,454	16,023	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	9,454	16,023
Bank charges		18,072	14,840	–	–	–	–	–	–	–	–	–	–	–	–	–	–	828	–	–	–	18,900	14,840
Other general expenses		18,254	11,331	35,699	44,115	141,245	64,124	101,623	77,039	21,895	21,526	39,530	35,732	103,088	36,325	1,255,053	462,270	2,898	2,663	10,502	68,507	1,729,787	823,632
		1,256,361	1,189,638	188,945	293,705	1,020,978	454,156	402,430	436,731	91,737	164,338	255,223	353,095	152,967	96,796	1,981,943	1,038,494	138,083	123,715	20,401	70,887	5,509,068	4,221,555

		Note	2021	2020
			(PKR in '000')	
34.1	**Auditors' remuneration**			
	The Holding Company			
	Statutory audit fee			
	- standalone		1,985	1,985
	- consolidated financial statements		469	468
	Half yearly review fee		469	468
	Code of Corporate Governance review fee		110	110
	Others	34.1.1	570	2,565
			3,603	5,596
	Out of pocket expenses and government levies		775	1,094
			4,378	6,690
	Subsidiaries (multiple audit firms)			
	Statutory audit fee		6,066	6,506
	Half yearly review and other certifications		1,617	1,617
	Out of pocket expenses and government levies		742	988
	Other certifications		2,881	1,153
	Others		716	1,437
			12,022	11,701
			16,400	18,391

34.1.1 The current year expense primarily represents fee for services rendered in relation to the taxation matters.

		Note	2021	2020
			(PKR in '000')	
35.	**FINANCE COST**			
	Mark-up on long-term and short-term borrowings		1,322,872	2,073,978
	Interest on workers' profit participation fund		2,157	–
	Accretion of interest on lease liabilities		33,701	–
	Discounting charges on receivables		78,563	165,066
	Bank charges and commission		6,943	1,830
	Guarantee fee and others		19,545	126,227
			1,463,781	2,367,101
36.	**OTHER EXPENSES**			
	Workers' Profit Participation Fund	27.3	2,025,870	433,566
	Workers' Welfare Fund		535,477	71,496
	Liability in respect of contractors' claim relating to cost incurred due to change in location of water in-take system	29.1.14	1,978,750	–
	Donations and scholarships	36.1 & 36.2	372,074	206,545
	Exchange loss - net		–	481,174
	Others		3,275	10,561
			4,915,446	1,203,342

36.1 These include donations amounting to PKR 385.67 million given to Aziz Tabba Foundation (ATF). Mr. Muhammad Younus Tabba, Chairman of the Board of Directors of the Holding Company, is the Chairman of ATF and Mr. Muhammad Ali Tabba, the Chief Executive of the Holding Company, is the Vice Chairman of ATF. Further, Mr. Muhammad Sohail Tabba, Mr. Muhammad Jawed Tabba and Mrs. Mariam Tabba Khan, the Directors of the Holding Company, are also Trustees of ATF.

36.2 These include donation amounting to PKR 30.903 million to ICI Pakistan Foundation (Head office, Karachi). Mr. Asif Jooma, Chief Executive of ICI, Mr. Muhammad Abid Ganatra, Mr. Arshaduddin Ahmed, Mr. Aamer Mahmud Malik, Ms. Nausheen Ahmad and Ms. Fariha Salahuddin, (i.e. executives of ICI) are amongst the trustees of ICI Pakistan Foundation.

		Note	2021	2020
			(PKR in '000')	
37	**OTHER INCOME**			
	Income from non-financial assets			
	Gain on disposal of property, plant and equipment	6.4	114,557	47,813
	Gain from sale of electricity		212,556	179,743
	Sale of scrap		345,144	114,237
	Others		111,364	59,277
			783,621	401,070
	Income from financial assets			
	Dividends		613,815	200,861
	Return from deposits with Islamic bank and other financial institutions		1,530,208	1,774,322
			2,144,023	1,975,183
			2,927,644	2,376,253
38.	**TAXATION**			
	Current		3,865,870	2,113,459
	Deferred		906,944	(499,767)
			4,772,814	1,613,692

38.1 Relationship between income tax expense and accounting profit:

	2021	2020
	(PKR in '000')	
Profit before tax	33,001,738	8,930,899
Tax at the applicable tax rate of 29% (2020: 29%)	9,570,504	2,589,961
Tax effect of exempt income	(3,429,354)	–
Tax effect under lower rate of tax	(1,570,214)	(195,918)
Others	201,878	(780,351)
	4,772,814	1,613,692

39. **EARNINGS PER SHARE - basic and diluted**

There is no dilutive effect on the basic earnings per share of the Holding Company, which is based on:

	2021	2020
Profit attributable to owners of the Holding Company (PKR in thousands)	22,857,948	6,132,025
Weighted average number of ordinary shares (in thousands)	323,375	323,375
Basic and diluted earnings per share - PKR	70.69	18.96

	Note	2021	2020
		(PKR in '000')	

40. CASH GENERATED FROM OPERATIONS

	Note	2021	2020
Profit before taxation		33,001,738	8,930,899
Adjustments for non cash charges and other items			
Depreciation and amortization	6.2, 7.1 & 8.1	8,903,051	8,146,658
Provision for slow moving spares		9,213	6,065
Provision for slow moving and obsolete stocks		94,007	135,413
Provision for doubtful trade debts		(11,099)	(12,050)
Provisions and accruals no longer required written back		–	29
Gain on disposal of operating fixed assets	37	(114,557)	(47,813)
Provision for staff gratuity		550,257	548,791
Share of profit - joint venture and associates		(4,438,860)	(3,038,447)
Dividend income		(613,815)	(200,861)
Return from deposits with Islamic banks and other financial institutions		(1,530,208)	(1,774,322)
Finance cost		1,463,781	2,310,796
Profit before working capital changes		37,313,508	15,005,158
Increase in current assets			
Stores, spares and consumables		(4,342,487)	114,504
Stock-in-trade		(15,060,099)	(3,128,369)
Trade debts		200,505	(1,314,101)
Loans and advances		(552,599)	358,071
Trade deposits and short-term prepayments		79,083	(462,482)
Other receivables		(3,079,559)	(1,112,955)
		(22,755,156)	(5,545,332)
Increase in current liabilities			
Trade and other payables		28,347,494	5,284,688
		42,905,846	14,744,514

40.1 Cash and cash equivalents

	Note	2021	2020
Cash and bank balances	20	13,377,143	15,731,810
Short term borrowings and running finance	28	(11,949,034)	(12,830,116)
Release of bank balance held as lien		(322,000)	(1,950,000)
Short term investments		26,247,495	2,953,476
		27,353,604	3,905,170

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

41.1 Aggregate amounts charged in these consolidated financial statements are as follows:

	Chief Executive of the Holding Company		Executives (Note 41.2)		Total	
	2021	2020	2021	2020	2021	2020
			(PKR in '000')			
Managerial remuneration	60,000	60,000	5,264,909	3,203,531	5,324,909	3,263,531
Charge for defined benefit obligation & contribution plans	5,000	5,000	452,589	295,752	457,589	300,752
	65,000	65,000	5,717,498	3,499,283	5,782,498	3,564,283
Number of persons	1	1	858	735	859	736

41.2 Managerial remuneration includes bonus amounting to PKR 330.797 million (2020: PKR 193.818 million) paid in accordance with the Group's policy.

41.3 In addition to the above, the chief executive, directors and some executives are provided with the Group maintained cars and other benefits as per the Group's policy.

41.4 No remuneration has been paid to directors during the year except as disclosed in note 41.5.

41.5 An amount of PKR 1.688 million was paid to 7 non executive directors and PKR 0.219 million was paid to 1 executive director during the current year as fee for attending board meetings (2020: 7 non-executive directors were paid PKR 1.625 million and 1 executive director was paid PKR 0.156 million).

41.6 Executives as mentioned above include Chief Executive Officers of subsidiaries.

42. RELATED PARTIES

42.1 Following are the related parties with whom the Group had entered into transactions during the year:

42.1.1

S No.	Name of related parties	Relationship	Direct Shareholding % in the Holding Company
1	Lucky Energy (Private) Limited	Associated Company	3.55095%
2	Yunus Textile Mills Limited	Associated Company	6.90681%
3	Lucky Textile Mills Limited	Associated Company	Nil
4	Gadoon Textile Mills Limited	Associated Company	Nil
5	Lucky Paragon ReadyMix Limited	Associated Company	Nil
6	Lucky One (Private) Limited	Associated Company	Nil
7	Lucky Knits (Private) Limited	Associated Company	Nil
8	Lucky Foods (Private) Limited	Associated Company	Nil
9	Lucky Commodities (Private) Limited	Associated Company	Nil
10	Aziz Tabba Foundation	Associated Company	Nil
11	Lucky Air (Private) Limited	Associated Company	Nil
12	Energas Terminal (Private) Limited	Associated Company	Nil

42.1.1 Continued

S No.	Name of related parties	Relationship	Direct Shareholding % in the Holding Company
13	Tabba Heart Institute	Associated Company	Nil
14	YB Holdings (Private) Limited	Associated Company	Nil
15	Lucky Landmark (Private) Limited	Associated Company	Nil
16	Yunus Energy Limited	Associated Company	Nil
17	Kenzo Holdings Limited	Associated Company	7.0516%
18	Mr. Muhammad Yunus Tabba	Director	3.4513%
19	Mrs. Khairunnisa Aziz	Spouse of director	2.4932%
20	Mr. Muhammad Ali Tabba	Director	2.6865%
21	Mrs. Feroza Tabba	Spouse of director	0.1995%
22	Mr. Muhammad Sohail Tabba	Director	4.0675%
23	Mrs. Saima Sohail	Spouse of director	1.8771%
24	Mr. Jawed Yunus Tabba	Director	5.9446%
25	Mrs. Mariam Tabba Khan	Director	1.4430%
26	Mr. Ikram Hussain Khan	Spouse of director	0.0015%
27	Mr. Manzoor Ahmed	Director	Nil
28	Mr. Masood Karim Shaikh	Director	Nil
29	Mr. Syed Noman Hasan	Key management personnel	0.0003%
30	Mr. Muhammad Atif Kaludi	Key management personnel	Nil
31	Mr. Amin Ganny	Key management personnel	0.0014%
32	Mr. Faisal Mahmood	Key management personnel	Nil
33	Mr. Ahmed Waseem Khan	Key management personnel	Nil
34	Mr. Muhammad Shabbir	Key management personnel	Nil
35	Mr. Mashkoor Ahmed	Key management personnel	Nil
36	Mr. Kalim Ahmed Mobin	Key management personnel	Nil
37	Mr. Murtaza Abbas	Key management personnel	0.0003%
38	Mr. Adnan Ahmed	Key management personnel	Nil
39	Mr. Zahir Shah	Key management personnel	Nil
40	Mr. Waqas Abrar Khan	Key management personnel	Nil
41	Mr. Muhammad Safdar Ashraf Malik	Key management personnel	Nil
42	Lucky Entertainment (Private) Limited	Associated Company	Nil
43	NutriCo Morinaga (Private) Limited	Associated Company	Nil
44	Arabian Sea Country Club Limited	Associated Company	Nil
45	Global Commodities Limited	Associated Company	Nil
46	ICI Management Staff Defined Contribution Superannuation Fund	Associated Company	0.01243%
47	ICI Management Staff Gratuity Fund	Associated Company	0.00662%
48	ICI Management Staff Provident Fund	Associated Company	0.02556%
49	ICI Non Management Staff Provident Fund	Associated Company	0.00176%
50	ICI Pakistan Foundation	Associated Company	Nil
51	ICI Pakistan Management Staff Pension Fund	Associated Company	Nil
52	Lucky Foods (Private) Ltd	Associated Company	Nil
53	Morinaga Milk Industry	Associated Company	Nil
54	Nutrico Pakistan (Private) Limited	Associated Company	Nil
55	Pakistan Business council	Associated Company	Nil
56	Tabba Kidney Institute	Associated Company	Nil
57	YB Pakistan Limited	Associated Company	2.2746%
58	Rogers Capital Corporate Services Limited	Associated Company	Nil

42.1.1 Continued

S No.	Name of related parties	Relationship	Direct Shareholding % in the Holding Company
59	Lucky Rawji Holdings Limited	Joint Venture	Nil
60	Lucky Al Shumookh Holdings Limited	Joint Venture	Nil
61	Al Shumookh Lucky Investment Limited	Joint Venture	Nil
62	Mr. Asif Jooma	Key management personnel	0.0148%
63	Mr. M Abid Ganatra	Key management personnel	0.0000%
64	Mr. Atif Aboobukar	Key management personnel	0.0000%
65	Mr. Nauman Afzal	Key management personnel	Nil
66	Mr. Arshaduddin Ahmed	Key management personnel	Nil
67	Mr. Aamer Mahmud Malik	Key management personnel	0.0000%
68	Ms. Fariha Salahuddin	Key management personnel	Nil
69	Ms. Nausheen Ahmed	Key management personnel	Nil
70	Mr. Eqan Ali Khan	Key management personnel	Nil
71	Mr. Imran Tabba	Key management personnel	Nil
72	Ms. Rahila Aleem Sattar	Key management personnel	1.4430%
73	Mr. Mustufa Rawji	Key management personnel	Nil
74	Mr. Tariq Iqbal khan	Key management personnel	Nil
75	Mr. Asif Rizvi	Key management personnel	Nil
76	Mr. Muhammad Faisal	Key management personnel	Nil
77	Mr. Adamjee Yakoob	Key management personnel	Nil
78	Mr. Arifullah Qureshi	Key management personnel	Nil
79	Mr. Azam Mirza	Key management personnel	0.0003%
80	Mr. Ghulam Farooq	Key management personnel	Nil
81	Mr. Muhammad Ashaar Saeed	Key management personnel	Nil
82	Mr. Hakhee Kim	Key management personnel	Nil
83	Mr. Tariq Iqbal Ansari	Key management personnel	Nil
84	Mr. Yamin Yasin	Key management personnel	Nil
85	Mr. Intisar ul Haq Haqqi	Key management personnel	Nil

42.2 Balances and Transactions with Related Parties

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

	2021	2020
	(PKR in '000')	
Transactions with directors and their close family members		
Dividends	–	465,883
Meeting fee	1,906	1,781
Sales	366	–
Transactions with associates		
Sales	2,609,179	3,151,922
Purchase of goods, materials and services	1,817,757	8,254,869
Reimbursement of expenses to the Group	177,251	117,979
Reimbursement of expenses from the Group	1,712	5,181
Donation and Charity	433,488	110,993
Services received	38,080	250,887
Services rendered	17,338	–
Sale of fixed assets	–	4,545
Purchases	3,805	–
Dividends paid	589,246	893,237
Dividends received	741,137	922,273
Advance against issuance of shares	–	3,243,273
Shares issued during the year	1,188,960	–
Investment made in Joint Venture	737,145	–
Loan obtained from Joint Venture	1,152,148	–
Consideration paid for acquisition of Lucky Auto Industries	155,000	–
Transactions with key management personnel		
Salaries and benefits	1,213,520	1,182,736
Dividends	53,803	7,617
Loan	–	2,000
Shares issued during the period	105,000	–
Post employment benefits	85,390	101,518
Reimbursement of expenses	14	–
Rent paid	1,000	–
Contribution paid	399,975	329,800

The outstanding balances with related parties are disclosed in notes 10 and 14 to these consolidated financial statements.

42.3 Except as disclosed elsewhere in these consolidated financial statements, there are no transactions with key management personnel outside the terms of their employment.

43. SCHEME OF AMALGAMATION

On October 22, 2020, the Board of Directors of the LMC passed a resolution to acquire 100% interest in Lucky Auto Industries (Private) Limited (LAI) by purchasing its 15,500,000 ordinary shares of PKR 10 each. The Board of Directors also resolved to thereafter amalgamate LAI with and into LMC with effect from November 30, 2020 through a Scheme of Amalgamation under Section 284(1) of the Companies Act, 2017. The Scheme of Amalgamation was also approved by the Board of Directors of LAI in its meeting held on October 22, 2020. The form in respect of the said amalgamation was submitted to the Securities and Exchange Commission of Pakistan (SECP) on November 26, 2020. Consequently, as of November 30, 2020, the entire undertaking of LAI stand merged with and into the LMC and the entire business of LAI including its properties, assets, liabilities and rights and obligations vested into LMC. As LAI was a wholly owned subsidiary, the amalgamation has been accounted for as a common control transaction and predecessor accounting has been applied. Under predecessor accounting, balances relating to LAI as of November 30, 2020 have been amalgamated on a line by line basis on the date of merger. Details of the balances merged are as follows:

	(PKR in '000')
ASSETS	
Non current assets	
Equipment	3,208
Advance for acquisition of land	122,500
Total non current assets	125,708
Current assets	
Cash and bank	10,854
Receivable from SECP	605
TOTAL ASSETS	137,167
EQUITY AND LIABILITIES	
Share capital and reserves	
Share capital	155,000
Accumulated losses	(18,319)
Total equity	136,681
Current liabilities	
Accrued and other liabilities	82
Provision for taxation - net	404
	486
TOTAL EQUITY AND LIABILITIES	137,167

44. PRODUCTION CAPACITY

In metric tones except ICI PowerGen which is thousand of megawatt hours and vehicles which are in units:

		2021		2020	
	Note	Annual Name plate capacity	Production	Annual Name plate capacity	Production
Cement	44.1	12,150,000	9,119,486	12,150,000	6,492,074
Clinker	44.2	11,542,500	9,044,055	11,542,500	6,795,210
Polyester		122,250	137,720	122,250	108,339
Soda Ash	44.3	425,000	395,609	425,000	372,518
Morinaga		12,000	1,546	12,000	853
Sodium Bicarbonate		54,000	45,522	40,000	38,122
PowerGen	44.5	122,640	51,434	122,640	17,514
Vehicles	44.6	50,000	22,499	50,000	7,974

44.1 Cement Production capacity utilization is 75.06% (2020: 53.43%) of total installed capacity. The actual production is less than the installed capacity due to higher clinker exports, planned maintenance shutdown and gap between market demand and supply of cement.

44.2 Clinker production capacity utilization is 78.35% (2020: 58.87%) of total installed capacity.

44.3 Out of total production of 395,609 metric tonnes soda ash, 49,969 metric tonnes was transferred for production of 45,521 tonnes of Sodium Bicarbonate.

44.4 The capacity of Chemicals, Neutraceuticals, Animal health and Pharma is indeterminable because these are multi-product with multiple dosage and multiple pack size plants. The reason for shortfall in the annual production against name plate capacity are the prevailing market conditions during the year.

44.5 Electricity by PowerGen is produced as per demand of the Group.

44.6 Reason for shortfall in actual production as compared to production capacity was a result of global supply chain constraints.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk. Taken as a whole, the Group is exposed to market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The Group's principal financial liabilities comprise long-term borrowings, long-term deposits, short-term borrowings and running finance and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as investments, loans, deposits, trade and other receivables and cash and bank balances, which are directly related to its operations. The Group's finance and treasury departments oversee the management of these risks and provide assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the group policies and risk appetite. No changes were made in the objectives, policies or processes and assumptions during the year ended June 30, 2021. The policies for managing each of these risk are summarised below:

45.1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk return and interest rate risk; currency risk and other price risk.

45.1.1 Return and interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

Majority of the interest rate risk of the Group arises from long term loans and mark-up bearing deposits held with a bank. Long term loans at variable interest rates expose the Group to cash flow interest rate risk and deposits with bank at fixed interest rates give rise to fair value interest rate risk.

At June 30, 2021, if the interest rate on the Group's loans had been higher / lower by 100 basis points with all other variables held constant, the Group's profit before tax and capital-work-in progress for the year would have been lower / higher by PKR 148.98 million (2020: PKR 126.29 million) and PKR 67.689 million (2020: PKR 60.907 million) respectively.

45.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group is exposed to and arises where transactions are done in foreign currency.

As at the reporting date, if Pakistan Rupee depreciated / appreciated by 1% against USD, CNY, Euro, GBP and JPY, with all other variables held constant, the Group's profit before tax and capital work-in-progress would have been lower / higher by PKR 335.558 million (2020: PKR 16.766 million million) and PKR 312.974 million (2020: PKR 303.692 million) respectively as a result of exchange gain / (loss) on translation of foreign currency denominated financial instruments.

45.1.3 Other price risk

Other price risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market prices. The Group does not carry material financial assets exposed to other price risk.

45.2 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed to perform as contracted. The Group manages credit risk by limiting significant exposure to any individual customers, by obtaining advance against sales and developing a formal approval process whereby credit limits are applied to its customers. The management also continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Group has a system of assigning credit limits to its customers based on an extensive evaluation of customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees. The Group does not have significant exposure to any individual customer.

As of the reporting date, the Group is exposed to credit risk on the following assets:

	Note	2021	2020
		(PKR in '000')	
Financial assets carried at:			
Amortized cost			
Long-term loans	10	675,433	561,759
Long-term deposits	11	53,297	46,289
Trade debts	14	5,645,184	5,834,590
Loans	15	354,680	261,926
Trade deposits	16	280,135	287,834
Other receivables	17	4,668,395	4,639,142
Accrued return		23,440	94,208
Short term investments		10,059,880	–
Bank balances	20	13,348,746	15,717,341
		35,109,190	27,443,089
At fair value through other comprehensive income			
Short term investment - 1,769,940 shares of PSX			
(2020: 1,769,940 shares of PSX)		39,488	17,523
At fair value through profit or loss			
Short term investment - units of mutual funds	19.1	16,187,615	2,953,476
		16,227,103	2,970,999
		51,336,293	30,414,088

Credit quality of financial assets

The credit quality of financial assets can be assessed by reference to external credit ratings agencies or the historical information about counter party default rates as shown below:

The Group has placed its funds with banks which are rated A1, A1+, A3 and AA3 as per the short term ratings by PACRA/ Moody's and JCR-VIS.

Other receivables mainly include amount receivable in connection with electricity supply for which the Group considers risk to be minimal.

45.3 Liquidity risk

Liquidity risk reflects the Group's inability in raising funds to meet commitments. Management closely monitors the Group's liquidity and cash flow position. This includes maintenance of liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

As of the reporting date, the Group has unavailed credit facilities aggregating PKR 26,047 million (2020: PKR 17,859 million) out of the total facilities of PKR 75,080 million (2020: PKR 51,014 million), which are secured by hypothecation on certain assets of the Group. These facilities include financing arranged for expected capital expenditure in respect of the Group's plan to increase the production capacity of its cement segment.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Within 1 year	1 to 10 years	Total
		(PKR in '000')	
June 30, 2021			
Long-term finance	5,309,741	95,507,264	100,817,005
Long-term deposits and other liabilities	–	5,422,053	5,422,053
Lease liabilities	94,102	171,533	265,635
Short-term borrowings and running finance	11,949,034	–	11,949,034
Trade and other payables	36,359,520	–	36,359,520
Accrued return	248,689	–	248,689
Unclaimed dividend	53,458	–	53,458
	53,961,086	101,100,850	155,115,394
June 30, 2020			
Long-term finance	2,637,451	82,524,140	85,161,591
Long-term deposits and other liabilities	–	5,689,629	5,689,629
Lease liabilities	79,256	253,591	332,847
Short-term borrowings and running finance	12,830,116	–	12,830,116
Trade and other payables	24,670,972	–	24,670,972
Accrued return	848,931	–	848,931
Unclaimed dividend	55,767	–	55,767
Unpaid dividend	17,580	–	17,580
	41,140,073	88,467,360	129,607,433

46. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder's value and reduce the cost of capital.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the year ended June 30, 2021.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings including any finance cost thereon, less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt.

The gearing ratios as at June 30, 2021 and 2020 were as follows:

	Note	2021	2020
		(PKR in '000')	
Long-term finance	23	95,507,264	82,524,140
Accrued return		248,689	848,931
Short term borrowings and running finance	28	11,949,034	12,830,116
Current portion of long-term finance	23	5,309,741	2,637,451
Total debt		113,014,728	98,840,638
Share capital	21	3,233,750	3,233,750
Reserves	22	132,389,387	110,543,591
Equity		135,623,137	113,777,341
Capital		248,637,865	212,617,979
Gearing ratio		45.45%	46.49%

47. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment in associates are carried using equity method. The carrying values of all other financial assets and liabilities reflected in these consolidated financial statements approximate their fair values.

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).

- Inputs for the asset or liability that are not based on observable market data (level 3).

	Level 1	Level 2	Level 3	Total
		(PKR in '000')		
Assets				
Financial assets				
- Short-term investments	39,488	16,187,615	–	16,227,103

There were no transfers amongst levels during the year.

48. NUMBER OF EMPLOYEES

The total number of persons employed as at the year end date and the average number of employees during the year are as follows:

	2021	2020
Number of employees as at June 30	6,849	6,126
Average number of employees during the year	6,788	6,178

49. SUBSEQUENT EVENT

The Board of Directors of the Holding company in its meeting held on August 7, 2021 approved the transfer of PKR 14,016.397 million (2020: PKR 3,508.483 million) from un-appropriated profit to general reserve. These consolidated financial statements do not reflect this appropriation.

50. GENERAL

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

50.2 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.

51. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on August 07, 2021 by the Board of Directors of the Holding Company.

Muhammad Yunus Tabba	Muhammad Ali Tabba	Atif Kaludi
Chairman / Director	Chief Executive	Chief Financial Officer

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2021

No of Shareholders	Shareholding From	To	Total Shares Held
2,427	1	100	109,209
1,689	101	500	504,686
2,700	501	1000	1,638,547
1,092	1001	5000	2,731,074
258	5001	10000	1,950,744
136	10001	15000	1,724,458
96	15001	20000	1,711,484
58	20001	25000	1,312,534
39	25001	30000	1,080,640
30	30001	35000	974,984
24	35001	40000	917,002
23	40001	45000	980,837
19	45001	50000	916,306
15	50001	55000	793,959
10	55001	60000	583,153
16	60001	65000	1,012,263
11	65001	70000	759,621
8	70001	75000	587,237
11	75001	80000	859,143
7	80001	85000	572,492
10	85001	90000	875,411
4	90001	95000	369,899
8	95001	100000	786,237
3	100001	105000	314,437
5	105001	110000	543,360
3	110001	115000	335,335
4	115001	120000	474,271
1	120001	125000	125,000
9	125001	130000	1,158,338
6	130001	135000	799,651
2	135001	140000	274,450
2	140001	145000	284,329
3	145001	150000	445,074
3	150001	155000	458,436
1	155001	160000	160,000
2	160001	165000	328,356
4	165001	170000	674,036
1	170001	175000	172,700
2	175001	180000	357,408
1	180001	185000	184,800
3	185001	190000	562,609
4	190001	195000	768,925
2	195001	200000	395,651
3	200001	205000	606,858
2	205001	210000	412,839
1	215001	220000	217,430
3	220001	225000	669,594
1	225001	230000	227,000
1	230001	235000	234,200
2	235001	240000	479,280
2	240001	245000	489,400

No of Shareholders	Shareholding From	To	Total Shares Held
2	245001	250000	497,835
2	250001	255000	501,873
5	255001	260000	1,288,948
3	260001	265000	788,373
3	265001	270000	805,000
1	270001	275000	273,862
1	275001	280000	277,531
2	285001	290000	579,058
1	290001	295000	290,564
1	295001	300000	300,000
1	300001	305000	303,000
4	310001	315000	1,246,801
3	315001	320000	954,966
1	320001	325000	322,931
1	330001	335000	333,700
3	345001	350000	1,045,880
1	355001	360000	359,961
1	365001	370000	365,865
2	370001	375000	748,025
1	375001	380000	379,275
1	380001	385000	382,407
1	390001	395000	393,406
1	395001	400000	400,000
2	410001	415000	826,209
1	425001	430000	425,243
1	440001	445000	441,748
2	445001	450000	896,404
1	450001	455000	453,900
1	455001	460000	458,361
2	460001	465000	925,004
1	475001	480000	478,605
1	485001	490000	487,124
1	490001	495000	490,980
1	505001	510000	508,709
1	510001	515000	515,000
1	515001	520000	520,000
1	525001	530000	527,670
1	545001	550000	549,104
1	565001	570000	565,630
1	585001	590000	588,000
1	595001	600000	596,207
1	630001	635000	632,456
1	640001	645000	645,000
1	680001	685000	685,000
1	710001	715000	712,065
1	745001	750000	747,000
1	755001	760000	757,450
1	775001	780000	777,629
1	780001	785000	782,531
1	795001	800000	799,128

No of Shareholders	Shareholding From	To	Total Shares Held
1	800001	805000	801,498
1	815001	820000	817,433
1	820001	825000	821,791
1	855001	860000	855,757
1	880001	885000	882,005
2	885001	890000	1,772,653
1	915001	920000	920,000
1	930001	935000	931,003
1	960001	965000	961,700
2	995001	1000000	1,996,203
1	1015001	1020000	1,017,360
1	1060001	1065000	1,064,977
1	1105001	1110000	1,107,900
1	1175001	1180000	1,179,000
1	1205001	1210000	1,205,241
1	1250001	1255000	1,251,741
1	1415001	1420000	1,420,000
1	1420001	1425000	1,424,506
1	1495001	1500000	1,500,000
1	1705001	1710000	1,706,767
1	1725001	1730000	1,726,500
1	1870001	1875000	1,874,503
1	1900001	1905000	1,902,133
1	2550001	2555000	2,550,155
1	2645001	2650000	2,647,252
1	2680001	2685000	2,684,687
1	3445001	3450000	3,448,068
1	4335001	4340000	4,335,992
3	4665001	4670000	13,998,501
2	6065001	6070000	12,140,000
1	7355001	7360000	7,355,498
1	7955001	7960000	7,956,138
1	8060001	8065000	8,062,500
1	8685001	8690000	8,687,332
1	8955001	8960000	8,958,351
1	9755001	9760000	9,758,400
1	11160001	11165000	11,160,757
1	11480001	11485000	11,482,875
2	13150001	13155000	26,306,514
1	19220001	19225000	19,223,256
1	22330001	22335000	22,334,890
2	22800001	22805000	45,606,058

Shareholders' Category	Number of Shareholders	Number of Shares Held	Percentage %
Directors, Chief Executive Officer and their spouse and minor children:			
- Directors & Spouse	10	62,985,949	19.48
- Chief Executive Officer	1	8,687,332	2.69
- Sponsors	6	59,314,758	18.34
- Executives	4	6,605	–
Associated Companies, Undertakings and related parties	6	73,779,692	22.82
NIT and ICP	8	2,535,291	0.78
Banks, Development Financial Institutions, Non Banking Financial Institutions	28	5,835,800	1.80
Insurance Companies	17	6,756,872	2.09
Modarbas	4	36,824	0.01
Mutual Funds	86	17,662,017	5.46
Share holders holding 10% or more:	–	–	–
General Public:			
a.Local	8,279	42,703,113	13.21
b.Foreign	248	39,090,708	12.09
Others (to be specified)	191	3,980,039	1.23
	8,888	323,375,000	100.00

LUCKY CEMENT LIMITED NOTICE OF 28TH ANNUAL GENERAL MEETING

Notice is hereby given that the 28th Annual General Meeting (AGM) of the members of Lucky Cement Limited will be held on **Tuesday, September 28, 2021 at 12:00 noon** at the registered office of the Company situated at factory premises in Pezu, District Lakki Marwat, 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, 2021 together with the Board of Directors' and Independent Auditors' reports thereon.

2. To appoint Auditors and fix their remuneration for the year ending June 30, 2022. The present Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

3. To elect seven (7) Directors of the Company as fixed by the Board of Directors in its meeting held on August 7, 2021, in terms of Section 159 of Companies Act, 2017 (The Act) for a term of three (3) years. The names of retiring Directors are as follows:

1. Mr. Muhammad Yunus Tabba
2. Mr. Muhammad Ali Tabba
3. Mr. Muhammad Sohail Tabba
4. Mr. Jawed Yunus Tabba
5. Mrs. Mariam Tabba Khan
6. Mr. Manzoor Ahmed
7. Mr. Masood Karim Shaikh

SPECIAL BUSINESS:

4. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2021 by passing the following special resolution with or without modification:

"RESOLVED THAT the transactions conducted with Related Parties as disclosed in the note 40 of the unconsolidated financial statements for the year ended June 30, 2021 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, 2022 by passing the following special resolutions 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, 2022.

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, 2021

Notes:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company shall remain closed from Tuesday September 14, 2021 to Tuesday, September 28, 2021 (both days inclusive). Transfers received in order at our Share Registrar / Transfer Agent 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 Monday, September 13, 2021 shall be treated in time for the purpose of Annual General Meeting.

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. Nomination for Directorship

Any person who seeks to contest the election of Directors shall file with the Company at its registered office not later than 14 days before the date of meeting, notice of his / her intention to offer himself / herself for the election of the Directors, together with:

a) Consent to act as Director as required under Section 167(1) of Companies Act 2017;

b) Declaration in respect of being compliant with the requirements of the Code of Corporate Governance and the eligibility criteria as set out in the Companies Act, 2017 to act as Director of a listed Company; and

c) Detailed profile along with office address for placement onto the Company's website within seven days prior to the date of election in terms of SRO dated December 10, 2015.

4. Deposit of Physical Shares into 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.

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.

5. 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 the Company at its registered address 10 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)

6. 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, holding ten percent of the voting power at least 10 days before the date of the meeting to the Company on the appointment of Execution Officer by the intermediary as Proxy.

7. 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.

STATEMENT OF MATERIAL FACTS UNDER SECTION 166 (3) OF THE COMPANIES ACT, 2017

Agenda item # 3 – Election of Directors

The term of office of the present Directors of the company will expire on September 28, 2021. In terms of Section 159(1) of the Companies Act, 2017 ("Act"), the Board of Directors in its Board meeting held on August 7, 2021 has fixed the number of elected Directors at 7 (seven) to be elected in the Annual General Meeting of the Company for the period of next three years.

Any person who seeks to contest the election to the office of a Director, whether he is retiring director or otherwise, shall file with the Company Secretary, at the Registered Office of the Company located at Pezu, District Lakki Marwat, Khyber Pakhtunkhwa not later than fourteen (14) days before the date of Annual General Meeting, the following documents:

1. His/her Folio No./CDC Investors Account No. CDC Participant No./Sub-Account No.

2. Notice of his/her intention to offer himself/herself for election of directors in terms of Section 159(3) of the Act, together with the consent to act as a Director in Form 28 prescribed under the Companies Act, 2017.

3. A detailed profile along with office address as required under SECP SRO 1196(I)/2019 dated October 3, 2019.

4. A director must be a member of the Company at the time of filing of his / her consent for contesting election of Directors except a person representing a member, which is not a natural person.

5. A declaration confirming that:

   (a) He / she is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of the Company and listing regulations of the Pakistan Stock Exchange; and

   (b) He / she is not ineligible to become a director of a listed company under any provision of the Act, the Listed Companies (Code of Corporate Governance) Regulation, 2019 and any other applicable law, rules and regulations.

6. Independent Director(s) will be elected through the process of election of Director in terms of Section 159 of the Act and they shall meet the criteria laid down in Section 166 of the Act, and the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

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

1. Agenda item # 4 – Ratification and approval of the related party transactions carried out during the year ended June 30, 2021

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, 2019. 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 27th 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, 2021 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 40 to the unconsolidated financial statements for the year ended June 30, 2021. Party-wise details of such related party transactions are given below:

Name of Related Party	Transaction Type	Amount in PKR
Aziz Tabba Foundation	Donation paid	200,000,000
Energas Terminal (Private) Limited	Reimbursement of Expenses to Company	1,006,344
Gadoon Textile Mills Limited	Reimbursement of Expenses from Company	115,070
	Reimbursement of Expenses to Company	10,028,843
	Sales	6,118,180
ICI Pakistan Limited	Dividends Received	1,269,950,000
	Purchase	11,381,574
	Sales	11,406,780
Kenzo Holdings Limited	Dividends Paid	10,340,909
Lucky Air (Private) Limited	Reimbursement of Expenses to Company	33,140
	Services	30,353,272
Lucky Commodities (Private) Limited	Reimbursement of Expenses to Company	471,669
Lucky Electric Power Company Limited	Investment Made During the Period	6,050,000,000
	Claim of Tax Loss	615,168,773
	Reimbursement of Expenses to Company	50,774
Lucky Energy (Private) Limited	Sales	8,769,526
Lucky Foods (Private) Limited	Reimbursement of Expenses to Company	16,142,494
Lucky Holdings Limited	Dividends Received	223,938,000
	Reimbursement of Expenses to Company	32,505
Lucky Knits (Private) Limited	Sales	11,226,600
Lucky Landmark (Pvt) Ltd.	Sales	831,600
Lucky Motor Corporation Limited	Dividends Received	2,851,785,225
	Purchase of Fixed Assets	1,755,000
	Purchase of vehicles	71,153,000
	Reimbursement of Expenses to Company	5,766
	Sales	38,746,085
	Services	983,208

Name of Related Party	Transaction Type	Amount in PKR
Lucky One (Private) Limited	Sales	52,994,246
Lucky Paragon ReadyMix (Private) Limited	Sales	29,921,766
Lucky Textile Mills Limited	Sales	60,807,950
Tabba Heart Institute	Services	981,945
YB Holdings (Private) Limited	Reimbursement of Expenses to Company	2,833,811
Yunus Energy Limited	Dividends Received	61,136,500
Yunus Textile Mills Limited	Reimbursement of Expenses to Company	1,508,880
	Sales	201,717,156
Directors and close family members	Meeting Fee	1,906,250
	Sales	366,000
Key Management Personnel	Retirement Benefits	44,749,325
	Salaries And Benefits	280,320,552

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 40 to the unconsolidated financial statements for the year ended June 30, 2021. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

2. Agenda item # 5 – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2022

The Company shall be conducting transactions with its related parties during the year ending June 30, 2022 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, 2022, 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.

FORM OF PROXY

I / We ____

of (full address) ____

____

being member of LUCKY CEMENT LIMITED holding ______________________ ordinary shares as per Share Register Folio No. ______________ and/or CDC Participant I.D. No. ______________ and Sub-Account No. ______________ hereby appoint ______________________

of (full address) ____

or failing him/her ____

of (full address) ______________________________________ who is also a member of Lucky Cement Limited, as my / our proxy in my / our absence to attend and vote for me / us and on my / our behalf at annual general meeting of the company to be held on Tuesday, September 28, 2021 at 12:00 noon, and / or any adjournment thereof.

Signature this ______________ (day) ______________ (date, month) year 2021.

Witnesses:

1. Signature: ______________________

Name ______________________

Address ______________________

CNIC No. ______________________

Signature

Signature of members should match with the specimen signature registered with the company

2. Signature: ______________________

Name ______________________

Address ______________________

CNIC No. ______________________

Important:

1. In order to be effective, this form of proxy duly completed, stamped, signed and witnessed along with power of attorney, or other instruments (if any), must be deposited at the registered office of the company at factory premises Pezu, district Lakki Marwat, Khyber Pakhtunkhwa at least 48 hours before the time of the meeting.

2. If a member appoints more than one proxy and more than one form of proxy are deposited by a member with the company, all such forms of proxy shall be rendered invalid.

3. In case of proxy for an individual beneficial owner of shares from CDC, attested copies of beneficial owner's computerized national identity card (CNIC) or passport, account and participant's ID numbers must be deposited along with the form of proxy. In case of proxy for representative of corporate members from CDC, board of directors' resolution and power of attorney and the specimen signature of the nominee must be deposited along with the form of proxy. The proxy shall produce his / her original CNIC or passport at the time of meeting.

مختارنامہ (پراکسی فارم)

میں/ہم مسمی/مسماۃ ________________________________

ساکن ________________________ ضلع ________________________

بحیثیت رکن (ممبر) لکی سیمنٹ لمیٹڈ مقرر کرتا ہوں/ کرتی ہوں/ کرتے ہیں مسمی/مسماۃ ________________________

ساکن ________________________________

کو جو خود بھی لکی سیمنٹ لمیٹڈ کا رکن ہے کہ وہ بطور میرا/ہمارا مختار (پراکسی) لکی سیمنٹ لمیٹڈ کے سالانہ اجلاس عام میں جو بروز منگل 28 ستمبر 2021 بوقت دوپہر 12:00 بجے منعقد ہو رہا ہے یا اس کے کسی ملتوی شدہ اجلاس میں شرکت کرے اور میری/ہماری جگہ میری/ہماری طرف سے حق رائے دہی استعمال کرے۔

مؤرخہ ________________ 2021 کے میرے/ہمارے دستخط سے جاری ہوا۔

فولیو نمبر	سی ڈی سی کھاتہ نمبر	حصص کی تعداد

دستخط

گواہ نمبر 1

دستخط ________________

نام ________________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ________________

پتہ ________________

گواہ نمبر 2

دستخط ________________

نام ________________

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ________________

پتہ ________________

ہدایات:

1۔ مختار (پراکسی) کا کمپنی کا رکن (ممبر) ہونا ضروری ہے۔

2۔ ممبر (رکن) کے دستخط، نمونہ دستخط شدہ/اندراج شدہ دستخط سے مماثلت ضروری ہے۔

3۔ سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو مختارنامہ (پراکسی فارم) کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ اداروں کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔

4۔ مختارنامہ (پراکسی فارم) مکمل پُر شدہ کمپنی کے رجسٹرار آفس میں اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل جمع کرانا ضروری ہے۔

Name of Related Party	Transaction Type	Amount in PKR
Lucky Knits (Private) Limited	Sales	11,226,600
Lucky Landmark (Pvt) Ltd.	Sales	831,600
Lucky Motor Corporation Limited	Dividends Received	2,851,785,225
	Purchase Of Fixed Assets	1,755,000
	Purchase Of vehicles	71,153,000
	Reimbursement of Expenses to Company	5,766
	Sales	38,746,085
	Services	983,208
Lucky One (Private) Limited	Sales	52,994,246
Lucky Paragon ReadyMix (Private) Limited	Sales	29,921,766
Lucky Textile Mills Limited	Sales	60,807,950
Tabba Heart Institute	Services	981,945
YB Holdings (Private) Limited	Reimbursement of Expenses to Company	2,833,811
Yunus Energy Limited	Dividends Received	61,136,500
Yunus Textile Mills Limited	Reimbursement of Expenses to Company	1,508,880
	Sales	201,717,156
Directors and close family members	Meeting Fee	1,906,250
	Sales	366,000
Key Management Personnel	Retirement Benefits	44,749,325
	Salaries And Benefits	280,320,552

کمپنی مارکیٹ میں رائج قیمت کی بنیاد پر متعلقہ پارٹیوں سے لین دین کے معاملات کرتی ہے اور اس سلسلے میں "متعلقہ پارٹیوں سے لین دین" کی طے شدہ پالیسی کے مطابق عام کاروباری حالات کو پیش نظر رکھا جاتا ہے۔ متعلقہ پارٹیوں سے لین دین کے تمام معاملات میں کمپنی کے بورڈ کی آڈٹ کمیٹی سے منظوری حاصل کرنا ضروری ہے جس کی صدارت کمپنی کا ایک غیر جانبدار ڈائریکٹر کرتا ہے۔ کمپنی کے بورڈ کی آڈٹ کمیٹی کی تجویز پر ہی اس قسم کے معاملات کو بورڈ کے سامنے منظوری کیلئے پیش کیا جاتا ہے۔

متعلقہ پارٹیوں سے لین دین کے معاملات میں سیمنٹ کی فروخت، اداشدہ اور وصول شدہ ڈیویڈنڈ، سرمایہ کاری (جہاں ضرورت حصص داران اور بورڈ کی منظوری کے ساتھ) اور اہم انتظامی عہدوں پر فائز منتظمین کی تنخواہوں اور مراعات وغیرہ کو شامل کیا گیا ہے لیکن لین دین انہی معاملات تک محدود نہیں ہیں۔

کمپنی کی غیر یکجا مالیاتی دستاویزات بابت مالی سال اختتامیہ 30 جون 2021 کے نوٹ نمبر 40 میں کمپنی کے ساتھ ان متعلقہ پارٹیوں کے تعلق کی وضاحت بھی کی جا چکی ہے۔ ڈائریکٹرز ان کمپنیوں میں اپنی مشترکہ ڈائریکٹرشپ کی حد تک قرارداد میں دلچسپی رکھتے ہیں۔

2۔ نوٹس کا آئٹم نمبر 5- مالی سال اختتامیہ 30 جون 2022 کے دوران متعلقہ پارٹیوں سے لین دین کے معاملات کے بارے میں بورڈ آف ڈائریکٹرز کے اختیارات کی منظوری

کمپنی کی جانب سے مالی سال اختتامیہ 30 جون 2022 کے دوران متعلقہ پارٹیوں کے ساتھ منظور شدہ "متعلقہ پارٹیوں کے ساتھ لین دین کے معاملات" کی پالیسی کے مطابق عام کاروباری حالات کو مدنظر رکھتے ہوئے مارکیٹ میں رائج قیمتوں پر لین دین کے معاملات کئے جائیں گے۔ ڈائریکٹروں کی اکثریت منسلکہ / ذیلی کمپنیوں میں اپنی مشترکہ ڈائریکٹرشپ کی وجہ سے ان معاملات میں دلچسپی رکھتی ہے۔ تمام تر کاروباری معاملات کو شفاف انداز سے چلانے کیلئے حصص داران کی جانب سے بورڈ آف ڈائریکٹرز کو اس بات کا مجاز بنایا جا رہا ہے کہ مالی سال اختتامیہ 30 جون 2022 کے دوران متعلقہ پارٹیوں سے لین دین کے معاملات کی منظوری دے اور اس سلسلے میں ہر کیس کو فرداً فرداً دیکھا جائے گا نیز اس سلسلے میں دی جانے والی منظوریوں کو حصص داران کی جانب سے منظور شدہ گردانا جائے گا۔ متعلقہ پارٹیوں سے لین دین کے ان معاملات کی نوعیت اور قدر کو مندرجہ بالا سطور میں بیان کیا جا چکا ہے۔ ان معاملات کو اگلے سالانہ عام اجلاس میں رسمی منظوری کیلئے حصص داران کے سامنے پیش کیا جائے گا۔

متعلقہ پارٹیوں کے ساتھ لین دین کے معاملات سے متعلق قرارداد میں ڈائریکٹر اپنی مشترکہ ڈائریکٹرشپ کی حد تک دلچسپی رکھتے ہیں۔

3۔ ایس ای سی پی کی جانب سے جاری کردہ ایس آر او 2019/(1)1196 مجریہ 3 اکتوبر 2019 اپنا مکمل کوائف نامہ بمعہ دفتری پتہ۔

4۔ ڈائریکٹروں کے انتخاب میں حصہ لینے کیلئے اپنی رضامندی کی درخواست جمع کرواتے وقت امیدوار کیلئے لازم ہے کہ وہ کمپنی کا ممبر ہو ماسوائے اس شخص کہ جو کہ ممبر کی نمائندگی کر رہا ہو جو کہ فطری طور شخص نہیں ہے۔

5۔ یہ حلفیہ بیان کہ:

الف) اسے متعلقہ قوانین، کمپنی کے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن اور لسٹنگ ریگولیشنز بابت پاکستان اسٹاک ایکسچینج کے تحت اپنے اختیارات اور فرائض منصبی کا مکمل ادراک ہے؛ اور

ب) وہ جانتا ہے کہ وہ ایکٹ کے کسی بھی ضابطے، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 یا دیگر مجوزہ قوانین یا قواعد کے تحت کسی لسٹڈ کمپنی کا ڈائریکٹر بننے کیلئے نااہل نہیں ہے۔

6۔ غیر جانبدار ڈائریکٹروں کا انتخاب ایکٹ کے سیکشن 159 کے تحت بذریعہ انتخابات عمل میں لایا جائے گا اور امیدواروں کو ایکٹ کے سیکشن 166 اور کمپنیز (مینر اینڈ سلیکشن آف انڈیپنڈنٹ ڈائریکٹرز) ریگولیشنز 2018 میں مندرج معیار پر پورا اترنا لازم ہوگا۔

کمپنیز ایکٹ 2017 کے سیکشن (3)134 کے تحت اہم حقائق سے متعلق بیان

1۔ نوٹس کا آئٹم نمبر 4 - مالی سال اختتامیہ 30 جون 2021 کے دوران متعلقہ پارٹیوں سے لین دین کے معاملات کے بارے میں توثیق و منظوری

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شق 15 کے مطابق سہ ماہی کی بنیادوں پر آڈٹ کمیٹی کی جانب سے باقاعدہ سفارش کے بعد متعلقہ پارٹیوں سے کی جانے والی لین دین کی بورڈ کی جانب سے باقاعدہ منظوری لازم ہے۔ تاہم چونکہ دوران سال کمپنی کے ڈائریکٹرز کی اکثریت متعلقہ پارٹیوں سے گروپ میں اپنی مشترکہ ڈائریکٹرشپ کی بنیاد پر لین دین کے معاملات میں دلچسپی رکھتے تھے اس لئے کمپنیز ایکٹ 2017 کے سیکشن 207 کے مطابق ایسے معاملات کی منظوری کیلئے ڈائریکٹرز کا کورم مکمل نا ہو سکا۔ کمپنی کے ستائیسویں (27) سالانہ اجلاس عام کے دوران، کمپنی کے کاروباری معاملات کو شفاف بنانے کی غرض سے، کمپنی کے حصص داران سے اس بات کی منظوری حاصل کر لی گئی تھی کہ مالی سال اختتامیہ 30 جون 2021 کے دوران ہر کیس کو انفرادی طور پر دیکھتے ہوئے بورڈ آف ڈائریکٹر اس بات کا مجاز ہے کہ متعلقہ پارٹیوں کے ساتھ لین دین کے معاملات کی منظوری دے اور اس طرح اس قسم کے معاملات کو حصص داران کی جانب سے منظور شدہ سمجھا جائے گا۔ ایسے معاملات کو اگلے سالانہ عام اجلاس میں حصص داران کی جانب سے رسمی منظوری / توثیق کیلئے پیش کیا جانا تھا۔ لہذا ان معاملات کو رسمی منظوری کیلئے سالانہ عام اجلاس میں حصص داران کی جانب سے توثیق / منظوری کیلئے پیش کیا جا رہا ہے۔

منظوری کیلئے پیش کئے جانے والے تمام معاملات کو مالی سال اختتامیہ 30 جون 2021 کی غیر یکجا مالیاتی دستاویزات کے نوٹ نمبر 40 میں بیان کیا جا چکا ہے۔ متعلقہ پارٹیوں کے اعتبار سے لین دین کے ان معاملات کو ذیل میں پیش کیا جا رہا ہے:

Name of Related Party	Transaction Type	Amount in PKR
Aziz Tabba Foundation	Donation paid	200,000,000
Energas Terminal (Private) Limited	Reimbursement of Expenses to Company	1,006,344
Gadoon Textile Mills Limited	Reimbursement of Expenses from Company	115,070
	Reimbursement of Expenses to Company	10,028,843
	Sales	6,118,180
ICI Pakistan Limited	Dividends Received	1,269,950,000
	Purchase	11,381,574
	Sales	11,406,780
Kenzo Holdings Limited	Dividends Paid	10,340,909
Lucky Air (Private) Limited	Reimbursement of Expenses to Company	33,140
	Services	30,353,272
Lucky Commodities (Private) Limited	Reimbursement of Expenses to Company	471,669
Lucky Electric Power Company Limited	Investment Made During The Period	6,050,000,000
	Claim Of Tax Loss	615,168,773
	Reimbursement of Expenses to Company	50,774
Lucky Energy (Private) Limited	Sales	8,769,526
Lucky Foods (Private) Limited	Reimbursement of Expenses to Company	16,142,494
Lucky Holdings Limited	Dividends Received	223,938,000
	Reimbursement of Expenses to Company	32,505

5۔ ویڈیو کانفرنس کی سہولت کے حصول کیلئے درخواست

SECP کی جانب سے جاری کردہ سرکلر نمبر 10 بابت 2014 مؤرخہ 21 مئی 2014 اور کمپنیز ایکٹ 2017 کے سیکشن (b)(1)134 کے تحت اگر کمپنی کو ایسے حصص داران کی درخواست موصول ہوتی ہے جو کہ کمپنی 10% یا اس سے زیادہ شیئرز کے مالک ہوں اور کسی ایک جغرافیائی محل وقوع پر رہائش پذیر ہوں کہ وہ سالانہ اجلاس عام میں بذریعہ ویڈیو کانفرنس شرکت کے خواہاں ہیں تو کمپنی کی جانب سے اس سہولت کا اہتمام کیا جاسکتا ہے بشرطیکہ یہ درخواست اجلاس منعقد ہونے سے کم از کم 10 دن پہلے موصول ہوا ور جس علاقے میں حصص داران موجود ہوں وہاں اس قسم کی سہولت فراہم کرنا ممکن بھی ہو۔

اگر آپ اس سہولت کے خواہشمند ہیں تو آپ سے گزارش ہے کہ درج ذیل معلومات کمپنی کے رجسٹرڈ آفس میں سالانہ اجلاس عام منعقد ہونے سے 10 دن پہلے جمع کروادیں۔
اگر مجموعی طور پر ممبران کے 10% یا زائد کی جانب سے ایسی درخواست موصول ہوتی ہے تو کمپنی کی جانب سے ممبران کو ویڈیو کانفرنس کے مقام سے متعلق سالانہ اجلاس عام منعقد کئے جانے سے کم از کم پانچ (5) دن پہلے آگاہ کردیا جائے گا اور انھیں اس مقام تک رسائی کیلئے ضروری معلومات بھی فراہم کردی جائیں گی۔

درخواست برائے ویڈیو کانفرنس سہولت

میں/ہم ______________ ساکنہ/ساکنان ______________ ممبران لکی سیمنٹ لمیٹڈ، حاملین حصص ______________ عام حصص بحوالہ رجسٹرڈ فولیو # ______________
اور/یا سی ڈی سی شراکت داری نمبر اور ذیلی اکاؤنٹ نمبر ______________ بذریعہ ہذا بمقام ______________ شہر ویڈیو کانفرنس کی سہولت سے فائدہ اٹھانے کے خواہشمند ہیں۔

____
دستخط از ممبران
(بصورت کارپوریٹ ممبر برائے مہربانی کمپنی کی مہر ثبت کیجئے)

6۔ ای-ووٹنگ

کمپنیز (ای ووٹنگ) ریگولیشنز 2016 کی رو سے حصص داران اپنے حق رائے دہی کے استعمال کیلئے ای ووٹنگ کا استعمال بھی کر سکتے ہیں بشرطیکہ تحریری طور پر درخواست دی جائے اور کمپنی کی جانب سے ایگزیکیوشن آفیسر از انٹرمیڈیئری بطور پراکسی تعینات کئے جانے کے بعد اجلاس سے کم از کم 10 دن پہلے یہ درخواست دی جائے۔ ووٹنگ کی تاریخ کا 10 فیصد اپنے پاس رکھیں گے۔

7۔ پوسٹل بیلٹ

کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی رو سے ڈائریکٹروں کے انتخاب اور دیگر کسی ایجنڈے کے سلسلے میں سیکشن 143 اور 144 بابت کمپنیز ایکٹ 2017 کے تحت ممبران بذریعہ پوسٹل سہولت بھی اپنا حق رائے دہی استعمال کر سکتے ہیں۔ یعنی مذکورہ ریگولیشنز کے قواعد وضوابط کے ذریعے ممبران اپنا حق رائے دہی بذریعہ ڈاک یا الیکٹرانک ذرائع استعمال کر سکتے ہیں۔

کمپنیز ایکٹ 2017 کے سیکشن (3)166 کے تحت اہم حقائق سے متعلق بیان

ایجنڈا آئٹم # 3 انتخابات برائے ڈائریکٹرز

کمپنی کے موجودہ ڈائریکٹروں کی مدت 28 ستمبر 2021 کو ختم ہو رہی ہے کمپنیز ایکٹ 2017 (ایکٹ) کے سیکشن (1)159 کے مطابق بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 7 اگست 2021 میں اگلے تین سال کیلئے سالانہ اجلاس میں منتخب کئے جانے والے ڈائریکٹروں کی تعداد سات (7) مقرر کی ہے۔

کوئی بھی شخص جو کہ ڈائریکٹر کے انتخاب میں حصہ لینے کا خواہشمند ہو، خواہ وہ سبکدوش ہونے والا کوئی ڈائریکٹر ہو یا کوئی دوسرا شخص، کو کمپنی سیکریٹری بمقام رجسٹرڈ شدہ دفتر پیزو، ڈسٹرکٹ لکی مروت، خیبر پختون خواہ، کے پاس سالانہ اجلاس عام کی تاریخ سے 14 ایام قبل بمعہ درج ذیل کوائف درخواست جمع کروانا ہوگی:

1۔ اپنا فولیو نمبر/سی ڈی سی انویسٹرز اکاؤنٹ نمبر۔ سی ڈی سی شراکت داری نمبر/ذیلی اکاؤنٹ نمبر۔
2۔ اپنی رضامندی سے متعلق ایک نوٹس جس میں کمپنیز ایکٹ کے سیکشن (3)159 کے تحت ڈائریکٹر کے انتخاب میں حصہ لینے کی خواہش کا ذکر ہو، بمعہ رضامندی نوٹس زیر تحت کمپنیز ایکٹ 2017 جو کہ ایکٹ کے تحت فارم 28 پر درج ہو۔

نوٹس:

1۔ حصص منتقلی کھاتوں کی بندش

کمپنی کے حصص منتقلی کھاتے بروز منگل 14 ستمبر 2021 سے بروز منگل 28 ستمبر 2021 تک بند رہیں گے (دونوں ایام مذکورہ بھی اس میں شامل ہیں)۔ ہمارے شیئر رجسٹرار ٹرانسفر ایجنٹ میسرز سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ (CDCSRSL)، سی ڈی سی ہاؤس B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل کراچی 74400 کو دفتری ایام کار کے دوران بروز پیر 13 ستمبر 2021 تک موصول ہونے والی شیئرز کی منتقلی کی درخواستوں کو تسلیم کیا جائے گا اور وہ ممبران سالانہ اجلاس عام میں شرکت کے لئے اہل ہونگے۔

2۔ اجلاس عام میں شرکت

ایسا کوئی بھی فرد جو کہ کمپنی کے حصص کا مستفید مالک ہو کو چاہیئے کہ اپنا اصل قومی شناختی کارڈ یا پاسپورٹ، اکاؤنٹ اور شرکاء کا شناختی نمبر (Participant ID) ضرور ہمراہ لے کر آئے تا کہ اپنی شناخت ثابت کر سکے۔ کارپوریٹ ممبران کی نمائندگی کرنے والے اپنے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد اور/یا پاور آف اٹارنی اور نامزد شدہ شخص کے دستخط کے نمونے ضرور لائیں۔ سی ڈی سی اکاؤنٹ کے حاملین کے لئے لازم ہے کہ ان ہدایات کے علاوہ وہ سرکلر نمبر 1 مجریہ 26 جنوری 2000 شائع کردہ از سیکوریٹی اینڈ ایکسچینج کمیشن آف پاکستان کے مطابق عمل کریں۔

کوئی بھی ایسا ممبر جو کہ اجلاس میں شرکت کرنے اور حق رائے دہی کا ستعمال کرنے کا مجاز ہو کو اس بات کی اجازت ہے کہ اپنی جانب سے اجلاس میں شرکت اور حق رائے دہی کیلئے پراکسی کا انتخاب عمل میں لائے۔ پراکسی کے کارآمد ہونے کیلئے ضروری ہے کہ پراکسی کی درخواست کمپنی کے رجسٹرڈ شدہ آفس مین انڈس ہائی وے، پیزو، ڈسٹرکٹ لکی مروت، خیبر پختون خواہ کو اجلاس منعقد ہونے سے کم از کم 48 گھنٹے پہلے موصول ہو جائے اور اس سلسلے میں ایسے ایام کو گنتی میں نہیں لایا جائے گا جو ایام کار نہ ہوں۔ ایک ممبر ایک سے زائد پراکسی منتخب نہیں کر سکتا۔

3۔ نامزدگی برائے ڈائریکٹر شپ

کوئی بھی شخص جو کہ ڈائریکٹر کے انتخاب میں حصہ لینے کا خواہشمند ہو کو سالانہ اجلاس منعقد ہونے سے پہلے 14 دن کے اندر اندر کمپنی رجسٹرڈ دہ دفتر میں ڈائریکٹر کے انتخاب میں حصہ لینے کیلئے اپنے ارادے سے متعلق درخواست جمع کروانا ہوگی، جس کے ساتھ مندرجہ ذیل کوائف بھی جمع کروائے جائیں گے:

الف) کمپنیز ایکٹ 2017 کے سیکشن (1)167 کے تحت بطور ڈائریکٹر فرائض منصبی ادا کرنے کی رضامندی؛

ب) کوڈ آف کارپوریٹ گورننس کی پاسداری اور لسٹد کمپنی میں بطور ڈائیریکٹر کام کرنے سے متعلق کمپنیز ایکٹ 2017 میں مندرج شرائط سے متعلق بیان حلفی؛ اور

ج) بمطابق ایس آر او مجریہ 10 دسمبر 2015 انتخابات کی تاریخ سے سات ایام قبل تفصیلی کوائف نامہ بمعہ دفتری پتہ جو کہ کمپنی ویب سائٹ پر شائع کیا جا سکے۔

4۔ فزیکل / کاغذی حصص کی سی ڈی سی میں منتقلی

کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت تمام لسٹڈ کمپنیوں پر لازم ہے کہ اپنے تمام فزیکل / کاغذی حصص کو مجوزہ بک انٹری کی صورت میں کمیشن کی جانب سے دی گئی تاریخ کے اندر اندر تبدیل کر لیں۔

ایسے حصص داران جو کہ فزیکل / کاغذی حصص کے حامل ہیں کو چاہیئے کہ سی ڈی سی میں براہ راست بروکر یا انویسٹر اکاؤنٹ میں اپنے ذیلی سی ڈی سی اکاؤنٹ کھلوا کر اپنے فزیکل / کاغذی حصص کو بک انٹری کی صورت میں منتقل کروالیں۔ ایسا کرنے سے انھیں کئی سہولیات میسر آسکتی ہیں جیسا کہ حصص کی محفوظ تحویل اور فروخت جب کبھی وہ چاہیں کیونکہ اب پاکستان اسٹاک ایکسچینج کے قواعد کے مطابق فزیکل / کاغذی صورت میں حصص کی فروخت کی اجازت نہیں ہے۔

لکی سیمنٹ لمیٹڈ

اطلاع برائے 28ویں سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ لکی سیمنٹ لمیٹڈ کے ممبران کا 28واں سالانہ اجلاس عام بروز منگل مؤرخہ 28 ستمبر 2021 دوپہر 12:00 بجے کمیٹی کے رجسٹرڈ آفس، پیزو، ڈسٹرکٹ لکی مروت، خیبر پختون خواہ میں مندرجہ ذیل امور کی منظوری کے لئے منعقد ہوگا:

عمومی کاروائی:

1۔ کمپنی کے آڈٹ شدہ مالیاتی گوشوارے بابت مالی سال اختتامیہ 30 جون 2021 اور ان کے بارے میں ڈائریکٹرز اور غیر جانبدار آڈیٹرز کی رپورٹس کو زیر غور لانا اور انکی منظوری دینا۔

2۔ آئندہ مالی سال اختتامیہ 30 جون 2022 کیلئے کمپنی کے آڈیٹرز کا انتخاب کرنا اور ان کے معاوضے کی منظوری۔ ریٹائر ہونے والے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی جانب سے اپنی اہلیت کی بنیاد پر ایک مرتبہ پھر اپنی خدمات ادا کرنے کی پیش کش کی گئی ہے۔

3۔ اگلے تین سال کیلئے کمپنی کے سات (7) ڈائریکٹروں کا انتخاب کرنا جیسا کہ کمپنیز ایکٹ 2017 (ایکٹ) کے سیکشن 159 کے تحت بورڈ آف ڈائریکٹرز کے اجلاس منعقدہ 7 اگست 2021 میں قرار دیا جا چکا ہے۔ ڈائریکٹروں کے نام ذیل میں دیئے جا رہے ہیں:

1۔ محمد یونس ٹبہ	5۔ مریم ٹبہ خان
2۔ محمد علی ٹبہ	6۔ منظور احمد
3۔ محمد سہیل ٹبہ	7۔ مسعود کریم شیخ
4۔ جاوید یونس ٹبہ	

خصوصی کاروائی:

4۔ متعلقہ پارٹیوں سے کی جانے والی لین دین بابت 30 جون 2021 کی توثیق کرنا اور ان کی منظوری دینا اور اس سلسلے میں ترامیم کے ساتھ یا ترامیم کے بغیر مندرجہ ذیل خصوصی قرارداد منظور کرنا:

"قرار دیا جاتا ہے کہ کمپنی کی غیر یکجا مالیاتی دستاویزات بابت مالی سال اختتامیہ 30 جون 2021 کے نوٹ نمبر 40 اور سیکشن (3)134 کے تحت معلومات برائے اہم معاملات میں مذکورہ متعلقہ پارٹیوں سے لین دین کے معاملات کی بذریعہ ہذا توثیق کی جاتی ہے اور انھیں منظور کیا جاتا ہے۔"

5۔ کمپنی کے بورڈ آف ڈائریکٹرز کو بذریعہ مندرجہ ذیل خصوصی قرارداد بمعہ ترامیم یا ترامیم کے بغیر اس بات کا مجاز بنانا کہ مالی سال اختتامیہ 30 جون 2022 کیلئے وہ متعلقہ پارٹیوں کے ساتھ لین دین کے معاملات منظور کر سکیں:

"قرار دیا جاتا ہے کہ بورڈ آف ڈائریکٹرز اس بات کے مجاز ہیں اور انھیں بذریعہ قرارداد ہذا اس بات کا مجاز بنایا جاتا ہے کہ وہ فرداً فرداً متعلقہ پارٹیوں کے ساتھ مالی سال اختتامیہ 30 جون 2022 کے دوران ہونے والے لین دین کے معاملات منظور کریں۔

مزید برآں قرار دیا جاتا ہے کہ مذکورہ لین دین کے معاملات کو حصص داران سے بھی منظور شدہ تصور کیا جائے گا اور انھیں اگلے سالانہ اجلاس عام کے دوران حصص داران کے سامنے توثیق / منظوری کیلئے پیش کیا جائے گا۔"

اس کے علاوہ دیگر امور

6۔ ان کے علاوہ ایسے دیگر امور کو زیر غور لانا جنھیں پیش کرنے کی چیئرمین کی جانب سے اجازت دی جائے۔

(نوٹس ہذا کے ساتھ اہم حقائق سے متعلق ایک دستاویز منسلک شدہ ہے جس میں کمپنیز ایکٹ 2017 کے سیکشن (3)134 کے تحت مذکورہ بالا خصوصی امور کی تفصیلات درج ہیں۔)

بحکم بورڈ

فیصل محمود

کمپنی سیکریٹری

بمقام کراچی: 06 ستمبر 2021

کرونا کی ویکسین لگا دی جائے اور وباء کو قابو میں رکھنے کیلئے اسمارٹ لاک ڈاؤن کا سہارا لیا جائے۔ البتہ عمومی طور پر اس بات کی امید کی جاسکتی ہے کہ گزشتہ مالی سال کی طرح نئے مالی سال میں بھی معاشی سرگرمیاں بہتری کی جانب گامزن رہیں گی۔

شمالی اور جنوبی ریجنز میں جس طرح معاشی سرگرمیوں کے فروغ کے بعد مالی سال 2021 میں سیمنٹ کی طلب میں خاطر خواہ اضافہ ہوا تھا، امید کی جاسکتی ہے کہ نئے مالی سال میں معاملات اسی نہج پر جاری رہیں گے۔ حکومت کی جانب سے بہت سے اقدامات اٹھائے گئے تھے جیسا کہ تعمیراتی سرگرمیوں کیلئے خصوصی پیکج فراہم کیا گیا، کم لاگت سے بنائے جانے والی ہاؤسنگ اسکیموں پر زور دیا گیا، بینکوں کے پاس موجود لیکیوڈیٹی کا رخ تعمیرات کی صنعت اور ہاؤسنگ اسکیموں کی جانب کیا گیا، ڈیموں اور آبی ذخائر کی تعمیرات کا سلسلہ شروع کیا گیا اور سی پیک کے تحت تعمیرات کا سلسلہ شروع ہوا، امید کی جاتی ہے کہ یہ تمام اقدامات نئے مالی سال میں بھی جاری رہیں گے تاکہ سیمنٹ کی طلب مستقل برقرار رہے۔ تاہم کووڈ-19 کی وباء پر قابو پائے جانے کے بعد عالمی سطح پر اشیاء اور بالخصوص کوئلے اور فرنس آئل کی قیمتوں میں اضافے کے باعث منافع کی شرح پر منفی اثرات مرتب ہوسکتے ہیں۔ برآمدات میں تسلسل قائم رہنے کی امید ہے، قیمتوں میں مسابقت کا سلسلہ جاری رہے گا جس کی وجہ خطے میں سیمنٹ کی اضافی پیداواری صلاحیت کا موجود ہونا ہے۔

بین الاقوامی سطح پر سیمنٹ کے آپریشنز کی طلب پائیداری کی امید کی جاسکتی ہے۔ فروختگی کے حجم بالخصوص سماوہ عراق میں موجود پلانٹ میں 1.2MPTA تک پیداواری صلاحیت کو بڑھانے کی وجہ سے اضافہ ہوگا، پیداواری صلاحیت میں یہ اضافہ مارچ 2021 میں کیا گیا۔ البتہ ان تمام آپریشنز میں منافع کی شرح خام مال کی قیمتوں میں اضافے کے باعث متاثر ہوسکتی ہے۔

ہماری ذیلی کمپنی آئی سی آئی کے تحت کاروباری سرگرمیاں جن میں پولیسٹر اسٹیپل فائبر، سوڈا ایش، فارماسیوٹیکل، اینیمل ہیلتھ اور ایگری سائنسز کے شعبے شامل ہیں میں مستقبل قریب میں پائیدار طلب کی امید ہے۔ البتہ مستقبل قریب میں ان سرگرمیوں کو توانائی کی بڑھتی ہوئی قیمتوں اور سمندری مال برداری کے نرخوں سے خطرات لاحق ہوسکتے ہیں۔

جہاں تک ہمارے آٹوموٹیو کاروبار کا تعلق ہے، لکی موٹرز کی جانب سے نت نئے ماڈلز متعارف کروائے جاتے رہیں گے جس میں KIA اور اس کے علاوہ Peugeot کے برانڈز شامل ہیں۔

آپکی کمپنی کی قرضوں سے پاک مظبوط مالیاتی پوزیشن اور واجبات سے پاک نقد رقوم کی وجہ سے نہ صرف اس قسم کے پروجیکٹس میں سرمایہ کاری میں مدد ملے گی بلکہ دیگر نئے پروجیکٹس میں بھی سرمایہ کاری کے مواقع حاصل ہوتے رہیں گے جس کی وجہ سے کمپنی کی کاروباری سرگرمیوں میں بہتری لانے اور حصص داران کی سرمایہ کاری کو مزید بارآور کرنے میں مدد ملے گی۔

اظہار تشکر

آپ کی کمپنی کے ڈائریکٹرز انتہائی مسرت کے ساتھ کمپنی کے تمام ملازمین کی جانب سے انتھک محنت اور اخلاص نیت کے ساتھ اپنی خدمات فراہم کرنے پر تہہ دل سے ان کے مشکور ہیں۔ نیز ڈائریکٹرز کمپنی کے دیگر شراکت داروں کے بھی بے حد ممنون ہیں کہ ان کی حمایت اور اعتماد ہمارے شامل حال رہے۔

منجانب بورڈ

محمد یونس ٹبہ
چیئر مین/ڈائریکٹر
کراچی: 7 اگست 2021

محمد علی ٹبہ
چیف ایگزیکٹیو/ڈائریکٹر

د۔ بورڈ کے سامنے ڈائریکٹروں (انتظامی وغیر انتظامی اور سینیئر انتظامی ممبران) کے مشاہرے کے سلسلے میں سفارشات پیش کرنا اور اس سلسلے میں پالیسی منظور کرنے کی سفارش کرنا۔ سینیئر انتظامی ممبران میں وہی افراد شامل ہونگے جنھیں بورڈ کی جانب سے اہم انتظامی عہدوں پر شمار کیا جاتا ہو جیسا کہ ای ڈی، سی ایف او، سی او او، تمام ڈائریکٹرز، اندرونی آڈٹ کے سربراہ اور کمپنی سیکرٹری شامل ہیں۔

ھ۔ مجموعی طور پر بورڈ اس کی کمیٹیوں کی سالانہ کارکردگی کا باقاعدہ جائزہ لینا۔ اس قسم کا جائزہ براہ راست بھی لیا جاسکتا ہے اور اس سلسلے میں باہر سے آزاد ماہرین کی خدمات بھی حاصل کی جاسکتی ہیں جس کی سفارش بورڈ کی انسانی وسائل سے متعلق کمیٹی کر سکتی ہے۔ آزاد ماہرین کو اس سلسلے میں شامل کرنے کی صورت میں ان کی جانب سے شائع کی جانے والی رپورٹوں کو سالانہ رپورٹ کا حصہ بھی بنایا جائے گا۔

و۔ انسانی وسائل اور مشاہرے سے متعلق ماہرین کی خدمات حاصل کرنے کی صورت میں ان کی قابلیت کو کمیٹی کے علم میں لایا جائے گا اور اس سلسلے میں ایک بیان بھی جاری کیا جائے گا کہ کسی دوسری حیثیت میں ان ماہرین کا کمپنی سے کوئی تعلق ہے یا نہیں۔

ز۔ بورڈ کو انسانی وسائل کے انتظام سے متعلق پالیسیوں سے متعلق تجاویز پیش کرنا۔

ح۔ بورڈ کو ای ڈی، سی ایف او، سی او او، کمپنی سیکرٹری اور اندرونی آڈٹ کے سربراہ کے کے انتخاب، جانچ، مشاہرے (بشمول ریٹائرمنٹ مراعات) اور جانشینی کی پالیسی سے متعلق مشورے دینا۔

ط۔ ایسے اہم انتظامی عہدوں کیلئے جو کہ براہ راست سی ای او کو رپورٹ کرتے ہوں کی تعیناتی سے متعلق سی ای او کی سفارشات کو زیر غور لانا اور ان کی منظوری دینا۔

ی۔ اگر بیرونی یا اندرونی آڈیٹرز کی جانب سے انسانی وسائل سے متعلق مسائل ضمن میں کوئی بات سامنے آئے تو اس پر نظر ثانی کرنا اور اس کا جائزہ لینا اور کے نفاذ سے متعلق مناسب اقدامات اٹھانا۔

سی ای او کی کارکردگی کا جائزہ

بورڈ آف دائریکٹرز کی جانب سے مستقل بنیادوں پر مالیاتی اور غیر مالیاتی نتائج کے معیارات کو مدنظر رکھتے ہوئے سال کے آغاز میں ہی سی ای او کی کارکردگی کا جائزہ لیا جاتا ہے۔ بورڈ کی جانب سے سی ای او کی کارکردگی برائے گزشتہ سال کا جائزہ لیا جاچکا ہے اور بورڈ سی ای او کی کارکردگی اور سالانہ اہداف کے حصول سے مطمئن ہے۔ بورڈ کو اس بات کا مکمل اطمینان ہے کہ سی ای او کمپنی کے تمام امور کو مستعدی کے ساتھ چلانے کیلئے صلاحیتوں کے حامل ہیں۔ وہ اس بات کے بھی ذمہ دار ہیں کہ مینجمنٹ ٹیم کیلئے کام کے معیارات کو مدنظر رکھتے ہوئے کارپوریٹ مقاصد کا تعین کریں اور مستقل بنیادوں پر ان مقاصد سے بورڈ کو آگاہ کریں کہ ٹیم کی کارکردگی کیسی رہی اور مقاصد کا حصول کس حد تک ممکن ہوا۔

ویژن، مشن اور مجموعی کارپوریٹ حکمت عملی کی بورڈ سے منظوری

بورڈ کی جانب سے انتہائی باریک بینی کے ساتھ ویژن، مشن اور مجموعی کارپوریٹ حکمت عملی کی بورڈ کا جائزہ لئے جانے کے بعد ان کی منظوری دی جاچکی ہے اور بورڈ کو اس بات پر مکمل اعتماد ہے کہ یہ اس فلسفے کے عین مطابق ہیں جس کی بنیاد پر لکی سیمنٹ کو کا قائم کیا گیا تھا۔ ہم اس بات پر مکمل یقین رکھتے ہیں کہ ہمارا ویژن اور مشن مجموعی کارپوریٹ حکمت عملی کی راہ متعین کرتے ہیں اور ہمارے مستقبل کے سفر کی ہر سطح پر غمازی کرتے ہیں۔ پورا ادارہ اسی مقصد کیلئے یکجا اور منسلک ہے اور یہی ہمارے روزمرہ کے فیصلوں کی بنیاد ہیں۔

اندرونی مالیاتی کنٹرول کی معقولیت

بورڈ آف ڈائریکٹرز کی جانب سے ایک مؤثر اندرونی فنانشل کنٹرول سسٹم تشکیل دیا گیا ہے تاکہ ایک جانب تمام افعال کو مؤثر انداز اور مستعدی کے ساتھ سرانجام دیا جاسکے تو دوسری جانب کمپنی کے اثاثوں کی حفاظت بھی ہوسکے اور اس کے ساتھ ساتھ تمام تر مطلوبہ قوانین اور قواعد کی پاسداری کو یقینی بناتے ہوئے قابل بھروسہ فنانشل رپورٹنگ کی جائے۔ لکی سیمنٹ کا آزاد اندرونی آڈٹ فنکشن مسلسل فنانشل کنٹرولز اور اس کے نفاذ کی نگرانی کرتا ہے جبکہ آڈٹ کمیٹی اندرونی کنٹرول سسٹم کے مؤثر ہونے اور اس کے فریم ورک کا سہ ماہی کی بنیادوں پر جائزہ لیتی ہے۔

بیان بابت غیر مشروط پاسداری IFRS جاری کردہ IASB

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے مالیاتی رپورٹنگ کے طریق کار کا جائزہ لیا جاچکا ہے۔ تمام مالیاتی دستاویزات کو پاکستان میں رائج محاسبی اور رپورٹنگ معیارات کے عین مطابق تیار کیا گیا ہے۔ منظور شدہ محاسبی معیارات انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRSs) پر مبنی ہیں جنھیں انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈز بورڈ (IASB) کی جانب سے جاری کیا گیا ہے اور کمپنیز ایکٹ 2017 میں ان کی بابت نوٹس جاری کیا جاچکا ہے، دستاویزات کی تیاری میں ایکٹ ہذا کے قواعد اور ہدایات کی بھی پاسداری کی گئی ہے۔

سی ایف او اور اندرونی آڈٹ کے سربراہ کی قابلیت

سی ایف او اور اندرونی آڈٹ کے سربراہ کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق اہلیت کے حامل ہیں۔

ترتیب حصص داری

کمپنیز ایکٹ 2017 کے سیکشن (f) (2)227 اور کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق کمپنی کی ترتیب حصص داری بتاریخ 30 جون 2021 رپورٹ ہذا کے ساتھ منسلک ہے۔

آڈیٹرز

کمپنی کی مالیاتی دستاویزات برائے مالی سال 21-2020 کو میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے آڈٹ کیا ہے۔ موجودہ آڈیٹرز سالانہ عام اجلاس کے اختتام تک ریٹائرڈ ہو جائیں گے۔ اہلیت کے حامل ہوتے ہوئے آڈیٹرز نے اپنی خدمات دوبارہ پیش کی ہیں۔ بورڈ کی جانب سے آڈٹ کمیٹی کی سفارش کو مدنظر رکھتے ہوئے میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو اگلے سال کیلئے ایک مرتبہ پھر آڈیٹر مقرر کرنے کی سفارش کی گئی ہے جو کہ اگلے سالانہ عام اجلاس میں منظوری سے مشروط ہے۔

دیگر واقعات

کمپنی کے مالی سال کے اختتام سے آج کی تاریخ تک کسی قسم کا نہ کوئی قابل ذکر واقع رونما ہوا اور نہ ہی کمپنی کی جانب سے کسی سلسلے میں کوئی وعدہ کیا گیا جس کا اثر کمپنی کی مالی صورتحال پر پڑتا ہو۔

مستقبل پر نظر

گو کہ ماضی کے مقابلے میں پاکستان کے اندر کووڈ-19 کے کیسوں میں نمایاں کمی آچکی ہے لیکن عالمی وباء کی چوتھی لہر نے نئے مسائل پیدا کر دیئے ہیں۔ حکومت کی توجہ اس جانب مبذول ہے کہ زیادہ سے زیادہ آبادی

ہ۔ متعلقہ پارٹیوں سے طے کئے گئے معاملات۔

ج۔ رپورٹ شائع کئے جانے سے پہلے ابتدائی اعلانات اوران کے نتائج کا جائزہ لینا۔

د۔ بیرونی آڈیٹرز کو سہولیات فراہم کرنا اور عبوری اور حتمی آڈٹ سے پہلے ان کے ساتھ اہم امور پر بحث کرنا اور ان معاملات پر بات کرنا جن کا آڈیٹر بطور خاص ذکر کرنا چاہتے ہوں (انتظامیہ کی غیر موجودگی میں جہاں بھی ضرورت محسوس ہو۔)

ھ۔ مینجمنٹ کیلئے بیرونی آڈیٹروں کے خطوط اوران کے جوابات کیلئے انتظامیہ کی جانب سے لکھے گئے خطوط کا جائزہ لینا۔

و۔ کمپنی کے اندرونی اور بیرونی آڈیٹروں کے مابین تعاون کی فضاء قائم کرنا۔

ز۔ اندرونی آڈیٹروں کی ذمہ داریوں کے دائرہ کار کا جائزہ لینا اور اس بات کو یقینی بنانا کہ اندرونی آڈیٹرز کو اپنی ذمہ داریاں نبھانے کیلئے مناسب سہولیات میسر ہیں۔

ذ۔ اندرونی آڈیٹروں کی ذمہ داریوں کے دائرہ کار کا جائزہ لینا اور اس بات کو یقینی بنانا کہ اندرونی آڈیٹرز کو اپنی ذمہ داریاں نبھانے کیلئے مناسب سہولیات میسر ہیں۔

ک۔ کمپنی میں فراڈ، کرپشن اور اختیارات کے غلط استعمال کے نتیجے میں پیدا ہونے والی خرابیوں کا جائزہ لینا اور اس سلسلے میں انتظامیہ کی جانب سے ردعمل کا جائزہ لینا۔

ل۔ اس بات کا جائزہ لینا کہ اندرونی کنٹرول سسٹم خواہ وہ مالیاتی نظام سے متعلق ہو یا کمپنی کے دیگر امور سے متعلق ہو کے ذریعے معاملات کو بروقت ریکارڈ کا حصہ بنایا جارہا ہے اور خرید وفروخت، لین دین، اثاثوں اور واجبات وغیرہ کی ریکارڈنگ کیلئے جامع اور مؤثر نظام اپنی جگہ کام کررہا ہے۔

م۔ بورڈ آف ڈائریکٹرز کی توثیق سے پہلے کمپنی کی اسٹیٹمنٹ برائے اندرونی کنٹرول سسٹم کا جائزہ لینا اور اندرونی کنٹرول رپورٹس کا جائزہ لینا۔

ن۔ خصوصی پروجیکٹس کا آغاز کرنا، پیسے کی قدر اور دیگر امور کا جائزہ لینا جن کی جانب بورڈ کی جانب سے توجہ مبذول کروائی جائے اور اس سلسلے میں کمپنی کے سی ای او سے مشورہ کرنا اور کسی بھی معاملے میں ادائیگی کے سلسلے میں بیرونی آڈیٹرز یا کسی دیگر بیرونی باڈی سے مشورہ کرنا۔

ح۔ متعلقہ قانونی ضوابط کی پاسداری کو تعین کرنا۔

ط۔ کارپوریٹ گورننس کی بہترین روایات کی پاسداری کا جائزہ لینا اور اس ضمن میں کی جانے والی قابل مؤاخذہ روگردانی کی نشاندہی کرنا۔

ی۔ اسٹاف اور انتظامیہ کی جانب سے اگر کسی مالی یا دیگر بے ضابطگیوں کا احتمال ہو تو آڈٹ کمیٹی کے سامنے اس سلسلے میں رازداری کے ساتھ جائزہ پیش کرنا اور اس قسم کے اقدامات کی روک تھام کیلئے تدابیر کی سفارش کرنا۔

ک۔ بیرونی آڈیٹرز کی تعیناتی، سبکدوشی، آڈٹ فیس، انکی جانب سے کمپنی کو فراہم کی جانے والی خدمات کے سلسلے میں بورڈ آف ڈائریکٹرز کو سفارشات پیش کرنا جو مالیاتی دستاویزات کے آڈٹ کے سلسلے میں رہنمائی کے علاوہ ہیں۔ بورڈ آف ڈائریکٹرز کی جانب سے بذریعہ آڈٹ کمیٹی کی جانب سے پیش کی جانے والی ان سفارشات کو خاطر خواہ اہمیت دی جائے گی اور جہاں ان سفارشات کے برعکس کوئی عمل واقع ہوتا ہوا نظر آئے اس عمل کی وجوہات کو ضبط تحریر میں لایا جائے گا۔

ل۔ اور ایسے کسی بھی مسئلے کو زیرغور لانا جس کی نشاندہی بورڈ کے ڈائریکٹرز کی جانب سے کی گئی ہو۔

انسانی وسائل اور ادائیگیوں سے متعلق کمیٹی

انسانی وسائل اور ادائیگیوں کی کمیٹی -- اجلاس 2		
نمبر شمار	ڈائریکٹروں کے نام	اجلاس میں حاضری
1	مسعود کریم شیخ (چیئرمین) غیر انتظامی ڈائریکٹر	2
2	محمد علی ٹبہ انتظامی ڈائریکٹر	2
3	محمد سہیل ٹبہ غیر انتظامی ڈائریکٹر	-
4	جاوید یونس ٹبہ غیر انتظامی ڈائریکٹر	1
5	مریم ٹبہ خان غیر انتظامی ڈائریکٹر	1

کمیٹی کے وہ ممبران جو اپنی مصروفیات کی وجہ سے اجلاسوں میں حاضر نا ہو سکے انہیں غیر حاضری کی رخصت دے دی گئی تھی۔

کام کی شرائط

انسانی وسائل اور ادائیگیوں سے متعلق کمیٹی کی کام کی شرائط درج ذیل ہیں۔

الف۔ بورڈ کو انسانی وسائل سے متعلق پالیسیوں اور حکمت عملی کے بارے میں تجاویز پیش کرنا۔ کمپنی میں نافذ العمل مشاہرے کی پالیسی کا جائزہ لینا اور اس پر نظرثانی کرنا، افرادی قوت کی توثیق کرنا، سالانہ کارکردگی کی جائزہ رپورٹوں پر نظرثانی کرنا اور کمپنی میں نافذ العمل تربیتی و ترقی کے پروگراموں اور جانشینی کے طریق کار پر نظرثانی کرنا اور جائزہ لینا۔

ب۔ انسانی وسائل سے متعلق ایسے کسی بھی سروے / تحقیق کا جائزہ لینا جسے بطور معیار اپنایا جاسکے یا جس کی بنیاد پر اس سلسلے میں معیاری معلومات فراہم ہو سکیں جو انسانی وسائل کی کمیٹی کیلئے اپنے افعال سرانجام دینے میں معاون ثابت ہوں۔

ج۔ انسانی وسائل کو عملی طور پر بروئے کار لانے کے سلسلے میں انتظامیہ کو انسانی وسائل کے حصول بشمول مستقل ملازمین، تھرڈ پارٹی، مینجمنٹ ٹرینیز اور زیرتربیت افراد سے متعلق رہنمائی فراہم کرنا۔

بورڈ کی تربیت

کمپنی کی جانب سے بورڈ کے ممبران کی پیشہ ورانہ تربیت کو بہت اہمیت دی جاتی ہے اور کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق بورڈ ممبران کی تربیت کیلئے ضروری اقدامات کئے گئے ہیں اور اس بات کو یقینی بنایا گیا ہے کہ بورڈ کے تمام ڈائریکٹرز ڈائریکٹرز ٹریننگ سرٹیفکیشن کی شرائط پر پورے اتریں۔

بورڈ کی جانچ کیلئے معیارات

بورڈ ممبران کے بنیادی فرائض کی بجا آوری کے علاوہ، بورڈ کی کارکردگی کو جانچنے کیلئے باقاعدہ معیارات مقرر شدہ ہیں جس کی بنیاد پر ڈائریکٹرز کی انفرادی اور بطور ٹیم کارکردگی کو جانچا جاتا ہے۔

1۔ بورڈ میں جنسی تنوع، ذہانتوں اور مہارتوں کے بہترین امتزاج اور فلسفیانہ سوچ کے حامل ڈائریکٹروں کی شمولیت۔

2۔ بورڈ ممبران کی جانب سے دیانت، اچھی ساکھ اور مستعدی کا مظاہرہ کرنا۔

3۔ انتظامیہ کی جانب سے سالانہ اہداف پر نظر ثانی کرنا اور ان پر گہری نظر رکھنا۔

4۔ کمپنی کو رہنمائی فراہم کرنا اور کمپنی کی سمت کے تعین کرنے کی اہلیت کا مظاہرہ کرنا۔

5۔ ادارے میں ایسے امور کی نشاندہی کرنے کی قابلیت کا اظہار کرنا جن کیلئے اصلاح کی ضرورت ہو۔

6۔ مینجمنٹ کی سکسیشن پلاننگ پر نظر ثانی کرنا۔

7۔ کمپنی کو لاحق رسک کو سمجھنے کی صلاحیت ہونا اور انکے تجزیے کی صلاحیت کا حامل ہونا۔

8۔ کمپنی میں صحت، ماحولیات، ملازمت کے مواقع اور دیگر پالیسیوں کی اصلاح اور نفاذ کے ضمن میں دلچسپی ظاہر کرنا اور عملی طور پر حصہ لینا۔

9۔ کمپنی کو غیر ضروری قانونی مقدمات اور ساکھ کو لاحق رسک کے خلاف کمپنی کی حفاظت کرنا۔

بورڈ کی کارکردگی کی جانچ

مندرجہ بالا معیارات کی بنیاد پر بورڈ کی مجموعی سالانہ کارکردگی اطمینان بخش رہی۔ بورڈ کی مجموعی کارکردگی کے حوالے سے کمپنیز ایکٹ 2017 کے سیکشن 192 کے تحت چیئرمین کی جانب سے پیش کی گئی رپورٹ کو بھی سالانہ رپورٹ کے ساتھ منسلک کیا گیا ہے۔

ڈائریکٹروں کا مشاہرہ

بورڈ آف ڈائریکٹرز کی جانب سے ڈائریکٹروں اور سینئر مینجمنٹ کے ممبران کے مشاہرے کیلئے ایک پالیسی کی منظوری دی جا چکی ہے۔ اس پالیسی کے چیدہ چیدہ نکات درج ذیل ہیں:

- کمپنی کی جانب سے کسی بھی غیر انتظامی ڈائریکٹر کو مشاہرہ ادا نہیں کیا جائے گا ماسوائے بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کے اجلاس میں شرکت کی فیس کے۔
- ڈائریکٹروں کی جانب سے بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کے اجلاس میں شرکت کیلئے فیس کا گاہے بگاہے جائزہ لیا جاتا رہے گا اور اسے بورڈ آف ڈائریکٹرز سے باقاعدہ منظور بھی کروایا جائے گا۔
- کسی بھی ڈائریکٹر کو کمپنی کے بورڈ آف ڈائریکٹرز، اس کی کمیٹیوں اور سالانہ عام اجلاس میں شرکت کے سلسلے میں تمام تر سفری، قیام اور دیگر اخراجات کی ادائیگی کمپنی کی جانب سے کی جائے گی۔

کمپنی کے ایگزیکٹیو ڈائریکٹر (چیف ایگزیکٹیو) کو ادا کئے جانے والے مشاہرے کی تفصیلات کو کمپنی کی مفرد مالیاتی دستاویزات کے نوٹ نمبر 39 میں بیان کر دیا گیا ہے۔

بورڈ کی کمیٹیاں اور ان کے اجلاس

آڈٹ کمیٹی

آڈٹ کمیٹی – کل اجلاس 5		
نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری
1	منظور احمد (چیئرمین) آزاد ڈائریکٹر	5
2	مسعود کریم شیخ آزاد ڈائریکٹر	5
3	محمد سہیل ٹبہ غیر انتظامی ڈائریکٹر	5
4	جاوید یونس ٹبہ غیر انتظامی ڈائریکٹر	5
5	مریم ٹبہ خان غیر انتظامی ڈائریکٹر	4

وہ ممبران جو اپنی مصروفیات کی وجہ سے ان اجلاسوں میں شرکت نہیں کر سکے انہیں غیر حاضری کیلئے رخصت دے دی گئی تھی۔

کام کی شرائط

آڈٹ کمیٹی کیلئے کام کی شرائط درج ذیل ہیں:

الف۔ کمپنی کے اثاثوں کی حفاظت کیلئے مناسب پیمانوں کا تعین کرنا۔

ب۔ سہ ماہی، ششماہی اور سالانہ مالیاتی دستاویزات کا بورڈ کی جانب سے منظوری سے قبل جائزہ لینا اور دستاویزات میں درج ذیل امور پر توجہ دینا:

- اہم امور جن میں تجربے کی بنیاد پر فیصلے لینے کی ضرورت ہو۔
- آڈٹ کے نتیجے میں اہم تبدیلیاں۔
- ہمیشگی کی بنیاد پر کاروبار کو جاری رکھنا۔
- محاسبی کی پالیسیوں اور طریق میں تبدیلیاں۔
- قابل اطلاق محاسبی کے معیارات کی پاسداری۔
- لسٹڈ کمپنیز ریگولیشنز (کوڈ آف کارپوریٹ گورننس) 2019 اور دیگر قواعد و قانونی شرائط کی پاسداری کرنا۔

بقائے ماحولیات

کمپنی کی جانب سے اپنے تمام افعال کی بابت ماحولیات میں توازن کو انتہائی اہمیت دی گئی ہے۔ بقائے ماحولیات کی اہمیت کو مزید اجاگر کرنے کیلئے آپ کی کمپنی کی جانب سے اپنے پیداواری یونٹس کے اندر اور اردگرد شجرکاری کی گئی ہے۔مزید برآں، بقائے ماحولیات کو ایک مستقل مشن بنانے کی غرض سے کمپنی کی جانب سے شجرکاری مہم کا باقاعدہ آغاز کیا گیا ہے جس کے تحت ملازمین میں پودے تقسیم کئے گئے ہیں ملازمین اور ان کے خاندان والوں کو سرسبز وشاداب ماحول فراہم کرنے کی حوصلہ افزائی ہو۔

کمیونٹی ڈیویلپمنٹ پروگرام

غیر مراعات یافتہ طبقات کے معیار زندگی کو بلند کرنے کیلئے اپنی کوششیں جاری رکھتے ہوئے، ہماری جانب سے پیزو پلانٹ کے قریب گاؤں وانڈا جوگی کیلئے رہائشیوں کیلئے سولر انرجی سے چلنے والا ایک ٹیوب ویل نصب کیا جا رہا ہے۔اس ٹیوب ویل کی تنصیب کے تقریباً 3000 مقامی دیہاتی افراد کو پینے کے صاف پانی تک بآسانی رسائی فراہم ہوجائے گی۔

اس سے پہلے ہماری جانب سے پیزو پلانٹ کے قرب جوار میں سولر انرجی سے چلنے والے پانچ ٹیوب ویل چند مختص جگہوں پر لگائے جا چکے ہیں جن میں جھنگ خیل، وزیرکلا، شہباز خیل، ٹبی مراد اور ازغر خیل کے علاقے شامل ہیں۔ان ٹیوب ویلز کی تنصیب سے قبل ان علاقوں میں پینے کے صاف پانی تک رسائی انتہائی دشوار تھی۔

کوڈ آف کارپوریٹ گورننس

پاکستان اسٹاک ایکسچینج کیجانب سے لسٹڈ کمپنیوں کیلئے شامل کئے جانے والے کوڈ آف کارپوریٹ گورننس 2019 اور رول بک آف پاکستان اسٹاک کا ایکسچینج سے متعلق ذمہ داریوں سے آپکی کمپنی کے ڈائریکٹرز بخوبی آگاہ ہیں۔آپکی کمپنی کی جانب سے کوڈ آف کارپوریٹ گورننس کے اطلاق اور اسکی مکمل پاسداری کیلئے تمام ضروری اقدامات اٹھائے جاتے ہیں:

- کمپنی کی جانب سے تیار کی جانے والی مالیاتی دستاویزات شفاف انداز سے کمپنی کے معاملات ، کاروباری نتائج، نقد رقوم کی ترسیل اور سرمایہ پر مبنی حصص میں تبدیلی کی نمائندگی کرتی ہیں۔
- کمپنی کی جانب سے محاسبی کے کھاتوں کو باقاعدہ محفوظ رکھا جاتا ہے۔
- بورڈ سے منظوری لئے جانے سے قبل چیف ایگزیکیٹیو اور چیف فنانشل آفیسر کی جانب سے مالیاتی دستاویزات کی باقاعدہ توثیق کی جا چکی تھی۔
- محاسبی کی مناسب پالیسیوں کو مستقل بنیادوں پر مالیاتی دستاویزات کی تیاری میں استعمال کیا جاتا ہے اور محاسبی کے تمام تخمینے قرین قیاس ہیں۔
- مالیاتی دستاویزات بناتے وقت پاکستان میں مستعمل انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کی مکمل پاسداری کو ممکن بنایا جاتا ہے اور اگر اس سلسلے میں کسی بھی قسم کی کوئی بھی روگردانی کی جائے تو اس کی توضیح وتشریح بیان کردی جاتی ہے۔
- اندرونی کنٹرول کا نظام انتہائی مربوط ہے اور مؤثر انداز سے اس کا نفاذ کرنے کے بعد اس کی مسلسل مانیٹرنگ بھی کی جاتی ہے۔
- اس بات سے کسی شک کی کوئی گنجائش نہیں ہے کہ کمپنی ہمیشگی کی بنیاد پر اپنے کاروبار کو چلا رہی ہے۔
- اسٹیٹمنٹ برائے ترتیب حصص داری کو رپورٹ ہذا کا حصہ بنایا گیا ہے۔
- اسٹیٹمنٹ برائے حصص جو کہ منسلکہ حلف ناموں اور متعلقہ افراد کی ملکیت میں ہیں کو علیحدہ سے منسلک کیا گیا ہے۔

بورڈ آف ڈائریکٹرز کا امتزاج

بورڈ کی تشکیل میں جنس، علوم، مہارتوں اور مختلف صلاحیتوں کے امتزاج سے بورڈ کی کارکردگی میں اضافہ ہو جاتا ہے۔ہمارے بورڈ کی تشکیل سے تمام شعبہ ہائے زندگی سے تعلق رکھنے والے حصص داران کی نمائندگی کا عکس نمایاں ہے جو کہ درج ذیل ہے:

ڈائریکٹروں کی کل تعداد	
الف) مرد حضرات	6
ب) خواتین	1
بورڈ کی تشکیل	
I) آزاد ڈائریکٹر	2
II) دیگر غیر انتظامی ڈائریکٹرز	4
III) انتظامی ڈائریکٹرز	1

بورڈ آف ڈائریکٹرز کے اجلاس

نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری
	بورڈ آف ڈائریکٹرز---5 اجلاس	
1	محمد یونس ٹبہ (چیئرمین) غیر انتظامی ڈائریکٹر	5
2	محمد علی ٹبہ انتظامی ڈائریکٹر	5
3	محمد سہیل ٹبہ غیر انتظامی ڈائریکٹر	4
4	جاوید یونس ٹبہ غیر انتظامی ڈائریکٹر	5
5	مریم ٹبہ خان غیر انتظامی ڈائریکٹر	2
6	منظور احمد آزاد ڈائریکٹر	5
7	مسعود کریم شیخ آزاد ڈائریکٹر	5

وہ ڈائریکٹرز جو اپنی مصروفیات کی بنیاد پر ان اجلاسوں میں شرکت نہ کر سکے انہیں غیر حاضری کیلئے رخصت دے دی گئی تھی۔

کارپوریٹ معاشرتی ذمہ داری

عطیات	تعلیمی وظائف	طبی امداداورغربت کے خاتمے کیلئے اقدامات	اہم مقاصد
انفرادی اوراداراتی سطح پرفلاح وبہبود کے کاموں کیلئے عطیات فراہم کئے جاتے رہے ہیں تاکہ تعلیم،صحت اورکمیونٹی ڈیولپمنٹ کے سلسلے میں خدمات پیش کی جاسکیں۔	تعلیم سے وابستہ اپنے عزائم کی تکمیل کیلئے آئی بی اے،لمس،آئی اوبی ایم اور دیگر تعلیمی اداروں کے طلباء کیلئے تعلیمی وظائف کی فراہمی کو جاری رکھا گیا۔	عزیزطبہ فاؤنڈیشن کے ذریعے تعلیم اورصحت کے شعبوں میں ترقی کی غرض سے ہرقسم کی امداد کی فراہمی کوجاری رکھا گیا۔	پلانٹ اوراس کے اردگرد کے علاقوں میں شجرکاری کی مہم چلائی گئی اور اس مقصد کیلئے پودے بھی فراہم کئے گئے۔ دونوں پلانٹس سے ہونے والے اخراج کی مسلسل نگرانی کی جاتی رہی ہے۔
	کراچی میں دوسرکاری لڑکیوں کے اسکولوں کی مسلسل سرپرستی جاری رہی ہے	کووڈ - 19 سے پیدا ہونے والی صورتحال کے پیش نظر وزیراعظم کے احساس پروگرام کے تحت راشن کی تقسیم کی گئی۔	دونوں پلانٹس پرہوا کے اخراج کی کڑی نگرانی کی گئی تاکہ ہوا کے معیار پرنظر رکھی جاسکے۔
	ایک مقامی این جی او کے تعاون سے لانڈھی کے دورافتادہ پرائمری اسکول کو گود لیا گیا۔		
	غیرمراعات یافتہ طبقے سے تعلق رکھنے والے طلباء کیلئے تین نئے اسکالر شپ پروگرام بھی شروع کئے گئے۔		
	ڈسٹرکٹ لکی مروت: 1-انڈر گریجویٹ پروگرام 2- گریجویٹ/پوسٹ گریجویٹ پروگرام 3-پیشہ ورانہ تربیتی پروگرام		

استعمال کے ضمن میں ان پرعمل درآمد شروع کردے۔سال کے دوران ان اہداف کو گاہے بگاہے جانچنا اوران پرعمل درآمد کو چیک کرنے کا کام مینجمنٹ کمیٹی اور پروجیکٹس سے متعلق ہونے والے اجلاس میں ہوتا رہا ہے۔

، بقائے ماحولیات اور کمیونٹی ڈیولپمنٹ کے شعبوں میں اپنی خدمات پیش کرنا ہے۔آپ کی کمپنی جس معاشرے میں اپنے افعال سرانجام دے رہی ہے اس معاشرے کوکمیونٹی کی فلاح و بہبود وترقی کیلئے ایک قدم آگے بڑھ کر خدمات بھی سرانجام دے رہی ہے۔

تعلیم و وظائف اپنے اس طویل المیعاد عزم کو نبھانے کیلئے کہ مستحق اورغیرمراعات یافتہ طبقے سے تعلق رکھنے والے میرٹ کی بنیاد پرامداد فراہم کی جائے آپ کی کمپنی کی جانب سے پاکستان کے مختلف معروف جامعات اورغیرملکی جامعات میں تعلیمی سلسلہ جاری رکھنے کیلئے طلباء کو وظائف دیئے گئے۔

مزید برآں،آپ کی کمپنی کی جانب سے تین باقاعدہ اسکالرشپ پروگرام کا آغاز بھی کردیا گیا ہے جوکہ لکی مروت کے مستحق طلباء کیلئے ہے۔اس پروگرام کوشروع کرنے کا مقصد یہ ہے کہ دورافتادہ دیہی علاقوں میں مستحق طلباء اپنے معاشی مسائل سے بے نیاز ہوکر اپنے تعلیمی سلسلے کوجاری رکھ سکیں۔

اس کے علاوہ،آپ کی کمپنی کی جانب سے شاہد آفریدی فاؤنڈیشن سے بھی تعاون کررہی ہے اوراس سلسلے میں ایک پرائمری اسکول کوکراچی کے دورافتادہ علاقے میں گود لیا گیا ہے تاکہ غیرمراعات یافتہ طبقے سے تعلق رکھنے والے طلباء کیلئے پرائمری تعلیم کے معیار کو بلند کیا جاسکے۔

اقوام متحدہ کے پائیدارترقیاتی اہداف 2030 کے لئے تعاون

اقوام متحدہ کی جانب سے پائیدارترقیاتی پروگرامز کے تحت آپ کی کمپنی کی جانب سے مختلف پائیدار پروجیکٹس کا آغاز کیا گیا ہے اورانھیں فروغ دیا جارہا ہے تاکہ اقوام متحدہ 2030 کے اس ایجنڈے میں مدد کی جاسکے۔

ایس ڈی جیز کومربوط کرنے کے ضمن میں ہمیں یہ سبق ملا ہے کہ پائیدارترقی ہماری وہ کاروباری ذمہ داری ہے جس کے ذریعے ہم معاشرے کو پیش آنے والے مسائل سے نبردآزما ہوسکتے ہیں تاکہ کاروباری نقطہ نظر سے ہم ان مسائل کواس انداز سے حل کریں کہ معاشرے کوترقی دینے اورخودمختار بنانے کی غرض سے طویل المیعاد معاشی ترقی کی راہ ہموار ہوسکے۔

آ پکی کمپنی ایک ایسی راہ پرگامزن ہوچکی ہے جہاں سے لکی سیمنٹ اپنی کاروباری ترقی وقوت پائیدارمعاشرتی ترقی سے جوڑکر دیکھنا چاہتی ہے۔ہم ایس ڈی جیز کواس نظر سے دیکھتے ہیں کہ اس میں فائدہ ہی فائدہ ہے اور کھونے کیلئے کچھ بھی نہیں ہے، جہاں دنیا کے مستقبل کوتابناک بنایا جاسکتا ہے،جبکہ اپنی کمپنی کو ویلیو بیسڈ پائیدار کمپنی بنانے کا ہمارا نصب العین اپنی جگہ موجود ہے۔

خواتین کی خودمختاری

اسی طرح آ پکی کمپنی خواتین کوخودمختار بنانے کے لئے بھی اپنا بھرپور کردار ادا کررہی ہے اوراس سلسلے میں زندگی ٹرسٹ کے ساتھ مل کردومعروف سرکاری گرلز اسکولوں کی امداد جاری رکھے ہوئے ہے۔ان اسکولوں کو پاکستان میں لڑکیوں کی تعلیم کیلئے مثالی اداروں میں تبدیل کردیا گیا ہے۔

صحت سے متعلق اقدامات

صحت عامہ کی بہترین سہولیات کوعام کرنا بھی آ پکی کمپنی کی ترجیحات میں شامل ہے اوراس سلسلے میں عزیزطبہ فاؤنڈیشن کے ساتھ مالی تعاون کا سلسلہ جاری ہے جوانسانی خدمت کا ایک عظیم الشان ادارہ ہے جس کے تحت طبہ ہارٹ انسٹیٹیوٹ اورطبہ کڈنی انسٹیٹیوٹ چلائے جارہے ہیں جوکہ ملک میں صحت کی معیاری سہولتوں کے فقدان کو پورا کرنے کیلئے اپنا کردار ادا کررہے ہیں، اس پلیٹ فارم سے وطن عزیز میں خصوصی اور جدید میڈیکل کیئر کی سہولیات بہم فراہم کرنے کیلئے خدمات پیش کی جارہی ہیں اورایک خلاء کوپرکیا جارہا ہے۔

ایچ ایس ای (صحت، تحفظ اور ماحولیات)

کام کے دوران صفر حادثات	این ای کیو ایس معیارات کی پاسداری	ڈبلیو ایچ آر (ویسٹ ہیٹ ریکوری) پلانٹ
کامیابی کے ساتھ دوران کام حادثات کو کم از کم رکھنے کی پالیسی کے اہداف حاصل کئے گئے اوران اہداف کے حصول کیلئے صحت، حفاظت اور ماحولیات سے متعلق پالیسیوں پر سختی سے عمل کیا گیا، آڈٹ کروائے گئے، حفاظت سے متعلق مباحث کروائے گئے اور صحت، حفاظت اور ماحولیات سے متعلق پالیسیوں اور معیارات پر سختی سے عمل کیا گیا۔	جدید ترین ٹیکنالوجی اور (WHR) پلانٹس کو استعمال کرنے کے سلسلے میں (NEQ) کے معیارات سے کارکردگی تقریباً %74 زیادہ بہتر رہی۔	کاربن کے اخراج میں کمی پر استقلال برقرار رکھا گیا اور اس بات کا اہتمام کیا گیا ہے کہ پروڈکشن لائنز اور پاور جنریٹرز سے پیدا شدہ ہیٹ کو بجلی پیدا کرنے کیلئے استعمال کیا جائے۔

کاروبار کی نشوونما اور مختلف النوع کاروبار

1×660 میگاواٹ کے سپر کریٹیکل کوئلے پر مبنی پاور پروجیکٹ میں سرمایہ کاری	براؤن فیلڈ سیمنٹ پلانٹ توسیعی منصوبہ برائے خیبر پختون خواہ، پاکستان -3.15 ملین ٹن سالانہ
چین اور بعد ازاں پاکستان میں کورونا وائرس سے پھوٹنے والی وباء کی وجہ سے 660 میگاواٹ سپر کریٹیکل، اگنائٹ کوئلے پر مبنی پاور پلانٹ پر کام جاری تھا متاثر ہوا ہے۔ اس سلسلے میں سی پی پی اے کی جانب سے OFME (Other ForceMajeur Event) کو روکے جانے کا نوٹس بحوالہ لیٹر مؤرخہ 16 اکتوبر 2020 کو جاری کیا گیا تھا جس میں اس بات کا عندیہ دیا گیا ہے کہ انٹرکنیکشن سے متعلق سرگرمیاں 1 اکتوبر 2020 سے شروع کی جارہی ہیں تاہم مارچ 2020 سے 30 ستمبر 2020 کے درمیان کے عرصے کیلئے معذرت ہے۔ کمپنی نے اپنے قانونی ماہرین سے رائے کے بعد سی پی پی اے کے OFME کے دعوے کو قبول نہیں کیا ہے۔ اس سلسلے میں کمپنی کی جانب سے پاور پرچیز ا یگریمنٹ کے آرٹیکل 18 کے تحت حل تصفیہ کی کاروائی کا آغاز بھی کر دیا گیا ہے۔ کمپنی وثوق سے یہ بات کہہ سکتی ہے کہ پی پی اے کے تحت انٹرکنیکشن روابط (Right of way) کے ان کاموں میں اس قسم کا تعطل ایک متوازی مسئلہ ہے جس کی وجہ این ٹی ڈی سی کی جانب سے بروقت مسائل سے صحیح انداز میں نبرد آزمانہ ہونا ہے۔ تاہم کمپنی کی جانب سے بھرپور کوشش کی جارہی ہے کہ کووڈ-19 کی وجہ سے پروجیکٹ پر کم از کم اثرات مرتب ہوں اور اس سلسلے میں کنٹریکٹر کی مدد لی جارہی ہے۔ پروجیکٹ 30 جون 2021 تک %98.7 تکمیل کے مراحل طے کرچکا ہے اور کمپنی کی جانب سے سی پی پی اے اور این ٹی ڈی سی سے مسلسل رابطہ کیا جارہا ہے کہ انٹرکنیکشن روابط کے کاموں کو جلد از جلد پایہ تکمیل تک پہنچایا جائے کیونکہ کمرشل آپریشنز کی تاریخ کے حصول کیلئے ان کاموں کی تکمیل لازمی ہے۔ مزید برآں، مارچ 2021 میں کے الیکٹرک کی جانب سے 132KV کے عارضی بیک فیڈ کے کامیابی کے ساتھ بندوبست کے بعد، پلانٹ کی ٹیسٹنگ اور کمشنگ گرمیوں کا آغاز بھی کیا جاچکا ہے اور امید ہے کہ جلد ہی آف گرڈ ٹیسٹ کو مکمل کرلیا جائے گا۔ فی الحال این ٹی ڈی سی کی جانب سے انٹرکنیکشن کے کاموں کو پایہ تکمیل تک پہنچانے کیلئے تیاری اور حکومت کی جانب سے فراہمکیجانے والی حمایت کی بنیاد پر کہا جاسکتا ہے کہ اکتوبر 2021 تک کمرشل آپریشنز کا ہدف حاصل کرلیا جائے گا۔	سیمنٹ کی مقامی صنعت میں سیمنٹ کی بڑھتی ہوئی طلب، معیشت کی بحالی اور تعمیراتی منصوبوں جن میں چھوٹے پیمانے کے منصوبوں کے علاوہ میگا پروجیکٹس کے منصوبے بھی شامل ہیں کو مدنظر رکھتے ہوئے آپ کی کمپنی کی جانب سے فیصلہ کیا گیا ہے کہ بمقام پیزو اپنی سیمنٹ کی پیداواری صلاحیت میں اضافہ کیا جائے اور اس سلسلے میں 3.15 ملین ٹن کا پلانٹ نصب کیا جائے۔ پروجیکٹ کی گراؤنڈ بریکنگ شروع ہوچکی ہے اور اس منصوبے کیلئے تکمیل کا ہدف دسمبر 2022 رکھا گیا ہے۔

رسک مینجمنٹ

حکمت عملی کے رسک	کاروباری افعال کے رسک	مالیاتی رسک	ضوابط کی پاسداری کے رسک
حکمت عملی کے رسک میں، گیس یا متبادل ایندھن کی فراہمی برائے توانائی کی مسلسل نگرانی کی جاتی ہے۔ مقامی سطح پر تیزی سے بدلتے ہوئے مسابقتی ماحول پر بھی گہری نظر رکھی جارہی ہے۔ کمپنی کی جانب سے توسیعی منصوبوں اور نشوونما کے اہداف پر بدلتے ہوئے حالات کے پیش نظر نظرثانی کی جاتی ہے۔ کلی معاشی اشاریوں تغیر، حکومت کی جانب سے پالیسیوں میں غیر مستقل مزاجی یا بے سوچی سمجھی تبدیلیوں اور کوئلے اور دیگر ذرائع ایندھن کی بڑھتی ہوئی قیمتوں کی وجہ سے پیداواری لاگت میں مسلسل اضافہ ہورہا ہے، ان تمام عوامل کا بغور جائزہ لینے کے بعد انھیں رسک مینجمنٹ کا حصہ بنایا جاتا ہے۔ ان تمام رسک کو کنٹرول کرنے کیلئے بھی مناسب اقدامات اٹھائے جاتے ہیں۔	کاروبار کو مستعدی کے ساتھ چلانے اور بڑے مسائل سے نمٹنے کیلئے ریکوری پلان فعال ہیں تا اس بات کو یقینی بنایا جاسکے کہ کمپنی کی فروختگی اور پیداوار کا عمل بڑے مسائل کی صورت میں بھی بلا تعطل جاری رہ سکے اور کاروبار میں کسی بڑی تباہی سے بچا جاسکے۔ خام کی ترسیل کیلئے ذرائع، فرائض منصبی کی ادائیگی کیلئے درجہ بندی، دونوں پلانٹس میں پاور جنریشن کے سلسلے میں خود کفالت، اور اندرونی اور بیرونی طور مؤثر سپلائی چین اور لاجسٹک کے نظام وہ اقدامات ہیں جن کی وجہ سے آپریشنل رسک کو کم از کم حد تک رکھنے میں خاطر خواہ مدد ملی ہے۔	کمپنی کی جانب سے کوئلے کی برآمدات اور برآمدات اور سیمنٹ اور کلنکر کی برآمدات اور اسپیئر ز کی وجہ کمپنی کو غیر ملکی کرنسی میں لین دین کے خلاف ایک فطری تحفظ (natural hedge) حاصل ہے جس کی وجہ سے کمپنی بہت سے مالیاتی خطرات سے محفوظ ہے۔ سخت مالیاتی نظم وضبط، نقد رقوم کی ترسیل کے مناسب بندوبست اور غیر ملکی لین دین میں پاکستانی کرنسی کے مقابلے میں کمپنی کو لاحق خطرات سے نمٹنے کیلئے مناسب پالیسی کی وجہ سے کمپنی اندرونی طور پر اور بیرونی پروجیکٹس میں سرمایہ کاری کے لحاظ سے بھی مالیاتی رسک سے محفوظ ہے۔	کمپنی کی جانب سے تمام قواعد اور ضوابط کی مکمل پاسداری اور فنانشل رپورٹنگ میں شفافیت کی وجہ سے کمپنی اس رسک سے تقریباً محفوظ ہے۔ ضرورت پڑنے پر اہم قانونی مقدمات میں ملوث ہونے کی صورت میں کمپنی کی جانب سے معروف قانونی فرمز اور ماہرین قانون سے مشاورت کی جاتی ہے۔

کارپوریٹ اور برانڈ کی ساکھ

ایوارڈز	کارپوریٹ کمیونکیشن
۔ مسلسل تین سال سے پاکستان اسٹاک ایکسچینج میں ٹاپ پچیس کمپنیوں میں شمار کا ایوارڈ 2019۔ ۔ دسواں فائر اینڈ سیفٹی ایوارڈ 2020 حاصل کیا گیا، اس کا اہتمام دی نیشنل فورم آف انوائرمنٹ اینڈ ہیلتھ (NFEH) کی جانب سے کیا گیا تھا۔ ۔ "سیمنٹ کے کاروبار میں بہترین" کے ایوارڈ سے نوازا گیا جس کا اہتمام Biz Today کی جانب سے بزنس ایکسیلینس ایوارڈز 2020 کے موقع پر کیا گیا۔ ۔ بیسٹ کارپوریٹ رپورٹ ایوارڈ بمعہ دوسری پوزیشن سیمنٹ کیٹگری سے نوازا گیا اور یہ ایوارڈ انتہائی منتظر "بیسٹ کارپوریٹ اینڈ سسٹین ایبل رپورٹ ایوارڈز 2019" کے موقع پر دیا گیا۔ یہ اعزاز متفقہ طور پر انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) اور انسٹیٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان (ICMAP) کی جانب سے دیا گیا۔ ۔ ایشیاء منی کی جانب سے ایشیاء آؤٹ اسٹینڈنگ کمپنیز پول 2020 فار میٹریل سیکٹر ان پاکستان کے تحت تسلیم کرنے کا اعزاز حاصل ہوا۔ ایشیاء آؤٹ اسٹینڈنگ کمپنیز پول کے تحت پورے خطے میں پبلک لسٹڈ کمپنیوں کی بہترین خدمات کو مختلف النوع کاروباری سرگرمیوں اور مارکیٹس میں سراہا جاتا ہے۔ ۔ سترھویں سالانہ انوائرنمنٹ ایکسیلینس ایوارڈز 2020 کی تقریب کے موقع پر انوائرنمنٹ ایکسیلینس ایوارڈ سے نوازا گیا جس کا اہتمام دی نیشنل فورم آف انوائرنمنٹ اینڈ ہیلتھ (NFEH) کی جانب سے کیا گیا تھا۔	مستقل بنیادوں پر الیکٹرانک، پرنٹ میڈیا اور مختلف پبلیکیشنز میں چھپنے والے آرٹیکلز کے ذریعے سے صارفین تک پہنچنے کیلئے تگ و دو کرنا۔ سوشل میڈیا کے ذریعے سی ایس آر کے ضمن میں ایک باقاعدہ مہم کا آغاز کیا گیا تاکہ عوام الناس میں کووڈ-19 سے متعلق آگاہی پیدا کی جا سکے۔

انسانی وسائل کی ترقی

منصوبہ جانشینی	سیکھنے اور ترقی کا عمل	پرفارمنس مینجمنٹ	ٹیلنٹ مینجمنٹ
کمپنی کے اندر ہی موجود وسائل کی نشاندہی کی غرض سے 9 باکس (کارکردگی و مخفی توانائی) میٹرکس کا استعمال۔ اس ٹول کو استعمال کر کے ہم مستقبل میں اہم پوزیشنوں کیلئے افرادی قوت کی نشاندہی اور تربیت کا اہتمام کر سکتے ہیں۔ اس عمل سے اعلیٰ سطح پر کام کرنے والے افراد کی نشاندہی بھی ہو جاتی ہے اور ایسے افراد کو روکنے اور جانشینی منصوبے پر عمل کرنے میں بھی مدد ملتی ہے۔ لیڈرشپ کے فروغ کو یقینی بنانے کیلئے جاب روٹیشن، بین الاقوامی اسائنمنٹس کے ذریعے ایسے مواقع فراہم کئے جاتے ہیں کہ کمپنی میں موجود مخفی لیڈرشپ کو آگے لایا جا سکے۔	ٹریننگ نیڈ اسسمنٹ (ٹی این اے) کے تحت کمپنی کے اندر اور عوامی سطح پر تربیت کاروں کے ذریعے ایسے تربیتی پروگرام کروائے گئے ہیں جن میں تمام مقامات پر اور مختلف سطحوں پر کام کرنے والے ملازمین کو سافٹ اور ہارڈ اسکلز سے متعلق آگہی فراہم کی گئی۔ ایسے تربیتی کورسز میں صحت، حفاظت اور ماحولیات سے متعلق امور پر بطور خاص توجہ دی جاتی ہے، نیز اخلاقیات اور حفاظت سے متعلق آگہی کے سلسلے میں ای میل سے بھی رابطہ کیا جاتا ہے۔ قابلیت میں پائے جانے والے فقدان سے متعلق مرتب کئے گئے فارم اس بات کا تجزیہ کرنے میں مدد فراہم کرتے ہیں کہ مزید ترقی کیلئے کن چیزوں کی ضرورت پیش آ سکتی ہے۔	پرفارمنس مینجمنٹ سائیکل کی ابتداء سالانہ اہداف مقرر کئے جانے سے ہوتی ہے جس کے تحت ادارے کی حکمت عملی کا اسمارٹ بنایا جاتا ہے اور اسے ہر شعبے تک توسیع دی جاتی ہے۔ اس بات کو یقینی بنایا جاتا ہے کہ اس کا اطلاق پورے ادارے کے طول و عرض میں ہو۔ انتظامیہ میں تمام پوزیشنوں پر براجمان افراد کو واضح اہداف دیئے جاتے ہیں اور اس بات کی پوری کوشش کی جاتی ہے ذاتی تعصّبات کم از کم کیا جائے۔ تمام لائن مینیجرز کی حوصلہ افزائی کی جاتی ہے کہ باقاعدگی کے ساتھ اہداف کو مدنظر رکھتے ہوئے کارکردگی کو جانچتے رہیں اور اس سلسلے میں ضروری رہنمائی بھی فراہم کرتے رہیں۔	مکمل طور پر نظر ثانی شدہ مہارتوں کا ایک منصوبہ اور ماڈل نافذ کیا گیا ہے جس کی مدد سے اسامیوں اور ان کیلئے درکار ضروری مہارتوں کی بنیاد پر کمپنی کے باہر سے بہترین افرادی قوت کے انتخاب کو ممکن بنایا جا سکتا ہے اور کمپنی کے اندر موجود افرادی قوت کو روکنے اور استعمال میں لانے میں مدد مل سکتی ہے۔ نیز کمپنی میں موجود افرادی قوت کو بروقت اور ضروریات پر مبنی مؤثر تربیت کے ذریعے اگلے پوزیشنوں کیلئے تیار کیا جا سکتا ہے۔ ہماری جانب سے اس وقت افعال اور تکنیک پر مبنی مہارتوں سے متعلق ایک طریق کار کو زیر کاروائی ہے جس سے اس بات میں مدد ملے گی اہداف سے قریب ترین بھرتیاں کی جائیں، اسی مناسبت سے تربیت فراہم کی جائے اور مخفی توانائیوں کی کھوج لگائی جائے۔

مکمل طور پر ایک ایسے نظام کو وضع پر مرکوز رہتی ہے جس کے تحت ہم ٹھوس نتائج برآمد کر سکیں۔ ہمارا ٹیلنٹ مینجمنٹ سسٹم اس بات کو ممکن بناتا ہے کہ ملازمین پوری دیانتداری اور مستقل مزاجی کے ساتھ ہمیں اپنی آراء سے آگاہ کریں اور اس کے علاوہ خود احتسابی کا م جذبہ بھی ان میں پیدا ہو جس کا لازمی نتیجہ اس صورت میں سامنے آتا ہے کہ ہم بطور ٹیم خود بہترین انداز سے تیار کریں اور مستقبل کے چیلنجز سے نمٹنے کیلئے کارکردگی کی بنیاد پر موثر منصوبہ بندی کر سکیں۔ ہمیں اس بات پر فخر ہے کہ لکی سیمنٹ میں ایک ایسا کلچر موجود ہے جس کے تحت ملازمین کو خود مختار بنایا جاتا ہے اور وہ انفرادی اور اجتماعی طور پر بہترین انداز سے خود احتسابی کر سکتے ہیں۔

انتظامیہ کے اہداف اور حکمت عملی

آپکی کمپنی کی انتظامیہ کا سب سے اہم ہدف یہ ہے کہ پاکستان کی سیمنٹ کی صنعت میں کمپنی کی بالا دستی کو برقرار رکھا جائے اور تمام شراکت داروں کی سرمایہ کاری کی قدر میں اضافہ کیا جائے۔ تمام کاروباری اہداف کا رخ اسی سمت میں ہے اور اس مقصد کیلئے اعلیٰ کارکردگی کی اہم علامتوں کا تعین بھی کر دیا گیا ہے تاکہ کمپنی کے ہر شعبے میں کارکردگی کو ٹھوس بنیادوں پر جانچنے کیلئے اور ان میں بہتری پیدا کرنے کیلئے معیارات مقرر ہو جائیں۔

آج آپکی کمپنی ایک عالمی شناخت کی حامل ہے اور انتظامیہ اس سے بھی آگے بڑھ کر نئی منازل طے کرنے کی خواہش مند ہے جس کیلئے ہماری توجہ اعلیٰ پیشہ ورانہ اور انتہائی قابل ٹیم تشکیل دینے، بہترین ٹیکنالوجی میں سرمایہ کاری کرنے، صارفین کا اعتماد بحال رکھنے، سپلائی چین کے ذریعے مجموعی موثر نتائج حاصل کرنے اور ماحولیات اور کمیونٹیز کی ترقی کیلئے کام کرنے پر مرکوز ہے جن میں رہ کر کمپنی اپنے کاروباری امور سرانجام دے رہی ہے۔

طے شدہ کارپوریٹ اہداف کے حصول کو ممکن بنانے کیلئے آپکی کمپنی نے کمپنی کے طول عرض میں تمام اعلیٰ و ادنیٰ ملازمین کو شامل کرتے ہوئے ہر کام کے سرانجام دینے کیلئے SOPs (کام سرانجام دینے کے معیارات) اور KPIs (کارکردگی کو جانچنے کے پیمانے) مقرر کر دیئے ہیں۔ ان پیمانوں اور معیارات کو وسیع النظر کارپوریٹ اہداف کے ساتھ متوازن رکھا گیا ہے تاکہ کمپنی کا ہر ملازم ان شفاف پیمانوں کو مدنظر رکھتے ہوئے سالانہ اہداف کے پیش نظر بذات خود اس بات کا اندازہ لگا سکے کہ وہ کتنا کامیاب رہا۔ مزید برآں، ہماری جانب سے انسانی وسائل سے متعلق پالیسیوں میں بھی مزید نکھار پیدا کیا گیا ہے اور کامیابی کے ساتھ ملک کے معروف تعلیمی اداروں کے اشتراک سے ایک طے شدہ مینجمنٹ تربیتی پروگرام کا آغاز کیا گیا ہے۔

آپکی کمپنی کی جانب سے اعلیٰ مالیاتی کارکردگی اور مارکیٹ لیڈرشپ اس بات کی غمازی کرتے ہیں کہ تمام حکمت عملیوں کے پیش نظر کمپنی اپنے کارپوریٹ اہداف حاصل کرنے میں کامیاب رہی ہے۔

کارکردگی کے معیارات

طے شدہ مقاصد و اہداف کے حصول کو ممکن بنانے کیلئے کمپنی کی جانب سے کارکردگی کو جانچنے کے معیارات و علامتیں مقرر کی گئی ہیں۔ ان معیارات کو کمپنی کے ہر شعبے اور طول عرض میں "لکی سیمنٹ لمیٹڈ کے 9 اہداف" کے نام سے فراہم کیا جا چکا ہے۔ ان معیارات کی وجہ سے اپنے مستقبل کی حکمت عملی طے کرنے میں بھی مدد ملتی ہے۔

- مقامی اور برآمدی مارکیٹوں میں مستقل اور منافع بخش نشوونما کو ممکن بنانا۔
- صنعت میں سب سے کم پیداواری لاگت کو برقرار رکھنے کیلئے ہر ممکن کوشش کرنا۔
- کارپوریٹ اور برانڈ کی ساکھ کو مزید بہتر بنانا۔
- انسانی وسائل کو اپنی جانب مبذول کرنا، انہیں اپنے ساتھ رکھنا، انہیں تربیت فراہم کرنا اور انہیں معقولیت کے ساتھ زیر استعمال لانا۔
- محفوظ اور صحت افزاں ماحول کو پروان چڑھانا۔
- پاکستان سے باہر اپنے قدم جمانا اور مختلف کاروباروں میں قسمت آزمانا۔
- آئی ٹی سسٹم کی اصلاح کرنا اور انفرا اسٹرکچر کو مضبوط کرنا۔
- رسک مینجمنٹ پروگرام کو مربوط شکل میں پیش کرنا۔
- کمپنی کے تمام امور میں کارپوریٹ معاشرتی ذمہ داری کو شامل کرنا۔

دوران سال رواں انتظامیہ نے مذکورہ بالا اہداف کو کمپنی میں ہر سطح پر اس مقصد کیلئے سب تک پہنچا دیا ہے تاکہ ہر شعبہ طے شدہ معیارات کو مدنظر رکھتے ہوئے اپنے اپنے دائرے میں تمام امور بشمول انسانی وسائل کے استعمال کے ضمن میں ان پر عمل درآمد شروع کر دے۔ سال کے دوران ان اہداف کو گاہے بگاہے جانچنا اور ان پر عمل درآمد کو چیک کرنے کا کام مینجمنٹ کمیٹی اور پروجیکٹس سے متعلق ہونے والے اجلاس میں ہوتا رہا ہے۔

کارپوریٹ معاشرتی ذمہ داری

آپکی کمپنی کی جانب سے کارپوریٹ معاشرتی ذمہ داری کا بنیادی مقصد تعلیم، خواتین کی خود مختاری، صحت

دوران سال رواں انتظامیہ نے مذکورہ بالا اہداف کو کمپنی میں ہر سطح پر اس مقصد کیلئے سب تک پہنچا دیا ہے تاکہ ہر شعبہ طے شدہ معیارات کو مدنظر رکھتے ہوئے اپنے اپنے دائرے میں تمام امور بشمول انسانی وسائل کے

مالیاتی و غیر مالیاتی امور میں کارکردگی کی جانچ

مستقل اور منافع بخش نشوونما

مارکیٹ میں حصہ	کم از کم پیداواری لاگت	حجم برائے فروختگی	آمدن فی حصص	پیداواری لاگت میں کمی کیلئے اقدامات
مالی سال 21-2020 کے دوران مارکیٹ میں 17.3% کا حصہ حاصل کیا گیا۔	لاگت برائے فی ٹن پیداوار صنعت میں سب سے کم رہی۔	لاک ڈاؤن کی وجہ سے انتہائی پیچیدہ مسائل کا سامنا کرنے کے باوجود، سال بہ سال مجموعی طور پر فروختگی کے حجم میں 30.7% کا اضافہ ریکارڈ کیا گیا ہے۔	آمدن فی حصص 43.51 روپے رہی جو کہ گزشتہ سال کے مقابلے میں 320% زائد ہے جس کی وجہ فروخت اور قیمت فروخت میں اضافہ اور خام مال قیمتوں میں فی ٹن کمی ہے۔	پیزو کے مقام پر لائن ون کی تنصیب کے بعد کارکردگی مزید موثر ہوئی ہے اور کوئلے اور توانائی کی کھپت میں بھی کمی آئی ہے۔

شعبہ	صافی آمدن کی شرح نمو (%)	خام منافع کی شرح (خام آمدن کے فیصد کے اعتبار سے)	کاروباری منافع کی شرح (خام آمدن کے فیصد کے اعتبار سے)	شعبے کے اثاثے (بلین روپے میں)	شعبے کے واجبات (بلین روپے میں)
سیمنٹ	50.36	21.48	14.56	100.35	31.44
پولیسٹر	22.18	11.33	9.82	9.82	14.72
سوڈاایش	6.79	24.89	17.27	25.41	3.34
فارما	13.53	23.27	7.63	5.81	5.56
جانوروں کی صحت	30.83	18.34	5.73	4.28	2.21
کیمیکلز اور ایگری سائنسز	8.43	20.01	8.52	9.34	2.42
نیوٹری کو موریناگا	119.71	0.05	(27.25)	8.14	0.41
آٹوموبائلز	194.23	14.37	11.46	56.33	36.53
پاور جنریشن	-	-	-	109.83	5.23
دیگر	116.67	28.36	27. 26	1.30	0.07

کمپنی کی نقدرقوم کی ترسیل کے اہم ذرائع

حکمت عملی برائے ترسیل نقدرقوم

آ پکی کمپنی کی جانب سے نقدرقوم کی ترسیل کیلئے ایک مؤثر اور جامع نظام نافذالعمل ہے جس کے تحت نقدرقوم کی آمدن اور اخراجات کے تخمینے لگائے جاتے ہیں اور باقاعدگی کے ساتھ ان کی نگرانی کی جاتی ہے۔ جہاں تک ورکنگ کیپیٹل کا تعلق ہے اس کا بندوبست بنیادی طور پر کمپنی کے اندرونی ذرائع اور بینکوں سے قلیل المدتی قرضوں سے کیا جاتا ہے۔

زیرنظر مالی سال کے دوران کمپنی کی جانب سے 6.47 بلین روپے مستقل سرمایہ کی مد میں، 6.05 بلین روپے طویل المدتی سرمایہ کاری کی مد میں، اور 0.833 بلین روپے انکم ٹیکس کی مد میں خرچ کئے گئے۔

بورڈ آف ڈائریکٹرز اس بات سے مطمئن ہے کہ ایک جامع اور مؤثر فنانشل مینجمنٹ سسٹم فعال ہونے کی وجہ سے مستقبل قریب میں ہم کسی قسم کے کوئی قلیل المدتی یا طویل المدتی تمویلی مسائل نہیں دیکھتے۔

سرمائے کی ساخت اور مالیاتی پوزیشن

گوکہ آپ کی کمپنی بنیادی طور ایکیوٹی پر قائم ہے لیکن بہترین کیپٹل اسٹرکچر کیلئے اسٹیٹ بینک آف پاکستان کی جانب سے سبسڈی کی بنیاد پر تمویل کی سہولت (جیسا کہ TERF/LTFF) سے فائدہ اٹھایا گیا اور اس طرح کمپنی نے ورکنگ کیپٹل اور طویل المیعاد تمویل کی ضروریات کو بطور احسن پورا کیا۔ آپ کی کمپنی کی مضبوط مالیاتی پوزیشن اور اندرونی طور پر نقدرقوم کی ترسیل سے ایک جانب تو کمپنی کی انتظامیہ کو یہ موقع حاصل ہوتا ہے کہ کمپنی کی جانب سے لاگت میں کمی لانے جیسے منصوبوں پر سرمایہ کاری کی جائے اور دوسری جانب سپلائر بھی پورے اعتماد کیساتھ ہمارے کاروبار میں شامل ہوتے ہیں۔ دوران سال رواں ہمارے ذخائر میں 15% اضافہ ہوا ہے جس کے بعد ہمارے ذخائر 109.97 بلین روپے تک پہنچ چکے ہیں۔ ذخائر میں اضافے کا سہرا کمپنی کیجانب سے پیداواری لاگت میں کمی لانے کیلئے متعارف کروائی جانے والی حکمت عملی اور حاصل شدہ منافع سے ہے۔ ہماری تمویلی حکمت عملی اور کیپٹل اسٹرکچر میں کوئی خاطر خواہ تبدیلی متعارف نہیں کروائی گئی۔

بندوبست برائے تمویل

کمپنی کی جانب سے اپنے توسیعی منصوبوں کیلئے تمویل کا بندوبست رعایتی نرخ پر کرنے کی غرض سے، کمپنی کی جانب سے اسلامک ٹیمپریری اکنامک ری فنانس فیسلٹی (ITERF) از اسٹیٹ بینک آف پاکستان اور دیگر مختلف اسلامی بینکوں سے رجوع کیا گیا جس کے تحت 2.6 بلین روپے کی تمویل کا رعایتی نرخوں پر بندوبست کیا گیا۔ علاوہ ازیں، برآمدات میں اپنی کارکردگی کو نمایاں طور پر بڑھانے کیلئے آپ کی کمپنی کی جانب سے مختلف اسلامی بینکوں سے اسلامک ایکسپورٹ ری فنانس کی سہولت کے تحت 7.05 بلین روپے کی تمویل کا بندوبست کیا گیا (2020 کے مطابق یہ تمویل 6.05 بلین روپے تھی)۔ یہ تمام اسلامی تمویل پلانٹ، مشینری، اسٹاک، اسٹور اور اسپیئر کی بنیاد پر سکیورٹی پر کی گئی ہے۔

کریڈٹ ریٹنگ

زیرنظر مالی سال کے دوران وی آئی ایس کریڈٹ ریٹنگ کمپنی لمیٹڈ کی جانب سے درمیان اور طویل المیعاد قرضوں کے سلسلے میں +AA اور قلیل المیعاد قرضوں کے سلسلے میں A-One Plus کی ریٹنگ کمپنی کو دی گئی ہے۔

درمیانی سے طویل المیعاد قرضوں کے سلسلے میں دی گئی ریٹنگ سے کریڈٹ کے اعلی معیار اور زبردست حفاظتی اقدامات کا اظہار ہوتا ہے۔ نیز قلیل المیعاد قرضوں کی ریٹنگ کمپنی کی جانب سے قرضوں کی بروقت واپسی اور یقینی صورتحال کے علاوہ کمپنی کے پاس وافر مقدار میں قلیل المدتی نقدرقوم کی ترسیل کا اظہار ہے۔ آپ کی کمپنی کو دی جانے والی اعلی کریڈٹ ریٹنگ اس بات کی غماز ہے کمپنی قرضوں کی واپسی کے سلسلے میں بہت اچھی ساکھ کی حامل ہے اور یہ کہ اپنی مالی ذمہ داریوں سے نمٹنے کیلئے نقدرقوم کی ترسیل کے سلسلے میں کمپنی مؤثر حکمت عملی پر عمل پیرا ہے۔

ترقی برائے انسانی وسائل

جیسے جیسے ہم ترقی کی منازل طے کر رہے ہیں ہمارے انسانی وسائل کی ترقی اور ان کا کردار بھی اہمیت اختیار کرتے جا رہے ہیں، ہم کام کرنے کیلئے ایسا ماحول فراہم کرنے کیلئے پرعزم جہاں ہمارے ملازمین خود کو قیمتی، قابل عزت، خودمختار اور پرجوش محسوس کریں۔ ذہین اور محنتی افراد ہمارے اس کلچر میں بنیادی حیثیت رکھتے ہیں جہاں میرٹ ہی آگے بڑھنے کی بنیاد ہے۔ اس لئے ہم افراد کی صلاحیتوں اور ذہانت کا احترام کرتے ہیں اور آگے بڑھنے کے مسلسل اور بھرپور مواقع فراہم کرتے ہیں۔ ہم میرٹ پر یقین رکھتے ہیں اور یہ کہ میرٹ ہی صاف اور شفاف انتظامیہ کو تشکیل دینے، مؤثر کارکردگی کا سراہنے اور ممتاز کرنے کا باعث ہے۔

معیار کو بہتر بنانا ہمارے کاروبار کی طویل المیعاد اور مستقل کامیابی کیلئے انتہائی اہم ہے۔ البتہ ہم کاروبار میں اعداد اور تخمینوں کو بھی اتنی ہی اہمیت دیتے ہیں جس کی بنیاد پر آج ہم اپنے کاروبار کو آگے بڑھا رہے ہیں۔ ہم نے اپنی ٹیم کیلئے واضح اہداف اور کارکردگی کو جانچنے کیلئے اہم علامتیں مقرر کر رکھی ہیں جن کی وجہ سے ہماری توجہ

وبائی صورتحال کے پیش نظر پیدا ہونے والی غیر یقینی صورتحال کے باوجود کمپنی اپنے توسیعی پروگرامز کو جاری رکھے ہوئے ہے اور اس کے ساتھ ساتھ کمپنی کی جانب سے مختلف النوع سرمایہ کاری کا عمل بھی جاری وساری ہے جن میں کے پی کے صوبے میں 3.15 میٹرک ٹن کا براؤن فیلڈ توسیعی منصوبہ اور سامسنگ گلف الیکٹرونکس، ایف زی ای کے ساتھ موبائل اسمبلنگ پلانٹ کے منصوبے بھی شامل ہیں۔ مذکورہ بالا اقدامات کو مدنظر رکھتے ہوئے، ڈائریکٹروں کی جانب سے مالی سال اختتامیہ 30 جون 2021 کے لیے کسی بھی قسم کا کوئی ڈیویڈنڈ نہ دینے کا فیصلہ کیا گیا ہے۔

غیر تقسیم شدہ منافع کی تفصیلات رج ذیل ہیں:

	روپے ہزاروں میں
صافی منافع برائے سال:	
غیر منقسم شدہ منافع دستیاب برائے مالی سال	14,016,397
تقسیم منافع	
مجوزہ منتقلی برائے عمومی ذخائر	14,016,397
بنیادی وتحلیلی آمدن فی حصص (EPS) روپے میں	**43.51**

پروجیکٹس--- نئے اور جاری

براؤن فیلڈ سیمنٹ پلانٹ توسیعی منصوبہ برائے خیبر پختون خواہ، پاکستان - 3.15 ملین ٹن سالانہ

سیمنٹ کی مقامی صنعت میں سیمنٹ کی بڑھتی ہوئی طلب، معیشت کی بحالی اور تعمیراتی منصوبوں جن میں چھوٹے پیمانے کے منصوبوں کے علاوہ میگا پروجیکٹس کے منصوبے بھی شامل ہیں کو مدنظر رکھتے ہوئے آپ کی کمپنی کی جانب سے فیصلہ کیا گیا ہے کہ بمقام پیزو اپنی سیمنٹ کی پیداواری صلاحیت میں اضافہ کیا جائے اور اس سلسلے میں 3.15 ملین ٹن کا پلانٹ نصب کیا جائے۔

پروجیکٹ کی گراؤنڈ بریکنگ شروع ہوچکی ہے اور اس منصوبے کیلئے تکمیل کا ہدف دسمبر 2022 رکھا گیا ہے۔

660×1 میگاواٹ کے سپر کریٹیکل کوئلے پر مبنی پاور پروجیکٹ میں سرمایہ کاری

چین اور بعدازاں پاکستان میں کورونا وائرس سے پھوٹنے والی وباء کی وجہ سے 660 میگاواٹ سپر کریٹیکل، ایگنائٹ کوئلے پر مبنی پاور پلانٹ پر کام جاری تھا متاثر ہوا ہے۔ اس سلسلے میں سی پی پی اے کی جانب سے OFME (Other Force Majeure Event) کو روکے جانے کا نوٹس بحوالہ لیٹر مؤرخہ 16 اکتوبر 2020 کو جاری کیا گیا تھا جس میں اس بات کا عندیہ دیا گیا ہے کہ انٹرکنیکشن سے متعلق سرگرمیاں 1 اکتوبر 2020 سے شروع کی جارہی ہیں تاہم مارچ 2020 سے 30 ستمبر 2020 کے درمیان کے عرصے کیلئے معذرت ہے۔ کمپنی نے اپنے قانونی ماہرین سے رائے کے بعد سی پی پی اے کے OFME کے دعوے کو قبول نہیں کیا ہے۔ اس سلسلے میں کمپنی کی جانب سے پاور پرچیز ایگریمنٹ کے آرٹیکل 18 کے تحت حل تصفیہ کی کاروائی کا آغاز بھی کر دیا گیا ہے۔ کمپنی وثوق سے یہ بات کہہ سکتی ہے کہ پی پی اے کے تحت انٹرکنیکشن روابط (Right of way) کے ان کاموں میں اس قسم کا تعطل ایک متوازی مسئلہ ہے جس کی وجہ این ٹی ڈی سی کی جانب سے بروقت مسائل سے صحیح انداز میں نبرد آزمانہ ہونا ہے۔

تاہم کمپنی کی جانب سے بھرپور کوشش کی جارہی ہے کہ کووڈ-19 کی وجہ سے پروجیکٹ پر کم ازکم اثرات مرتب ہوں اور اس سلسلے میں کنٹریکٹر کی مددلی جارہی ہے۔ پروجیکٹ 30 جون 2021 تک 98.7% تکمیل کے مراحل طے کرچکا ہے اور کمپنی کی جانب سے سی پی پی اے اور این ٹی ڈی سی سے مسلسل رابطہ کیا جارہا ہے کہ انٹرکنیکشن روابط کے کاموں کو جلدازجلد پایہ تکمیل تک پہنچایا جائے کیونکہ کمرشل آپریشنز کی تاریخ کے حصول کیلئے ان کاموں کی تکمیل لازمی ہے۔ مزید برآں، مارچ 2021 میں کے الیکٹرک کی جانب سے 132 کے وی کے عارضی بیک فیڈ کے کامیابی کے ساتھ بندوبست کے بعد، پلانٹ کی ٹیسٹنگ اور کمشننگ گرمیوں کا آغاز بھی کیا جاچکا ہے اور امید ہے کہ جلد ہی آف گرڈ ٹیسٹ کو مکمل کرلیا جائے گا۔

فی الحال این ٹی ڈی سی کی جانب سے انٹرکنیکشن کے کاموں کو پایہ تکمیل تک پہنچانے کیلئے تیاری اور حکومت کی جانب سے فراہم کی جانے والی حمایت کی بنیاد پر کہا جاسکتا ہے کہ اکتوبر 2021 تک کمرشل آپریشنز کا ہدف حاصل کرلیا جائے گا۔

سماوہ، عراق میں گرین فیلڈ کلنکر کی پیداواری سہولت - 1.2 ملین ٹن سالانہ

کووڈ-19 سے پیدا ہونے والی وبائی صورتحال کے باوجود پلانٹ نے اپنی آزمائشی پیداوار کا عمل کامیابی سے مکمل کیا اور 10 مارچ 2021 سے پلانٹ کمرشل آپریشنز کا آغاز بھی کرچکا ہے۔

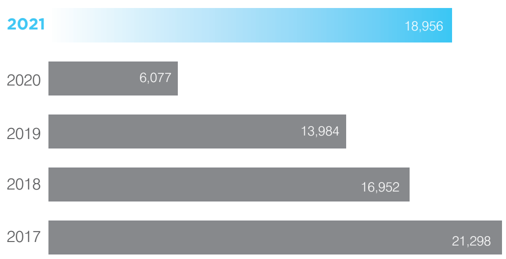
لکی موٹر کارپوریشن (LMC) کا سامسنگ گلف الیکٹرونکس کمپنی، ایف زی ای کے ساتھ معاہدہ

سال کے گزرنے کے بعد، لکی موٹر کارپوریشن (لکی سیمنٹ لمیٹڈ کی ایک ذیلی کمپنی) جو کہ پاکستان میں Kia اور Peugeot کے برانڈز کی گاڑیوں اور ان پارٹس اور ایسسریز بنانے، اسمبل کرنے، مارکٹنگ کرنے، ترسیل کرنے کے کاروبار سے منسلک ہے، کی جانب سے سامسنگ گلف الیکٹرونکس کمپنی، ایف زی ای کے ساتھ سامسنگ برانڈز کے موبائل آلات پاکستان میں بنانے کا معاہدہ کیا گیا ہے۔ لکی موٹر کارپوریشن کی جانب سے اس بات کی کوشش بھی کی جارہی ہے پاکستان ٹیلی کمیونیکیشن اتھارٹی (PTA) سے منظوری کے بعد لائسنس بھی حاصل کرلیا جائے گا۔ سامسنگ برانڈز کے موبائل آلات کو بنانے کی غرض سے لکی موٹر کارپوریشن کے موجودہ گاڑیوں کے پلانٹ بمقام بن قاسم انڈسٹریل پارک، اسپیشل اکنامک زون، پورٹ قاسم کراچی کو ہی استعمال کیا جائے گا۔ اس سلسلے میں پیداواری صلاحیت کو دسمبر 2021 تک پایہ تکمیل تک پہنچادیا جائے گا۔

شعبوں کی بنیاد پر کاروباری کارکردگی کا جائزہ

پاکستان، عراق اور ڈی آر آف کانگو میں سیمنٹ کی صنعت میں مضبوطی کے ساتھ قدم جمانے کے بعد اب لکی سیمنٹ مختلف النوع صنعتوں میں سرمایہ کاری کرنے کے بعد ارتقائی طور پر ایک کونگلومیریٹ بن چکی ہے۔ آئی سی آئی پاکستان کا حصول اور لکی الیکٹرک اور لکی موٹر کارپوریشن میں سرمایہ کاری جیسے اقدامات کمپنی کی جانب سے مختلف النوع صنعتوں میں سرمایہ کاری کرنے کی حکمت عملی کا حصہ ہیں تاکہ حصص داران کی سرمایہ کاری کی قدر میں اضافہ کیا جاسکے۔ جیسا کہ ختم ہونے والا مالی سال معیشت کی بحالی کا سال تھا، کمپنی کے تمام ذیلی اداروں کی جانب سے خاطر خواہ منافع کمایا گیا ہے۔ شعبوں کے لحاظ سے ذیل میں کاروباری تصویر پیش کی جارہی ہے

Gross Profit
PKR in Million



ڈیویڈنڈ

مالی سال اختتامیہ 30 جون 2021 آپ کی کمپنی کوموصول ہونے والی ڈیویڈنڈ آمدن 4.40 بلین روپے رہی (2020: 1.29 بلین روپے)۔ڈیویڈنڈ کی آمدن میں اضافے کی بنیادی وجہ یہ رہی کہ بہتر منافع کی شرح کے ساتھ کمپنی کی ذیلی کمپنیوں کی جانب سے خاطر خواہ ادائیگیاں ہوئیں، بنیادی طور پر ان میں لکی موٹرز کارپوریشن لمیٹڈ شامل ہے جس کی جانب سے جون 2019 میں کاروباری افعال کا آغاز کرنے کے بعد پہلی مرتبہ ڈیویڈنڈ دیا گیا ہے۔

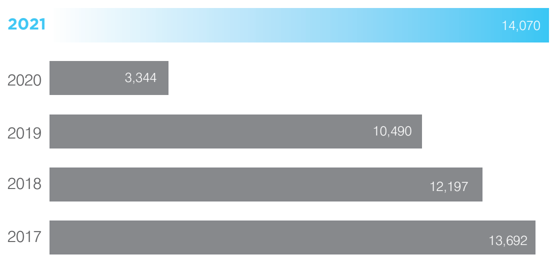
ذیلی/منسلکہ روپے بلین میں	مالی سال-21	مالی سال-20
آئی سی آئی	1.27	0.79
ایل ایچ ایل	0.22	0.38
وائے ای ایل	0.06	0.12
ایل ایم سی	2.85	-
کل	4.40	1.29

صافی منافع

آپکی کمپنی نے زیرنظر مالی سال کے دوران 16,992.2 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جبکہ گزشتہ سال کے دوران یہ منافع 3,819.9 ملین روپے تھا۔

اسی طرح زیرنظر مالی سال کے دوران منافع بعداز ٹیکس 14,070.2 ملین روپے ریکارڈ کیا گیا جبکہ گزشتہ سال کے دوران منافع بعداز ٹیکس 3,343.9 ملین روپے ریکارڈ کیا گیا تھا۔

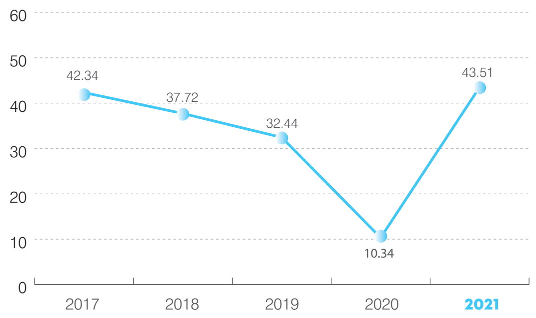
Net Profit
PKR in Million



آمدن فی حصص

آپکی کمپنی کی جانب سے مالی سال 30 جون 2021 کے دوران آمدن فی حصص 43.51 روپے رہی جبکہ گزشتہ سال کے دوران آمدن فی حصص 10.34 روپے تھی۔

EPS Trend
PKR



قومی خزانے میں حصہ

آپکی کمپنی کی جانب سے سرکاری خزانے میں 27.3 بلین روپے (بمطابق 2020:20 بلین روپے) انکم ٹیکس، ایکسائز ڈیوٹی، سیلز ٹیکس اور دیگر سرکاری لیویز کی مدات میں جمع کروائے گئے۔ مزید برآں، آپکی کمپنی کی جانب سے زیرنظر مالی سال کے دوران سیمنٹ کی برآمدات کے ذریعے سے وطن عزیز کیلئے تقریباً 86.11 ملین ڈالر کا قیمتی زرمبادلہ بھی حاصل کیا گیا ہے۔

قومی مفاد میں عطیات

آپکی کمپنی کارپوریٹ معاشرتی ذمہ داری کا مکمل احساس رکھتی ہے اور تعلیم، صحت، خواتین کی خودمختاری، بقائے ماحولیات اور کمیونٹی کی ترقی کیلئے مختلف اقدامات اٹھانے میں پورے اخلاص کے ساتھ کام کر رہی ہے جو کہ کمپنی کی جانب سے براہ راست مالی امداد کے ذریعے اور بالواسطہ کمپنی کی جانب سے سول سوسائٹی اداروں اور غیرسرکاری تنظیموں کی امداد کے ذریعے اٹھائے جا رہے ہیں تا کہ ان کے مثبت اثرات معاشرے پر مرتب ہوں۔

بیان برائے عطیہ اکاؤنٹ-روپے ہزاروں میں	مالی سال 21-2020	مالی سال 20-2019
صحت سے متعلق اقدامات اور مریضوں کیلئے مالی معاونت	202,558	106,000
کمیونٹی ڈیویلپمنٹ	74,064	41,505
تعلیمی اقدامات اور اسکولوں، جامعات اور اسکالرشپ کے سلسلے میں مالی معاونت	62,419	27,213
عمومی عطیات	2,977	30
کل عطیات	**342,018**	**174,748**

ڈیویڈنڈ اور تقسیم منافع

آپ کی کمپنی اس بات کیلئے پرعزم ہے کہ حصص داران کی دولت میں نہ صرف اضافہ کیا جائے بلکہ انھیں مستقل اور طویل المیعاد بنیادوں پر منافع بھی فراہم کیا جاتا رہے۔ کمپنی مختلف نوعیت کے کاروباروں میں سرمایہ کاری کے ذریعے اپنی توسیع کی پالیسی پر عمل پیرا ہے اور اس سلسلے میں سرمایہ گیر پروجیکٹس میں سرمایہ کاری کیلئے کمپنی اپنے کاروباری افعال سے حاصل ہونے والی نقد رقوم کو سرمایہ کاری استعمال میں لاتی ہے جس کی وجہ سے نہ صرف کمپنی کے ان عزائم کی توثیق ہوتی ہے بلکہ ان توسیعی منصوبوں کے ثمرات بھی کمپنی کو مل رہے ہیں۔ عالمی

تفصیلات (ہزاروں ٹن میں)	مالی سال 2020-21	مالی سال 2019-20	اضافہ/(کمی)	فیصد میں
	ہزاروں ٹن میں			
سیمنٹ کی صنعت				
مقامی فروختگی	48,132	39,965	8,167	20.4%
برآمدات				
بوری بند سیمنٹ	4,244	3,586	658	18.3%
کھلا سیمنٹ	449	63	386	612.7%
کلنکر	4,621	4,198	423	10.1%
کل مرآمدات	9,314	7,847	1,467	18.7%
مجموعی کل	57,446	47,812	9,634	20.1%
لکی سیمنٹ				
مقامی فروختگی- سیمنٹ	7,558	5,412	2,146	39.7
مقامی فروختگی- کلنکر	-	51	(51)	100%
کل مقامی فروختگی	**7,558**	**5,463**	**2,095**	**38.3%**
برآمدات				
بوری بند سیمنٹ	1,117	1,024	93	9.1%
کھلا سیمنٹ	449	63	386	612.7%
کلنکر	840	1,075	(235)	(21.9%)
کل برآمدات	**2,406**	**2,162**	**244**	**11.3%**
مجموعی کل	**9,964**	**7,625**	**2,339**	**30.7%**

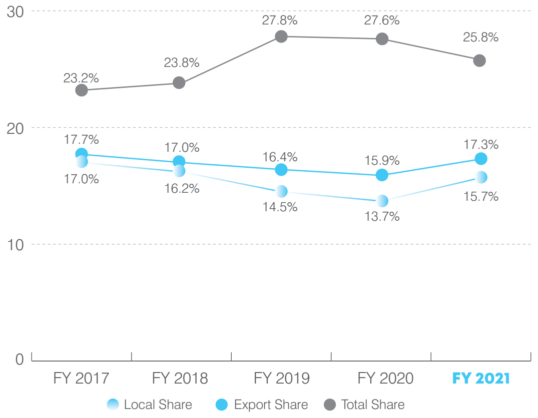
مارکیٹ میں حصہ	مالی سال 2020-21	مالی سال 2019-20	اضافہ/(کمی) فیصد میں
	ہزاروں ٹن میں		
مقامی فروختگی	15.7%	13.7%	14.6%
برآمدات			
بوری بند سیمنٹ	26.3%	28.6%	(8.0%)
کھلا سیمنٹ	100.0%	100.0%	0.0%
کلنکر	18.2%	25.6%	(28.9%)
کل برآمدات	**25.8%**	**27.6%**	**(6.5%)**
مجموعی کل	**17.3%**	**15.9%**	**8.8%**

صنعت کا ڈیٹا مارکیٹ میں دستیاب قرین قیاس بنیادوں پر پیش کیا جارہا ہے۔

ذیل میں سال بہ سال مارکیٹ میں کمپنی کے حصے کا تقابلی تجزیہ پیش کیا جارہا ہے۔

Yearwise LCL Market Share

Percentage



ملین ٹن میں

لکی سیمنٹ لمیٹڈ	مالی سال 2017	مالی سال 2018	مالی سال 2019	مالی سال 2020	مالی سال 2021
مقامی	6.07	6.69	5.85	5.46	7.56
برآمدات	1.08	1.13	1.82	2.16	2.41
لکی سیمنٹ لمیٹڈ مجموعہ	7.15	7.82	7.67	7.63	9.96
صنعت	40.32	45.89	46.89	47.81	57.45
حصہ %	17.7%	17.0%	16.4%	15.9%	17.3%

مالیاتی کارکردگی- مفرد

آ پکی کمپنی کی مفرد مالیاتی کارکردگی برائے مالی سال اختتام پذیر 30 جون 2021 اورگزشتہ سال کا تقابلی جائزہ ذیل میں پیش کیا جارہا ہے:

تفصیلات	مالی سال 2020-21	مالی سال 2019-20	فرق فیصد میں
	ہزاروں ٹن میں		
خام آمدن	88,358	62,302	41.8%
صافی آمدن	62,941	41,871	50.3%
خام منافع	18,956	6,077	211.9%
کاروباری منافع	12,840	1,188	980.8%
آمدن قبل از سود، انکم ٹیکس، فرسودگی	17,149	5,039	240.3%
صافی منافع	14,070	3,344	320.8%
فی حصص آمدن	43.51 روپے فی حصص	10.34 روپے فی حصص	320.8%

ماسوائے فی حصص آمدن بقیہ ہندسے ملین روپوں میں ہیں

آمدن

زیرنظر مالی سال 2020-21 کے دوران آ پکی کمپنی کی مجموعی آمدن از فروخت میں گزشتہ مالی سال کے مقابلے میں 41.8% کا اضافہ ہوا ہے۔ اگر چہ مقامی سطح پر آمدن از فروخت میں 49.1% کا اضافہ ہوا ہے(74.50 بلین روپے بمقابلہ 49.96 بلین روپے) جبکہ دوسری جانب آمدن از برآمدات میں 12.2% کا اضافہ ہوا ہے (13.85 بلین روپے بمقابلہ 12.34 بلین روپے)۔

لاگت برائے فروختگی

گزشتہ سال کے مقابلے میں مالی سال اختتام پذیر 30 جون 2021 کے دوران آ پکی کمپنی کی لاگت برائے فروختگی میں 5.9% فی ٹن کی کمی واقع ہوئی ہے ۔ خام مال اور پیکنگ میٹیریل، ایندھن اور دیگر اشیاء میں ہونے والی مہنگائی کے اثر کو بڑے پیمانے پر پیداواری عمل کی وجہ سے کم کرنے میں کافی مدد ملی اور اس کے علاوہ زیرنظر مالی سال کے دوران پیداواری لاگت کو کم کرنے کے سلسلے میں دیگر اقدامات بھی اٹھائے گئے تھے۔

خام منافع

جیسا کہ اوپر ذکر کیا جا چکا ہے، بہترین کارکردگی کی وجہ سے خام مال و دیگر اشیاء میں ہونے والی مہنگائی کے اثرات کو کم کرنے میں مدد ملی، زیرنظر مالی سال کے دوران آپ کی کمپنی کا خام منافع 30.1% رہا جو کہ گزشتہ مالی سال کے اسی عرصے کے دوران 14.5% درج کیا گیا تھا۔

ڈائریکٹرز رپورٹ

آپکی کمپنی کے ڈائریکٹرز کیلئے یہ بات باعث مسرت ہے کہ انکی جانب سے کمپنی کے مالیاتی نتائج بشمول منفرد اور مجموعی آڈٹ شدہ مالیاتی دستاویزات بابت مالی سال اختتامیہ 30 جون 2021 آپکی خدمت میں پیش کئے جارہے ہیں۔

جائزہ

مالیاتی کارکردگی۔ یکجا

یکجا بنیادوں پر آپکی کمپنی کی جانب سے خام کاروباری حجم 267.73 بلین روپے درج کیا گیا ہے جو کہ گزشتہ مالی سال کے دوران 162.87 بلین روپے کے کاروباری حجم کے مقابلے میں 64% زائد ہے۔

مزید برآں، کمپنی کا یکجا صافی منافع 28.23 بلین روپے رہا جس میں سے 22.86 بلین روپے کا تعلق ہولڈنگ کمپنی کے مالکان سے ہے جو کہ مالی سال اختتامیہ 30 جون 2021 کیلئے فی حصص آمدن کے لحاظ سے 70.69 روپے بنتا ہے جبکہ گزشتہ مالی سال کے دوران آمدن فی حصص 18.96 روپے تھی۔

آپ کی کمپنی کی یکجا مالیاتی کارکردگی برائے مالی سال اختتامیہ 30 جون 2021 کا جائزہ، بمقابلہ گزشتہ مالی سال ذیل میں پیش کیا جارہا ہے:

پاکستانی ملین روپے میں ماسوائے آمدن فی حصص

تفصیلات	مالی سال 2020-21	مالی سال 2019-20	تبدیلی (%)
خام آمدن	267,725	162,868	64%
صافی آمدن	207,159	123,768	67%
خام منافع	47,545	18,957	151%
کاروباری منافع	32,014	7,087	352%
آمدن قبل از ٹیکس، سود و فرسودگی	40,917	15,233	169%
صافی آمدن (متعلقہ کمپنی مالکان)	22,858	6,132	273%
آمدن فی حصص	70.69 روپے فی حصص	18.96 روپے فی حصص	273%

زیر نظر مالی سال 2020-21 کے دوران گزشتہ مالی سال کے اسی عرصے کے مقابلے میں آپ کی کمپنی کے مجموعی صافی منافع میں 2.86 گنا اضافہ ہوا ہے۔

صافی منافع میں ہونے والے اس اضافے کی وجہ گروپ میں شامل تمام کمپنیوں کی منفعت میں اضافہ تھا۔ سیمنٹ کے شعبے کا منافع بعد از ٹیکس (ہولڈنگ کمپنی) زیر نظر مالی سال کے دوران 3.21 گنا بڑھ چکا ہے جس کی وجوہات میں منفعت کی شرح میں آنے والی بہتری اور فروخت کے حجم میں ہونے والا اضافہ شامل ہیں۔ فروخت کے حجم میں ہونے والے اضافے کا سہرا نئے کمیشن شدہ لائن ون کی اضافی پیداواری صلاحیت کو جاتا ہے جو کہ گزشتہ مالی سال چھ ماہ تک فعال رہی تھی لیکن زیر نظر مالی سال کے دوران یہ پیداواری لائن سارا سال فعال رہی اور اس کے ساتھ ساتھ ملک میں تعمیراتی سرگرمیوں میں اضافے کے باعث بھی سیمنٹ کی طلب میں خاطر خواہ اضافہ ہوا جس کے مثبت اثرات سیمنٹ کی فروخت کے حجم پر پڑے۔ منافع میں اضافے کی وجوہات میں مستقل لاگت کا صحیح طور پر انجذاب اور پیداواری عمل کا بھرپور طریقے سے جاری وساری رہنے جیسے عوامل بھی شامل ہیں۔ کمپنی کے یکجا منافع میں اضافے کی ایک وجہ یہ بھی تھی کہ کمپنی کے سیمنٹ کے شعبے میں بیرون ملک جوائنٹ وینچرز اور ملک کے اندر دیگر ذیلی کمپنیوں کی جانب سے منافع کی شرح بلند رہی۔

سیمنٹ کی صنعت اور کمپنی کی کارکردگی۔ غیر یکجا

مالی سال اختتامیہ 30 جون 2021 کے دوران پاکستان میں سیمنٹ کی صنعت میں 20.1% کے لحاظ سے 57.45 ملین ٹن کی نمو درج کی گئی جبکہ گزشتہ مالی سال اسی عرصے کے دوران نمو 47.81 ملین ٹن درج کی گئی تھی۔ مقامی سطح پر حجم برائے فروختگی میں بھی 20.4% کا خاطر خواہ اضافہ درج کیا گیا ہے اور اس شرح نمو کے ساتھ فروخت کا حجم 48.13 ملین ٹن رہا جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ حجم 39.97 ملین ٹن درج کیا گیا تھا۔ برآمدات کے سلسلے میں حجم برائے فروخت میں 18.7% اضافے کے ساتھ 9.31 ملین ٹن کا حجم درج کیا گیا ہے جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ حجم 7.85 ملین ٹن درج کیا گیا تھا۔

فروخت کے حجم میں اس خاطر خواہ اضافے کا باعث بننے والے عوامل میں گزشتہ مالی سال کے دوران کورونا کی وجہ سے دب جانے والی طلب کا واپس آنا، تعمیراتی صنعت کو حکومت پاکستان کی جانب سے دی جانے والی مراعات، کم لاگت والی ہاؤسنگ اسکیمیں، معیشت کو بحالی کی جانب گامزن کرنے کیلئے شرح سود کو کم کرنا، مقامی سطح پر بینکوں کے پاس موجود لیکویڈیٹی کو تعمیرات کی صنعت کی جانب مرکوز کروانا اور حکومت کی جانب سے ہاؤسنگ سیکٹرز اور ڈیموں اور پانی کے ذخائر کی تعمیرات پر توجہ دینا شامل ہیں۔

مالی سال اختتامیہ 30 جون 2021 کے دوران سیمنٹ کی صنعت کے مقابلے میں اگر دیکھا جائے تو، آپکی کمپنی کی جانب سے مجموعی طور پر فروخت کے حجم میں شرح نمو دوہرے عدد میں درج کی گئی جو 30.7% کے ساتھ 9.96 ملین ٹن درج کی گئی ہے۔ مقامی طور پر فروخت کا حجم 38.3% کے اضافے کے ساتھ 7.56 ملین ٹن رہا جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ حجم 5.46 ملین ٹن درج کیا گیا تھا۔ علاوہ ازیں، کمپنی کی جانب سے برآمدات کے ضمن میں بھی فروخت کے حجم میں 11.3% کا اضافہ درج کیا گیا ہے اور اس اضافے کے ساتھ یہ حجم 2.41 ملین ٹن رہا جو کہ گزشتہ مالی سال اسی عرصے کے دوران 2.16 ملین ٹن درج کیا گیا تھا۔

زیر نظر مالی سال کے دوران کمپنی کی جانب سے مقامی سطح پر فروخت کے حجم میں ہونے والے اضافے کی اصل وجہ طلب میں خاطر خواہ اضافہ تھی جن کی وجوہات مندرجہ بالا سطور میں بیان کی جاچکی ہیں اور بڑھتی ہوئی اس طلب سے نمٹنے کیلئے کمپنی کی جانب سے ہمارے شمالی پلانٹ کی پیداواری صلاحیت میں بروقت اضافے کیلئے اٹھائے جانے والے اقدامات تھے جنھیں دسمبر 2019 میں فعال کیا گیا۔ اس کے علاوہ برآمدات کے سلسلے میں سیمنٹ کی فروخت کے حجم میں ہونے والے اضافے میں کھلے سیمنٹ کی فروخت کا عوامل بھی شامل ہیں جس کیلئے نئی مارکیٹس تلاش کرنے کیلئے بہترین حکمت عملی مرتب کی گئی اور اپنی مصنوعات کو وہاں تک پہنچایا گیا، اس سلسلے میں منافع کی بہتر شرح اور سیمنٹ کو فروخت کرنے کے منفرد مواقع سے بھی بھرپور فائدہ اٹھایا گیا۔ لکی سیمنٹ پاکستان کی وہ واحد سیمنٹ کمپنی ہے کہ جس کے پاس بندرگاہ پر یہ جدید ترین سہولت موجود ہے کہ وہاں سے کھلے سیمنٹ کو برآمد کیا جاسکے۔

کارکردگی برائے پیداوار و حجم برائے فروختگی۔ مفرد

مالی سال اختتامیہ 30 جون 2021 کی بابت آپ کی کمپنی کی مفرد پیداوار اور فروخت کے اعداد و شمار بمقابلہ گزشتہ مالی سال ذیل میں پیش کئے جا رہے ہیں:

تفصیلات	مالی سال 2020-21	مالی سال 2019-20	اضافہ / (کمی) فیصد میں
	ہزاروں ٹن میں		
کلنکر کی پیداوار	9,044	6,795	33.1%
سیمنٹ کی پیداوار	9,119	6,492	40.5%
فروختگی برائے سیمنٹ	9,124	6,499	40.4%
فروختگی برائے کلنکر	840	1,127	(25.5%)

آپکی کمپنی کے مفرد کاروبار اور سیمنٹ کی صنعت کا تقابلی جائزہ برائے مالی سال 2020-21 ذیل میں پیش کیا جارہا ہے:

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16	In describing legal proceedings, under any court, agency or government authority, whether local or foreign, include name of the court, agency or authority in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis of the proceeding and the relief sought.	"Page # 224-226; Note # 15.1-16 Page # 284-286; Note # 17.1-18"
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19	In respect of loans and advances, other than those to the suppliers of goods or services, the name of the borrower and terms of repayment if the loan or advance exceeds rupees one million, together with the collateral security, if any.	"Page # 228; Note # 22 Page # 289; Note # 23"
20	In financial statements issued after initial or secondary public offering(s) of securities or issuance of debt instrument(s) implementation of plans as disclosed in the prospectus/offering document with regards to utilization of proceeds raised till full implementation of such plans.	Not Applicable
21	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed.	Not Applicable
22	Standards, amendments and interpretations adopted during the current year along with their impact on the company's financial statements.	"Page # 212; Note # 4.2(a) Page # 262; Note # 5.2(a)"
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GLOSSARY

Derivative Financial Instruments
Transactions used to manage interest rate and / or currency risks

Dividend Payout Ratio
The dividend payout ratio is the ratio between the dividend for the fiscal year and the earnings per share

EBIT
Earnings Before Interest and Taxes. EBIT represents the results of operations

EBITDA
Earnings Before Interest, Taxes, Depreciation and Amortization

EPS
Earnings Per Share

Gearing Ratio
Securing a transaction against risks, such as fluctuations in exchange or interest rates, by entering into an offsetting hedge transaction, typically in the form of a forward contact

HESCO
Hyderabad Electric Supply Corporation

PESCO
Peshawar Electric Supply Corporation

IAS
International Accounting Standards (Accounting standards of the IASB)

IASB
International Accounting Standards Board (The authority that defines the International Financial Reporting Standards)

IR
Integrated Report

IIRC
International Integrated Reporting Framework

LCHPL
Lucky Cement Holdings (Private) Limited

IFRIC
International Financial Reporting Interpretations Committee (predecessor of the International Financial Reporting Standards Interpretations Committee, IFRSC IC)

IFRS
International Financial Reporting Standards (The accounting standards of IASB)

IFRS IC
International Financial Reporting Standards Interpretations Committee. The Body that determines appropriate accounting treatment in the context of existing IFRS and IAS.

LCL
Lucky Cement Limited

LHL
Lucky Holdings Limited

Net Indebtedness
The net amount of interest bearing financila liabilities as recognized in the balance sheet, cash and cash equivalents, the positive fair valus of the derivative instruments as well as other interest bearing investments

mtpa
million tons per annum

NEPRA
National Electric & Power Regulatory Authority

OPC
Ordinary Portland Cement

Operating Assets
Operating assets are the assets less liabilities as reported in the balance sheet, without recognizing the net indebtedness, discounted trade bills, deferred tax assets, income tax receivable and payable, as well as other financial assets and debts

Operating Lease
A form of lease that is largely similar to rental. Leased assets are recognized in the lessor's balance sheet and capitalized

RDF
Refuse Derived Fuel

ROCE
Return On Capital Employed. We define ROCE as the ratio of EBIT to average operating assets for the fiscal year

SIC
Standing Interpretations Committee (predecessor to the IFRIC)

SRC
Sulphate Resistant Cement

TDF
Tyre Derived Fuel

WHR
Waste Heat Recovery

YBG
Yunus Brothers Group

Official Political MAP of Pakistan is used in this report as available on: **http://www.surveyofpakistan.gov.pk**

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