Annual Report 2022

LUCKY CEMENT

Embarking on Sustainable Future

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

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

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

Taking forward the idea of “Innovate, Renew and Sustain”, this year we have started Pakistan’s largest on-site 34MW captive solar power project with a 5.59MWh Reflex energy storage solution which will be operational by the 2nd quarter of FY-2023. Also this year we have started a feasibility study to install another 50MW hybrid wind-solar renewable on-site project at one of our plants.

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

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

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

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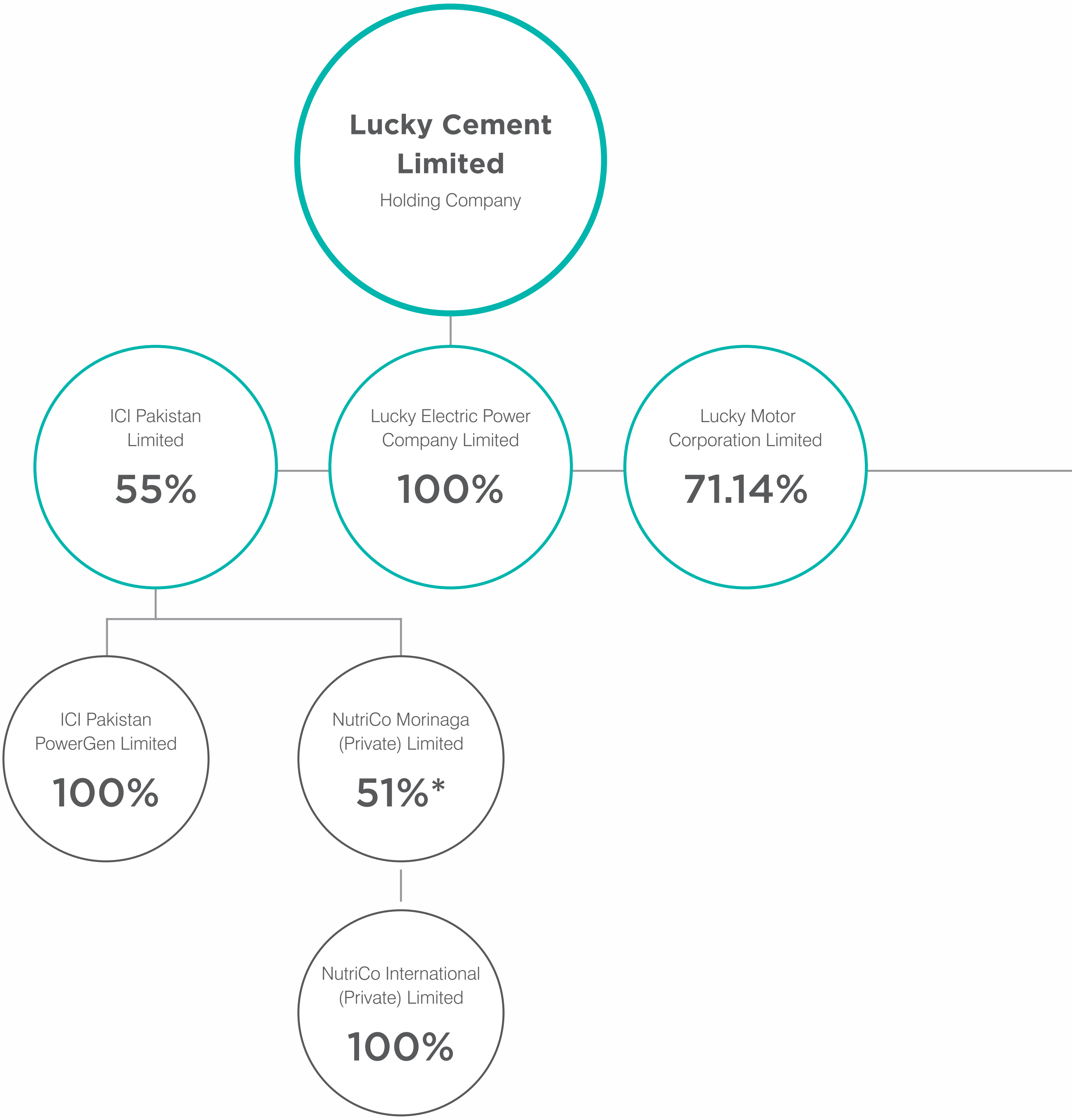
Company and its Investments



* Pursuant to a scheme of arrangement sactioned by the High Court of Sindh, Karachi, NutriCo Pakistan (Private) Limited merged with and into NutriCo Morinaga (Private) Limited, with effect from July 1, 2021.

CEO's Message

Dear Stakeholders,

I am pleased to report that Lucky Cement Limited ("Company") and all its subsidiaries have performed well and have once again achieved record growth both in terms of revenue and profitability. The outgoing year was full of challenges and under the current circumstances, we have continued to fulfill the promise and commitment to all our stakeholders.

Coming to the annual results 2021-22; once again the Company was able to deliver resilient performance. On a consolidated basis, the Company's gross turnover increased by 50.2% to PKR 402.16 billion. Moreover, the consolidated net profit of the Company was PKR 36.42 billion of which PKR 6.93 billion is attributable to non-controlling interests which translates into an EPS of PKR 91.22 during the fiscal year ended June 30, 2022.

The Company is the largest cement producer in the country with an annual capacity of 12.15 million tons, keeping up the pace with the future 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. The project is already in its final phase of completion and the commissioning is expected during the end of Q2 FY-2023.

The Lucky Electric Power Company Limited ("LEPCL"), 660 MW Supercritical Coal-Fired Power Plant (CFPP) using local Thar lignite coal is now operational at Bin Qasim in Karachi. This is an ultra-supercritical project using environment-friendly equipment with one of the highest efficiencies being used in the world. The latest technology for emission control includes Flue Gas Desulphurization (FGD), and Electrostatic Precipitators (ESP) with associated environmentally friendly equipment making this project one of the most efficient power plants in Pakistan. Alhamdulillah, this project achieved its Commercial Operation on 21st March 2022. The power generated from the plant is being supplied to the national grid in line with a power purchase agreement signed between LEPCL and the Government of Pakistan.

Our subsidiary ICI Pakistan Limited ("ICI"), which includes Polyester Staple Fiber, Soda Ash, Pharmaceutical, Animal Health, and Agri-Sciences has also witnessed strong growth across all its businesses. This year ICI and Tariq Glass Industries have executed a joint venture agreement to set up a Greenfield state-of-the-art float glass manufacturing facility having a production capacity of up to 1,000 tons/day. The facility will be set up in two phases, each phase having a production capacity of 500 tons/day.

Lucky Motor Corporation Limited ("LMCL") continued its momentum and successfully launched in November 2021, Pakistan's first CKD B-segment SUV, the Kia Stonic catering to the young urban commuters. To further enhance its portfolio offering, LMCL introduced the first European CKD SUV Peugeot 2008. LMCL continued to face the challenges of Semi-Conductor during the year due to limited supplies from KIA Motor Corporation which impacted the overall volumes of the business. LMCL also successfully commenced the local assembling of Samsung mobile phones in December 2021 with the collaboration of Samsung Electronics. More than one million units of Mobile phones have been locally assembled at LMCL. Furthermore, along with the number of base models, the LMCL facility has successfully assembled new models of the Samsung Flagship series. These high-end models are S22 Ultra, S22 and S21 FE.

Your Company has a successful history and track record of its commitment to the improvement of society and the communities in which it operates. We strive every day to improve our contribution to society and our communities by finding solutions to global challenges. We have set new goals that include the best environmental, social, and governance practices across our operations. We have embarked on Pakistan's largest on-site 34 MW captive solar power project with a 5.59 MWh Reflex energy storage solution which will be operational by the 2nd quarter of FY-2023. Also this year we have started a feasibility study to install another renewable on-site project at one of our plants. The primary focus of CSR initiatives of your Company remains in the education sector, women empowerment, health, environment conservation, and community development. In consideration of rising inflation and our focus on our manpower well-being, the Company has started facilitating low-income staff by providing hardship allowance and monthly ration distribution to improve their living standards.

By bringing the latest manufacturing technologies to 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 strongly believe that stakeholder value maximization is possible on a long-term basis by implementing best-in-class Environment Social and Governance (ESG) goals.

This year, the Company won the 36th Management Association of Pakistan's Corporate Excellence Award, as well as the Best Corporate Report Award with 1st position in the Cement category at the "Best Corporate & Sustainability Report Awards" 2020 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).

The FY2023 will be full of challenges due to the global increase in commodity prices and high inflation in the country coupled with political uncertainty. The company is prepared to navigate through these challenging times and looks forward to the usual support from all the relevant stakeholders during these testing times.

Key Highlights for the Year (Unconsolidated)

Sales Revenue PKR in '000	
2022	**108,600,945**
2021	88,357,695

Profit After Tax PKR in '000	
2022	**15,298,618**
2021	14,070,189

Total Assets PKR in '000	
2022	**184,962,368**
2021	156,368,062

Capital Expenditure PKR in '000	
2022	**24,591,059**
2021	6,470,913

Earnings per Share PKR	
2022	**47.31**
2021	43.51

Donations & Scholarships PKR in '000	
2022	**421,720**
2021	342,018

Key Highlights for the Year (Consolidated)

Sales Revenue PKR in '000	
2022	**402,158,149**
2021	267,725,109

Profit After Tax PKR in '000	
2022	**36,422,670**
2021	28,228,924

Total Assets PKR in '000	
2022	**503,687,314**
2021	361,397,620

Capital Expenditure PKR in '000	
2022	**55,670,746**
2021	28,345,961

Earnings per Share PKR	
2022	**91.22**
2021	70.69

Donations & Scholarships PKR in '000	
2022	**825,202**
2021	372,074

A Year of Challenges and Transformations

Since February 2022, Pakistan along with the rest of the world, has been affected due to Russia-Ukraine conflict, impact of which has been felt across industries and societies. As the largest cement manufacturer in Pakistan, with a global footprint, we were impacted by the disturbed global supply chain. There has been all time high global inflation due to commodities super-cycle which has highly affected the cost of imported material, and eventually the production cost.

However, with adapting to changing global spectrum, we not only managed to combat the adverse circumstances, 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 economic downturn.

In a year impacted by political and economic circumstances, we adapted fast to ensure we could continue to create value for all our stakeholders. This meant:

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

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. The Company annually reviews the IR Framework to continuously improve the quality of information shared with the stakeholders. The Company has incorporated all 9 core Content Elements of IR Framework in this report. 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 that they meet best practices of reporting standards as well as 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 take a systematic view of financial and non-financial information linked directly to business activities, and provide explanations accordingly.

Such reports strive to demonstrate our confidence, capacity to grow and our ability to deliver on set strategies that can drive significant financial and non-financial value for everyone.

This report covers the reporting period from July 1, 2021 to June 30, 2022 and provides 360° information on Lucky Cement Limited. It provides an overview of our core cement operations and aims to provide a concise explanation of LCL's performance, strategy, operating model and outcomes using a multi-capital approach.

ANNUAL ACCOUNTS

This report should be read in conjunction with the annual accounts (Unconsolidated and Consolidated) to gain a complete picture of LCL's financial performance.

FORWARD LOOKING STATEMENTS

Performance outlook and forecasts based on projections and plans for the future in this report are based on management's beliefs and assumptions drawn from current expectations, estimates, forecasts and projections. These expectations, estimates, forecasts and projections are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from those indicated in any forward-looking statement. Furthermore, any forward-looking statements are subject to change as a result of new information, future events or other developments.

We wish you a pleasant read.

Calendar of Major Events

Calendar of Major Events 2021-22

7th August 2021

Board of Directors Meeting – Annual Financial Statement

9th August 2021

Company's Corporate Briefing

28th October 2021

Awarded Best in Cement Business category at Business Excellence Awards 2021

29th October 2021

Company's Corporate Briefing

31st January 2022

Company's Corporate Briefing

2nd March 2022

Won 4 awards at the Int'l Corporate Social Responsibility Award in four different categories

11th June 2022

Board of Directors Meeting – Other than Financial Results.

27th
August 2021

Won the Best Corporate Report Award with 1st position in the Cement Category.

17th
September 2021

Won the Environment Excellence Award at the 18th Annual Environment Excellence Awards 2021

28th
September 2021

28th Annual General Meeting at the Registered Office at Pezu.

27th
October 2021

Board of Directors Meeting – 1st Quarter

7th
December 2021

Started assembling of Samsung brand mobile phones in Pakistan by Lucky Motors Corporation (subsidiary company).

11th
December 2021

Awarded shield of acknowledgment from LUMS National Outreach Program

17th
January 2022

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

28th
January 2022

-Board of Directors Meeting – Half Yearly
-Line – 2, enhance Cement Production Capacity at Pezu Plant by 3.15 million tons per annum.

21st
March 2022

Successful commissioning of 660 MW coal base Power Plant
by Lucky Electric Power Co Limited (wholly owned subsidiary).

27th
April 2022

Board of Directors Meeting – 3rd Quarter

28th
April 2022

Company's Corporate Briefing

20th
May 2022

Launched Fourth Scholarship Program for The Deserving Students of District Lakki Marwat.

Principal Business Activities and Markets

Lucky Cement Limited (LCL) is part of the Yunus Brothers Group, which is one of the biggest business houses in Pakistan. Lucky Cement is the largest producer of cement in Pakistan with production capacity of 12.15 MTPA. It has production facilities at strategic locations in Karachi and Pezu, Khyber Pakhtunkhwa to serve the cement demand across the country.

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, Lucky Cement is exporting Clinker to China in containers and has 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. In addition to Afghanistan, the company is targeting East and West Africa for the export of cement and clinker to upsurge its presence in the global markets. Lucky Cement also has a regional office in Colombo. Despite of debt crisis in Sri Lanka, our Company still managed to export our products to Sri Lanka. However, the demand is lower comparative to the previous year, but the market is at the road of recovery.

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 strength 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 I 42.5N, SABS 50197 CEM I 42.5N, SLS 107 42.5N, PS 232:2008 43 Grade, IS 269:2015 43 Grade, PNS TYPE I, ASTM C150 TYPE I standards.

PORTLAND LIME STONE CEMENT 42.5R

Portland lime stone cement 42.5R is manufacture according to SLS 1253:2015 for Srilankan Market

PORTLAND FLY ASH CEMENT

Portland fly ash cement CEM II A-V 32.5N is manufacture according to EN-197-1 for African Market.

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 I 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 North and 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.

BLENDED HYDRAULIC CEMENT TYPE IP

Blended hydraulic cement Type IP (Pozzolan-portland cement) is employed in general construction of hydraulic structures. It is manufactured in accordance with PNS 63:2019 standard.

Quality Assurance of Products

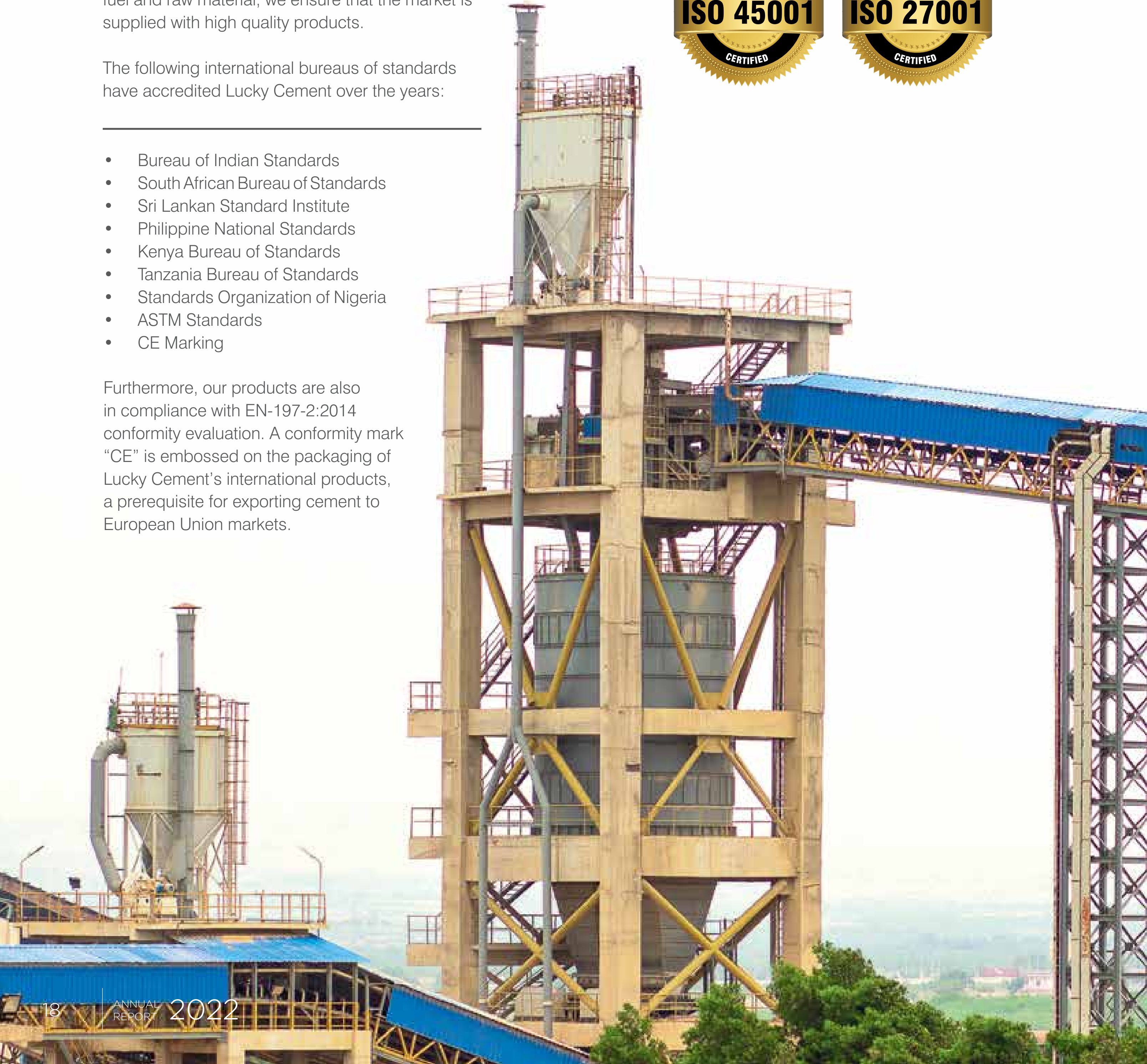
Lucky Cement's product portfolio complies with a range of standards, depending upon the geographical territory where it is sold.

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, Mobile manufacturing and Power. ICI Pakistan Limited which is a subsidiary of the Company is in the business of Soda Ash, Polyester, Life Sciences and Chemicals. Lucky Motor Corporation Limited (formerly KIA Lucky Motors) is involved in assembly, marketing, distribution and sale of various types of Kia and Stellantis N.V. vehicles, parts, accessories and related services. It is also engaged in manufacturing Samsung mobile devices in Pakistan under an agreement with Samsung Gulf Electronic Co. Lucky Electric Power Company Limited has set up a 660 MW Super Critical coal based Power Project in Karachi and started its commercial operations in March 2022. 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.

LUCKY CEMENT

ICI PAKISTAN LTD.

Lucky Electric Power Company

KIA

AL MABROOKA CEMENT اسمنت المبروكة

CIMKO

NAJMAT AL-SAMAWA

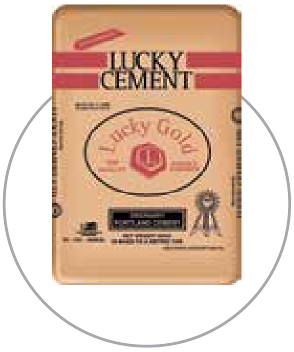
PEUGEOT

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.

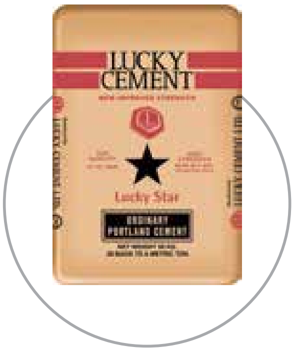
Variations of Ordinary Portland Cement (OPC), Sulphate Resistant Cement (SRC) and Composite Cement are manufactured to meet the wide range of needs of our customers.

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.



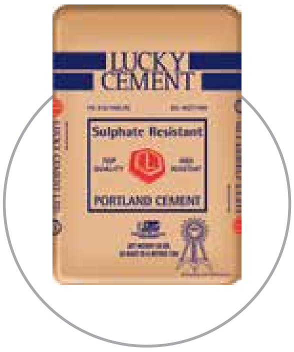
Lucky Star (OPC)

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.



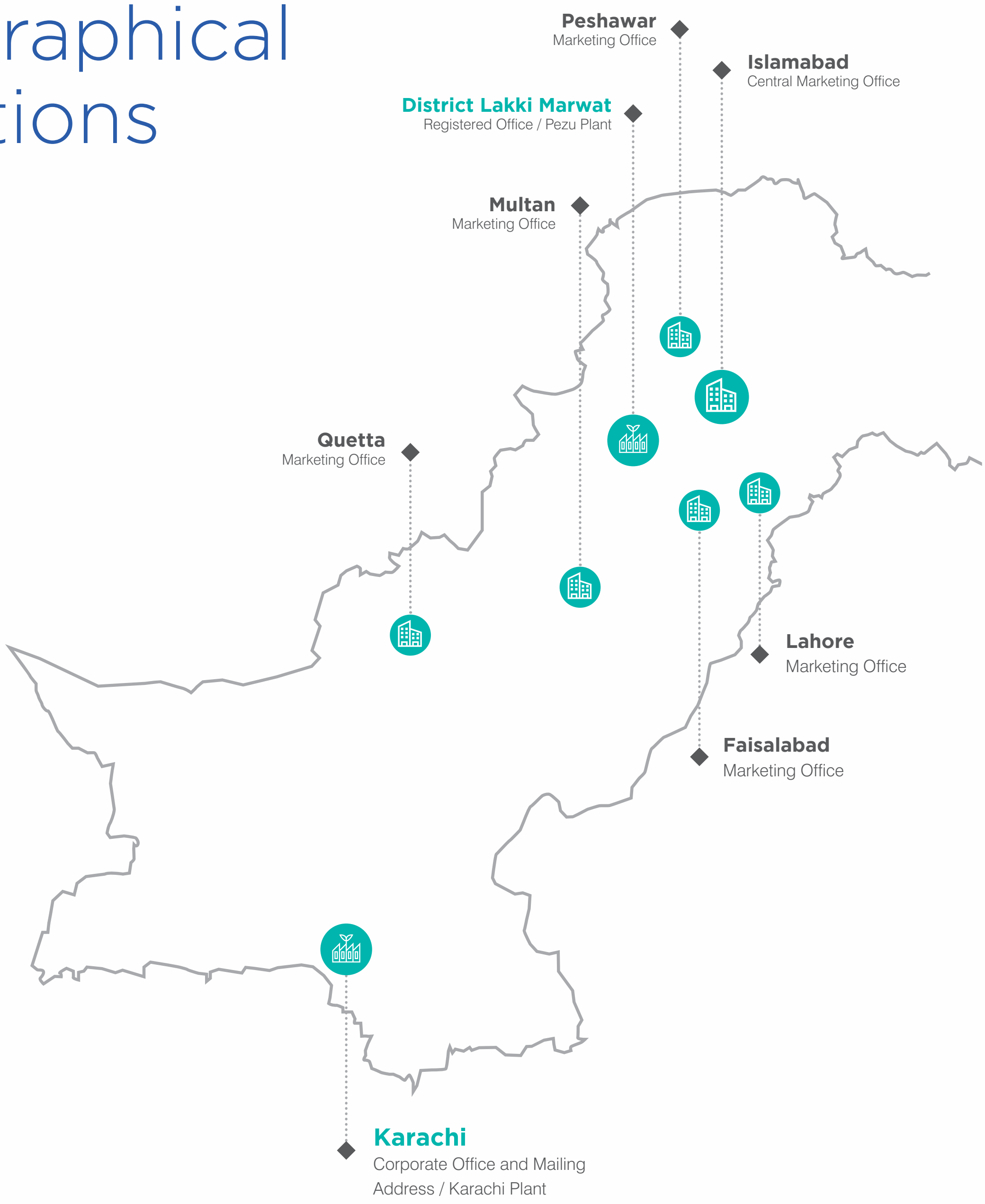
Sulphate Resistant Cement (SRC)

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

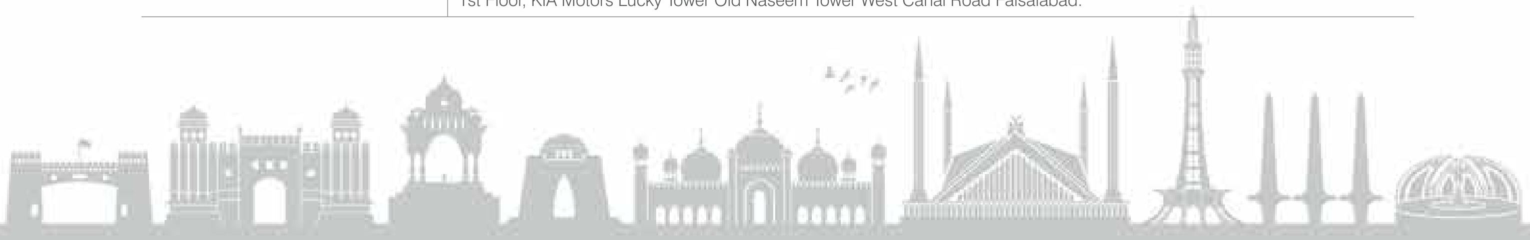
Block Cement

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
Pezu Plant (Registered Office)	Main Indus Highway, Pezu, Distt. Lakki Marwat, Khyber Pakhtunkhawa.
Karachi Plant	58 Kilometers on Main M9 Highway, Gadap Town, Karachi.
Corporate Office and Mailing Address	6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi-75350.
Liaison Offices	ISE Tower (16th Floor), 55-B, Jinnah Avenue, Islamabad.
	Office Number 607, 6th Floor, The United Mall, Abdali Road, (near Ramada Inn Hotel), Multan.
	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.
	1st Floor, KIA Motors Lucky Tower Old Naseem Tower West Canal Road Faisalabad.



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.

Customer Focused

Commitment
Quality and Consistency
Customer Satisfaction
Fair Practices

Ethics and Integrity

Honesty
Integrity
Transparency
Professional Conduct

Social Responsibility

Sustainable Development
Philanthropy Driven Projects
Community Development
Environment Friendly Initiatives

Entrepreneurship

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

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

The Company requires its employees to comply with the applicable laws and regulations.

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 prohibited 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 makes every effort to maintain a work environment that is free from harassment whether physical, verbal or psychological.

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.

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.

WHISTLE BLOWING

All employees are advised to immediately report any improper, unethical or illegal conduct of any colleague or supervisor as per the procedure laid down in Whistle Blowing Policy.

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 Plants.
- 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

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

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 Award for the years 2017 and 2018

2021

- Announced Brownfield Expansion of 3.15 MTPA in our Pezu Plant, which will 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 increased its model lineup by launching Kia Sorento.
- Won the best Corporate Report Award with second position in the Cement category at the "Best Corporate & Sustainability Report Awards, 2019".

2022

- Lucky Electric Power Company Limited (wholly owned subsidiary of LCL) started its commercial operations of 660 MW, coal based power plant.
- Started Installation of 34 MW Solar power plant at Pezu.
- Lucky Motor Corporation increased its model lineup by launching Peugeot vehicle, Which is the first European brand vehicle in Pakistan.
- Lucky Motor Corporation started manufacturing Samsung mobile phones in Pakistan.
- Won the best Corporate Report Award with first position in the Cement category at the "Best Corporate & Sustainability Report Awards, 2020".

Company Profile

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. The Company has international footprint also, with two joint venture manufacturing facilities in Iraq, whereas one joint venture manufacturing facility in Democratic Republic of Congo. 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.

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, Mobile manufacturing and Power. 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
- 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)
- LR International General Trading FZCO
- Lucky Holdings Limited
- Yunus Energy Limited

LUCKY HOLDINGS LIMITED

Lucky Holdings Limited (LHL) 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 Holding Limited (LCLIHL), a wholly owned subsidiary of Lucky Cement was incorporated in the year 2011 in the Republic of Mauritius, re-domiciled to Dubai, UAE in March 2022. LCLIHL has concluded Joint Venture Agreements (50:50) ownership interest with local partners for setting up a Cement Grinding Plant in Basra, a fully integrated Cement Manufacturing Plant in Samawah, Republic of Iraq and a fully integrated Cement Manufacturing Plant in Democratic Republic of Congo. Further, LCLIHL has also established a General Trading Company in Dubai, UAE.

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 (ASLIL) was incorporated in the year 2016 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.

LUCKY RAWJI 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.

LR INTERNATIONAL GENERAL TRADING FZCO

LR International General Trading FZCO (LRIGT) was incorporated in the year 2021 under a joint venture agreement between LCLIHL and Rawji Properties Limited (registered in Dubai UAE) to establish a general trading company in Dubai, UAE. LCLIHL holds 50 percent ownership interest in the aforementioned joint venture.

Lucky Electric
Power Company

LUCKY ELECTRIC POWER COMPANY LIMITED (LEPCL)

Lucky Electric Power Company Limited (LEPCL) envisions being the premier energy producer from the private sector to provide economical, safe, and reliable power to the off-taker and deliver sustainable value to all stakeholders.

LEPCL has set-up a 660 MW Supercritical Coal-Fired Power Plant (CFPP) at Bin Qasim, Karachi, fueled by Thar lignite coal. It is Pakistan's first indigenous fuel power plant outside Thar.

The project is ushering in a new era of indigenous fuel utilization for baseload power generation, in line with the national objective of reducing reliance on imported fuel. Latest technology for emission control has been installed, which includes Flue Gas Desulphurization (FGD), Electrostatic Precipitators (ESP) along with associated environmentally friendly equipment. This project achieved its Commercial Operation Date on 21st March 2022. The power generated from the plant is being fed into the national grid in line with a power purchase agreement signed with the Government.

660
MW
SUPERCRITICAL
COAL FIRED
POWER PLANT
(CFPP)

STARTED
OPERATION ON
21ST
March
2022

SODA ASH

POLYESTER

CHEMICALS &
AGRI SCIENCES

PHARMACEUTICALS
& ANIMAL HEALTH

ICI PAKISTAN LTD.

YBG

ICI PAKISTAN LIMITED

ICI Pakistan is a listed subsidiary of Lucky Cement Limited and a leading local manufacturing and trading company consisting of five diverse businesses: Polyester, Soda Ash, Pharmaceuticals, Chemicals & Agri Sciences and Animal Health.

Through these, it deals in a wide range of products, including polyester staple fibre (PSF), soda ash, general and specialty chemicals, pharmaceuticals, nutraceuticals, animal health and agricultural products (chemicals, field crop seeds, vegetable seeds, etc). In the nutrition segment, NutriCo Morinaga (Private) Limited, a subsidiary of the Company imports, locally manufactures, markets, and distributes select Morinaga Milk Industry Co. Ltd, Japan products in Pakistan.

The Company is part of the Yunus Brothers Group (YBG) - one of the fastest-growing and most progressive conglomerates across Pakistan, with a diversified business portfolio, including, but not limited to cement, textiles, automobiles, real estate, power generation and commodities trading.

ICI PAKISTAN POWERGEN LIMITED

ICI Pakistan PowerGen Limited is a wholly-owned subsidiary of ICI Pakistan that was established in 1991. The Company generates, sells and supplies electricity to ICI Pakistan, NutriCo Morinaga (Private) Ltd and the Polyester-manufacturing plant in Sheikhupura, Punjab. It holds a Power Generation License issued by the National Electric Power Regulatory Authority (NEPRA).

DEC
2016
INCORPORATED
IN
PAKISTAN

NETWORK OF
DISTRIBUTORS
& DEALERS
200
COUNTRIES
WORLDWIDE

LUCKY MOTOR CORPORATION LIMITED ("LMC")

Lucky Motor Corporation Limited (LMC), a subsidiary of Lucky Cement Limited (LCL) has completed three years of operations in June 2022. The Company has been structured in to three business divisions, namely Automotive, Auto-Parts and Electronics.

The **Automotive Division** is engaged in the business of assembling, marketing, distribution and sales of "Kia" and "Peugeot" vehicles, parts and accessories in Pakistan. LMC has technical collaboration with Kia Corporation, which is South Korea's 2nd largest business group "Hyundai Motor Group" and the world's 3rd largest automobile group, and Peugeot which is part of the Stellantis Group, which is the world's 4th Largest Automobile Group.

LMC has created history in the automobile industry of Pakistan by manufacturing and distributing two different international brands from under one roof.

LMC has 37 Kia dealerships in 21 cities and 8 Peugeot dealerships in 6 cities of Pakistan to serve its customers.

The **Auto-Parts Division** was established with the objective of achieving localization of auto parts for locally assembled Kia and Peugeot models in order to achieve import substitution and reduce reliance upon imported CKD parts, in order to produce affordable vehicles. The division produces, wire harness, air conditioner, seats and plastic parts such as bumper and grills etc., for Kia models at present.

The **Electronics Division** was formed in July 2021 as an outcome of an agreement signed with Samsung Gulf Electronics FZE for assembling Samsung mobile phones in Pakistan. Samsung is the world's 5th Largest Brand. Commercial operations of mobile manufacturing started in December 2021.

LMC is distinct in terms of its operations and portfolio diversification and is creating substantial value for its shareholders.

CIMKO

NYUMBA YA AKIBA S.A.

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 a 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
MILLION TONS PER ANNUM

AL MABROOKA CEMENT MANUFACTURING COMPANY LIMITED

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
MILLION TONS PER ANNUM

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

2021

PRODUCTION CAPACITY OF

1.2

MILLION TONS PER ANNUM

Our Leadership

Chairman's Profile

Muhammad Yunus Tabba

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

Muhammad Ali Tabba

Mr. Muhammad Ali Tabba is the Chief Executive of Lucky Cement Limited, succeeding his late father in 2005. Mr Tabba serves as the Chairman of Yunus Textile Mills Ltd (YTM), a state-of-the-art home textile mill with subsidiaries in North America and Europe. He is also the Chairman of Lucky Motors Corporation (LMC) and Lucky Electric Power Company Limited (LEPCL).

Mr Tabba also plays a pivotal role in providing strategic leadership to ICI Pakistan Limited, as its Vice Chairman.

Mr Tabba 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.

Mr Tabba is the Chairman of Pakistan Textile Council (PTC), a think tank, advocacy and research based body. He is also the Chairman of All Pakistan Cement Manufacturing Association (APCMA), a regulatory body of cement manufacturers in Pakistan. In the recent past, he has been Chairman of Pakistan Business Council (PBC), a business advocacy forum comprising of leading private sector businesses.

Muhammad Ali Tabba has extensive engagements in many Community Welfare Projects, and serves on the Board of Governors at renowned Universities, Institutions and Foundations. He is the Vice Chairman of the Non-Profit organization, Aziz Tabba Foundation (ATF). 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; a 170 bed Tabba Heart Institute (THI) which is a dedicated Cardiac Care Hospital, and a 100 bed Tabba Kidney Institute (TKI), a specialized institution, providing comprehensive treatment for Nephro-Urological disorder.

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

Government of Pakistan has awarded Mr Tabba with the Sitara-E-Imtiaz Award 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 three decades - has earned laurels and accolades for his group and the country.

As 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 Limited started as a Non-Executive Director on the Board of ICI Pakistan Limited in 2012 and was appointed as Chairman of the Company in 2014. He is also Chairman of NutriCo Morinaga (Private) Limited, the state-of-the-art infant formula manufacturing facility, which was established in Pakistan as a joint venture with Morinaga Milk Industry Co. Ltd. Japan and Unibrands (Private) Limited. 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 people from all walks of life. His vision was to provide a world-class entertainment facility for children which materialised as Onederland at LuckyOne Mall.

Besides being the Chairman of Yunus Energy Limited and CEO of Lucky Energy (Private) Limited, Lucky One (Private) Limited; he is Director of Lucky Cement Limited, Lucky Motor Corporation Limited, and several other companies. Mr. Tabba's strong social presence in the business community has 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 of the Textile Institute of Pakistan. He has also previously served on the board of Hamdard University.

Driven towards contributing to the community, Mr. Tabba is playing a pivotal role as a Director of Aziz Tabba Foundation that runs the Tabba Heart and Kidney Institutes in addition to other welfare projects. Mr. Tabba's determination to contribute to the community has transformed the children emergency rooms of the government hospitals. He became the Founding Trustee of ChildLife Foundation Pakistan in 2012. His contributions to the healthcare sector of Sindh and Baluchistan has manifested in the treatment of 4 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, 11 contemporary emergency rooms are functioning efficiently in the under-resourced hospitals of Sindh, Balochistan and Punjab.

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 Pakistan Limited. 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

After the sad and sudden demise of her philanthropist father Mr. Abdul Razzak Tabba, Ms. Mariam Tabba Khan took over Tabba Heart Institute (THI) as its Chief Executive on 2nd of June, 2005, immediately. 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.

Apart from ISO 9001:2015 and ISO 14001:2015 certification, THI is the first hospital which has been enrolled into World Health Organization (WHO) patient safety program. This is a landmark achievement for THI in the area of Patient Safety Friendly Hospital Framework. WHO congratulated THI on this historic moment. THI has Won the "National Quality Champion Award" in 2022 at the International Patient Safety Conference held in Karachi.

Under the able leadership of Mariam Tabba Khan Pharmacy Dept., has got 1st & 2nd Award for Best Poster Presentation in 2nd International Innovations in Pharmacy Virtual conference. THI also has received 24th Cheers Award for Medication Safety Initiatives from Institute of Safe Medicine Practices ISMP. This award is first in South Asia and THI is first in the region to receive this award.

On teaching and training side THI is recognized by College of Physicians & Surgeons Pakistan (CPSP) for post-graduate training in Cardiology, Cardiothoracic Surgery, Interventional Cardiology and Cardiothoracic Anesthesia. In addition, the institute also offers Diploma in Cardiac Nursing which is recognized by Pakistan Nursing Council (PNC). Another feather in THI's cap is that THI has initiated M. Phil in Preventive Cardiology and Cardiac Rehabilitation under Allied Health Sciences which is accredited by Karachi University. This is the first Program in Pakistan in this discipline which will not only support to develop skilled manpower but will also play a key role in initiating researches from THI for Prevention and Rehabilitation of heart disease. Beside this BS – Medical Technology in Cardiovascular Sciences, Operation Theater Sciences and Perfusion Sciences are also affiliated with University of Karachi.

To cater to the larger population with state-of-the-art healthcare services, Tabba Heart Institute is working to enhance its reach through opening Medical Centres across different locations not just in Karachi but Hyderabad and Quetta as well. The number of medical centres has been increased from two to six. The home healthcare services have been extended to offering Tele consultation, Diagnostic & Radiology tests. Pharmacy medicines, COVID PCR testing service, Physiotherapy and medicine delivery is also being done.

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. Furthermore, highest number of angioplasties has been carried out in the year 2021.

Under the leadership of Mariam Tabba Khan the research department also doing well. Research Collaborations have been signed, grants have been provided for different research projects, study published in International Journal. Research Dept., is also working on different collaborative projects as well.

Ms. Mariam Tabba Khan is much admired, full time CEO of the hospital. Her presence gives energetic boost to the entire team.

MASOOD KARIM SHAIKH

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.

KHAWAJA IQBAL HASSAN

Khawaja Iqbal Hassan was appointed as an Independent Director on the Board of Lucky Cement Limited on October 20, 2021.

Mr. Hassan graduated cum laude from the University of San Francisco in 1980 with majors in Finance and Marketing. He started his career with Citibank N.A. where he worked in Saudi Arabia, Turkey and Pakistan. After leaving Citibank in 1994, Mr. Hassan co-founded Global Securities Pakistan Limited, a former joint venture partner of UBS, and then established NIB Bank Limited which was subsequently majority-acquired by Temasek Holdings of Singapore. He served as the Chief Executive Officer of both institutions.

Mr. Hassan presently also serves on the Board of Directors of ICI Pakistan Limited and Engro Corporation Limited, as well as the Board of Governors of the Karachi Grammar School. He is a Trustee of the Layton Rahmatullah Benevolent Trust (LRBT) and the Tauheed Trust. Mr. Hassan is also Chairman of the Advisory Committee of the Development Corporation Advisers Pakistan (Private) Limited, a wholly owned subsidiary of the CDC Group Plc of the UK.

Mr. Hassan has served as a member of the Monetary Policy Committee of Pakistan, and has served on the Boards of the State Bank of Pakistan, the Civil Aviation Authority of Pakistan (CAA), Pakistan Steel Mills Limited, Habib Bank Limited, National Fullerton Asset Management Company Limited, Citicorp Investment Bank Pakistan, The Pakistan Fund, Global Securities Pakistan Limited, NIB Bank Limited, Lahore University of Management Sciences (LUMS), the Central Depository Company of Pakistan Limited and the Pakistan Centre for Philanthropy (PCP).

Mr. Hassan is a former Vice Chairman of the Pakistan Bankers' Association and has served as Chairperson, Banking Sector Committee on Reform of Pakistan's Banking Companies Ordinance. He has also been a member of the Prime Minister of Pakistan's Task Forces on Foreign Exchange Reserves Management, Corporate Tax Reform and Capital Markets Reform.

In 2007, Mr. Hassan was awarded the Sitara-e-Imtiaz by the Government of Pakistan for meritorious contributions to national interests.

Executive Management

SAFDAR MALIK
DIRECTOR MARKETING (NORTH)

MUHAMMAD SHABBIR
DIRECTOR OPERATIONS (PEZU)

KALIM MOBIN
DIRECTOR MARKETING (CMO)

MASHKOOR AHMED
DIRECTOR OPERATIONS (KARACHI)

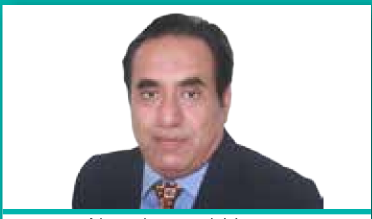
ZAHIR SHAH
CHIEF COMMERCIAL OFFICER

MURTAZA ABBAS	ATIF KALUDI	NOMAN HASAN	AMIN GANNY	WAQAS ABRAR
CHIEF STRATEGY OFFICER & DIRECTOR INVESTMENTS	DIRECTOR FINANCE & CHIEF FINANCIAL OFFICER	EXECUTIVE DIRECTOR	CHIEF OPERATING OFFICER	DIRECTOR HUMAN RESOURCES & ADMINISTRATION

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

Adnan Naseem Qazi
GM Information Technology & Systems

Khurram Siraj
GM Supply Chain Imports

Faisal Mahmood
GM Finance & Company Secretary

Ahmed Waseem Khan
GM Internal Audit & Compliance

Muhammad Iqbal
GM Power Generation (Pezu Plant)

Shahid Allah Ditta
GM Logistics (Operations)

Raeel Muhammad Rafique
GM - Finance & Planning

Zulfiqar Ali Khan
GM Govt. Relations

Ali Shahab
Head of Legal

Atta Ullah
GM Marketing (Peshawar-Local)

Mian Yaseer Sulaiman
GM Marketing (South)

Muhammad Haseeb Ali
GM Marketing (Lahore-Local)

Sohail Abdul Aziz Khatri
GM Investments

Sheikh M.Salman Ul Haque
Chief of Staff (CEO Secretariat)

Anwar Tariq
GM Human Resource(Pezu Plant)

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, automoblies, electronics, FMCG, and philanthropy. The group was established in 1962 as a trading house and has grown rapidly over the years. YBG is one of the largest export houses in Pakistan. YBG annual turnover including Lucky Cement and its subsidiaries is approximately USD 3.6 billion including the annual export turnover around USD 766 million. Apart from Lucky Cement and ICI Pakistan, the group is also proud owner of the following companies.

Y.B. HOLDINGS (PRIVATE) LIMITED

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

GADOON TEXTILE MILLS LIMITED

Gadoon Textile Mills Limited (GTML) was established in 1988 and is one of the largest spinning units in Pakistan having the capacity of over 350,000 spindles with a manufacturing plant located at Karachi-Sindh & Gadoon Amazai-Khyber Pakhtunkhwa. In the year 2015, a merger with Fazal Textile Mills Limited increased its production capacity and professional excellence and optimized value for its shareholders.

The Company reserves its competitive stance in vertically integrated & state-of-the-art knitting, and stitching facilities with an overall capacity of 50,000 fitted sheets per day.

Apart from the spinning & knitting division the Company also operates in the dairy division with a current herd size of over 1,100 animals. Here the prime business is the production and sale of milk to promote the innovation & growth of the industry sustainably.

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

YUNUS TEXTILE MILLS LIMITED

Yunus Textile Mills Limited (YTML) is a vertically integrated home textile unit established in 1998, consisting of spinning, weaving, dyeing, printing, finishing, and cut & sewing with a workforce of 4,800 employees. In a span of 10 years, it became the number 1 home textile exporter of Pakistan with more than 10% share (approx.) of all Home Textiles exported. The company has its international warehousing, distribution, and design development offices in the USA, UK, and France.

LUCKY TEXTILE MILLS LIMITED

Lucky Textile Mills Limited (LTML) 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 483 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.

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 to a public limited company with name and style of Y.B. Pakistan Limited. The company has diversified portfolio of investment in various segment of businesses.

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 an 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 gamers a major chunk of the mall's monthly football. 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.

LUCKY ONE (PRIVATE) LIMITED

Lucky One Apartments is a magnificent, multifaceted, first-of-its kind hi-end residential complex that will revolutionize the luxury living experience in Pakistan. Lucky One integrates 8 elegant residential towers and a large 8 - acre Rooftop Park. The project comprises of two phases of which Phase -1 has been 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 hi-end amenities like Swimming Pool, Gymnasium, Jogging Track, Tennis Courts, Reading Room, Event Hall, Play areas and the amazing 8 - acre Rooftop Park will make Lucky One Apartments the premiere lifestyle destination for urban living in Karachi.

LUCKY LANDMARK (PRIVATE) LIMITED

Lucky Landmark (Private) Limited (LLPL) 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 sufficient 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 (PRIVATE) LIMITED

Lucky Commodities (Private) Limited (LCPL) is a trading arm of YBG and is the leading supplier of 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 the largest supplier of coal in Pakistan, LCPL makes an important contribution to the industrial sector by fulfilling their coal requirements.

LCPL is currently the largest importer of all types of Coal in Pakistan and at present catering to a significant portion of the country's coal requirement. 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 all types of 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.

TRICOM WIND POWER (PRIVATE) LIMITED (TWPPL)

TWPPL is another step of YBG towards sustainable green energy, incorporated as a Special Purpose Vehicle (SPV), with a corporate structure of a private limited company, to exclusively develop a 50 MW Wind Power Project in Deh Kohistan, Jhimpir, District Thatta. The company has achieved its financial close on November 18, 2019, and is currently under the construction phase. The company is expected to commence operations in third quarter of 2021. The project is financed by a consortium of local and foreign lenders.

LUCKY KNITS (PRIVATE) LIMITED

Lucky Knits (Private) Limited (LKL) started its operations in 2005. Located in Karachi, the factory consists of a vertically integrated set up, having its own knitting, dyeing, cutting, printing, stitching & packing facilities. The company manufactures a substantial variety of knitted fabric and garments, and product line ranges from T-shirts, polo shirts, hoodies, jackets, shorts and trousers. As LKL is one of the premier apparel manufacturers in Pakistan with the advantage of having all the facilities "under one roof", it has succeeded in building effective systems in quality control and inspection procedures.

LUCKY FOODS (PRIVATE) LIMITED

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 milk & yogurt 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.

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

Lucky Energy (Private) Limited (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

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
Masood Karim Shaikh
Khawaja Iqbal Hassan

MANAGEMENT TEAM

Muhammad Ali Tabba
(Chief Executive)

Noman Hasan
(Executive Director)

Muhammad Atif Kaludi
(Director Finance & Chief Financial Officer)

Amin Ganny
(Chief Operating Officer)

Murtaza Abbas
CEO International Businesses,
Chief Strategy Officer & Director Investments

COMPANY SECRETARY

Faisal Mahmood

HEAD OF INTERNAL AUDIT

Ahmad Waseem Khan

BOARD COMMITTEES

AUDIT COMMITTEE

Masood Karim Shaikh
(Chairman)

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Khawaja Iqbal Hassan
(Chairman)

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

BUDGET COMMITTEE

Muhammad Sohail Tabba
(Chairman)

Muhammad Ali Tabba
Jawed Yunus Tabba
Mariam Tabba Khan

FINANCIAL INSTITUTIONS

Allied Bank Limited
Allied Bank Limited – Islamic Banking
Askari Bank Limited

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

CREDIT RATING

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

EXTERNAL AUDITORS

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

COST AUDITORS

M/s. Grant Thornton Anjum Rahman – Chartered Accountants

SHARIAH ADVISOR

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

REGISTERED OFFICE

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

CORPORATE OFFICE

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

PRODUCTION FACILITIES

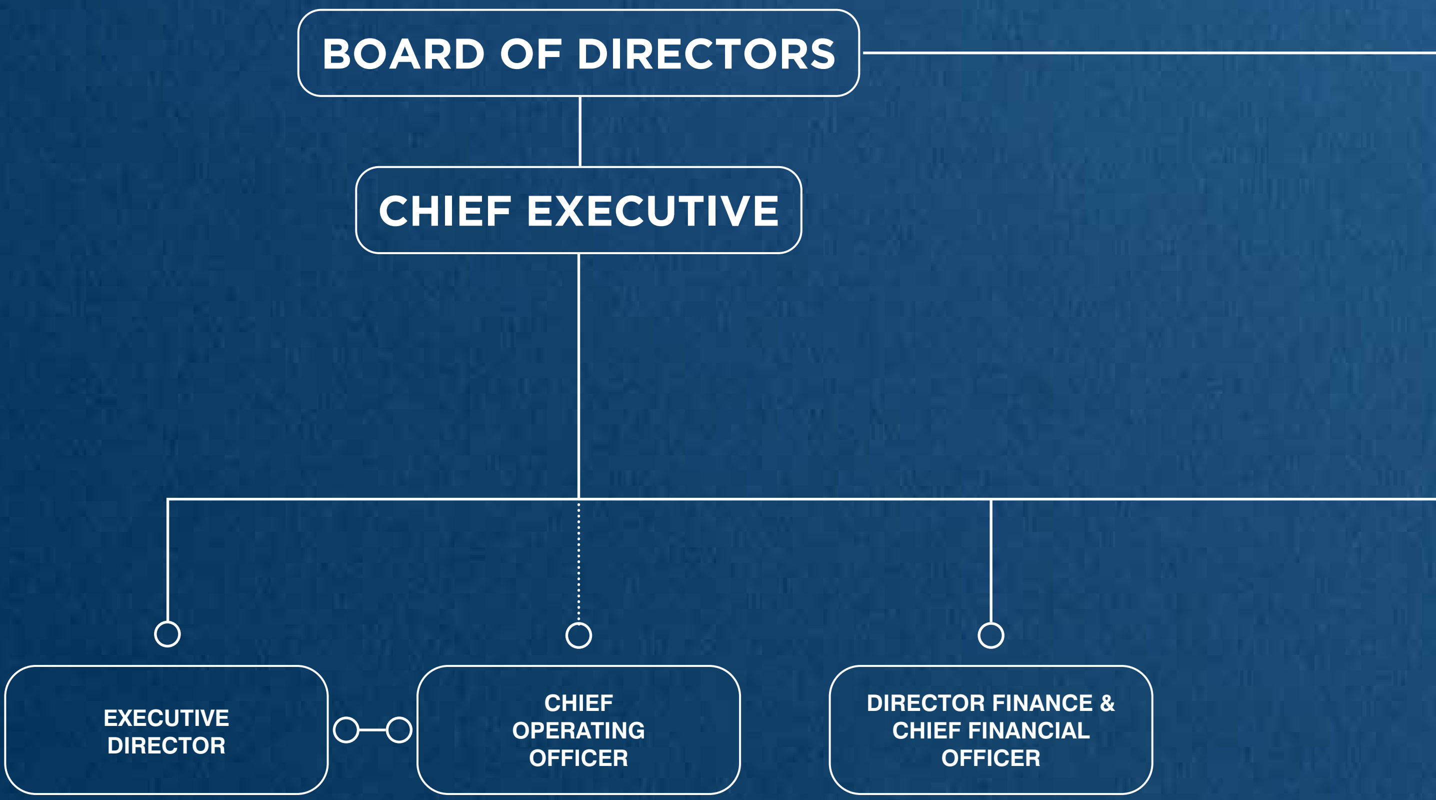
1. Main Indus Highway, Pezu, District Lakki Marwat, Khyber Pakhtunkhwa, Pakistan

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

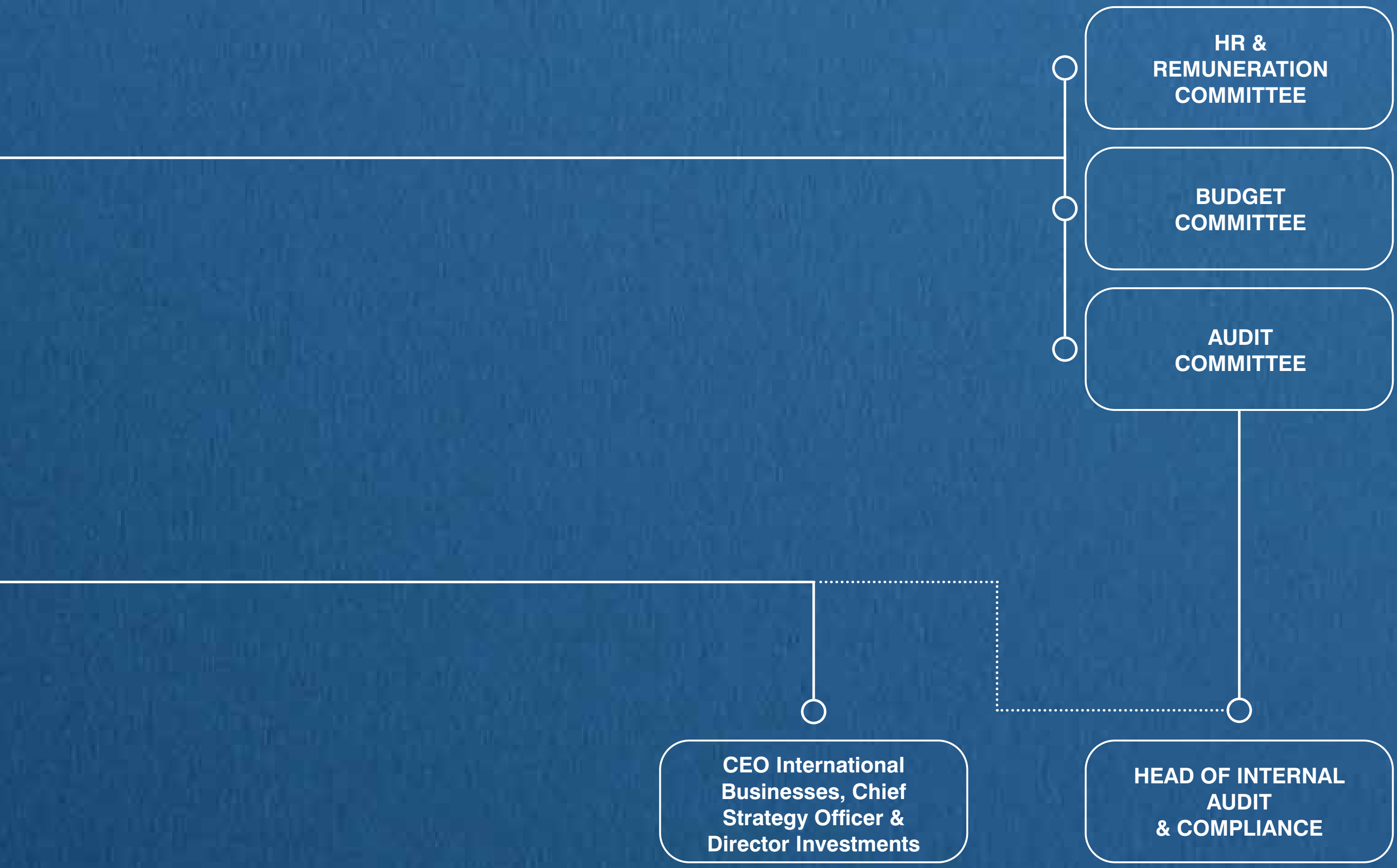
SHARE REGISTRAR

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
CEO International Businesses, Chief Strategy Officer & Director Investments
HEAD OF INTERNAL AUDIT & COMPLIANCE

Our Human Capital

2543
Total Headcount

3.81% Employee Turnover	2542 Average Number of Employees	6.84% Corporate Office Female Ratio
337 Corporate and Liaison Office Headcount	831 KP Headcount	1375 Pezu Headcount

Locations	Corporate Office	KP	Pezu	Central Marketing Offices	Total
No. of trainings	54	36	27	13	130
No of Participants	815	397	529	134	1875

Awards and Accolades

LUCKY CEMENT LIMITED AWARDED FOR BEST CORPORATE REPORT

Lucky Cement Limited has won the Best Corporate Report Award with first position in the Cement category at the much anticipated "Best Corporate & Sustainability Report Awards 2020." 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. .

ICAP and ICMAP have been organizing the Best Corporate Report (BCR) Awards ceremony since 2000. This recognition has been instrumental in encouraging entities to follow transparency in preparing their annual reports according to the international best practices.

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.

LUCKY CEMENT LIMITED WON THE ENVIRONMENT EXCELLENCE AWARD

Lucky Cement Limited won the Environment Excellence Award at the 18th Annual Environment Excellence Awards 2021, organized by The National Forum of Environment and Health (NFEH).

The ceremony focused on Climate Change and Eco System Restoration which was held at a local hotel on 16 September 2021. Lucky Cement received the award in recognition to its commitment and efforts towards environment conservation and sustainable business operations. 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. .

The National Forum for Environment & Health was established in 1999 and is a non-profit organization with the aim to facilitate and promote environmental, healthcare and educational awareness amongst the masses.

LUCKY CEMENT LIMITED WON THE MANAGEMENT ASSOCIATION OF PAKISTAN'S CORPORATE EXCELLENCE AWARD IN THE CEMENT SECTOR

Lucky Cement Limited won the Management Association of Pakistan's Corporate Excellence Award in the Cement Sector category at the 36th MAP Annual Corporate Excellence Award Ceremony.

The Corporate Excellence Awards was instituted by MAP in 1982 with the sole aim to recognize and honor companies showing outstanding performance and demonstrating progress and enlightened management practices.

Lucky Cement received the award based on having the best corporate practices and governance in the cement sector. The primary criteria for this award emanates from best Corporate and Management practices reflected by Leadership, Corporate Governance, Customer and Market Focus, HR, Strategic Planning and Communication, Social Responsibility, Risk Management, IT Infrastructure, Service Delivery and Security.

LUCKY CEMENT LIMITED WON FOUR AWARDS AT THE 11TH ANNUAL INT'L CSR AWARDS

Lucky Cement Limited has won four awards at the Int'l Corporate Social Responsibility Award organized by The Professionals Network (TPN), at the 11th CSR Summit & Awards held at a local hotel in Karachi.
Lucky Cement Limited was recognized in four categories for its exemplary performance:

1. New Ventures & Investments
2. Reporting and Transparency
3. Community Impact
4. Education Scholarship Program

The recognitions were awarded to highlight Company's diversified investments to strengthen the local industries and economy, transparent reporting of international standards for its stakeholders, and impactful CSR programs that not only uplifted the underprivileged communities of rural areas but also provided academic and employment opportunities for the youth.

ACKNOWLEDGEMENT BY LUMS

Lucky Cement Limited being the platinum donor of LUMS National Outreach Program (NOP) was awarded a shield for its support and commitment towards education in Pakistan. The shield was awarded in a ceremony held on the 35th anniversary of LUMS. Lucky Cement has a proven history and track record of its strong commitment to the improvement of society and the communities in which it operates.

The primary focus of CSR initiatives of the Company remains in the development of the education sector, women empowerment, health, environment and local communities.

Key Elements of Business Model

LCL's principal business activity is to produce and sell cement products. Following are the key elements of the business model.

Key Elements of Our Business Model	Relevance with Our Business Processes
Input	Raw material (Limestone, Gypsum, Clay)
Business Process	Mining, crushing and grinding
Output	Clinker and Cement produced
Outcomes	Social and Economic Benefits and active contribution towards UN SDGs.

The details of our business model and the relevance of key elements are more fully explained in Strategy and Resource Allocation section of this report.

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.


LIMESTONE, LATERITE, GYPSUM, COAL & OTHER AGGREGATES
UPSTREAM
TRANSPORTATION
UPSTREAM
PLANT
TRANSPORTATION
DEALER WHOLESALER
RETAILER
END USER
PORT SILO
DOWNSTREAM
EXPORT SALES

Factors Affecting the External Environment

PESTLE ANALYSIS

P

Political

Description	Organizational Response
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 through forums such as PBC, ICAP and APCMA.
Devaluation of currency, increasing interest rates and higher inflation leads to greater input costs and reduced margins.	In times of depreciating local currency, management identifies alternative sources for its input material, including procurement of coal in local currency and substituting fossil fuel with renewables. Management continues to identify new markets for its products, both locally and internationally.

E

Economic

Description	Organizational Response
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. With its nation-wide presence, international footprint and interests in diversified businesses, the Company is well placed to deal with economic shocks in a particular region / segment.

S

Social

Description	Organizational Response
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. It has launched dedicated scholarship programs for the deserving youth of District Lakki Marwat. The Company remains committed to making efforts for environment conservation, education, women empowerment and health initiatives.
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.

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 and in this regard remained at the forefront to upgrade its manufacturing facilities. In addition to installing new Lines at its Karachi and Pezu Plants in recent years, Lucky Cement is already in the process of installing a new line in 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

Description	Organizational Response
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. 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

Description	Organizational Response
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. The Company has made significant investments in Waste Heat Recovery systems and is in the process of installing renewable energy projects. 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.

THE LEGITIMATE NEEDS, INTERESTS OF KEY STAKEHOLDERS AND INDUSTRY TRENDS

Lucky Cement takes specific measures to understand the needs and interests of all its stakeholders. Through its innovative and industry leading practices it sets the industry trends for understanding and meeting the stakeholders' needs.

To continuously exceed the expectations of its customers, Lucky Cement provides consistent quality of products. Lucky Cement has invested in in-house Quality Assurance department which ensures that its products meet all the relevant product standards. The continuous supply of cement across the country is ensured by in-house Logistics fleet and through long-term contracts with 3rd party transporters. For customers having requirements of loose cement, Lucky Cement has a large fleet of cement bulkers, which ensure that cement requirements of such customers are met on a timely basis.

To timely update the shareholders of Company's performance and emerging trends, the Company disseminates its periodic financial statements together with directors' comments on performance and future outlook, on a timely basis. It holds investors' briefing sessions on a quarterly basis which address all the queries of the analysts.

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 which ensure that the Company receives uninterrupted supply of raw materials required for the production process.

The Company designs its CSR activities to have maximum impact on the communities in which it operates. This involves understanding the needs of the communities through regular community visits and interactions with area notables.

The Company contributes to the national exchequer by paying its share of due taxes on timely basis. Being one of the largest exporters, the Company regularly brings foreign exchange in the country to strengthen the country's reserves.

SWOT Analysis

Lucky Cement Limited has been growing with the prime objective of maximizing value for all the stakeholders. The company uses its 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 in North and South regions of 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 international footprint, with 3 JV plants in Iraq and Democratic Republic of Congo.
- 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 eco-friendly projects such as Waste Heat Recovery, alternate fuels and renewable energy projects. 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 Lakki Marwat, high distribution cost has to be suffered to distribute the Company's products to certain remote areas. The Company endeavours 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 neighbouring 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.

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.
- At current prices, the spiraling coal and other fuel prices coupled with increased freight costs will make exports unviable.

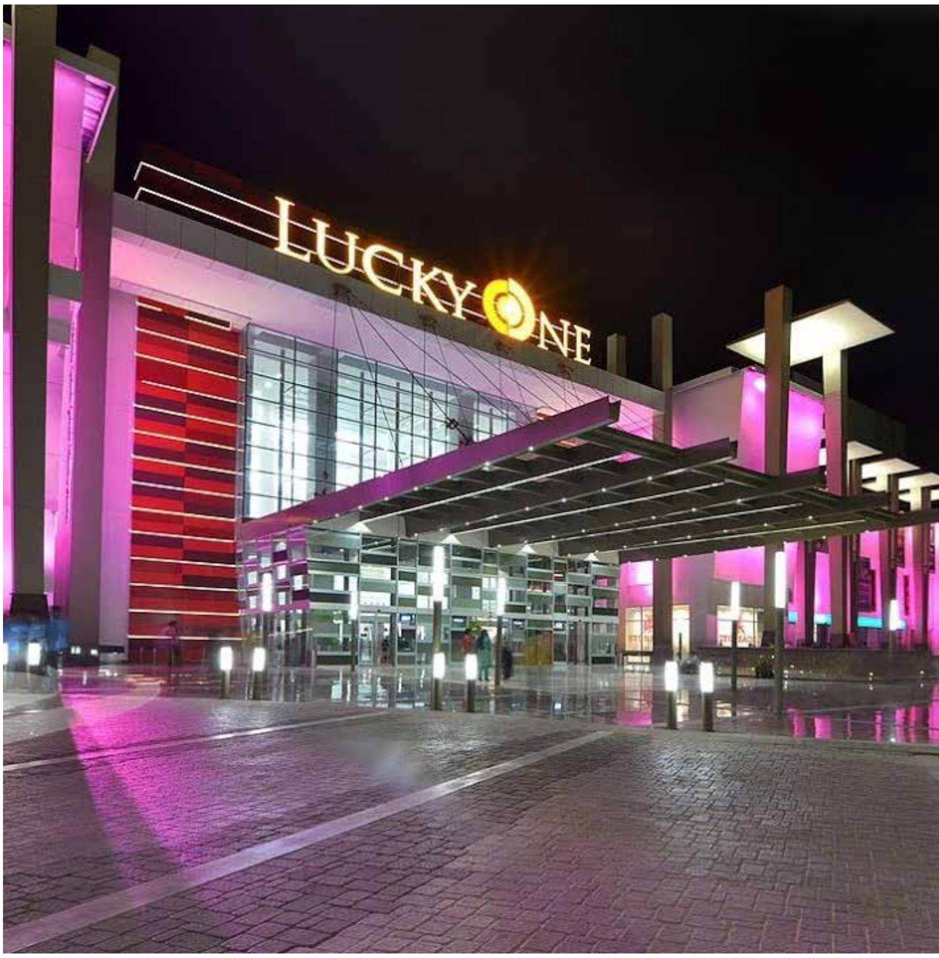
Brand Equity

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.


LUCKY ONE

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 2021-22. 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 restrict 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.

The Legislative and Regulatory Environment in which the Organization Operates

Lucky Cement usually operates in a tightly regulated environment due its scale of operations in a critical sector of the market and by virtue of being a publicly listed company. There are a plethora of regulatory compliances that have to be satisfied, and governmental authorities closely monitor the organization for any supposed infringements of the law.

Our Company usually deals with the following areas of the law on a regular basis; the Companies Act of 2017 which regulates the overall management of our Company, the Sales Tax Act of 1990 which regulates the rate of taxes on cement at the point of sale, the Federal Excise Act of 2005 which regulates the rate of excise duty on several varieties of cement, the Income Tax Ordinance of 2001 which levies taxes on the income generated from the business and operations of our Company, the Competition Act of 2010 which ensures the prevention of anti-competitive behavior, various Labor and Employment laws which govern the rights of workers and obligations towards the employees of the Company, various federal and provincial laws relating to the protection of Pakistan's environment, several provincial mining laws which regulate the mining leases and rates of royalty on mining raw inputs for cement production, the Pakistan Stock Exchange Regulations which inter alia regulates the workings of companies listed on the stock exchange, and the Listed Companies (Code of Corporate Governance) Regulations of 2017, which delineate the procedures, formalities, composition, and technicalities of the management of publicly listed companies.

Lucky Cement prides itself on actively ensuring complete compliance with the law, and takes painstaking precautions to avert the risk of any liability arising due to a breach of any law.

THE POLITICAL ENVIRONMENT WHERE THE ORGANIZATION OPERATES AND OTHER COUNTRIES THAT MAY AFFECT THE ABILITY OF THE ORGANIZATION TO IMPLEMENT ITS STRATEGY

The political environment has an impact on the ability of any organization to implement its strategy. Political uncertainties negatively affects consumers, businesses, investors, financial markets and economic policymakers. Chronic political instability has hampered Pakistan's economic growth the most. Political compulsions under these circumstances have led to short-term macroeconomic policies and a more frequent change of policies than is desirable. The economic challenges facing the country including depleting foreign exchange reserves, soaring inflation and increasing interest rates lead to reduced Government's spending on infrastructure development and slowdown in economic activities. Accordingly, political instability on a domestic level together with economic challenges have an impact on Company's business, where the cement demand contracts in the face of sluggish construction activities.

On a global level, Russia-Ukraine conflict has led to a commodity super-cycle, where the prices of various fuels have increased significantly. This has an impact on the Company's input costs which have increased significantly.

The Company also exports its cement to Sri Lanka, which has witnessed an economic meltdown, as a result of which the country has further went in political instability. The Company's business in Sri Lanka will depend on its ability to honor its payment commitments.

SIGNIFICANT CHANGES AND DEVELOPMENTS FROM PRIOR YEARS

Although the challenges posed by the Covid-19 reduced significantly; the recovery from pandemic was marred by significant uncertainties, both locally and globally, especially during the latter half of the outgoing financial year. While the change in Government gave rise to political uncertainty locally, the Russia-Ukraine war led to global food and commodity crisis. The Company's margins remained under pressure during the year on account of spiraling coal and furnace oil prices, as a result of commodity super cycle. Domestically, the challenges posed by looming energy crisis, circular debt, increased inflation, pressure on balance of payments, reduced foreign exchange reserves, exchange rate parity and fiscal deficit continued to test the competitiveness of all businesses.

Despite the challenges, the Company was able to secure highest ever consolidated profit after tax (PAT) during the year.

SIGNIFICANT EVENTS THAT OCCURRED DURING THE YEAR AND AFTER THE REPORTING PERIOD

The significant events which occurred during the year ended June 30, 2022 are as follows:

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 36.42 billion on a consolidated basis.

The Company has started the installation of 34 MW captive solar power project with a 5.589 MWh Reflex energy storage at its plant site in Pezu, Lakki Marwat.

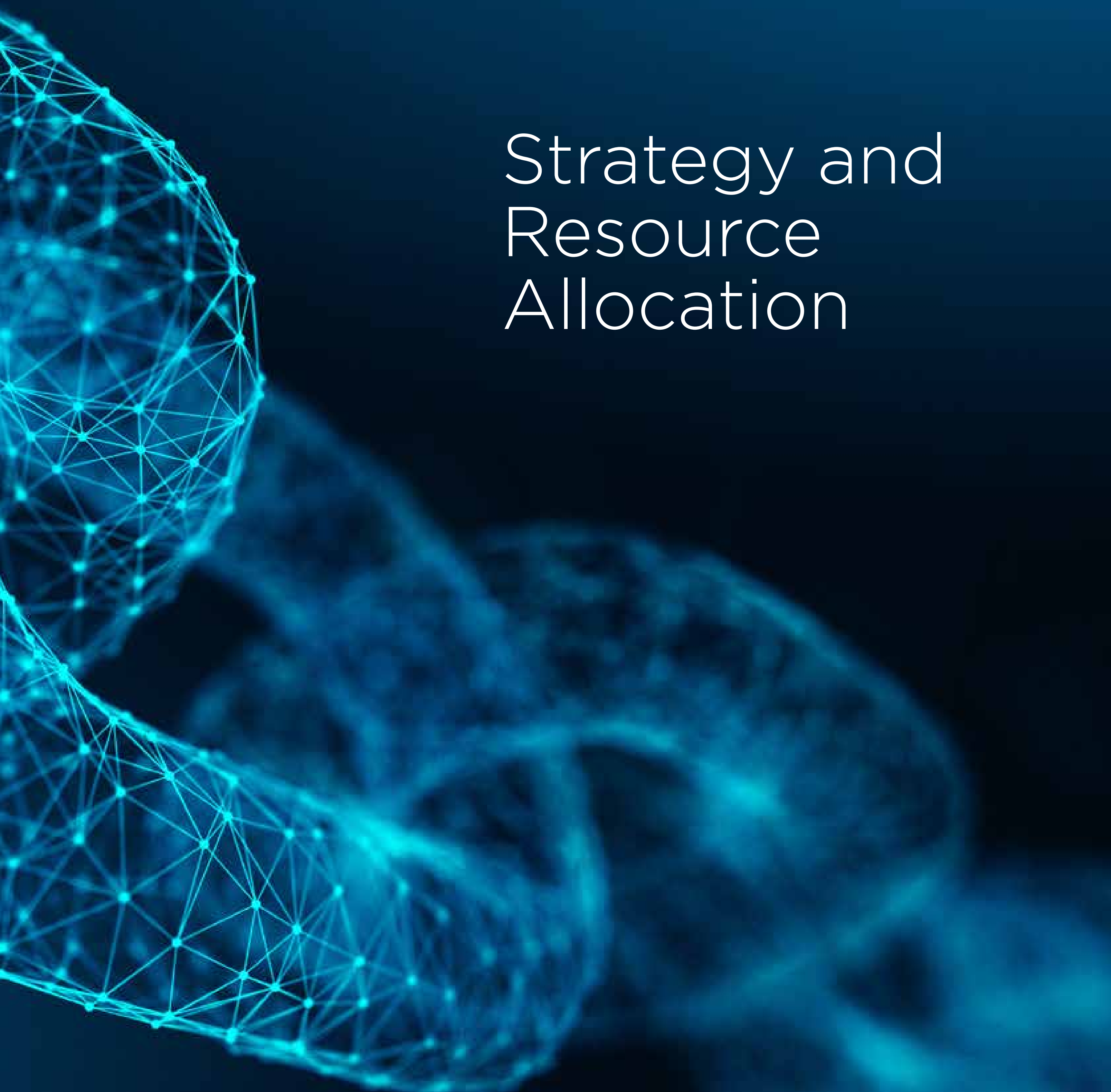
During the year, the Company's wholly owned subsidiary, Lucky Electric Power Company Limited commenced its commercial operations. The Company had contributed PKR 4.4 billion as equity in the Company, including PKR 6.05 billion during the outgoing financial year.

Our subsidiary, Lucky Motor Corporation Limited (formerly KIA Lucky Motors) increased its product range by introducing Peugeot model vehicle, which is the first European brand vehicle introduced in Pakistan.

Lucky Motor (formerly KIA Lucky Motors) started producing Samsung mobile phones in Pakistan.

Secured ITERF and LTFF facilities for funding its expansion and related projects.

Strategy and Resource Allocation



Strategic Objectives

To support value creation for all of our stakeholders, Lucky Cement's business is focused on the delivery of following six strategic priorities, which aim to increase upon sustainable growth and cost efficiency. Everyone at Lucky Cement has a role to play in delivering these strategic priorities. To achieve these strategic objectives, the management carefully sets up strategies and plans. The strategies put in place to achieve the respective strategic objectives are also mentioned below:

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. The Company is operating warehouses near all major consumption centers, which ensure that the market penetration of Company's products is maximized.	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. The Company has continued to export its clinker and cement to various markets in South Asia and East Africa, while efforts for identification of new export markets are ongoing. The Company has international production footprint, with two JV plants in Iraq and one in Democratic Republic of Congo.	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 regularly upgraded its manufacturing facilities by adding new, more efficient production lines, which have substantially improved our production efficiency. Lucky Cement has installed state of the art Vertical Cement Mills at its Pezu and Karachi Plants thus increasing 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. It has recently entered into a joint venture with Tariq Glass Industries Limited to set up a state-of-the-art, greenfield facility for manufacturing of float glass. Lucky Motor Corporation (formerly KIA Lucky Motors) increased its model lineup by introducing Peugeot vehicle during the year. Lucky Motor Corporation has started manufacturing of Samsung mobile phones in Pakistan. Lucky Electric Power Company has commenced the commercial operations of its 660 MW coal fired power plant in March 2022.	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 installing a 34 MW captive solar power project with a 5.589 MWh Reflex energy storage at its plant site in Pezu, Lakki Marwat, which will provide clean energy as well as reduce the country's reliance on imported fossil fuel. The Company is continuously taking steps to reduce emissions by installing Dual Fuel Conversion projects. 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

* Increased its model lineup by introducing Peugeot Vehicle during the year

Understanding Our Business Model

Every element of our business model is unique to our Company and has a role to play in our future long-term success. Following are the resources and relationships we depend on to create value:

Human Capital

Our 2,543 people bring talent and strong capabilities relevant to all aspects of our business, from community and customer relations to the innovative thinking necessary to drive value growth and efficiency.

Manufactured Capital

As one of the largest producer and exporter of Cement in Pakistan, we have production facilities in Karachi and Pezu with state of the art Vertical Cement Mill, WHR and TDF dual fuel resources, warehouses at different cities, and export terminal at Karachi Port.

Intellectual Capital

Our intellectual property includes our Enterprise Resource Planning (ERP) / business process management software SAP S/4 HANA and our best-in-class systems and procedures.

Financial Capital

Our business activities require financial capital, which includes shareholders' equity and reinvested cash.

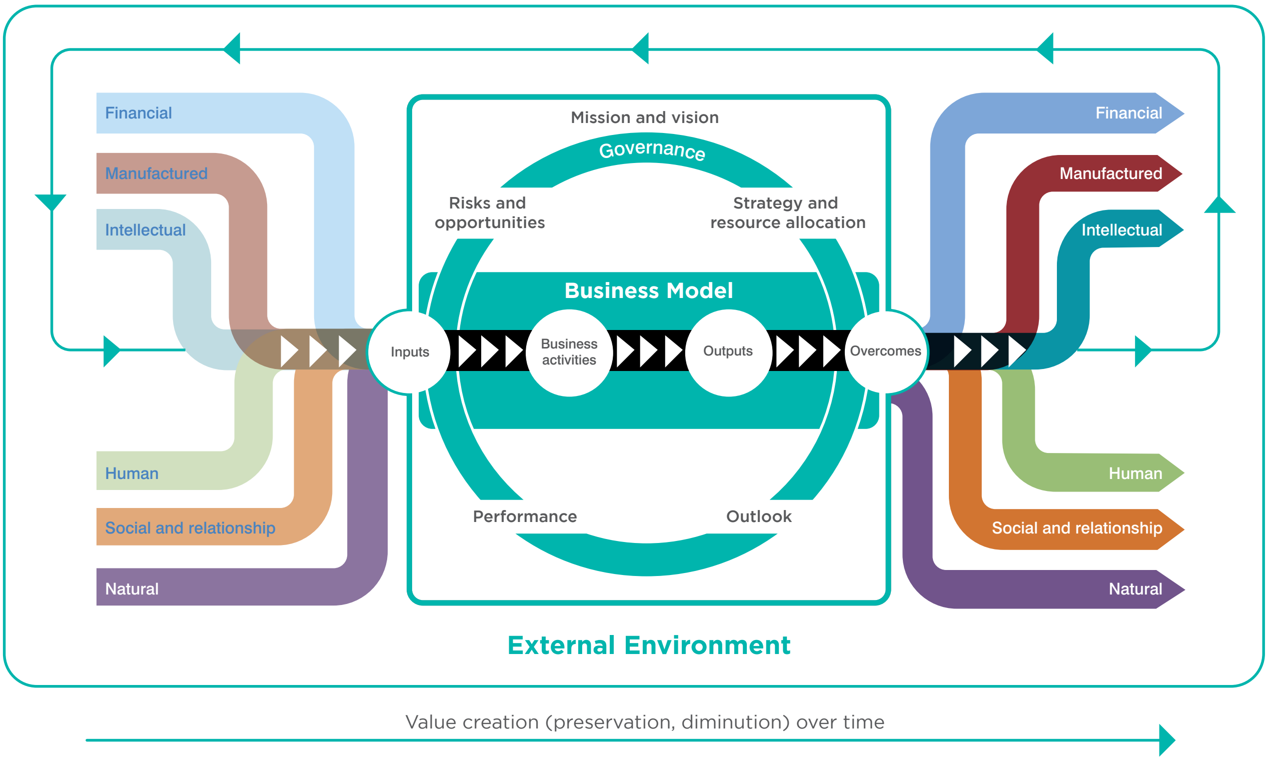
Social Capital

Our social 'license to operate' is due to our reputation and the trust of key stakeholders. Our most valuable stakeholder relationships are with our investors, our community, employees, customers, suppliers and partners as well as government and regulators.

Natural Capital

Cement and Clinker production require coal, limestone, clay and gypsum, which we seek to source responsibly and use efficiently.

OUR BUSINESS MODEL AND VALUE CREATION PROCESS



Business Model

Our system of transforming inputs through business activities into outputs and outcomes that aims to fulfil the organization's strategic purposes and create value over the short, medium and long term is presented below:

OUR CAPITALS (INPUTS)	OUR BUSINESS ACTIVITIES

Financial Capital
PKR 184.96 billion in Total Assets

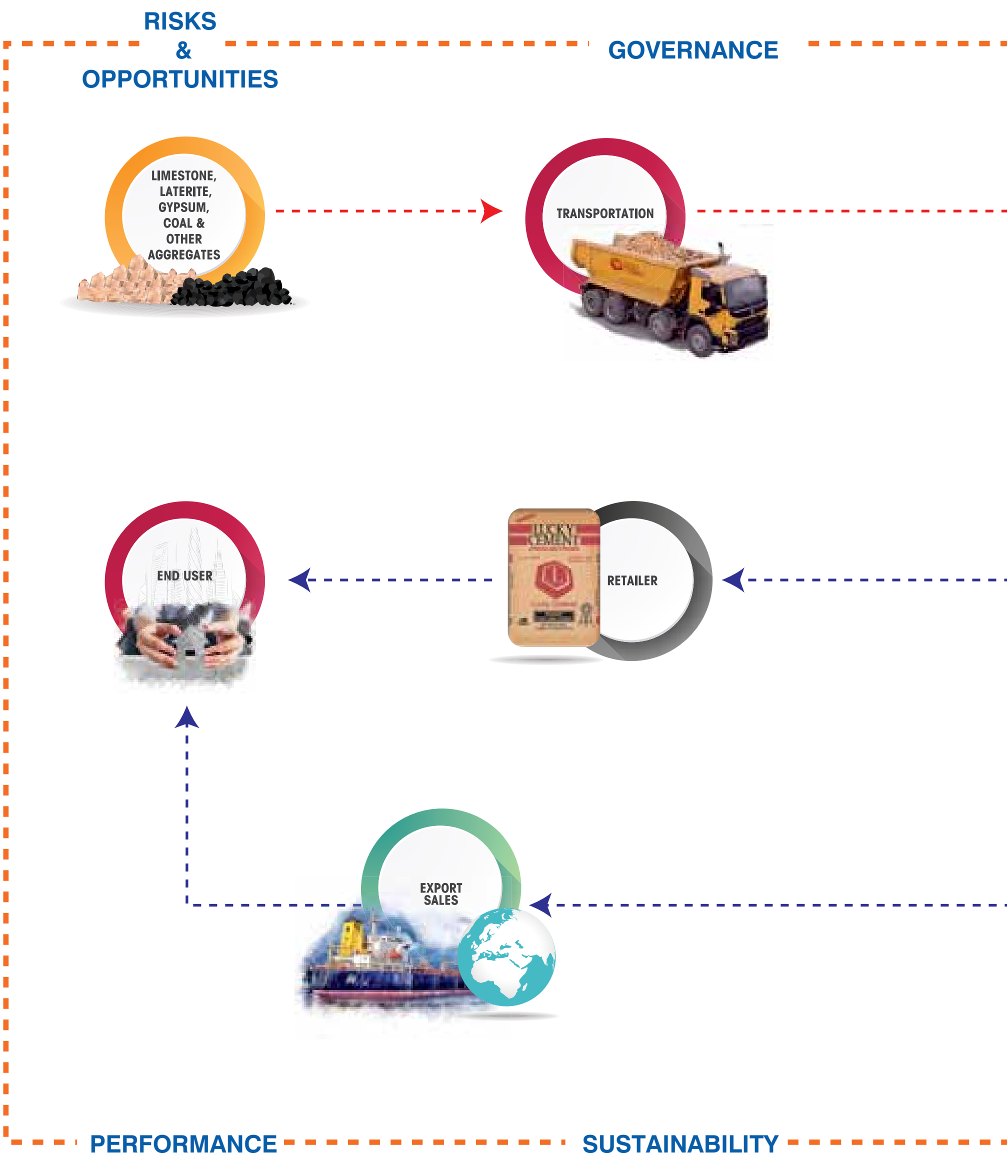
Social & Relationship Capital
160 dealers & distributors

Human Capital
2,543 employees

Intellectual Capital
SAP S/4 HANA

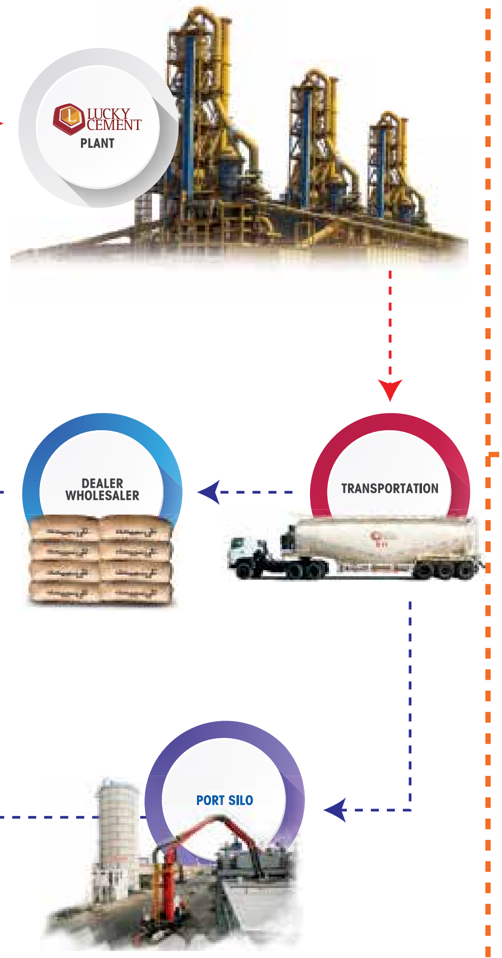
Manufactured Capital
- Production capacity of 12.15 MTPA
- Vertical Cement Mills.
- Export terminals at Karachi Port

Natural Capital
Water, energy and environment conservation initiatives



	OUR CAPITALS VALUE GENERATED & ADDED TO SOCIETY	CONTRIBUTING TO THE UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS

STRATEGY & RESOURCE ALLOCATION



OUTLOOK

Financial Capital
- Profit after tax of PKR 15.3 billion
- PKR 31.5 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 9.08 million tonnes
- Market share of 17.2%

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

Resource allocation plans to implement the strategy

We aspire to be the 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, while efficiently managing the allocation and cost of capitals. To achieve its strategic objectives, the Company deploys various resources at its disposal in a planned manner. Our value-creation model is aimed at delivering the optimum value for all our stakeholders, in various means and forms.

FINANCIAL CAPITAL

The Management of the Company has extensive experience and knowledge of best practices in liquidity management pertaining to policies, processes, regulatory requirements and tax considerations. Capital structure mainly consists of shareholders' equity and Islamic subsidized long term/ short term debts. Management believes that the capital structure is adequate.

To implement its strategies, the Company will navigate through challenging obstacles to manage its working capital requirements through internally generated cash flows, fruitful fixed cost reducing techniques and Islamic subsidized financing. Lucky Cement Limited maintains cordial relationship with all the reputable banks and financial institutions of the Country. Moreover, the Company has financed Line-II through SBP's Temporary Economic Refinance Facility (TERF) and Long Term Financing Facilities, which are obtained at subsidized rates.

MANUFACTURED CAPITAL

The Company will effectively deploy all the plant and machinery, power generation systems, buildings and infrastructure to implement its strategies. The current manufactured capital is sufficient to meet the Company's requirements. As part of its strategy to remain the market leader in cement industry and to continue with its commitment for green energy, the Company is making further investments in capacity expansion and installation of solar power project at its Pezu plant.

INTELLECTUAL CAPITAL

The Company will put to use all the intellectual capital at its disposal for implementing its strategies. Our intellectual capital includes our brands, ERP system and our systems and procedures. Lucky Cement was the first Company to implement SAP S/4 Hana which helps the management in employing best business practices, while strengthening internal controls. The Company has obtained ISO Certifications for its HSE and Information Security systems.

HUMAN RESOURCES

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 gives key consideration to Human Resource Management. A full fledge HR department is established which is supervised by HR & RC of the Board of Directors.

To implement its strategies, the Company has hired team of professionals with significant expertise in latest technologies who proficiently design the ways for improving and upgrading our production process, devise marketing strategies and strengthen control systems.

SOCIAL AND RELATIONSHIP CAPITAL

Being a responsible corporate citizen, the Company is committed to continuous improvements in safety, health and environment protection measures. The Company has earned great respect and appreciation through continuous and generous donations to social and charitable causes including towards health, education and social sectors.

NATURAL CAPITAL

The natural capital available to the Company in the form of raw materials and water is sufficient for the Company to meet its demand. The Company will continue to utilize its natural capital with responsibility and care and will continue to make efforts for sustainable operations.

AVAILABILITY, QUALITY AND AFFORDABILITY OF CAPITALS

To achieve its strategic objectives, the Company deploys various resources at its disposal in a planned manner. To drive its strategies, all the required capitals of high quality are available with the Company. The Company faces no limitation in affording these capitals.

The Company is fully confident of its ability to continue creating value for all its stakeholders for times to come.

For a description of our business model including utilization of our capitals (inputs), business activities, outputs and outcomes, please refer to the Section Business Model in this report.

Key Resources which Provide us Sustainable Competitive Edge

Lucky Cement, being the largest producer of Cement in Pakistan strives to efficiently deploy and manage its resources and capabilities, which ensure that it remains the market leader in sustainable performance. Due to Company's various strategic decisions and initiatives, following are some of the key resources and capabilities, which provide Lucky Cement sustainable competitive advantage:

NATIONWIDE PRESENCE

Lucky Cement's plant in Pezu, Lakki Marwat, KPK serves the cement demand of major consumption centers of Pakistan; whereas, the Company is able to export sizeable quantities through sea from its plant in Karachi. The Company has Marketing offices in major cities in all provinces of Pakistan.

INTERNATIONAL FOOTPRINT

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 Joint Venture manufacturing facilities outside Pakistan. Lucky Cement's JV grinding plant in Basra, Iraq has been operational since 2014 has a total capacity of 1.742 MTPA. The Company's JV integrated cement manufacturing plant in Samawah, Iraq having a capacity of 1.2 MTPA commenced operations in 2021. The plant in DR Congo, commenced its commercial operations in December 2016 with capacity of 1.188 MTPA. Our overseas cement capacity now stands at 4.12 MTPA.

DIVERSIFIED BUSINESSES

Lucky Cement had already chosen to diversify its businesses and has made strategic investments in profitable ventures in Chemicals, Automobiles, mobile manufacturing 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.

REGULAR TECHNOLOGICAL UPGRADES

Lucky Cement has continuously invested in technological upgrades by installing new and more efficient production lines and vertical cement mills.

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. Keeping up with its commitment for promotion of renewable energy, the Company is already in the process of installation of 34 MW captive solar power project with a 5.589 MWh Reflex energy storage at its plant site in Pezu, Lakki Marwat.

Over the years, 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. Furthermore, the Company has also installed six 10MW 34 DF dual-fuel engines for both of its plants.

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 to 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 (147) 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.

HUMAN RESOURCES

Through various initiatives including expansions and technological upgrades, international projects, extensive trainings and promoting the culture of transparency, Lucky Cement has developed the skill set of its human resources which play a vital role in providing it the edge over its competitors.

Value Created by the Business Using These Resources and Capabilities

By using the resources and capabilities at its disposal, Lucky Cement creates value for its stakeholders in the following manner:

Shareholders

Provide high return on investment

Employees

Provision of safe and inclusive working environment. Exposure to new challenges to develop work-force.

Customers

Provision of high quality cement

Communities

Investment in health, education and skills development

Suppliers and service providers

Building long-term partnerships

Government

Contribution to national exchequer and generating economic value for the society

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 adoption of latest technologies for production or automation of business processes and data analytics.

Lucky cement has taken several strategic 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: 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.

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.

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. Keeping up with its commitment for environment protection, the Company has initiated the installation of solar power project at its Plant in Pezu.

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

Apart from having a Code of Conduct for the employees, the Company has also 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.

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	
Increasing share in the international market	Financial Capital	Sales volume in traditional export markets Development of new export markets	
Efficiency	Manufactured Capital, Intellectual Capital	Production efficiency and activity ratios	
Diversification	Financial Capital	Investment portfolio Return on equity	The KPIs will continue to remain relevant in the future
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 Board confirms that the Company does not intend to initiate any plans of corporate restructuring. The Company is in the process of capacity expansion at Pezu Plant, which will increase the production capacity by 3.15 MTPA to reach 15.3 MTPA. The update on the progress of investment project 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.

BUSINESS RATIONALE FOR MAJOR CAPITAL EXPENDITURE

Lucky Cement Limited is a growth oriented company. 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.

The Company is currently undertaking a brownfield expansion of 3.15 MTPA at its Pezu plant. The business rationale behind this expansion was the anticipated growth in cement demand. By utilizing its available financial resources and operational capabilities, the Company will be able to retain its leading position. This will also allow the company to bring in further economies of scale in its operations.

The Company is also installing a solar power project at its Pezu Plant. The business rationale for this capital expenditure is to reduce reliance on expensive fuels and to promote renewable energy sources.

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.

Human Resource Excellence

INDUCTING AND RETAINING TALENT

Lucky Cement knows that its future depends on finding talented and determined professionals. We believe that the effective execution of our business plans has a direct link to the quality of human resource that we hire.

For the last couple of years Lucky Cement is climbing radically on the ladder of growth. To stay in the lead we need to target optimal performance and excellence. Our objective is to utilize our talent in the best possible manner by positioning them where they own responsibility along with delivering value.

Our greatest challenge is to align 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.

PERFORMANCE MANAGEMENT

The fundamental goal of performance management at Lucky Cement is to develop a habit of continuous improvement and create interdepartmental synergies. Our objective is to collectively align the performance of our teams and individuals towards the organizational goals. We

designed our systems to deliver transparency and fairness at all levels. Our managers are trained on effective and result-oriented measuring tools and processes to have fair appraisals which diminish the chances of organizational bias and prejudice.

SALARY SURVEY

Lucky Cement participates in salary surveys to align itself with the market and stand out as a competitive employer. This helps Lucky Cement to retain the top talent in the company and line up with the best-fit compensation and benefit packages in the market. Analyzing employee compensation is an ongoing process at Lucky Cement Limited. Salary surveys help us to develop a compensation strategy that is internally equitable and externally competitive.

HEALTH, SAFETY & ENVIRONMENT

We believe that ensuring health & safety of our employees and stakeholders; along with protecting environment is of utmost importance. 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 and availability of Emergency Exits ensure employees' wellbeing and safety.

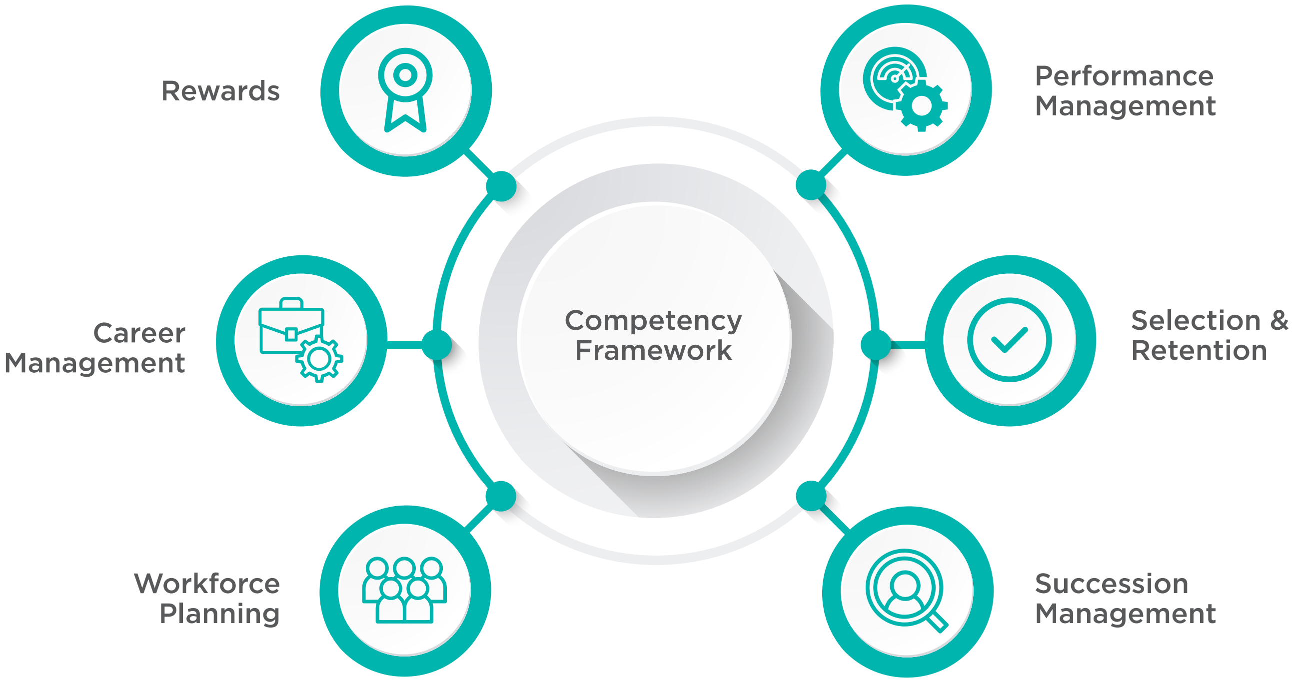
INDUSTRIAL RELATIONS

We recognize the importance of good industrial relations management and appreciate the hard work of our workforce for they are the key behind the execution of our day-to-day operations. There are dedicated IR managers in the organization, whose principal responsibility is to ensure industrial peace by ensuring fair labor practices, effective and the efficient grievance handling and safeguarding labor related compliances with the statutes. The conflict Resolution Department at the Plants and HR department in the Corporate Office plays a very critical part in harmonizing labor and employee relations. There is a tribunal committee that conciliates and arbitrates all the issues and ensures a win-win situation.

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 is about identifying, training and developing high potential employees to replace critical positions in the organization especially in the upper management.

We have a comprehensive policy manual in place for the purpose of systemizing the various practices in the organization. With this focus, Lucky Cement has formulated a well-defined strategy on succession planning. This



strategy incorporates a comprehensive competency matrix to identify the best talent available and to train them for important strategic positions in the future. The matrix helps us assess employee performance and potential for effective succession planning.

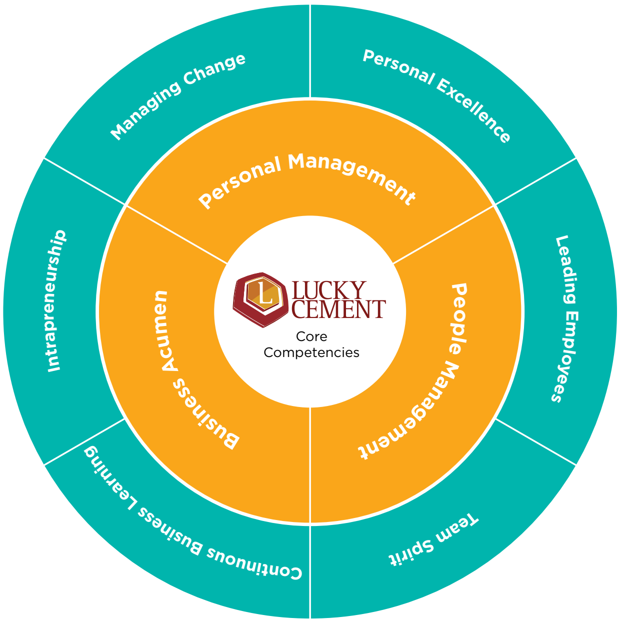
With the help of 9-Box Performance & Potential Matrix approach we identify the best available talent within the Company and systematically develop them for strategic positions by providing them the opportunities and projects, which help sharpen their people management & functional skills along with developing their leadership quotient.

WOMEN EMPOWERMENT

Lucky Cement Limited believes in empowering women and celebrating them and their efforts to make the world a better place to live. We are taking concrete steps to improve our gender equity balance and making our workplace a more inclusive one. Lucky cement Limited acknowledges the efforts of our women employees contributing towards the organization's goals.

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

We believe success is based on the multiplier effect of our people. Our passion for people drives us to harness their energies, cultivate and nurture their talent, manage their well-being and most importantly, create a learning environment conducive for development and growth. We launched Competency Framework Model which in future impacts how we recruit, develop future talent and plan for succession. After core and functional competency finalizations and competency gap identification through relevant tools, customized learning interventions were developed and conducted for multiple staff levels on a company-wide basis.

A three day Leadership Development Training Program was launched covering our six behavioral leadership competencies. These trainings also served as an effective method of developing team spirit amongst the staff at all locations as multiple participants from different departments and levels interacted and learnt together sharing diverse knowledge, experience and learnings.

We also offered numerous personal and functional development in-house and open-enrollment programs. These covered different functions including Information Technology, Health Safety Environment, Logistics, Sales, Finance and others. We also initiated weekly learning sessions by the name of “Skill-Up” based on Harvard Manage Mentor content covering different topics participated by multiple staff from different departments.

Risk and Opportunities

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

Key Risks and Opportunities Affecting Capitals

Following are the key risks and opportunities effecting the availability, quality and affordability of capitals:

Form of Capital	Key Risk	Key Opportunities	Time Horizon
Financial Capital	• Higher cost of coal and other fuels • Increased interest rates • Higher inflation	• Identification of alternate sources of coal • Adoption of renewable energy projects • Cost optimization projects	Short to medium term
Human Capital	• Loss of qualified and competent staff	• Succession planning • Rewarding high performing employees	Medium to long term
Manufactured Capital	• Obsolescence of technology	• Investments in technology upgrades and capacity expansions	Medium to long term
Social and Relationship Capital	• Adverse publicity and bad reputation	• Building relationships along the value chain	Medium to long term
Natural Capital	• Depletion of raw materials	• Responsible use of raw material	Long term

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 2021-22, our risk management program was given even greater emphasis with regular discussions on emergent risks and opportunities associated with rising fuel prices and the enhanced monitoring and assessment of our principal risks. This enabled us to maintain all of our risk management routines and ensure continuity of the program. In 2022, we will use these lessons to improve the level of engagement, and the insights that engagement provides, to improve our program.

PRINCIPAL RISKS FACING THE BUSINESS

Following are the major risks, which may affect our business operations and mitigating strategies for controlling these risks. Sources of risks, assessment of likelihood and magnitude of their impact are also mentioned against each risk.

STRATEGIC RISKS

Risk	Area of Impact	Source of Risk	Mitigating Action
Rising Coal and FO Prices Considering the significant consumption of coal in cement manufacturing, hike in coal and other fuel prices heavily impact cost of sales. Assessment: Likelihood: Medium Impact: High	Financial Capital Strategic Objective: Efficiency	External	Coal price trend is monitored on a regular basis and Company uses its ability to procure coal in bulk quantities. The Company also evaluates various sources of coal, to reduce the impact of higher landed costs. Significant increases in coal and fuel prices are covered through price adjustments as and when necessary.
Risk of Demand Contraction Any decline in cement's demand may create an over-supply situation in the industry. Assessment: Likelihood: Medium Impact: Low	Financial Capital Strategic Objective: Growing local and international market share	External	LCL matches its capacity expansion plans keeping in view the anticipated supply /demand growth pattern. Market diversification for maintaining / enhancing the market share. Deep penetration on grass root level by operating warehouses, strengthening institutional sales and improving brand perception.
Risk of Inconsistent/Arbitrary Changes in Government Policies Adverse impact on Company's earnings due to changes in Government's policies with respect to taxation measures, Gas tariff and Regulatory matters. Assessment: Likelihood: High Impact: Medium	Financial Capital Strategic Objective: Efficiency; and Growing local and international market share	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 With significant hike in input costs, the exports may become unviable. 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. Loss of Indian market for exports of cement. Increasing competition and capacity building of local production in our export markets. Assessment: Likelihood: Low Impact: Medium	Financial Capital Strategic Objective: Growing international market share	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 Strategic Objective: Efficiency	External	The Company is installing solar power project to reduce its reliance on expensive fossil fuel. 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.

Type of Risks	Area of Impact	Source of Risk	Mitigating Action
Technology Obsolescence Technological shift rendering the Company's production process inefficient Assessment: Likelihood: Medium Impact: Medium	Intellectual/ Manufactured Capital Strategic Objective: Efficiency	External	The Company has regularly upgraded its manufacturing facilities by installing new and more efficient production lines at both of its plants. Major investments, such as addition of Vertical Grinding Mills are regularly made to continuously improve product quality and process efficiency. With S/4 HANA in its repertoire, the Company has been able to improve its business processes and strengthen the control environment.
Maintenance Risk Possibility of production loss due to capacity or breakdown factor. Assessment: Likelihood: Low Impact: Medium	Manufactured Capital Strategic Objective: Efficiency	Internal	Effective technical monitoring programs with regards to preventive maintenance are in place to ensure maximum plant efficiency and capacity utilization.
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 Strategic Objective: HR Excellence	Internal	Efforts are made to ensure growth and well-being of employees. 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 Strategic Objective: Efficiency	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 Strategic Objective: Efficiency	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 Increase in interest rates impact the costs of borrowing. Interest rates fluctuation also affect value of interest-bearing assets. Assessment: Likelihood: Medium Impact: Low	Financial Capital Strategic Objective: Efficiency	External	Company meets its working capital requirements from internally generated cash flows and obtains financing only at subsidized rates. 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 Strategic Objective: Efficiency	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.

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 Strategic Objective: Efficiency	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.

Type of Risks	Area of Impact	Source of Risk	Mitigating Action
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 Strategic Objective: Sustainable Development	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 renewable energy project, 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 Strategic Objective: Efficiency	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 efficiencies and lower costs. This will result not only in attracting and retaining new customers but will also increase value for stakeholders.	Manufactured Capital Strategic Objective: Efficiency	The installation of new production lines, state-of-the-art vertical cement mills, renewable energy project, 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 Strategic Objective: Growing local and international market share	The growing urbanization, launch of China–Pakistan Economic Corridor initiative, construction of special economic zones and Government's initiative to build multipurpose water reservoirs / dams 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 Strategic Objective: Efficiency	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 Strategic Objective: HR Excellence	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 including 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 objective.

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:

- Started installation of solar power project, which will provide clean energy, reduce country's reliance on imported fossil fuel and reduce energy costs for the Company.
- Identified alternate sources of coal to mitigate the impact of rising international prices of coal
- Kept the IT function proactive from an innovation perspective, providing ideas to the business.

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 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.

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 15.47 billion was generated from operations of the Company which was mainly allocated towards capital expenditure amounting to PKR 24.59 billion, long term investments of PKR 4.4 billion, and payment of income tax amounting to PKR 2.39 billion. The available surplus liquidity is being effectively channelized into planned investment projects to further enhance shareholder value.

CAPITAL STRUCTURE AND ASSESSMENT OF ITS ADEQUACY

The Company's ability of generating sufficient liquidity is its biggest strength. 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 long-term or short-term financing available at subsidized rates (under Islamic mode) as part of any scheme announced by the Government or central bank. This provides the management with flexibility to fund business expansion, invest in cost saving initiatives and diversified businesses. 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.

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; the company faces no risk of default in payment of any obligation, as it has sufficient capacity of generating cash flows.

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.

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, 2022 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 05, 2022

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.

BOARD'S FUNCTION AND DECISION MAKING

The function of the Board as stewards on behalf of shareholders is governance of the Company. The Board performs its duties by giving guidelines to the management, setting performance targets and monitoring their achievements.

The primary role of the Board of Directors of the Company is to enhance shareholder value. The Board of Lucky Cement is concerned with Strategic matters and overseeing the business of the Company in light of emerging risks and opportunities, on a regular basis. The Board of Lucky Cement is also involved in establishing and reviewing the strategies, yearly targets and financial objectives of the Company.

Topic	2022 Activities	2023 Priorities
Strategy	Reviewed the macro-economic environment of the country from time to time and approved various changes to Company's strategies. Reviewed the Company's revenue growth management and route-to-market strategies. Throughout the year reviewed the investments in subsidiaries and joint ventures. Provided guidance towards the way forward in times of global commodity crisis and local political instability.	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. Review further renewable energy projects and avenues for Company's investments.
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.	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. Periodic review of Company's HSE practices. 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 programs to ensure efficiency improvements and improved customers' satisfaction. Monitoring of the effectiveness of the Company's production processes.
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, 2022, 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.

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.

EXTERNAL OVERSIGHT OF FUNCTIONS

Lucky Cement ensures the efficiency, effectiveness and credibility of all its functions by regular monitoring, making benchmarks and assessing the goals assigned to respective functions. Following is the summary of measures taken to attain the benchmarks through oversight:

- All our processes and functions are subject to review by the Internal Audit function;
- The Manufacturing processes are reviewed on the basis and guidelines of International industry best practices, industry norms and standards setting authorities, e.g. NEQS etc.;
- The Information Systems and network security are periodically reviewed by internal and external Information Systems auditors;; and
- Bulk material surveys are conducted by third parties to ensure completeness and accuracy of coal and other bulk materials' inventory.

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).

DISCLOSURE OF RELATED PARTY TRANSACTIONS

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. The Company undertakes sale of cement transactions on the same basis and terms as with other unrelated persons.

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 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, 2022, 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, 2022 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.

POLICY FOR GOVERNANCE OF RISK AND INTERNAL CONTROLS

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.

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.

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.

DISCLOSURE OF DIRECTOR'S INTEREST IN SIGNIFICANT CONTRACTS / 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.

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.

RETENTION OF BOARD FEE BY THE EXECUTIVE DIRECTOR AGAINST SERVICES RENDERED AS NON-EXECUTIVE DIRECTOR IN OTHER COMPANIES

The non-executive directors are authorized to retain board fee earned by them against provision of their services as non-executive directors in other companies.

FOREIGN DIRECTORS

The Company does not have any foreign directors on the Board and therefore the need for security clearance never arose.

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.

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.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY

Lucky Cement has formulated an efficient policy for Social and Environmental 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. 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.

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, CO2, 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;

- Clean Energy 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.

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.

COMMUNICATION WITH STAKEHOLDERS

Lucky Cement is fully committed to developing effective working relationships with all our stakeholders. Throughout all its business dealings, Lucky Cement has provided stakeholders with opportunities to provide meaningful input into management decision-making. 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's 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.

Frequency of communication with stakeholders 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.

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 Exchange, as and when required, 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.

EMPLOYEE HEALTH AND SAFETY POLICY

Lucky Cement has very high regard for the health and safety of its employees. The Company ensures that all HSE related dimensions are considered when developing its strategies, policies, practices and procedures. The key elements of Health and Safety policy are as follows:

- To take all necessary steps to ensure that operational practices comply with the stipulated procedures as well as with national and international regulations, guidelines and standards.
- Provide effective Quality, Health, Safety and Environmental training to all employees, drivers and sub-contractors, which will enable them to produce quality products, eliminate personnel injury, reduce environmental risks and to protect assets of the plant. Training shall be provided with the goal to prevent, prepare and respond to emergencies in a timely and effective manner to ensure zero or minimal impacts on Health, Safety and environment from our activities.
- Necessary Health and Safety induction shall be given and all the staff shall be required to wear / use personal protective equipment.
- All procurement of goods and services shall be made with a view to minimize impact on the environment and ensure personnel safety.
- To prevent accidents and cases of work-related injury / health hazards, the HSE function will manage the health and safety risks in the workplace by undertaking a risk assessment and bridging the identified gaps.
- A periodic review of Health, Safety & Environment shall be conducted for routine and non-routine jobs at all site / functions of LCL.
- Health and Safety related procedures / work-instructions shall be developed and awareness shall be imparted to employees. Key safety related work instructions shall be displayed prominently at production sites, workshops and other locations where employees work, in the form of posters in Urdu and English languages together with relevant pictorials.
- Appropriate record of all work related instances of injuries and near-miss incidents shall be maintained.
- Periodically conduct HSE internal and external auditing to continually improve operating systems.

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. The policy also supports the objective of holding 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 and maintain digital back-up of all the relevant Legal, Administrative, Operational and other documents, intellectual property and records.
- 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 Corporate 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

PROVIDING REASONABLE OPPORTUNITY TO THE SHAREHOLDERS FOR PARTICIPATION IN THE AGM.

The Company encourages shareholders, especially minority shareholders to participate in the AGM, the date of which is announced well before statutory time through stock exchange and publication in newspapers.

The Company also encourages its shareholders and different analysts to attend its quarterly analyst briefing sessions, the dates of which are announced through the stock exchange.

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;
- 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; and
- Ensuring compatibility, integration and avoidance of redundancy .

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 Board has ensured that 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) and identification of critical persons for disaster recovery. It has also ensured that the disaster recovery plan is regularly tested to ensure the readiness of the IT systems in case of any disaster.

DISCLOSURE OF BENEFICIAL OWNERSHIP

No natural person, directly or indirectly holds more than 25% of LCL's shares.

Details of Company's shareholders is disclosed in the pattern of shareholding in this Report. Flowchart of group shareholding and relationship with subsidiary companies is available in the 'Company and its Investments' section of this Report.

COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

Living up to its standard, the Board of Directors has throughout the financial year 2021-22, 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.

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.

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.

SHARES HELD BY SPONSORS / DIRECTORS / EXECUTIVES

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

SALIENT FEATURES OF TOR AND ATTENDANCE IN MEETINGS OF THE BOARD COMMITTEES

The salient features of TORs and details of attendance in the meetings of Board Committees are disclosed in the Directors report, included in this Annual 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	Date of Authorization
First Quarterly Financial Statements	October 27, 2021	Within one month
Half-yearly Financial Statements	January 28, 2022	Within one month
Third Quarterly Financial Statements	April 27, 2022	Within one month
Annual Financial Statements	August 5, 2022	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, 2022

بسم الله الرحمن الرحيم

نحمده ونصلى على رسوله الكريم

We have conducted the Shari'ah review of Lucky Cement Limited (LCL) for the year ended on June 30, 2022, 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;

The Company has obtained loan under conventional mode of financing amounting to PKR 8.03 billion under the Temporary Economic Refinance Facility (TERF), Long-term Financing Facility (LTFF) and Renewable Energy Scheme of the State Bank of Pakistan due to non-availability of the facilities under their respective Islamic modes. We recommend that the Company should seek to convert these conventional financing facilities to Islamic mode of financing when such Islamic facilities are available.

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
Date: August 1, 2022

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

PRESENCE OF CHAIRMAN OF THE AUIDT COMMITTEE AT THE AGM

The Chairman of the Board's Audit Committee was available at the AGM held on September 28, 2021 to response to any query regarding the matters pertaining to the Audit Committee.

BOARD'S DISCLOSURE ON COMPANY'S USE OF ENTERPRISE RESOURCE PLANNING (ERP) SOFTWARE

Design and Integration of Core Business Processes in a Single System

SAP is the world leading ERP software that provides integrated business modules to capture day-to-day business transactions. Lucky Cement uses SAP to hold business transactions and for financial reporting. It consists of several modules, including Financial Accounting (FI), Controlling (CO), Asset Accounting (AA), Sales & Distribution (SD), Material Management (MM), Production Planning (PP), Quality Management (QM), Plant Maintenance (PM), Human Capital Management (HCM). All these modules are integrated with each other, which ensures data integrity and process controls. The close integration and central database ensure that information flows from one ERP component to another without the need of redundant data entry. For Lucky Cement SAP ERP system provides the automation, integration, and intelligence that is essential to efficiently run all day-to-day business operations. Most of the organization's data reside in the SAP system to provide a single source of truth across the business.

Management's support in continuous updation of ERP

IT Steering committee oversee the entire process of keeping the organization up to date in terms of technology use and its updates. It is responsible to introduce new initiatives in the organization that can bring improvements in processes and increase efficiency with enhanced controls for effective business management.

The company uses standard application lifecycle management process to adapt and implement new and enhanced business process and technical scenarios holistically and effectively manage the upgrade and update project end-to-end. Steering committee oversee the entire process chain and ensure that the business process owners consider the risk involving in process upgradation or to carry on without enhancing business module. Decision is vital not only for ERP system but also for business activities because every such technology decision impacts business activities. In Lucky Cement, management decides the level of collaboration with SAP and other technological systems to bring efficiency in daily operations and control improvements.

SAP User Trainings

Lucky Cement has two manufacturing facilities and various other locations. Every year a training program is executed where users are provided a refresher of all modules on all locations to effectively use the systems being used. In addition department can also request for training of any specific module for their new hires and existing team members.

Management of Control Risk Factors On ERP Projects

A proper study covering all the aspects of ERP project is defined prior to commencing the implementation. A detailed 'to be' document is prepared which covers all the aspects of change that is expected from the project including the associated risks. It also covers the entire process map, which has a complete buy-in of all the business functions covering the holistic view of the change.

The processes are tested extensively prior to finalizing to ensure it has catered for all the requirements and have all the controls needed to achieve effective business results.

Change management and risk management is the key focus of any ERP project. Lucky Cement ensures that the process of change management is focused from the start of the project. Awareness sessions for the process owners and management impacted by the project are conducted. Process owners are made part of the project team to ensure their participation and ownership. An extensive training program for the process owners, users and management is conducted prior to the project is concluded.

All these actions are taken to ensure smooth and trouble free ERP project implementation.

System Security and access controls

Governance Risk and Control (GRC) function has been established by the company. Prior to granting access to the system, GRC ensures that conflicting duties are not assigned. Further, there is an annual process of access rights review, during which process owners ensure that rights assigned to users commensurate with their job responsibilities. Furthermore, for all the sensitive transactions, workflows are also implemented in the ERP, which enables the 4-eye principle.

EXTERNAL SEARCH CONSULTANCY FOR APPOINTMENT OF ANY DIRECTOR

No external search consultancy was used for appointment of any director on the Board.

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 previous 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 had 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. Moreover, the recent imposition of super tax on cement industry (for FY 2022: @ 10% and FY 23: @ 4%) will put pressure on the margins of cement industry and will burden the already compliant sector.

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. Masood Karim Shaikh, is an Independent Director. The committee as a whole possess significant economic, financial and business acumen. During the year, six 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, 2022 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, 2022, 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. During the year, three whistles were blown, which were reported to the Audit Committee.

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 2022

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 2022 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 of the standalone and consolidated financial statements, the "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" and External Shariah Audit of the Company for the year ended June 30, 2022 and shall retire on the conclusion of the 29th Annual General Meeting.

24. 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. The external auditors M/s. A.F. Ferguson & Co, Chartered Accountants were allowed direct access to the Audit Committee.

25. Appointment of external auditors and fixing of their audit fee was reviewed and the Audit Committee following this review recommended to the Board of Directors re-appointment of M/s. A.F. Ferguson & Co., Chartered Accountants, as external auditors for the year ending June 30, 2023. Being one of the Big Four Audit firms, the Audit Committee is satisfied with the integrity, objectivity and effectiveness of the services provided by the firm.

26. The external auditors M/s. A.F. Ferguson & Co, Chartered Accountants have been the auditors of the Company since 2017. The tenure of current engagement partner is 4 years.

27. The Company also obtains taxation related services from M/s. A.F. Ferguson & Co, Chartered Accountants as it is one of the reputed firm in provision of said services and has sound professional policies and procedure to ensure independence.

28. 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.

Karim

MASOOD KARIM SHAIKH

Chairman Audit Committee

Karachi: August 5, 2022

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019
Lucky Cement Limited
For the year ended June 30, 2022

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:

Masood Karim Shaikh

Khawaja Iqbal Hassan

Non-Executive Directors:

Muhammad Yunus Tabba

Muhammad Sohail Tabba

Jawed Yunus Tabba

Executive Director:

Muhammad Ali Tabba

Female Director:

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. Chief Executive Officer and Chief Financial Officer duly endorsed the financial statements before approval of the Board;

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

a. Audit Committee

i.	Masood Karim Shaikh – Chairman
ii.	Muhammad Sohail Tabba
iii.	Jawed Yunus Tabba
iv.	Mariam Tabba Khan
v.	Khawaja Iqbal Hassan

b. HR and Remuneration Committee

i.	Khawaja Iqbal Hassan – Chairman
ii.	Muhammad Ali Tabba
iii.	Muhammad Sohail Tabba
iv.	Jawed Yunus Tabba
v.	Mariam Tabba Khan
vi.	Masood Karim Shaikh

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: Six meetings during the financial year ended June 30, 2022

    (b) HR and Remuneration Committee: One meeting during the financial year ended June 30, 2022

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 ALI TABBA

Chief Executive / Director

Karachi: August 5, 2022

Directors' Report

Report of the Directors for the year ended June 30, 2022

The Directors are pleased to present their report, together with the audited financial statements, both on an unconsolidated and a consolidated basis of the Company, for the year ended June 30, 2022.

The Directors' Report has been prepared in accordance with the section 227 of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 and will be submitted to the shareholders at the twenty-ninth Annual General Meeting of the Company to be held on September 28, 2022.

OVERVIEW OF ECONOMY AND CONSOLIDATED FINANCIAL PERFORMANCE

Post-pandemic recovery of the global and local economies, instability in international commodity prices continued to pose challenges for the businesses during the year. The ongoing Russia-Ukraine conflict has further aggravated this volatility, causing a commodity price super cycle, resulting in higher energy prices.

The volatility in global markets has had a direct impact on Pakistan's Current Account Deficit which rose to $17.4 billion in FY 22 vs $2.8 billion in FY 21. On the domestic level, the ongoing political instability has deteriorated the economic position of the Country, and the resumption of foreign exchange inflows from the IMF program has faced serious delays. This combination of an uncertain political environment and high international fuel and commodity prices exerted immense pressure on foreign exchange reserves resulting in a significant depreciation of the Pak Rupee against the US Dollar which in turn contributed to high inflation. To control consumption, the State Bank of Pakistan increased the policy rate by 8% since September 2021, along with various measures to curb imports. Rising interest rates coupled with higher inflation have severely affected the purchasing power which will continue to impact the demand of Company and its subsidiaries' products.

On a **consolidated basis**, your company achieved 60.0% higher net turnover of PKR 331.5 billion as compared to last year's turnover of PKR 207.2 billion. The exceptional growth in revenue, despite economic challenges mentioned above, is owing to robust performance across all businesses of the group and is an affirmation of the successful execution of the Group's diversification strategy.

The **consolidated** net profit of the Company is PKR 36.4 billion out of which PKR 29.5 billion is attributable to the owners of the holding company, compared to PKR 28.2 billion and PKR 22.9 billion, respectively for the prior year. This translates into an EPS of PKR 91.22 during the fiscal year ended June 30, 2022 as compared to PKR 70.69 during last year, representing a growth of 29.0%.

The **consolidated** financial performance of your Company for the year ended June 30, 2022 as compared to last year is as follows:

PKR in millions except EPS	2021-22	2020-21	Change (%)
Gross Revenue	402,158	267,725	50.2%
Net Revenue	331,462	207,159	60.0%
Gross Profit	63,171	47,545	32.9%
GP as a percentage of net revenue	19.1%	23.0%	-17.0%
Operating Profit	45,586	32,014	42.4%
EBITDA	57,322	40,918	40.1%
Net Profit	36,423	28,229	29.0%
NP (Attributable to Owners' of the holding company)	29,497	22,858	29.0%
Earnings per Share (PKR)	91.22	70.69	29.0%

Local Cement Operations

During the year under review, Company's overall gross sales revenue increased by 22.9% as compared to last year. Despite the reduction in volumes in both domestic and export sales, the profitability of the local cement operations improved marginally because of enhanced operational efficiencies, including better management of sales and distribution costs, which decreased as a percentage of sales. Moreover, the technical fee of PKR 1.8 billion earned from foreign cement operations i.e. NYA Congo coupled with higher financial income on short term investments further improved the bottom line of the Company.

Foreign Cement Operations

The cement production facilities in Iraq and Congo, which are under joint venture agreements, continued to contribute favorably to the profitability of the Group.

Polyester, Soda Ash and Chemicals

The net turnover of Company's subsidiary, ICI Pakistan Limited increased by 39% as compared to last year, owing to exceptional performance across all of its businesses. ICI's Polyester, Soda Ash, Agri Sciences, Pharmaceutical and Chemicals segments were able to secure high double-digit growth in operating results. This was on the back of enhanced volumes, better sales mix and successful launch of new products. During the year, ICI also acquired 11% stake in NutriCo Pakistan (Private) Limited (NutriCo Pakistan). This acquisition resulted in a one-off unrealized gain on acquisition of controlling shares in NutriCo Pakistan amounting to PKR 1.8 billion.

Power

During the year, your Company achieved a major milestone when its wholly owned subsidiary, Lucky Electric Power Company Limited (LEPCL), achieved the Commercial Operations Date (COD) on March 21, 2022 of the 660 MW coal-fired power plant set up at Port Bin Qasim, Karachi. This milestone will play a key role in increasing the energy security and prosperity of Pakistan. It will also go on to reduce the cost of electricity and reliance on imported fuel in the long run after the completion of Phase III of SECMC in June 2023. The power generated from the plant is being fed into the national grid in line with a power purchase agreement signed with the Government.

Automobiles and Mobile Phones

Lucky Motor Corporation (LMC) continued with its impressive run and further strengthened its market position by adding exciting new products, such as Kia Stonic and Peugeot 2008, to its product line-up. LMC, in another major development, started assembling Samsung mobile phones in Pakistan in December, 2021. LMC's share in group profitability was mainly impacted by continued volatility in the auto sector including exchange rate, changes in SBP prudential regulations for consumer financing and increasing interest rate scenario along with high inflation.

CEMENT INDUSTRY AND COMPANY'S PERFORMANCE – UNCONSOLIDATED

The cement industry in Pakistan declined by 7.9% to reach 52.9 million tons during the year ended June 30, 2022 in comparison to 57.5 million tons last year. The local sales volume remained flat with minor decline of 1.0% to reach 47.6 million tons during the year under review versus 48.1 million tons during last year. Export sales volume declined substantially by 43.6% to 5.3 million tons during the year compared to 9.3 million tons during last year.

The decline in exports was mainly due to non-viability in terms of pricing on the back of persistent high coal prices in the international market coupled with increased shipping freights. The local cement manufacturers switched to cheaper alternatives such as Afghan, Irani as well as locally available coal, however the continuous increase in their prices along with high transportation costs due to sharp increase in diesel prices negatively impacted cement as well as clinker exports.

In comparison to the Cement Industry, your **Company's** overall sales volumes declined by 8.9% to reach 9.1 million tons during the year ended June 30, 2022 in comparison to 10.0 million tons last year. Local sales volume dropped by 3.6% to reach 7.3 million tons in the current year compared to 7.6 million tons last year. The drop in Company's sales volume was marginally higher than the industry, due to some idle cement plants which were made operational in the current year. Furthermore, the Company's export sales volume shrinked to 1.8 million tons in the current year as compared to 2.4 million tons during last year, owing to the reasons explained above.

Cement Production & Sales Volume Performance

The unconsolidated production and sales statistics of your Company for the year ended June 30, 2022, compared to last year are as follows:

Particulars Tons in '000'	Fiscal Year 2021-22	Fiscal Year 2020-21	Growth/ (Decline)
Clinker Production	8,794	9,044	(2.8%)
Cement Production	8,284	9,119	(9.2%)
Clinker Sales	816	840	(2.9%)
Cement Sale	8,264	9,124	(9.4%)

A comparison of the **Pakistan's Cement Industry** and your **Company's dispatches** for the fiscal year ended 2021-22 in comparison with last year is presented below:

Particulars Tons in '000'	Fiscal Year 2021-22	Fiscal Year 2020-21	Growth / (Decline) %	
Cement Industry*				
Local Sales	47,643	48,132	(489)	(1.0%)
Export Sales				
- Bagged	2,065	4,244	(2,179)	(51.3%)
- Loose	415	449	(34)	(7.6%)
- Clinker	2,772	4,621	(1,849)	(40.0%)
Total Exports	5,252	9,314	(4,062)	(43.6%)
Grand Total	**52,895**	**57,446**	**(4,551)**	**(7.9%)**
Lucky Cement Limited				
Local Sales				
- Cement	7,263	7,558	(295)	(3.9%)
- Clinker	25	-	25	0.0%
Total Local Sales	7,288	7,558	(270)	(3.6%)
Export Sales				
- Bagged	586	1,117	(531)	(47.5%)
- Loose	415	449	(34)	(7.6%)
- Clinker	791	840	(49)	(5.8%)
Total Exports	1,792	2,406	(614)	(25.5%)
Grand Total	**9,080**	**9,964**	**(884)**	**(8.9%)**

Market Share	Fiscal Year 2021-22	Fiscal Year 2020-21	Growth/ (Decline)%
Local Sales	15.3%	15.7%	(2.6%)
Export Sales			
- Bagged	28.4%	26.3%	7.8%
- Loose	100.0%	100.0%	0.0%
- Clinker	28.5%	18.2%	57.0%
Total Export	34.1%	25.8%	32.1%
Grand Total	**17.2%**	**17.3%**	**(1.0%)**

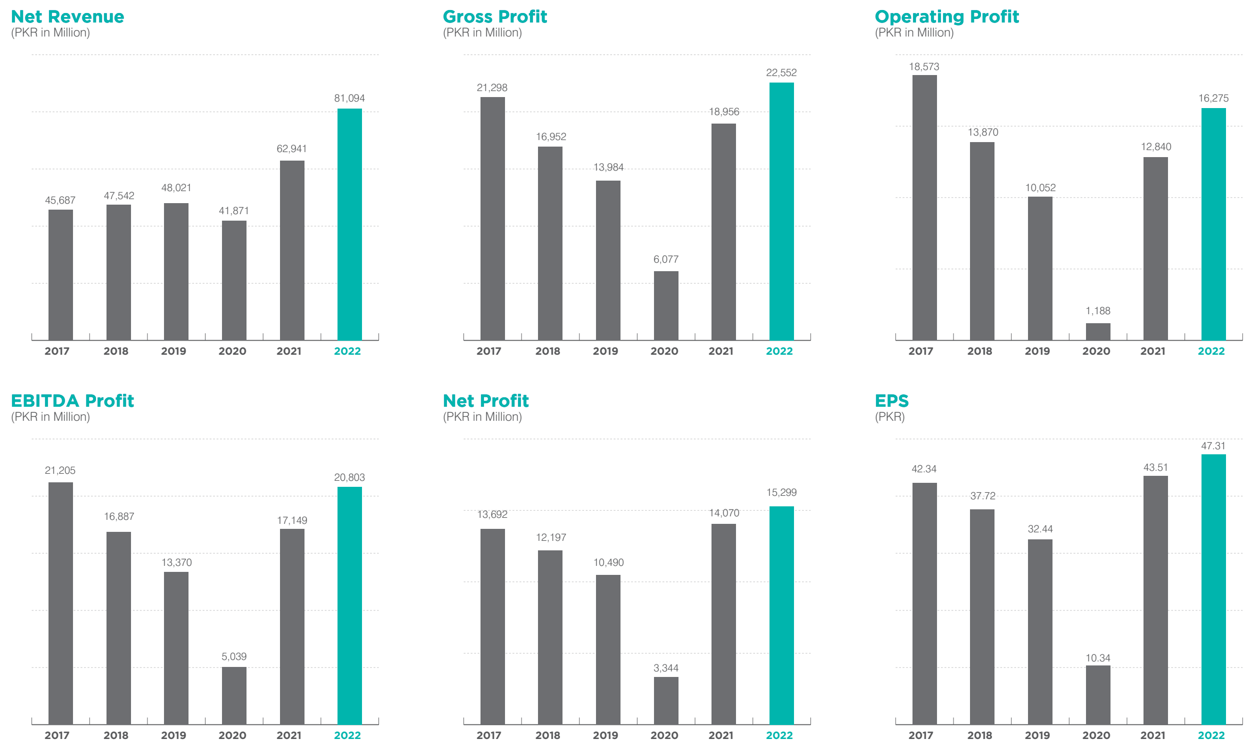
* Industry data is based on best available market estimate

Financial Performance - Unconsolidated

The unconsolidated financial performance of your Company for the fiscal year ended June 30, 2022 as compared to last year is presented below:

PKR million except EPS	2021-22	2020-21	Change (%)
Gross Revenue	108,601	88,358	22.9%
Net Revenue	81,094	62,941	28.8%
Gross Profit	22,552	18,956	19.0%
GP as % of Net Revenue	27.8%	30.1%	(7.7%)
Operating Profit	16,275	12,840	26.8%
EBITDA	20,803	17,149	21.3%
Net Profit	15,299	14,070	8.7%
Earnings Per Share (PKR)	47.31	43.51	8.7%

SIX YEAR'S FINANCIAL PERFORMANCE:



Revenue

During the year under review, your Company's overall gross sales revenue increased by 22.9% as compared to last year. Although the local sales volumes declined by 3.6%, the sales revenue showed an increase of 28.7% (PKR 95.9 billion vs PKR 74.5 billion), mainly due to higher cement prices owing to increased cost of inputs.

Likewise, while the export volumes declined by 25.5%, the export gross sales revenue only showed a decline of 8.3% (PKR 12.7 billion vs PKR 13.9 billion) due to higher sale prices as well as exchange rates.

Cost of Sales

During the fiscal year 2021-22 under review, the per ton cost of sales of your Company increased by 46.1% as compared to last year. Such increase is primarily attributable to a continuous rise in coal prices as well as other input costs including furnace oil and other petroleum products, mainly due to the on-going conflict between Russia and Ukraine. The continuous devaluation of PKR was another major contributing factor.

Gross Profit

The gross profit margin of your Company for the current year came to 27.8% compared to 30.1% reported last year. This was due to a significant increase in the cost of sales, as explained above.

Dividend Income

During the year ended 30 June 2022, the dividend income received by your Company was PKR 3.5 billion (2021: 4.4 billion). ICI's higher dividend is attributable to better performance across its business segments whereas LMC's dividend was impacted by the decline in profitability and increased working capital requirements.

Subsidiary/ Associate PKR Billion	FY 2021-22	FY 2020-21	FY 2019-20
ICI	2.0	1.3	0.8
LHL	0.3	0.2	0.4
LMC	1.1	2.9	–
YEL	0.2	0.1	0.1
Total	3.5	4.4	1.3

Net Profit

Your Company achieved a profit before tax of PKR 21.4 billion during the fiscal year under review as compared to PKR 17.0 billion reported last year.

The above amount includes PKR 1.8 billion recorded as a fee for the provision of technical services to Nyumba Ya Akiba during the year, which is the Company's joint venture entity in the Democratic Republic of Congo.

Accordingly, an after-tax profit of PKR 15.3 billion was achieved during the fiscal year under review as compared to PKR 14.1 billion reported last year.

Earnings Per Share

The earnings per share of your Company for the year ended June 30, 2022, was PKR 47.31 in comparison to PKR 43.51 reported last year.

Growth and Expansion

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

In line with the Company's growth strategy, the Board of Directors on January 29, 2021, approved a 3.15 million tons per annum, brownfield expansion project at Pezu Plant. The expansion project is progressing as per schedule and the project remains on target to achieve its completion by December 2022.

After completion of this project, the cement production capacity of your Company in Pakistan will reach 15.3 million tons per annum.

Renewable Energy initiatives at both Plant Sites

A recent testament of your Company's commitment to energy conservation and promotion of green energy resources was the announcement of a 34 MW captive solar power project with a 5.589 MWh Reflex energy storage being installed at Pezu plant in Khyber Pakhtunkhwa. The project is expected to be operational by Q2-FY23 and will not only help in overcoming the impact of the looming energy crisis in the Country but will also lead to increased sustainability in operations of the Company.

A feasibility study for a renewable energy project for the Karachi Plant is also underway and will be announced once it is finalized.

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 global food and energy crisis, increasing foreign exchange rates, soaring inflation and political instability , the Company has continued with its expansion and diversification strategy which includes capital expenditure on brownfield expansion of 3.15 MT and installation of solar power project in Pezu plant, KPK province.

Keeping in view the above, the Directors have not proposed any dividend for the year ended June 30, 2022.

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	15,340,066
Appropriations	
Proposed transfer to General Reserves	15,340,066
Basic and diluted earnings per share – PKR	**47.31**

CONTRIBUTION TO THE NATIONAL EXCHEQUER

On an unconsolidated basis, your company contributed PKR 31.5 billion (2021: PKR 27.3 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 71.36 million was generated by your Company for the Country from the export of cement during the year under review.

HEALTH, SAFETY AND ENVIRONMENT

A strong focus on HSE lies at the core of all Lucky Cement's operations. By rigorously following the laid down HSE guidelines, Lucky Cement is committed to provide a safe working environment for all its employees and stakeholders engaged in its business operations. Adherence to the highest health and safety standards is maintained for the Company's on-premises stakeholders and the communities in which it operates.

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.

Zero Loss Work Day Injury

During the outgoing year, lost work day injuries were reduced by 75% in comparison to last year and were maintained within the acceptable level. It was achieved by strong HSE follow-ups, audits, safety talks, continual risk assessment and elimination of potential Hazards. Compliance of HSE policies & SOPs played a vital role in safety practices.

Compliance with NEQ Standards

To ensure regulatory compliances, environmental testing is performed regularly from EPA approved laboratory. The Company's facilities are positioned almost 74% less than the permissible limit of NEQ standards due to use of advanced technology, timely maintenance and use of WHR plants.

Waste Heat Recovery (WHR) Plants

Your Company also strives to save the environment by recycling exhaust heat from production process to generate electricity through WHR (Waste Heat Recovery) process. Through use of these environment friendly technologies, the Company ensures sustainable maintenance of carbon emissions and utilization of excess heat from the production lines and power generators to generate electricity.

MANAGEMENT OBJECTIVES AND STRATEGIES

Over the years, your Company has navigated several economic headwinds and industry cycles to emerge stronger. It has built a strong foundation to propel its growth through fiscal discipline, cost leadership, and a robust distribution network. Your Company's geographical footprint reflects its high-quality product range aligned with customers' evolving preferences and industry macro trends. As the leading cement player, Lucky Cement focuses on achieving its goals and leverages technology by designing a strategic roadmap to reduce carbon footprints, enhance environmental measures, and identify supply chain synergies.

With an enduring perspective, the management is determined to adopt best governance practices and adherence to a true spirit. Your Company subscribes to equitable treatment of all its stakeholders, which has helped maintain their trust and appreciation. And it also cultivates an environment of employee engagement and considers employees the most valuable internal stakeholders.

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 annual targets and transparent measuring criteria to contribute to the organizational goal. We have streamlined and enhanced our human resource strategies and developed a structured management trainee program in partnership with the country's best educational institutions.

In addition, the management considers employees' health and safety protocols as a moral imperative to comply. Lucky Cement has continually promoted a healthy work environment and contributed to society during the pandemic.

Your Company's financial growth and market leadership reflect its strategic alignment.

CRITICAL PERFORMANCE INDICATORS

The management of your company has highlighted the following key performance measures and indicators to support the stated objectives. These are shared across the company at each level as "Lucky Cement Limited's 8 corporate goals" and they assist us in setting our strategic direction.

- Ensure sustainable & profitable growth in both domestic and export markets;
- Quality and Reliability of Product – Customer centric approach
- Improve corporate and brand image;
- Rationalize, attract, retain and develop Human Resources Talent;
- Strengthen Safety, Health & Environment culture;
- 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 objectives stated above with the intention of implementing these goals companywide in the form of KPIs for each department. The periodic Management Committee and project-related meetings held during the year involved reviewing and following up on these objectives.

PERFORMANCE OF FINANCIAL AND NON-FINANCIAL MEASURES

Sustainable and Profitable Growth

Market Share:

Despite the economic and political turmoil present in the outgoing year, your company successfully managed to maintain its market share of 17.2% in the financial year of 2021-22, thus maintaining its position as the market leader in the cement sector of Pakistan.

Low-Cost Producer:

Your company has maintained its low cost position in the financial year of 2021-22. The cost of production per ton still remains to be one of the lowest in the industry.

Sales Volume:

The sales volume reduced by 8.9% in FY21-22. This was mostly attributed to a 25.5% decline in the company's export sales volume, where rising freight and input costs, worsening of the economic situation in Sri Lanka, and political instability in Afghanistan, resulted in significantly lower exports than before. Meanwhile, the local sales saw a decline of only 1%.

Cost Reduction Initiatives:

The Company switched to other economical sources for coal supplies (mainly Afghan coal) due to rising prices from other international sources, used in the past. This resulted in a reduced impact of commodity super cycle on the Company. The Company has also initiated a renewable energy project for its plant in Pezu, KPK which will result in cheaper and sustainable energy.

CORPORATE AND BRAND IMAGE

During the year under review, the Company's practices and initiatives were continued to be recognized and appreciated by leading professional bodies. Following are some of the awards which the Company achieved during the outgoing financial year:

- Won the Management Association of Pakistan's Corporate Excellence Award in the Cement Sector category at the 36th MAP Annual Corporate Excellence Award Ceremony.
- Won the Best Corporate Report Award with the second position in the Cement category at the much anticipated "Best Corporate & Sustainability Report Awards 2020." The recognition was jointly announced by the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants of Pakistan (ICMAP).
- Won the Environment Excellence Award at the 18th Annual Environment Excellence Awards 2021, organized by The National Forum of Environment and Health (NFEH).
- Won four awards at the International Corporate Social Responsibility Award organized by The Professionals Network (TPN), at the 11th CSR Summit & Awards.
- Lucky Cement Limited being the platinum donor of LUMS National Outreach Program (NOP) was awarded a shield for its support and commitment towards education in Pakistan.

HUMAN RESOURCES

As we forge ahead into a challenging era and a new business environment, the role of human resources becomes all the more defining for the organization. We are committed to creating an empowering environment where employees are challenged to excel in their role and expand their knowledge base as well as their potential.

Lucky Cement firmly believes that a key driver of the Company's success is its talented employee pool. Since effective execution of business plans has a direct link to the quality of human resources, during the year under review, the Company continued its efforts to create a working environment where its people felt valued, nurtured, empowered, inspired and recognized in. Despite a challenging post-COVID-19 period, the Company's employees showcased resilience and emerged stronger than before to deliver enduring value for stakeholders.

For the last many years Lucky Cement is climbing radically on the ladder of growth. To stay in the lead, Lucky Cement has been expanding the competency level of its employees by upskilling and reskilling to ensure the achievement of sustainable growth. The Company takes various measures to utilize the talent in the best possible manner by positioning them where they own responsibility along with delivering value.

Organizational Culture

At Lucky Cement, continuous efforts are made to build a positive and inclusive working culture by staying true to the Company's core values and its Code of Conduct. 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 enables Lucky Cement to increase productivity, innovation, and strengthen its organizational culture, maintaining a focus on employee wellbeing, development, growth, and engagement.

Staying true to the Company's employee value proposition, continuous efforts were made to connect with employees through various engagement sessions that gave employees a chance to disconnect from work and network with one another.

Lucky Cement recognizes the importance of encouraging diversity within its workforce. It envisions developing a high-performing talent pool by capitalizing on its diversity, purposefully embracing inclusion, and empowering all employees to perform to their highest potential through the various initiatives and training sessions that were introduced during the year.

Our Talent

During times of rapid technological advancements, the challenge is to 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. Our passion for people drives us to harness their energies, cultivate and nurture their talent, manage their well-being and most importantly, create a learning environment conducive for development and growth.

During the year in review, the Company continued to refresh its talent pipeline by recruiting fresh graduates from leading local and international universities in the commercial, technical and management streams. As a result, 86 engineering and management trainees were recruited during the year and 93 experienced professionals joined the Company.

Capability

Learning and development remain a core commitment to helping Lucky Cement's people grow. Based on Competency Gap Assessment, we developed and executed training plan by organizing in-house trainings such as Leading with Excellence, High Productivity Skills and Exceeding Business Results along with other public programs for soft & hard skills. These trainings were developed by internal and external trainers equipped with some of the best localized and international training content covering different staff levels at all locations.

We also focused on the HSE trainings including Defensive Driving Skills, Fire Drills, Use of Fire Extinguisher as well as IT Security Awareness trainings given the recent rise in spamming and phishing scams in Pakistan.

Rewards, Recognition and Wellness

Lucky Cement has a sound system of performance management, where the fundamental goal is to develop a habit of continuous improvement and create interdepartmental synergies. The objective is to collectively align the performance of teams and individuals towards the organizational goals. The systems are designed to deliver transparency and fairness at all levels. High-performing individuals are recognized and rewarded, as well as career plans are tailor-made to equip them for handling further challenges.

The Company's Workplace Wellness Program continued during the year and was instrumental in providing avenues for ensuring the health and wellbeing of employees.

Succession Planning

The Company's succession planning efforts are directed towards identifying, training and developing high potential employees to replace critical positions in the organization especially in the upper management. This strategy incorporates a comprehensive competency matrix to identify the best talent available and to train them for important strategic positions in the future. The matrix helps in assessing employees' performance and potential for effective succession planning.

To ensure consistent flow in our leadership pipeline we offer the opportunity to enrich the job scope of our team by providing job rotation opportunities, cross-functional projects and international assignments thus creating a High Performance Work Culture.

FINANCIAL MANAGEMENT

The Company's unconsolidated balance sheet as on June 30, 2022, remains on a strong asset footing of PKR 184.9 Billion (2021: PKR 156.4 Billion), with a current ratio of 1.48 (2021: 1.34) and a quick ratio of 0.87 (2021: 0.89).

Cash Flow Strategy

Your Company has an efficient Cash Flow Management System in place that projects and monitors cash inflows and outflows on a regular basis. The working capital requirements are usually met through a combination of internal cash generation and short term bank borrowings. During the year under review, the allocation of cash flows was mainly attributed to capital expenditure totaling PKR 24.59 Billion, long term investments amounting to PKR 4.40 Billion, and income tax payment of around PKR 2.39 Billion.

Capital Structure and Financial Position

While your company mostly is equity financed, it still utilized the incentive offered by SBP through subsidized financing schemes (TERF/LTFF), to finance its long term financing requirements. Your company's biggest strength is its self-generated liquidity. This helps management in smoothly capitalizing further cost-saving ventures, and boosts stakeholders and vendor's confidence in doing business with the company. After a 13.9% increase, our reserves now equal PKR 125.31 billion. This appreciation is due to the improved cost saving strategies and profits of your company.

Financing Arrangements

Your company was able to derive benefits from availing SBP's Islamic Temporary Economic Refinance Facility (ITERF), by being able to finance its expansion plans at subsidized rates. The facility helped the company obtain PKR 7.05 Billion at subsidized rates, from various banks. Your company further availed Islamic Export Refinance facilities of around PKR 1 Billion (2021: PKR 7.05 billion) from various Islamic banks, to encourage phenomenal export growth. These Islamic financing facilities are secured by mainly collateralizing the company's Plant & Machinery, Stocks, Stores, and Spares.

Credit Rating

Your Company maintained the "investment grade" 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. While the short term credit rating of A-1+ assures that the company has adequate short term liquidity and is able to make timely payments, the medium to long term rating of AA+ symbolizes high credit quality and strong protection factors. High credit rating of your company attests to its high creditworthiness, thus evidencing the fact that your company has an efficient cash flow strategy in place to meet its financial obligations.

SEGMENTAL REVIEW AND 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 Power Company Limited and Lucky Motor Corporation 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:

Segment	Net Revenue Growth (%)	GP Margin (%) of Gross Revenue	OP Margin (%) of Gross Revenue	Segment Assets (PKR Bn.)	Segment Liabilities (PKR Bn.)
Cement	28.86	20.80	15.02	123.50	38.48
Polyester	50.94	10.54	9.13	15.97	17.91
Soda Ash	50.01	20.37	13.65	36.58	7.68
Pharma	13.71	22.94	9.55	7.48	5.34
Life Science & Chemicals	89.95	21.85	11.77	30.25	6.09
Automobile & Mobile Phone Assembling	55.94	9.04	6.87	63.88	29.39
Power Generation	100.00	22.03	21.49	184.13	14.45
Other	27.46	26.15	21.05	1.30	7.82

Note: LEPCL commenced its operations on March 21, 2022.

RISK MANAGEMENT

Effective risk management is pivotal to sustainable business growth. At Lucky Cement, the Board has the overall responsibility of overseeing the Company's risk management processes, which include risk management and internal control procedures. These processes, which are documented and regularly reviewed, are designed to safeguard assets and address possible risks to the Company, including the possible impact on business continuity. Any identified risk that could potentially affect the achievement of strategic, operational, financial and/or compliance objectives are promptly reported to the Board and senior management for timely action to ensure uninterrupted operations.

The Company maintains a clear organizational structure with a well-defined chain of authority. Senior management is responsible for implementing procedures, monitoring risks and assessing the effectiveness of various controls.

The Company continues to employ a robust Enterprise Risk Management (ERM) framework, which is integrated within the organization to ensure the proactive identification, evaluation and assessment of risks. All highlighted risks are prioritized according to their impact and likelihood and corrective actions are devised accordingly.

Risk management is an ongoing need and, therefore, this annual process includes interim updates on both the risks and remedial and/or corrective actions.

Strategic Risks

Your Company operates in a highly dynamic business environment that exposes it to different strategic risks and leverages emerging opportunities that significantly influence the achievement of its strategic objectives. The management focuses on aligning corporate strategies that adapt to changes in the market trends, strengthen the Company's market position and progressively expand its production or manufacturing capacities to address the growing needs of the construction industry. It is imperative to ensure optimum resource allocation, utilization, and availability of natural gas and alternatives to fossil fuels for generating power.

Continuous rise in prices of key inputs such as coal and other fuel with limited availability of natural resources leads to increased production costs, which are also constantly monitored and included in the risk register.

Moreover, your Company also mitigates the risk of economic challenges, macro-economic indicators and uncertainties, inconsistent/arbitrary government policy changes, unexpected regulatory regime changes, and technological changes.

Operational Risks

With the focus on operational efficiencies, the management monitors the operational risks and ensures adequate controls to minimize the potential impact of disruptive events in production and sales. Increasing logistics expenses and distribution costs are areas of concern for the Industry.

Raw material sourcing, adequate segregation of duties, implementation of cybersecurity controls, self-sufficiency in power generation at both the plants, and efficient supply chain and logistic operations both in-house and outsourced have enabled the Company to mitigate operational risk to an acceptable level.

Financial Risks

Coal and clinker exports and imports in USD protect your Company from foreign currency volatility and financial risks. Strict financial discipline, cash flow management and monitoring of foreign currency parity vs. PKR to identify suitable strategies contribute to lowering risks associated with internal and project-related investments.

With the objective of minimizing risks arising from uncertainty and volatility of foreign exchange fluctuations, interest rates, and high commodities prices, your Company has designed and implemented stringent policies to mitigate these risks. These policies are reviewed periodically and are continuously aligned with the best practices and regulations of the financial market.

Changing laws, rules, regulations, and standards relating to accounting, corporate governance, public disclosure, and listing regulations are strictly followed.

Compliance Risks

Any omission or failure to meet regulatory compliance may expose the Company to reputational risks. Changes in law and regulations may lead to result in disruptions. Due to appropriate and diligent adherence to all applicable rules and regulations, the Company's compliance risk is low. Professional law firms manage litigation risks involving serious litigation against the Company.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has been at the forefront in the development of society in general and the communities in which it operates.

Donation

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 Million

Details of Donations and Charity	2021-22	2020-21
Health Initiatives	210	203
Community welfare	143	74
Education Initiatives & Others	69	65
Total Amount Donated	422	342

Community Investment

Guided by its mission of improving lives, Lucky Cement makes sustained efforts in creating shared value across the communities where it operates. The Company continues to support sustainable socio-economic development through philanthropic investments in the areas of health, education, women's empowerment, skills development and community development.

The Company has continued partnership with The Hunar Foundation for the vocational training of youth of District Lakki Marwat, Pezu. This program aims to provide equitable opportunities for vocational training to capable and deserving students to empower them to find skilled jobs or start new businesses. During this year, a significant number of graduates were employed by your Company at its plants.

Environment Conservation

During the year, the Company reiterated its commitment towards conserving the environment and made efforts to move towards a greener and cleaner Pakistan by implementing environment friendly measures including increased tree-plantations at its manufacturing sites. In order to promote green energy and step towards eco-friendly power generation, your company is in the process of installation of 34 MW captive solar power project at the Pezu plant that would reduce reliance on non-renewable energy sources.

Education

The Company has been a staunch supporter of uplifting the quality of education in Pakistan and making such quality education accessible to all without any discrimination. During the year, your Company cemented its partnership with Shahid Afridi Foundation (SAF) by adopting a school in a less privileged area of Karachi.

Furthermore, the Company has supported Million Smiles Foundation (MSF) in their project of improving and enhancing the education structure at a primary school in Kundal Shahi, Neelum Valley, Azad Jammu Kashmir (AJK).

In addition, your Company in collaboration with The Citizen Foundation (TCF) is developing a full Primary and Secondary school for the children of PEZU and its surrounding areas. The school is set to be fully functional before the start of the new session in August 2022.

Scholarships

In order to provide financial assistance to deserving and bright students, the Company has collaborated with various prestigious institutes in Pakistan to fund the higher education of such students. The Company sustained its memorandum of understanding with Lahore University of Management Sciences (LUMS) for providing scholarships to 17 students selected through its National Outreach Program (NOP).

To empower the youth of Pakistan, Lucky Cement Limited has expanded its existing national scholarship program for the deserving and bright students of District Lakki Marwat. Under this initiative, the Company provides grants to students for funding their graduate and undergraduate programs. The provision of such scholarships and grants is a testament to your Company's objective to make education accessible and affordable for all.

Women Empowerment

Keeping in view the importance and impact of women empowerment in Pakistan, Lucky Cement in collaboration with Zindagi Trust continued support for two leading Government girls' schools in Karachi. With a primary focus on social intervention in the development of women education in the country, the Company has transformed these schools into model educational institutions for girls in Pakistan.

Health Initiatives

The provision of quality healthcare for society continues to remain your Company's priority, especially through the financial support of Aziz Tabba Foundation; a prominent philanthropic institution that is running Tabba Heart and Tabba Kidney institutes. These institutes are providing specialized and modern medical care in the Country and through donations paid by your Company, ensuring that medical case remains accessible and affordable 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.

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

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

* Mr. Manzoor Ahmed retired from the directorship during the year and in his place Mr. Khawaja Iqbal Hassan was appointed to fill the casual vacancy.

Training of the Board

The Company takes keen interest in the professional development of its Board members and has carried out necessary trainings 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.
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 attached with 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. As per the policy, Directors are paid an after-tax remuneration of PKR 75,000 for attending each meeting of the Board or its sub-committees.
- 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.

BOARD COMMITTEES AND MEETINGS

Audit Committee

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

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

* Mr. Manzoor Ahmed retired from the directorship during the year and in his place Mr. Khawaja Iqbal Hassan was appointed to fill the casual vacancy.

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.

CEO PERFORMANCE REVIEW

The Board of Directors of Lucky Cement regularly evaluates 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 have 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 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 and rule 5.19.11 of the PSX Rule Book as at June 30, 2022 is annexed to this report.

AUDITORS

The financial statements of the company for the current year 2021-22 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 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

We expect fiscal year 2023 to be challenging for Pakistan's economy, especially due to the high Current Account Deficit, which stood at $17.4 Billion for FY 2022 versus $2.8 Billion for FY 2021. The ongoing political instability has deteriorated the economic position of the Country and resumption of foreign exchange inflows from the IMF program has faced serious delays. The IMF staff level agreement has now been signed and as per Government statements majority of conditions have been met and it expects the program to resume post approval from the IMF Board towards end of August 2022. The resumption of the IMF program will not only reduce uncertainty but also open avenues for borrowing from other sources, which could help stabilize the foreign reserves and the domestic economic situation. Apart from this, certainty in the political landscape of the Country is needed so that long term and sustainable measures are taken for enhancing the exports and ultimately reducing the current account deficit of Pakistan.

Local Cement Operations

The commodity super cycle, which started last year post-pandemic, continues to persist. This has been further aggravated by the ongoing Russia-Ukraine conflict resulting in continuous volatility in commodity prices particularly coal, petroleum products and packaging material, which has significantly increased the cost of production for cement. A similar trend has been witnessed in other construction materials as well, mainly steel which has resulted in a hike in overall construction costs. On the local front, rising interest rates coupled with higher inflation have severely affected the purchasing power which will impact the cement demand in the short term.

Foreign Cement Operations

International cement operations are expected to show stable performance because of healthy demand, while margins may witness some pressure on account of high commodity prices.

Polyester, Soda Ash and Chemicals

Going forward, risks of a global and domestic slowdown in growth, inflationary pressures, high cost of borrowing, uncertainties in the domestic business environment, coupled with the ongoing monetary tightening measures pose a threat to business demand as well as profitability in the short to medium term. Nonetheless, ICI Pakistan Limited remains focused on minimizing the negative impacts of the same, serving its stakeholders by delivering enduring value; strengthening relationships with existing customers and suppliers whilst leveraging its diversified product portfolio to further its growth aspirations.

Power

LEPCL envisions being the premier energy producer from the private sector to provide economical, safe, and reliable power to the off-taker and deliver sustainable value to all stakeholders. It has set-up a 660 MW Supercritical Coal-Fired Power Plant (CFPP) at Bin Qasim, Karachi that in the long run will be fueled by Thar lignite coal. It is Pakistan's first indigenous fuel IPP outside Thar. The project is ushering 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 has been installed, which includes Flue Gas Desulphurization (FGD), Electrostatic Precipitators (ESP) along with associated environmentally friendly equipment.

Automobiles and Mobile Phones

To control the Current Account Deficit and curb import bills in USD, effective May 20, 2022, establishing LCs for the import of CKD kits for cars requires prior approval of the State Bank of Pakistan (SBP), which has created an administrative hindrance in managing the supply chain. Over and above this measure, the SBP has decided to allocate a limited foreign exchange quota to automobile assemblers based on the value of CKD kits imported from January 2022 to April 2022. This will result in reduced imports of CKD kits and in turn, reduced production and supply of cars in the market.

The outlook of the automobile market for the FY 2022-2023 looks challenging on the back of the administrative measure taken by the SBP as mentioned above along with a recently introduced measure of Capital Value Tax (CVT) on cars. This tax of 1% will be levied on cars with engine capacity exceeding 1300 CC, resulting in an increase in prices of the cars. Additionally, PKR devaluation against USD and the impact of increased freight on the import of CKD kits and spare parts will continue to keep upward pressure on the prices of cars.

The SKD mobile assembling operations will also be impacted due to SBP's ongoing restriction on establishing LCs.

LMC is concentrating on optimizing its operational cost while improving localization for sustainable and competitive operations and to be able to remain strong post-duty concessionary regime under Automotive Development Policy 2016-2021.

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

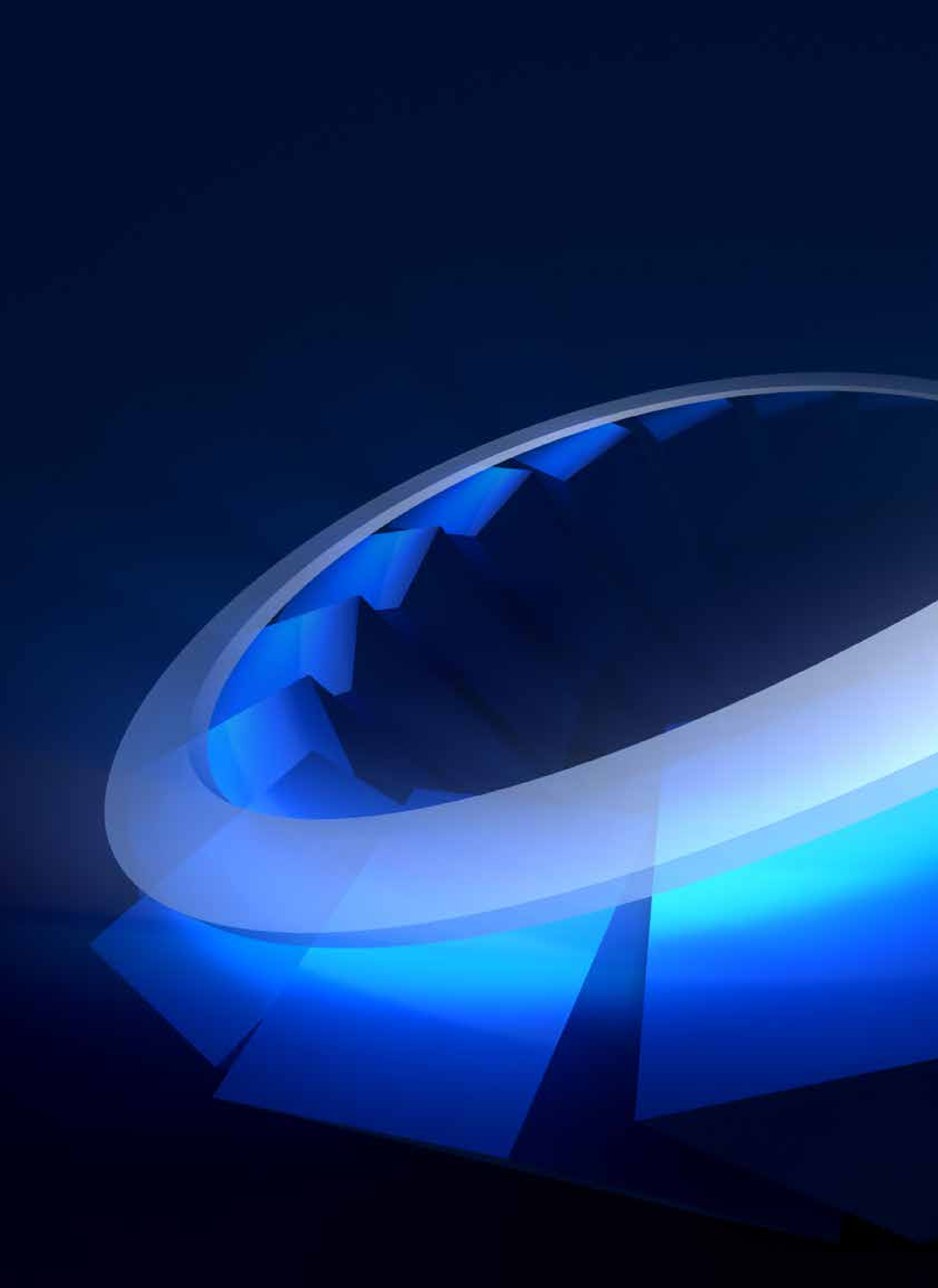
The Directors of your Company take pleasure in expressing their sincere gratitude and appreciation for the outstanding commitment and contribution of all the employees and the continued trust and reliance placed in the Company by all the stakeholders.

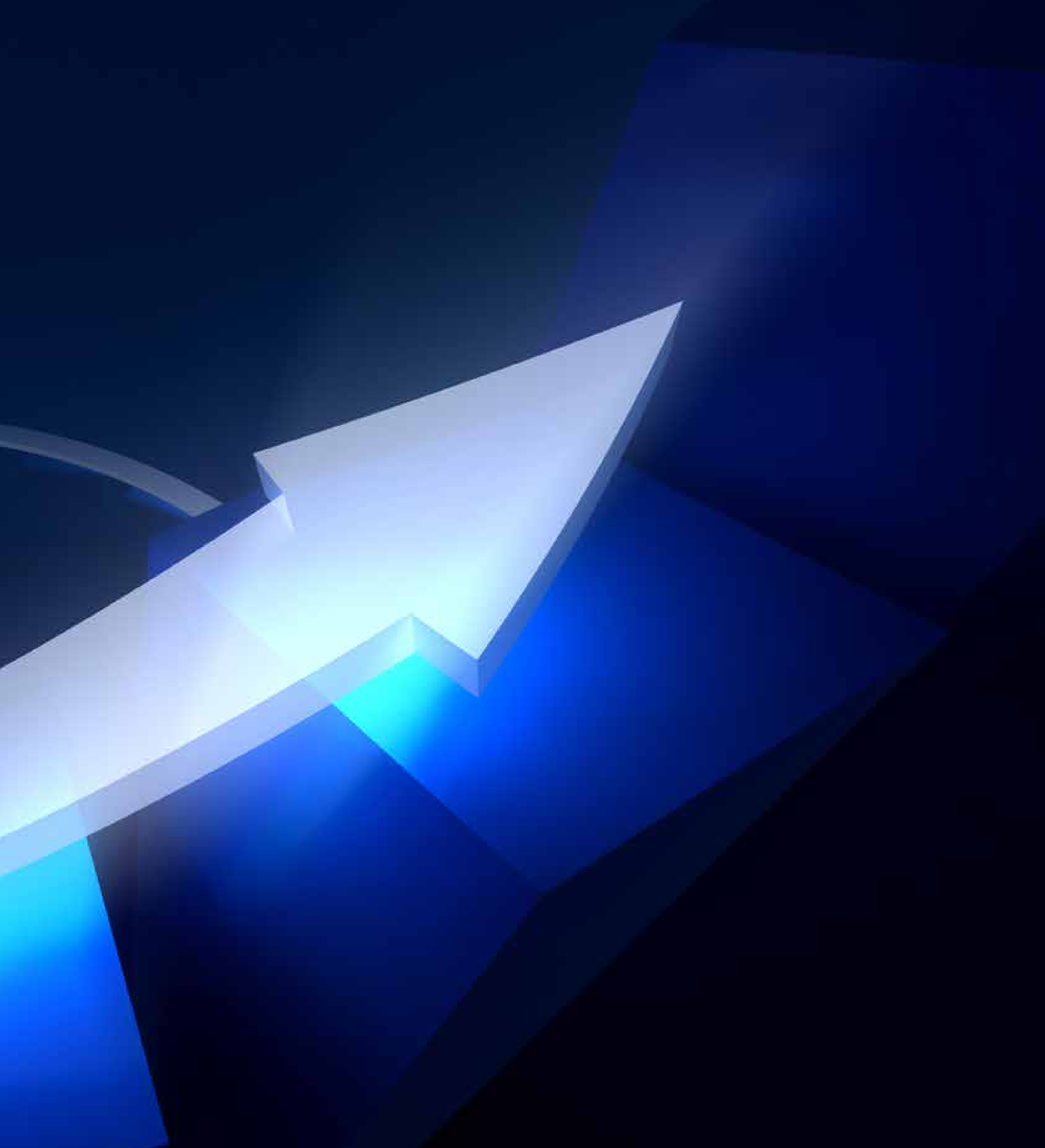
On behalf of the Board

Khawaja Iqbal Hassan
Director

Muhammad Ali Tabba
Chief Executive / Director

Karachi: August 5, 2022





Financial Highlights Standalone

Financial Highlights Six Years at a Glance

Financial Position (PKR in million)	2017	2018	2019	2020	2021	2022
Assets Employed						
Property, plant and equipment	37,488	40,913	57,276	60,248	62,390	82,301
Intangible Assets	80	55	18	11	1	51
Long term investments	13,314	24,981	34,314	47,144	53,194	57,594
Long term advance	85	91	99	87	99	192
Long term deposit & deferred cost	3	3	3	3	8	8
Current assets	46,368	42,956	33,379	28,375	40,676	44,816
Total Assets	**97,337**	**108,999**	**125,089**	**135,868**	**156,368**	**184,962**
Financed By						
Shareholders' Equity	79,785	86,367	94,318	99,184	113,200	128,540
Long-term liabilities						
Long term finance	–	–	–	380	4,042	16,273
Current portion of long term finance	–	–	–	127	507	487
	–	–	–	507	4,549	16,760
Long term deposits and deferred liabilities	7,209	7,395	7,193	7,349	8,739	9,788
Current liabilities	10,344	15,237	23,578	28,955	30,387	30,361
Current portion of long term finance	–	–	–	(127)	(507)	(487)
	10,344	15,237	23,578	28,829	29,880	29,874
Total Funds Invested	**97,337**	**108,999**	**125,089**	**135,868**	**156,368**	**184,962**
Turnover & Profit						
Turnover - Net	45,687	47,542	48,021	41,871	62,941	81,094
Gross Profit	21,298	16,952	13,984	6,077	18,956	22,552
Operating Profit	18,573	13,870	10,052	1,188	12,840	16,275
Profit before taxation	18,778	15,119	12,221	3,820	16,992	21,421
Profit after taxation	13,692	12,197	10,490	3,344	14,070	15,299
Total comprehensive income	13,696	12,079	10,539	3,508	14,016	15,340
Cash Dividends	3,234	5,497	2,587	2,102	-	-
General Reserve	9,741	8,199	9,492	8,437	3,509	14,016
Profit carried forward	13,696	12,079	10,539	3,509	14,016	15,340
Earning per share (Rupees)	42.34	37.72	32.44	10.34	43.51	47.31
Cash Flow Summary						
Net Cash from Operating Activities	16,864	17,080	17,084	5,047	12,493	15,469
Net Cash used in Investing Activities	(6,688)	(25,793)	(28,155)	(8,396)	(5,762)	(24,826)
Net Cash (Outflow) / Inflow from Financing Activities	(3,243)	(5,477)	(2,573)	(1,667)	4,022	12,209
(Decrease) /Increase in Cash and Bank Balance	6,933	(14,190)	(13,644)	(5,016)	10,752	2,852
Cash and cash equivalent at the beginning of the Year	26,806	33,738	19,548	5,904	889	11,641
Cash and cash equivalent at the end of the Year	33,738	19,548	5,904	889	11,641	14,493

Analysis of Statement of Financial Position

PKR in '000	2017	2018	2019	2020	2021	2022
Share Capital & Reserves	79,784,981	86,366,822	94,318,417	99,183,861	113,200,258	128,540,324
Non Current Liabilities	7,208,757	7,395,033	7,192,747	7,729,261	12,780,738	26,060,686
Current Liabilities	10,343,627	15,237,262	23,578,050	28,955,352	30,387,066	30,361,358
Total Equity & Liabilities	**97,337,365**	**108,999,117**	**125,089,214**	**135,868,474**	**156,368,062**	**184,962,368**
Non Current Assets	50,969,440	66,043,440	91,710,415	107,493,561	115,691,694	140,146,677
Current Assets	46,367,925	42,955,677	33,378,799	28,374,913	40,676,368	44,815,691
Total Assets	**97,337,365**	**108,999,117**	**125,089,214**	**135,868,474**	**156,368,062**	**184,962,368**

Vertical Analysis - (%)	2017	2018	2019	2020	2021	2022
Share Capital & Reserves	81.97	79.24	75.40	73.00	72.39	69.50
Non Current Liabilities	7.41	6.78	5.75	5.69	8.17	14.09
Current Liabilities	10.62	13.98	18.85	21.31	19.44	16.41
Total Equity & Liabilities	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**
Non Current Assets	52.36	60.59	73.32	79.12	73.99	75.77
Current Assets	47.64	39.41	26.68	20.88	26.01	24.23
Total Assets	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Horizontal Analysis (i) Cumulative (%)	2017	2018	2019	2020	2021	2022
Share Capital & Reserves	15.09	24.59	36.06	43.08	63.29	61.11
Non Current Liabilities	3.44	6.12	3.21	10.91	83.40	261.51
Current Liabilities	7.55	58.43	145.15	201.06	215.95	193.53
Total Equity & Liabilities	**13.30**	**26.88**	**45.61**	**58.15**	**82.02**	**90.02**
Non Current Assets	9.58	41.98	97.16	131.10	148.72	174.96
Current Assets	17.70	9.04	(15.27)	(27.97)	3.25	(3.35)
Total Assets	**13.30**	**26.88**	**45.61**	**58.15**	**82.02**	**90.02**

Horizontal Analysis (ii) Year on Year (%)	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021
Share Capital & Reserves	15.09	8.25	9.21	5.16	14.13	13.55
Non Current Liabilities	3.44	2.58	(2.74)	7.46	65.36	103.91
Current Liabilities	7.55	47.31	54.74	22.81	4.94	(0.08)
Total Equity & Liabilities	**13.30**	**11.98**	**14.76**	**8.62**	**15.09**	**18.29**
Non Current Assets	9.58	29.57	38.86	17.21	7.63	21.14
Current Assets	17.70	(7.36)	(22.29)	(14.99)	43.35	10.18
Total Assets	**13.30**	**11.98**	**14.76**	**8.62**	**15.09**	**18.29**

Analysis of Statement of Profit or Loss

PKR in '000	2017	2018	2019	2020	2021	2022
Turnover	45,687,043	47,541,724	48,021,399	41,870,796	62,940,805	81,093,525
Cost of Sales	24,388,760	30,589,363	34,037,568	35,794,031	43,984,873	58,541,684
Gross Profit	**21,298,283**	**16,952,361**	**13,983,831**	**6,076,765**	**18,955,932**	**22,551,841**
Distribution Cost	1,703,785	1,992,454	2,728,809	3,699,154	4,859,096	4,764,574
Administrative Cost	1,021,694	1,089,446	1,202,939	1,189,638	1,257,074	1,512,279
Operating Profit	**18,572,804**	**13,870,461**	**10,052,083**	**1,187,973**	**12,839,762**	**16,274,988**
Finance Cost	-	-	24,933	176,378	332,905	394,517
(Other Income)/Charges	(205,449)	(1,248,194)	(2,194,065)	(2,808,333)	(4,485,356)	(5,540,761)
Profit before taxation	**18,778,253**	**15,118,655**	**12,221,215**	**3,819,928**	**16,992,213**	**21,421,232**
Taxation	5,086,004	2,921,565	1,730,986	475,995	2,922,024	6,122,614
Profit after taxation	**13,692,249**	**12,197,090**	**10,490,229**	**3,343,933**	**14,070,189**	**15,298,618**
Other Comprehensive Income	3,644	(117,874)	48,366	164,550	(53,792)	41,448
Total Comprehensive Income	**13,695,893**	**12,079,216**	**10,538,595**	**3,508,483**	**14,016,397**	**15,340,066**

Vertical Analysis - (%)	2017	2018	2019	2020	2021	2022
Turnover	100.00	100.00	100.00	100.00	100.00	100.00
Cost of Sales	53.38	64.34	70.88	85.49	69.88	72.19
Gross Profit	**46.62**	**35.66**	**29.12**	**14.51**	**30.12**	**27.81**
Distribution Cost	3.73	4.19	5.68	8.83	7.72	5.88
Administrative Cost	2.24	2.29	2.51	2.84	2.00	1.86
Operating Profit	**40.65**	**29.18**	**20.93**	**2.84**	**20.40**	**20.07**
Finance Cost	-	-	0.05	0.42	0.53	0.49
(Other Income)/Charges	(0.45)	(2.63)	(4.57)	(6.71)	(7.13)	(6.83)
Profit before taxation	**41.10**	**31.80**	**25.45**	**9.12**	**27.00**	**26.42**
Taxation	11.13	6.15	3.60	1.14	4.64	7.55
Profit after taxation	**29.97**	**25.66**	**21.84**	**7.99**	**22.35**	**18.87**
Other Comprehensive Income	0.01	(0.25)	0.10	0.39	(0.09)	0.05
Total Comprehensive Income	**29.98**	**25.41**	**21.95**	**8.38**	**22.27**	**18.92**

Horizontal Analysis (i) Cumulative - (%)	2017	2018	2019	2020	2021	2022
Turnover	1.22	5.33	6.39	(7.23)	39.45	77.50
Cost of Sales	4.27	30.78	45.53	53.04	88.06	140.04
Gross Profit	**(2.06)**	**(22.04)**	**(35.69)**	**(72.06)**	**(12.83)**	**5.89**
Distribution Cost	(15.59)	(1.28)	35.20	83.27	140.74	179.65
Administrative Cost	(7.75)	(1.63)	8.61	7.41	13.50	48.02
Operating Profit	**(0.25)**	**(25.51)**	**(46.01)**	**(93.62)**	**(31.04)**	**(12.37)**
Finance Cost	-	-	100.00	100.00	100.00	100.00
(Other Income)/Charges	(193.54)	(668.28)	(1,098.92)	(1,378.58)	(2,142.10)	2,596.90
Profit before taxation	**2.05**	**(17.83)**	**(33.58)**	**(79.24)**	**(7.65)**	**14.07**
Taxation	(6.78)	(46.45)	(68.27)	(91.28)	(46.44)	20.38
Profit after taxation	**5.78**	**(5.77)**	**(18.96)**	**(74.17)**	**8.70**	**11.73**
Other Comprehensive Income	(87.96)	(489.56)	59.85	443.82	(277.78)	1,037.43
Total Comprehensive Income	**5.56**	**(6.90)**	**(18.77)**	**(72.96)**	**8.03**	**12.00**

Horizontal Analysis (ii) Year vs Year - (%)	2017 vs 2016	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2022 vs 2021
Turnover	1.22	4.06	1.01	(12.81)	50.32	28.84
Cost of Sales	4.27	25.42	11.27	5.16	22.88	33.10
Gross Profit	**(2.06)**	**(20.41)**	**(17.51)**	**(56.54)**	**211.94**	**18.97**
Distribution Cost	(15.59)	16.94	36.96	35.56	31.36	(1.95)
Administrative Cost	(7.75)	6.63	10.42	(1.11)	5.67	20.30
Operating Profit	**(0.25)**	**(25.32)**	**(27.53)**	**(88.18)**	**980.81**	**26.75**
Finance Cost	-	-	100.00	607.41	88.75	18.51
(Other Income)/Charges	(193.54)	507.54	75.78	28.00	59.72	23.53
Profit before taxation	**2.05**	**(19.49)**	**(19.16)**	**(68.74)**	**344.83**	**26.06**
Taxation	(6.78)	(42.56)	(40.75)	(72.50)	513.88	109.53
Profit after taxation	**5.78**	**(10.92)**	**(13.99)**	**(68.12)**	**320.77**	**8.73**
Other Comprehensive Income	(87.96)	(3,334.74)	141.03	240.22	(132.69)	(177.05)
Total Comprehensive Income	**5.56**	**(11.80)**	**(12.75)**	**(66.71)**	**299.50**	**9.44**

Notes on Analysis

COMMENTS ON SIX YEAR STATEMENT OF COMPREHENSIVE INCOME ANALYSIS

Turnover

Revenues increased from PKR 45.69 billion in 2017 to PKR 81.09 billion in 2022 with an increase of 77.5%. The increase in revenue was due to higher demand from elevated construction activity in the local market. Also, the export volumes showed an increase due to the addition of new export destinations and more sales to existing export countries.

Cost of Sales

The cost of sales increased from PKR 24.39 billion in 2017 to PKR 58.54 in 2022 billion, mainly due to the increase in input costs (coal, fuel, etc.) along with depreciating currency which has further intensified the costs of imported fuel and packaging material. Moreover, the increase in royalty on raw materials also led to an increase in the cost of sales.

Gross Profit

GP increased from PKR 21.30 billion in 2017 to PKR 22.55 billion in 2022. However, gross profit margins dropped by 19 percentage points from 46.6% to 27.8% as the cost of sales increased by more than the retention prices of cement. The gross margins also fell due to changes in sales mix from cement to clinker.

Distribution Cost

The distribution cost of the company increased from PKR 1.70 billion (3.7% as % of sales) in 2017 to PKR 4.76 billion (5.6% as % of sales), an increase of 179.6%. The major reason for the increase in fuel costs along with higher sea freight for exports.

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

Total Comprehensive Income increased from PKR 13.70 billion to PKR 15.34 billion, majorly on account of an 11.7% increase in net profit.

COMMENTS ON SIX YEAR STATEMENT OF FINANICAL POSITION ANALYSIS

Share Capital & Reserves

The company's share capital did not see any change, while reserves increased due to an increase in retained earnings. The company is continuously investing profits in new projects.

Non Current Liabilities

The increase of 261.5% in non-current liabilities came from long-term subsidized loans acquired for funding expansion and other projects.

Non Current Assets

Non-Current Assets increased from PKR 50.97 billion to PKR 140.15 bilion, an increase of 175%, in the six years. The increase came from capital expenditures on expansions and power generation, logistics fleet, and equity investments in Lucky Motor Corporation, Lucky Electric Power, and 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 through subsidized financing available to the company.

Financial Ratios

Financial Ratios	UoM	2017	2018	2019	2020	2021	2022
Profitability Ratios							
Gross profit to sales	percent	46.62%	35.66%	29.12%	14.51%	30.12%	27.81%
Operating Cost to sales	percent	59.35%	70.82%	79.07%	97.16%	79.60%	79.93%
Profit before tax to sales	percent	41.10%	31.80%	25.45%	9.12%	27.00%	26.42%
Net profit after tax to sales	percent	29.97%	25.66%	21.84%	7.99%	22.35%	18.87%
EBITDA to sales	percent	46.41%	35.52%	27.80%	12.03%	27.25%	25.65%
Operating Leverage	percent	(20.67%)	(623.68%)	(2,728.45%)	688.49%	1,940.09%	92.77%
Return on Equity	percent	17.17%	13.99%	11.17%	3.54%	12.38%	11.93%
Return on Capital Employed	percent	18.37%	14.54%	11.67%	3.62%	12.89%	11.66%
Shareholders' Funds	rupees in Mn	79,785	86,367	94,318	99,184	113,200	128,540
Return on Shareholders' Funds	percent	17.16%	14.12%	11.12%	3.37%	12.43%	11.90%
Liquidity Ratios							
Current ratio	times	4.48 : 1	2.82 : 1	1.42 : 1	0.98 : 1	1.34 : 1	1.48 : 1
Quick/Acid test ratio	times	3.67 : 1	2.12 : 1	0.95 : 1	0.65 : 1	0.89 : 1	0.87 : 1
Cash to Current Liabilities	times	3.26 : 1	1.28 : 1	0.25 : 1	0.03 : 1	0.38 : 1	0.48 : 1
Cash flow from Operations to Sales	times	0.37 : 1	0.36 : 1	0.36 : 1	0.12 : 1	0.20 : 1	0.19 : 1
Cash flow to Capital Expenditures	times	2.72 : 1	2.65 : 1	0.87 : 1	0.74 : 1	1.93 : 1	0.63 : 1
Cash flow Coverage ratio	times	0.00 : 1	0.00 : 1	0.00 : 1	9.96 : 1	2.75 : 1	0.92 : 1
Activity / Turnover Ratios							
Inventory turnover	times	3.05	3.22	3.15	3.49	3.81	3.66
No. of days in Inventory	days	119.67	113.35	115.87	104.58	95.80	99.73
Debtor turnover	times	24.27	23.73	21.42	15.28	20.53	26.02
No. of days in Receivables	days	15.04	15.38	17.04	23.89	17.78	14.03
Creditor turnover	times	2.74	2.73	2.11	1.86	2.19	2.66
No. of days in Payables	days	133.21	133.70	172.99	196.24	166.67	137.22
Operating Cycle	days	1.50	(4.97)	(40.08)	(67.77)	(53.09)	(23.46)
Total assets turnover	times	0.47	0.44	0.38	0.31	0.40	0.44
Fixed assets turnover	times	1.22	1.16	0.84	0.69	1.01	0.98
Investment Valuation Ratios							
Earnings per share (EPS) and Diluted EPS	rupees	42.34	37.72	32.44	10.34	43.51	47.31
Price / Earning ratio (Standalone)	times	19.75	13.47	11.73	44.64	19.84	9.70
Earnings per share (EPS) Consolidated	times	50.18	45.83	35.03	18.96	70.69	91.22
Price / Earning ratio (Consolidated)	times	16.67	11.08	10.86	24.34	12.21	5.03
Dividend Yield	percent	1.43%	2.56%	1.71%	0.00%	0.00%	0.00%
Dividend Payout ratio	percent	28.34%	34.47%	20.04%	0.00%	0.00%	0.00%
Cash Dividend per share	rupees	12.00	13.00	6.50	-	-	-
Stock Dividend per share	shares	-	-	-	-	-	-
Break up value per share (Standalone):	rupees						
i) Without surplus on Revaluation of property	rupees	246.73	267.08	291.67	306.71	350.06	397.50
ii) With Surplus on Revaluation of PPE including all effect of all investments	rupees	246.73	267.08	291.67	306.71	350.06	397.50
iii) Including investment in related party at fair / market value (if any) and also with Surplus on Revaluation of PPE	rupees	246.73	267.08	291.67	306.71	350.06	397.50
Market Value Per Share as on 30th June	rupees	836.26	507.93	380.47	461.58	863.44	459.04
Year High Close	rupees	994.65	723.19	583.66	566.47	940.74	911.53
Year Low Close	rupees	644.71	445.80	344.27	310.30	488.93	436.17
Price to Book Ratio (Standalone)	percent	3.39	1.90	1.30	1.50	2.47	1.15
Break up value per share (Consolidated)	times	297.50	338.85	387.38	406.61	485.59	617.73
Price to Book Ratio (Consolidated)	times	2.81	1.50	0.98	1.14	1.78	0.74
Capital Structure Ratios							
Financial leverage ratio	times	0.00 : 1	0.00 : 1	0.03 : 1	0.09 : 1	0.10 : 1	0.14 : 1
Weighted Average Cost of Debt	percent	0.00%	0.00%	1.72%	3.11%	3.32%	2.69%
Debt to Equity ratio (as per Book Value)	times	0.00 : 1	0.00 : 1	0.00 : 1	0.01 : 1	0.04 : 1	0.13 : 1
Debt to Equity ratio (as per Market Value)	times	0.00 : 1	0.00 : 1	0.00 : 1	0.00 : 1	0.02 : 1	0.11 : 1
Net assets per share	rupees	246.73	267.08	291.67	306.71	350.06	397.50
Interest Coverage ratio	times	-	-	403.16	6.74	38.57	41.25
Employee Productivity Ratios							
Production per Employee	tons	2,768	3,024	2,718	2,567	3,589	3,258
Revenue per Employee	rupees in Mn	18.38	18.78	19.09	16.56	24.77	31.89
Staff turnover ratio	times	5.79%	4.54%	4.17%	2.77%	2.25%	3.81%
Non-Financial Ratios							
% of Plant Availability		88.65%	88.90%	81.80%	76.42%	89.63%	84.81%
Others							
Spares Inventory as % of Total Assets		4%	4%	3%	3%	4%	3%
Maintenance Cost as % of Operating Expenses		1%	2%	2%	1%	2%	1%

CUSTOMER SATISFACTION INDEX

Lucky Cement conducted a survey of its customers during the year FY22. We asked questions about their satisfaction with the cement quality, pricing, delivery, after-sales service, packaging, brand, and reorder frequency. We received a 70.2% score on the cumulative results, showing our commitment to keeping our customers satisfied.

Analysis of Variation in Interim Period

Particulars	Qtr-1	Qtr-2	Qtr-3	Qtr-4	FY 2021-22
Sales Volume	2,260	2,444	2,364	2,011	9,079
Sales Revenue	16,915	20,634	21,341	22,204	81,094
Cost of Good Sold	12,297	15,978	16,630	13,637	58,542
Gross Profit	4,618	4,656	4,711	8,567	22,552
Gross Profit Margin	27%	23%	22%	39%	28%
Operating Profit	3,271	2,100	2,440	8,464	16,275
Operating Profit Margin	19%	10%	11%	38%	20%
EBITDA	4,383	4,085	4,093	8,242	20,803
EBITDA Margin	26%	20%	19%	37%	26%
Net Profit Before Tax	4,302	3,287	6,577	7,255	21,421
Taxation	1,018	796	1,042	3,266	6,123
Net Profit After Tax	3,284	2,490	5,535	3,989	15,299
Net Profit After Tax Margin	19%	12%	26%	18%	19%
EPS in PKR	10.15	7.71	17.12	12.33	47.31

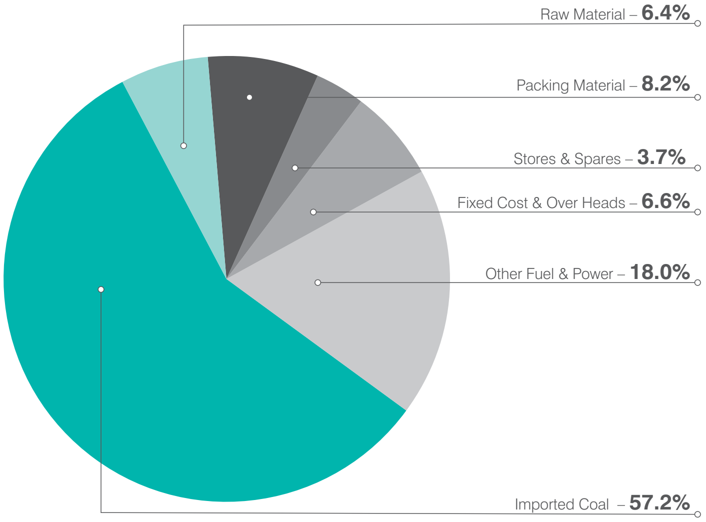
The fourth quarter outperformed during the year 2021-22 in terms of Gross Profit Margin (39%), Operating Profit (OP) Margin (38%) as well as EBITDA Margin (37%) mainly on account of consuming lower cost of coal inventory. However, the bottom line was lower than the 3rd quarter due to the company booking provision of super tax, imposed by the federal government in the FY23 budget retrospectively. During FY22, the 3rd quarter stood out in terms of bottom-line profitability due to the payouts from the subsidiaries ICI Pakistan Limited, Lucky Motor Corporation, Yunus Energy Limited, and Technical fees from NYA.

COMPOSITION OF LOCAL VS IMPORTED PRODUCTS AND SENSITIVITY ANALYSIS

Lucky Cement uses many kinds of local and imported raw materials for the production of cement. The largest cost component is imported coal, which constitutes 57.2% of the total cost of sales.

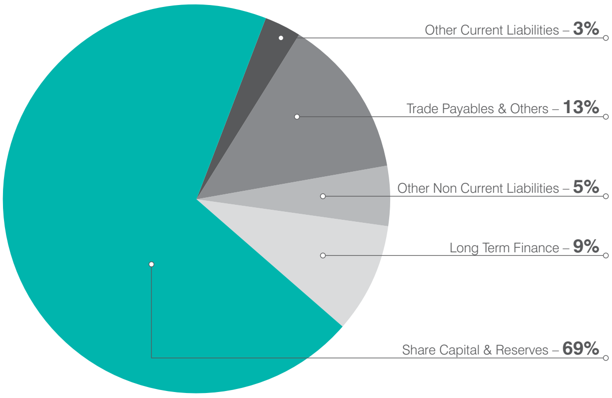
A fluctuation in coal price of PKR 100 per ton affects the cost of production by PKR 14 per ton. The cost of Sales of the Company will increase/decrease by 1.4% and 2.8% in case of foreign currency fluctuation by 10% and 20% respectively.

The company's sensitivity to foreign currency movement is moderate. To reduce the impact of currency, management proactively manages the procurement of coal while keeping an eye on the exchange rate.

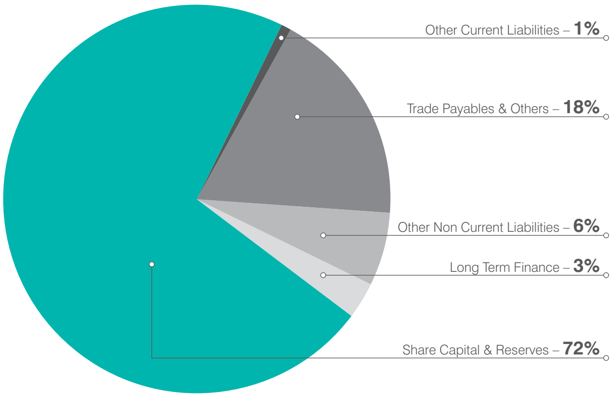


Composition of Balance Sheet

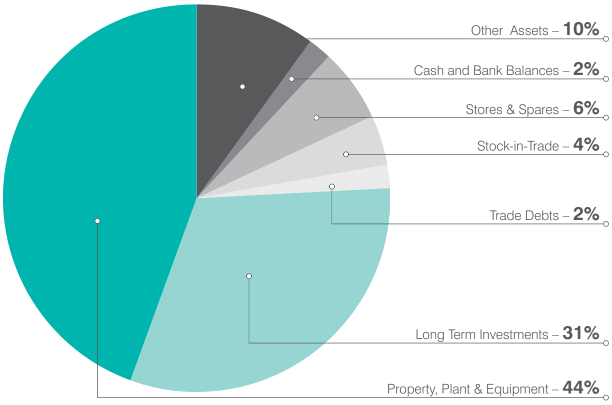
Equity and Liabilities - FY 2022
Percentage



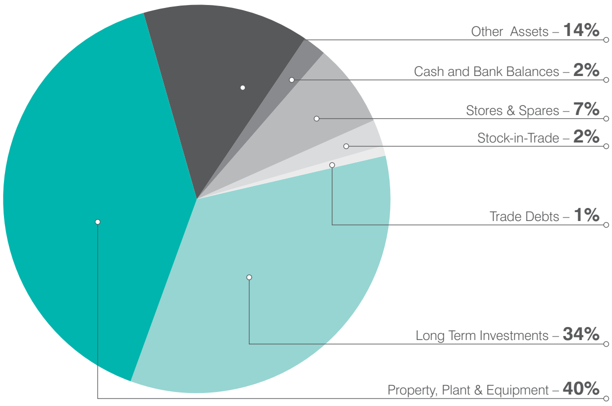
Equity and Liabilities - FY 2021
Percentage



Assets - FY 2022
Percentage

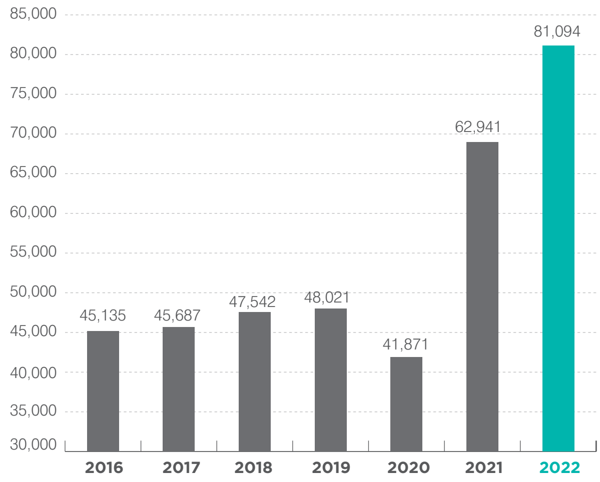


Assets - FY 2021
Percentage

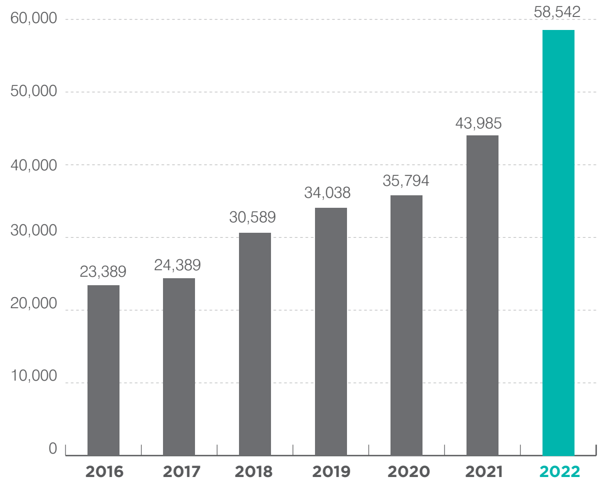


Key Financial at a Glance

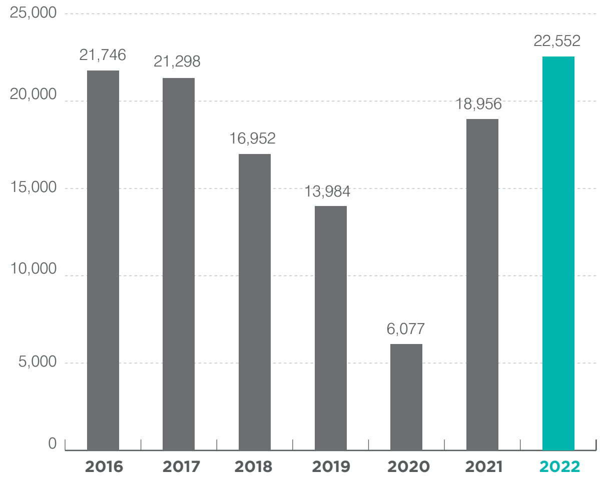
Sales Revenue
(PKR in Million)



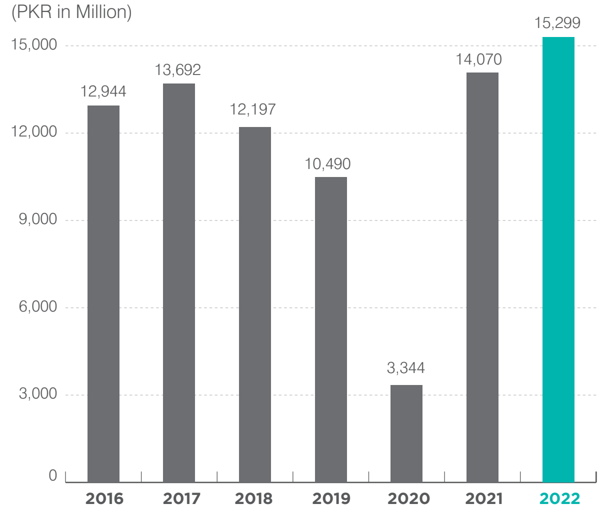
Cost of Sale
(PKR in Million)



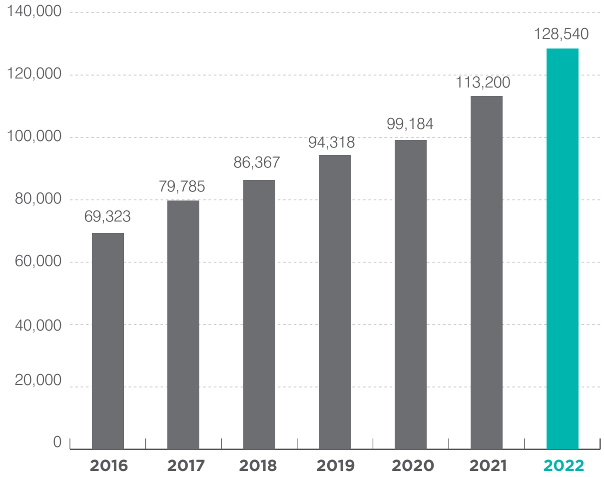
Gross Profit
(PKR in Million)



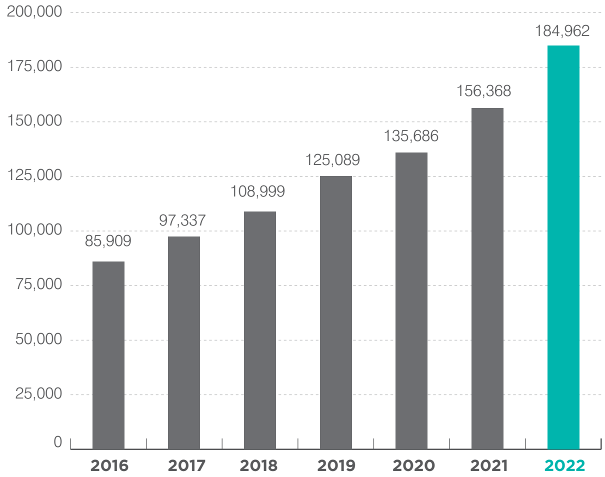
Net Profit
(PKR in Million)



Shareholders Equity
(PKR in Million)



Total Assets
(PKR in Million)

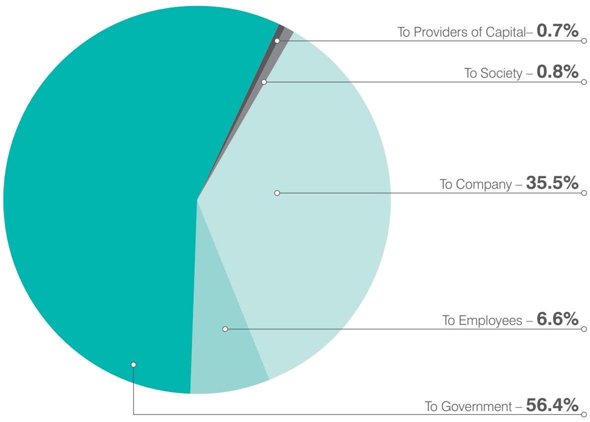


Statement of Value Addition and Wealth Distribution

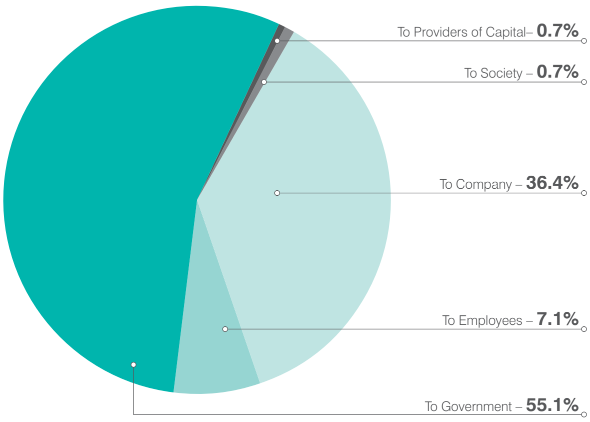
Financial Position	2022 PKR in '000'	%	2021 PKR in '000'	%
WEALTH GENERATED				
Gross Sales/ Revenues	108,600,945		88,357,695	
Bought-in-material and services	(52,673,869)		(38,540,431)	
	55,927,076	**100.0%**	**49,817,264**	**100.0%**

WEALTH DISTRIBUTION				
To Employees				
Salaries, benefits and other costs	3,700,179	6.6%	3,590,228	7.2%
To Government				
Income tax, sales tax, excise duty and others	31,542,832	56.4%	27,226,303	54.7%
To Society				
Donation towards education, health and environment	421,721	0.8%	342,018	0.7%
To Providers of Capital				
Dividend to shareholders	-	0.0%	-	0.0%
Markup / Interest expenses on borrowed funds	394,517	0.7%	332,905	0.7%
To Company				
Depreciation, amortization & retained profit	19,867,827	35.5%	18,325,810	36.8%
	55,927,076	**100.0%**	**49,817,264**	**100.0%**

Wealth Distribution - 2022
Percentage



Wealth Distribution - 2021
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.

		2018-19	2019-20	2020-21	2021-22
Cost of capital					
Cost of Equity	%	19.34%	16.22%	16.52%	15.20%
Weighted average cost of capital (WACC)	%	21.06%	15.17%	15.24%	13.59%
Average capital employed		90,342,620	96,751,139	108,719,960	120,870,291
Economic Value Added					
NOPAT		10,515,162	3,520,311	14,103,458	14,904,101
Less: Cost of capital		19,025,720	14,674,560	16,567,490	16,426,854
Economic Value added		(8,510,558)	(11,154,249)	(2,464,032)	(1,522,753)
Enterprise Value					
Market Value of Equity		123,034,487	149,263,433	279,214,910	148,442,060
Add: Debt		-	506,908	4,041,984	16,760,103
Less: Cash & Bank balance		15,657,246	888,638	11,641,039	3,871,078
Enterprise Value		107,377,241	148,881,703	271,615,855	161,331,085
Return ratios					
NOPAT / Average capital employed	%	12%	4%	13%	12%
EVA / Average capital employed	%	-9%	-12%	-2%	-1%
Enterprise value / Average capital employed	times	1.19	1.54	2.50	1.33

Free Cash Flow (FCF)

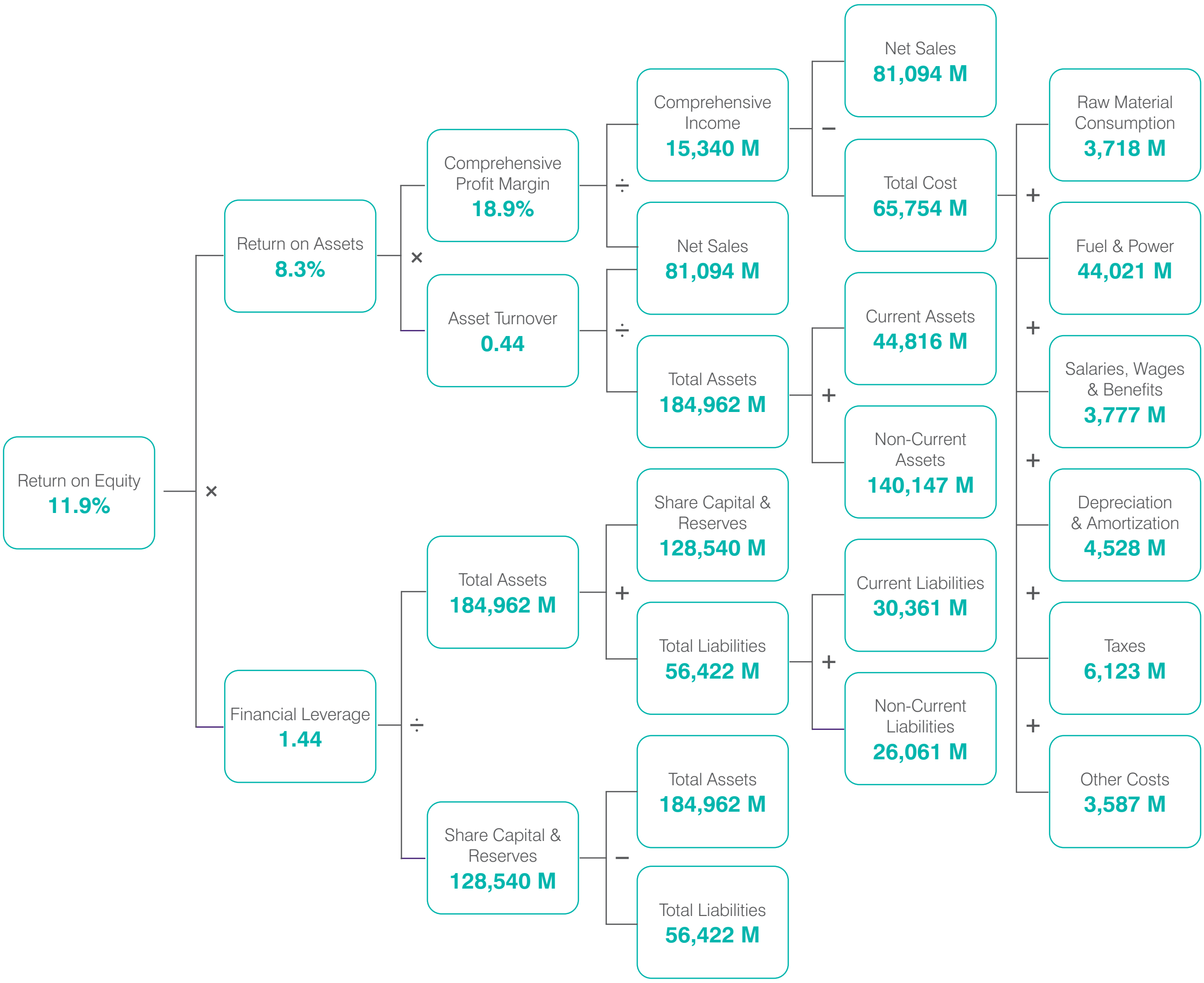
Free Cash Flow - FCF	2018-19	2019-20	2020-21	2021-22
Net cash provided by operating activities	17,083,851	5,046,861	12,492,631	15,469,448
Less: Capital Addition & Investments	(29,015,835)	(15,900,417)	(12,520,913)	(28,991,059)
Add: Net Debt Issued	-	506,908	4,041,984	12,211,211
FCF-Total	**(11,931,984)**	**(10,346,648)**	**4,013,702**	**(1,310,400)**

Shariah Ratios

For the year ended June 30, 2022

	2022	2021
Interest bearing loan to market capitalization	5.41%	0.00%
Interest taking deposit to market capitalization	0.00%	0.00%
Income generated from prohibited component to total income	0.02%	0.02%
Market price per share to net liquid assets per share	39.86	86.29

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
2022	18.92%	0.44	1.44	11.9%
2021	22.27%	0.40	1.38	12.4%
2020	8.38%	0.31	1.37	3.5%
2019	21.95%	0.38	1.33	11.21%
2018	25.41%	0.44	1.26	14.0%
2017	30.00%	0.47	1.22	17.2%

The main highlights of DuPont analysis are as follows:

1. In 2022, the net margin of the company plunged to 18.92% compared to 22.27% in the last year due to a significant increase in the prices of inputs mainly coal, and inflationary impact.
2. Despite double-digit growth in the Asset base of the company, the Asset turnover ratio during the said period increased to 0.44 due to improvement in selling prices of the product.
3. Over the last six years, the Financial Leverage ratio of the company witnessed an increasing trend due to an increase in subsidized loans to fuel our expansion projects.

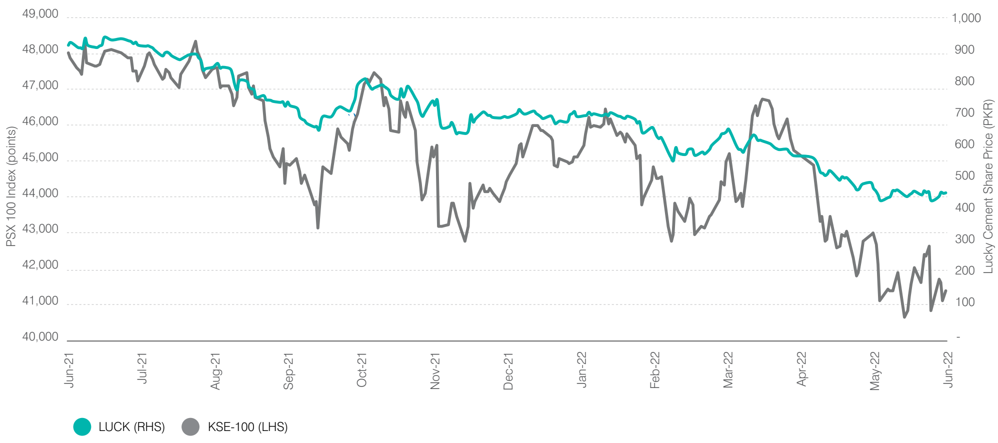
CONCLUSION

DuPont's analysis for the last six years depicts that company is generating sustainable returns for its shareholders. The management of the company regularly monitors all the drivers (operational, asset efficiency, and equity multiplier) used in DuPont Analysis to identify strengths and weaknesses and analyze the company's fundamental performance.

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 32.88% and market capitalization at the end of the day of the fiscal year was PKR 148 Billion. There are various factors, which might affect the share price of our Company. A few of them are listed below as follows:

Share Price Sensitivity



PROFITABILITY

Rising production costs may lower margins, while an increase in retained prices along with volume can support increased profitability and a higher EPS, thus translating into a greater share price in the market.

COMMODITY PRICES

A rise in major input prices (coal, power, and raw material tariffs) can cause a negative impact on margins, therefore lowering the EPS, which further lowers the share price.

REGULATIONS AND GOVERNMENT POLICIES

Government and regulatory policies, both the overall policies and the policies specific to the cement sector, may affect the share price of the company either negatively or positively, depending on whether the policy itself is in favor or against the industry.

CURRENCY RISK

Volatility in currency exchange rates can affect the margins in a positive or a negative manner, as the company is involved in both export (of cement) and import (of input fuels). This ultimately affects the share price as well.

MARKET RISK

Market risk, apart from systematic risk, also leaves the market share price vulnerable to the risks of all the platforms that the share is trading on. The Beta of LCL, with respect to the stock exchange of Pakistan, is 1.71.

INTEREST RATE RISK

The interest rate risk is the risk that the value of a financial instrument will decline due to changes in market interest rates. The majority of the interest rate exposure arises from short and long-term borrowings and short-term deposits with banks.

PRICE RISK

Price risk is the risk of loss resulting from a decline in the value of a financial instrument due to changes in the market prices (other than those arising from interest rate risk or currency risk). The prices may change due to any factor, whether it be related to the financial instrument itself, its issuer, or the prevailing market conditions. This risk can be mitigated through diversification.

DIVERSIFICATION

The Company has diversified both in terms of the nature of business and its geographical locations. Our international footprint exposes us to the benefits and the risks of the markets we operate in. Therefore, diversification can affect our consolidated earnings, therefore affecting our EPS, which thus affects the share price, either negatively or positively.

GOODWILL

The market share price may also vary according to the perception that the investor has of the company, which is quite vulnerable to the news and events that the company is associated with.

Information Technology

Information Technology Governance and Cyber Security

STATEMENT ON THE EVALUATION AND ENFORCEMENT OF LEGAL AND REGULATORY IMPLICATIONS OF CYBER RISKS

As part of its evaluation of all risks facing the business, the Board has also evaluated the cyber risks and enforcement of legal and regulatory implications in case of any breaches. The Board has noted that the Company does not undertake any electronic transactions with its customers and does not require sensitive personal and financial data from its customers. The Company has taken sufficient measures to ensure its network security and has implemented stringent controls to protect its data privacy, the Board has not rated the cyber risks at a high level.

IT GOVERNANCE AND CYBER SECURITY PROGRAMS

Lucky Cement is an ISO27001 certified company. Therefore, while fulfilling the requirements of ISO 27001, the Company has developed detailed Information Security policies, procedures and control framework which are benchmarked with ISO 27001:2013, which is a high-level global standard for information security.

CYBERSECURITY AND BOARD'S RISK OVERSIGHT

The Board's audit committee while performing risk oversight function also reviews and evaluates the cybersecurity risks. The budgets and capex for Network upgradation and strengthening cyber security are approved by the Board, after detailed presentation by the management. Internal Audit department regularly performs network and cyber security audits, the results of which are presented to the Board's Audit Committee.

COMPANY'S CONTROLS ABOUT EARLY WARNING SYSTEM

Company has implemented adequate controls and procedures about early warning systems. In this regard, Incident Management policies and procedures are in place. In addition to that, company has also implemented 24x7 Siem and SOC system.

POLICY RELATED TO INDEPENDENT SECURITY ASSESSMENT OF TECHNOLOGY ENVIRONMENT

As a policy, in addition to the in-house audits and reviews, regular third party assessments and reviews of technology environment and networks are carried out to ensure that adequate controls are in place to address the cyber security risks and to evaluate the overall company readiness regarding security incidents. Last such review was carried out during the outgoing financial year, 2022. Furthermore, regular vulnerability assessments are carried out on regular basis.

CONTINGENCY AND DISASTER RECOVERY PLAN

The Company has an updated 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 Disaster Recovery Plan is regularly tested to ensure the readiness of the IT systems in case of any disaster.

The key highlights and actions of Lucky Cements' Disaster Recovery Plan are 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.
- 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.
- 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 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.

ADVANCEMENT IN DIGITAL TRANSFORMATION TO IMPROVE TRANSPARENCY AND GOVERNANCE

Lucky Cement has taken various initiatives by leveraging 4.0 industrial revolution to transform some of its processes digitally.

- Lucky Cement has implemented Visual AI to automate manual processes and monitoring in plant. This will further be integrated with the business systems for robust controls and integrity.
- Currently, implementation of a sales focused AI project is underway which will include heavy utilization of visual as well as speech AI to further optimize the sales processes and increase efficiency.
- Lucky Cement has adopted cloud-based technologies for its business analytics and communication domains.

EDUCATION AND TRAINING TO MITIGATE CYBER SECURITY RISKS

Regular security awareness trainings are also provided once a year for all locations of the Company. Whereas, security awareness emails are sent regularly to everyone. It helps users in identifying any upcoming security threats and potential risks.

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:

Stakeholders 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's 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's 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.

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	Constant health and safety trainings, vaccination and blood testing drives along with external surveys of plant safety to ensure employee wellbeing. Trainings based on competency framework to build capable leadership. Interdepartmental trainings, meet ups and group plant visits to bring cross-functional appreciations. Goal-setting and own performance reviews to ensure self-aware employees	Conducting surveys with our customers on a frequent basis to improve our services and address their needs on a priority basis. Maintaining close relationship with our customers, through collecting consumer insights, in order to understand their needs. Organized dealers and retailers' convention to further strengthen our relationship. Arranged various events like dinner and iftaar for our major customers and distributors. Organized plant visits for Sindh-based dealers in order to enhance confidence in the product.	In order to promote green energy and step towards eco-friendly power generation, your company is in the process of installation of 34 MW captive solar power project at the Pezu plant that would reduce reliance on non-renewable energy sources. Your company continued to support less privileged society by offering them with scholarship program on merit-based for deserving candidates. To continue with our efforts for women empowerment, the company collaborated with Zindagi Trust and has been supporting two government girls' schools in Karachi	We try to keep ourselves transparent through open and honest communication during our Annual General Meetings, Analysts/ Corporate briefings, press releases, and ongoing dialogue with analysts and investors. We kept our shareholders informed on a timely basis of all the ongoing activities of the Company. We organized a plant visit for the investor community/ analysts to demonstrate the cement manufacturing process on our state-of-the-art equipment	We monitor and implement all policies and governance procedures as prescribed by relevant authorities, such as PSX, SECP, etc. We engaged with regulator by providing comments and the new laws. We also attended seminars to provide our point of views. In an effort to combat the COVID-19 Pandemic, we complied with all SOPs as recommended by the government.	We inform our lenders of any strategic decisions we make that may influence their financial exposure. Our primary goal is to fulfill all the agreed obligations.
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.

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's 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.

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 of the meeting addressed all questions to the satisfaction of the shareholders.

UNDERSTANDING SHAREHOLDERS' VIEWS

Company's 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.

REDRESSAL OF INVESTOR COMPLAINTS

During the year under review no formal complaints was lodged by any shareholder of the Company.

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, and challenges along with business outlook. To demonstrate our eco-friendly cement manufacturing process and strengthen our relationship with the investor community, we organized a plant visit for buy and sell-side analysts of the industry. The response was overwhelming and we plan to increase our interaction by organizing frequent plant visits.

Scan QR Code for Annual Report 2022

Scan QR Code for LCL Documentary 2022

Future 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

The forward-looking statement and the future outlook are covered in the Directors Report under the heading "Outlook".

PROJECTIONS ABOUT KNOWN TRENDS AND UNCERTAINTIES

The commodity super cycle, which started last year post-pandemic, continues to persist. This has been further aggravated by the ongoing Russia-Ukraine conflict resulting in continuous volatility in commodity prices particularly coal, petroleum products and packaging material, which has significantly increased the cost of production for cement. A similar trend has been witnessed in other construction materials as well, mainly steel which has resulted in a hike in overall construction costs.

On the local front, rising interest rates coupled with higher inflation have severely affected the purchasing power which will impact the cement demand in the short term. Moreover, the high global commodity prices especially coal and furnace oil prices, and PKR depreciation along with inflation will put stress on Company's margins.

Lucky Cement's strong financial position will continue to support its vision to improve its operational efficiencies, make new investments and enhance shareholder value. By making investments in local expansions and renewable projects, your company continues to exploit and benefit from opportunities to create value for its shareholders.

EXPLANATION OF EXTERNAL ENVIRONMENT THAT IS LIKELY TO BE FACED AND HOW IT WILL AFFECT THE ORGANIZATION

External Environment	Improvement	Impact on the organization
Political	Domestic political situation	Improvement in political situation will result in formation of long-term policies by the Government which will result in increase in economic activities. The country will go to general elections which are scheduled in the next calendar year. During the this period, announcement of public infrastructure projects by the government will result in increased construction activity.
	Conflict between Russia and Ukraine	In the event of a timely settlement between Russia and Ukraine, the Company anticipates the reduction in coal prices, as the global energy supply chain will again become accessible.
Economic	Decrease in input costs Easing of fiscal and monetary measures. Increase in private construction activities and infrastructure development spending by the government.	The Company's local sales volumes are anticipated to increase with the decrease in construction costs. Improvement in economic indicators will result in increased construction activities.

External Environment	Improvement	Impact on the organization
Social	Increase in Social upliftment, public welfare and infrastructure development projects.	Increase in social development projects will lead to increase in cement demand. As a socially responsible corporate entity, Lucky Cement will remain committed to making efforts for environment conservation, education, women empowerment, and health initiatives.
Technological	Technological Advancements and adoption of digital tools for business	The Company has regularly invested in technological upgrades. The adoption of new technologies result in efficiencies, cost savings and risks mitigation. The Company remains proactive in adapting to new technological changes.
Environmental	Impact of Climate change, global warming, pollution and environmental degradation etc.	The environment impacts the Company like all other persons. The Company takes various steps to protect the environment including compliance with applicable environment standards. The environmental degradation does not have any direct impact on the demand of Company's products.
Legal	Relief against arbitrary / harsh taxation measures. Prompt decisions on pending litigations, refund cases etc.	Improvement in legal environment will result in Company making consistent and long-term policies. Company's results will improve in case it gets relief against harsh taxation measures.

SOURCES OF INFORMATION AND ASSUMPTIONS USED FOR PROJECTIONS / FORECASTS

The future projections and forecasts are made by making certain assumptions, keeping in mind the macroeconomic conditions, historical trends, and prospective developments, as well as other factors that might impact the cement industry.

The external information, such as macroeconomic factors, market dynamics, etc. is obtained through various publications and forums, such as ICAP, APCMA, PBC, SBP, etc.

On the other hand, internal information is obtained through a collaborative effort of various departments within your company. The management 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. To make future projections, the management makes use of their best judgment and estimates. Whereas, the Board critically analyzes the budgets and forecasts while devising new projects of expansion and diversification.

ANALYSIS OF FORWARD LOOKING DISCLOSURES MADE IN THE PREVIOUS YEAR

Extract of matters reported last year	Actual performance
"Surge in economic activity that triggered healthy demand for cement both in North and South regions during FY21 is expected to continue."	The demand for cement continued its momentum, however, with the widening Current Account Deficit which increased from USD 2.8 billion in 2021 to USD 17.4 billion in FY 22 and the PKR depreciation the Government shifted its focus from PSDP and infrastructure development to curbing consumption. Further, due to increasing input costs the cement industry's local sales volume during the year ended June 30, 2022 declined by 1% as compared to last year.

Extract of matters reported in Forward Look-ing Statement last year	Actual performance
"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."	At the start of outgoing financial year, the cement industry kept the momentum going on the back of PSDP funding and loan disbursement by banks. However, the hike in input costs, increase in interest rates and increasing current account deficit led the government's focus to shift away from construction. This led to lower demand from the mentioned projects.
"Based on the demand projections in the country, management expects that the prices will remain stable in the forthcoming year."	The world economy was hit by the commodity super cycle leading to extremely high coal prices, which was further exacerbated by the Russia-Ukraine war. This changed the cost structure of the company leading to increase in selling prices.
"Export sales are anticipated to remain stable; however, prices will remain competitive due to surplus capacities available in the region."	The increase in demand after the Covid lockdowns ended led to high congestion on ports. Hence, the resulting high sea freights in addition to significant hike in input costs, led to lower exports. As a result, the industry-wide export volumes dropped by 43.6%; whereas, your company's sales decreased by 25.6%.
"Your Company is continuously working in exploring new markets and has continued to export Clinker to different regions."	Your company has shown great commitment towards exploring new markets in the said period which mainly includes Middle Eastern countries and certain countries in the African region.
"The Company shall continue to support its diversification initiatives with the focus to enhance shareholders' value by investments in high yielding projects."	Your company remained true to its commitment to diversification. Lucky Cement's subsidiary ICI signed an agreement with Tariq Glass Limited, to set up a Greenfield facility for the manufacturing of float glass, under a joint venture. Moreover, the company started producing Samsung phones during the year and the COD of Lucky Electric Power was also achieved. The Company is also in the process of installation of a 34MW solar power project, which will result in substitution of imported fossil fuel with green energy and reduction in power costs.

STATUS OF CAPITAL PROJECTS IN PROGRESS

The status of projects in progress is reported in the Directors report under the heading "Growth and Expansion".

ABILITY OF COMPANY TO RESPOND TO THE CRITICAL CHALLENGES

Lucky Cement's strong financial position, diversified businesses and free cash flow generating ability puts it in a strong position to respond to critical challenges, support its Vision to improve operational efficiencies make new investments and enhance shareholders' value. The Company has put systems in place to identify the challenges and to capitalize on the opportunities. The Company remain proactive in developing strategies for risks mitigation and continues to upgrade technologies and the technical skills of its human resources to remain able to respond to ever-evolving new challenges.

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

The UN Sustainable Development Goals (SDGs) have been adopted by Lucky Cement as a strategic plan for its journey towards sustainability. This year too, 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. We have also developed action plans to incorporate sustainable development principles into our business strategy. The following highlights our company's efforts to meet the UN SDGs:

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 by assuring social protection, community welfare, providing access to basic services to our employees and the poorest and most vulnerable communities in the areas where we operate. We work to alleviate all kinds of poverty in our area through inclusive growth.	• Lucky Cement strongly believes in empowering its people. We ensure market competitive pay packages to our employees and adhere to the minimum wage laws for our human capital. • We realize the importance of giving back to the community, hence our rural development programs continue to uplift the under privileged communities. (More details are given in CSR Section of the AR 2022) • Being a socially responsible Company, we understand and acknowledge the needs of the underprivileged. Our CSR initiatives are designed to assist the people in any vulnerable situations arising due to the natural calamities and unfavorable 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 for 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 that could cause human suffering. • Our dispensaries at both the plant sites provide medical facilities to the employees and the community. We ensure wellbeing of our communities through free medical clinics in the peripheral areas of our plant locations. 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.	• We believe that educated and empowered women are agents of change. To achieve the above objective, the company collaborated 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. • We have partnered with The Citizen Foundation for development of a school at Pezu, District Lakki Marwat. The initiative will offer free primary and secondary education to locals. • With the aim of empowering the youth through skill development and education, three specific scholarship programs and vocational training for the rural youth of this district have been introduced.

The goal	What it means to us	Examples of our contribution
5 GENDER EQUALITY **Achieve gender equality and empower all women and girls**	We desire to provide fair opportunities 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 conducted a training on women's day to empower our female staff them with ways to maximize their potential. • 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.
6 CLEAN WATER AND SANITATION **Ensure availability and Sustainable management of water and sanitation for all**	To embed the ideology of water conservation in our business strategies in order 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.
7 AFFORDABLE AND CLEAN ENERGY **Ensure access to affordable, reliable, sustainable and modern energy for all**	Increase the use of clean energy at the Company's production facilities and utilize 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. • A 34 MW captive solar power project with a 5.589 MWh Reflex energy storage is being installed at PEZU plant. This will hold not only Pakistan's largest on-site captive solar plant but also the largest ever energy storage solution. The output energy will be used on-site resulting in substantial savings for the company in cost of energy and will also cut around 29,569 Tons of CO2 equivalent emissions annually.

The goal	What it means to us	Examples of our contribution
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, to train youth for greater employability and to upskill our current workforce.	• We have manufacturing facilities at two sites in Pakistan besides marketing office in different cities. 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, Mobile manufacturing 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. • Through a vocational training program, Lucky Cement Limited has not only improved their abilities but also given them employment opportunities. Students who passed out from the first batch of the vocational training programs are now employed by the Company at its Pezu Plant • 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.
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	We aim at ensuring sustainable growth of the economy with responsible industrialization, to make the basics of life available and improve the 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 eco-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.
Reduce inequality within and among countries	Reduce inequalities within our domain by providing everyone with equal access to opportunities by 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, to promote gender, provide opportunities to deserving candidates, cultural diversity, and hiring on a merit basis etc.

The goal	What it means to us	Examples of our contribution
Make cities and human set-tlements inclusive, safe, re-silient 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 environmental friendly but also supports the aspect of sustainable development in society.
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 eight 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 its staff by appreciating their ideas and suggestions. To hear what our shareholders have to say, we have an investor grievance procedure. We engage proactively and transparently with governments and other external stakeholders to support, promote and enforce policies for sustainable development practices.

Environment, Social and Governance (ESG) at Lucky Cement

ESG is a system for measuring the sustainability of a company in three specific categories: environmental, social and governance. It has developed into a broad framework that addresses key aspects including environmental and social impact, as well as how governance structures can be changed to enhance stakeholder well-being. We believe unwaveringly that stakeholder value maximization is possible on a long-term basis by implementing best-in-class ESG protocols and therefore, ESG remains a key dimension in our strategic decision making. Alongside on the path to growth, we also continue upon our journey of Excellence and building Enterprise of the Future, by delivering on our Environment Social and Governance agenda. With the evolved ESG agenda, we have embarked upon on some amazing projects pertaining to all the key elements of ESG that are shaping the sustainability of business and industries in Pakistan.

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. Keeping up with our commitment with sustainability, environment protection and clean energy, Lucky Cement is in the process of installing 34 MW solar energy power at its plant in Pezu,

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.

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.

Beach Clean Drive

Beach cleaning drives are vital for the environment. When trash gets into the ocean it is often mistaken as food by ocean animals which is a major cause of death of various species and disturbing the oceans natural processes. In an effort to promote environment conservation and highlight the importance of marine pollution a beach cleaning activity was launched.

Employees, participated in the clean-up activity with an aim to perform their civic responsibility by collecting and sorting plastic disposal and other garbage at the beach.

Sustainability has always been an integral part of our business and we are committed to take every possible step towards a cleaner environment. As climate change becomes an over-growing threat, Lucky Cement strives to build sustainability into every aspect of its business operations. From responsible use of raw material, efficient technology, emission control procedures and regular tree plantations, your Company is committed to act towards mitigating the impact of climate change

REDUCTION IN CO2 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.

Renewable Energy and Storage

Lucky Cement Limited has announced a 34 MW captive solar power project with a 5.589 MWh Reflex energy storage. The project set to be installed at the PEZU plant and will hold not only Pakistan's largest on-site captive solar plant but also the largest ever energy storage solution.

The 34 MW solar PV project is expected to produce approximately 48 GWh (Gigawatt hours) annually. The output energy will be used on-site resulting in substantial savings for the company in cost of energy and will also cut around 29,569 Tons of CO2 equivalent emissions annually.

This will improve the reliability of the power system by absorbing the variations of the Solar Plant and improve the overall generation efficiency by shutting down 20 MW of fossil fuel generation during the daytime whilst keeping the critical spinning reserve intact. Furthermore, storage build flexibility into the cement plant's power system, and allow quick response in case of any power faults enabling 24/7 operations.

Considering the global environmental challenges, it is important to invest in such technologies, especially on the industrial level. Being an industry leader we understand our responsibility towards the environment and through such investments, we are committed to ensuring a sustainable future.

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-claimer'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

Good for Planet, Good for Business

Webinar on Decarbonisation

Our commitment to the environment, clean air and the climate is evident from the resource and energy efficient practices including alternate / renewable energy sources that are being employed us. Using a circular approach of land stewardship, effective design, material efficiency, reuse, and recycling can maximize the potential benefits of cement and concrete while minimizing climate impacts.

The British High Commission in Pakistan and the Pakistan Business Council held its 5th webinar in the 'Good for Planet, Good for Business' series which focused on how the cement and concrete sector can bring innovations which can lead to decarburization to reduce emissions, efficiently use resources and build resilience.

Our CEO Mr. Muhammad Ali Tabba, addressed the webinar as keynote speaker. While addressing the webinar he highlighted that the global industry will have to adapt to climate change challenges and rework business models to ensure environmental stewardship and robust growth and the cement industry in Pakistan is committed to playing its role.

By taking the Race to Zero pledge all members committed to the same overarching goal: reducing global emissions to half by 2030 and achieving net zero emissions by 2050 at the very latest.

Lucky Cement Limited Partners with AIESEC for World's Largest Lesson (WLL)

AIESEC in Pakistan is part of the largest youth-led organization in the world, which develops youth in a global learning environment that consists of over 120 countries and territories.

World's Largest Lesson is an initiative created in partnership with UNICEF to teach young people and children about Global Goals and encourage them to become the generation that can change the world. It introduces the Sustainable Development Goals to children and young people everywhere and unites them in action.

Hosting this lesson is part of the implementation of AIESEC's Youth 4 Global Goals initiative which promotes the use of the Sustainable Development Goals in learning so that children can contribute to a better future for all.

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 Corporate 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 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.

1) A dedicated vocational training program in which the selected students were transferred to The Hunar Foundation's Rashidabad campus in Tando Allahyar 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.

2) In the second scholarship program students were offered scholarships for intermediate.

3) 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.

After the successful completion of first batch of these dedicated scholarship program, the Company launched

its second batch and now the students are enrolled in the respective institutes to complete their courses.

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.

Empowering the Rural Youth of Pakistan

To further strengthen the youth of Pakistan, Lucky Cement Limited has not only enhanced their skills through vocational training program but also provided employment opportunities. Students passed out from the first batch of vocational training program are now employed by the Company at its Pezu Plant. This has provided an environment to these students for learning vocational and technical skills, so as to enable them to be employed at various industries.

Pakistan's First Junior CEO Challenge an Inter-School Business Idea Generation Competition

Promoting inclusion, equality, enhancing creativity and problem-solving skills amidst the students' PACE College of Advanced Studies organized Pakistan's first Junior CEO Challenge an Inter-School Business Idea Generation Competition in collaboration with Rotary Club of Educational Development and All Private School Management Association. More than 600 students participated from different schools of Karachi and out of them 15 ideas were shortlisted. The ideas were according to the three themes, which were Education & Health, Science & Technology, Food and Travel & Tourism. Five ideas from each theme were presented in the Grand Finale, which was held on November 13, 2021. Every idea was different, and students were given the opportunity to pitch their ideas in front of an esteemed jury.

Lucky Cement Limited partnered with PACE College to sponsor the event with its mission to empower the youth through education and promote entrepreneurship amongst students.

Transform the teaching profession in Pakistan

Lucky Cement Limited partnered with Durbeen in an effort to transform the teaching profession in Pakistan and to train female students to be teachers of the highest caliber for Government schools in Pakistan.

Durbeen partnered with the Government of Sindh to take over the management of the Government Elementary College of Education (GFCL), Hussainabad, and has linked it with global best practices in teacher education through an education collaboration with the University of Helsinki in Finland and the University of Karachi.

Students scoring straight A in a given semester of this teachers training program also received the Abdul Razzak Tabba Merit Award. This award was sponsored by Mr. Muhammad Ali Tabba, CEO, Lucky Cement Limited.

Primary and Secondary School at Pezu in Collaboration with the Citizen Foundation

In an effort to uplift the marginal communities of Pakistan and to ensure provision of quality education at all levels, Lucky Cement Limited has partnered with The Citizen Foundation to establish a primary and secondary level school at Pezu, District Lakki Marwat.

The school will offer world-class free education to the students of nearby villages, where previously no school was available in close proximity.

Founded in 1995 TCF is providing quality education to thousands of less privileged children through its purpose-built schools in remote and disadvantaged communities in Pakistan.

Million Smiles Foundation

In collaboration with Million Smiles Foundation, we have also supported the school of Minhaj Campus, Kundal Shahi situated in the Mountain Top area of Neelum Valley. The school facilitates “Out Of School Children” and especially girls. The Company has sponsored an MSF Computer Lab for its students.

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 targets 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 schools, continuous community engagement programs take place at the school.

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.

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.

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.

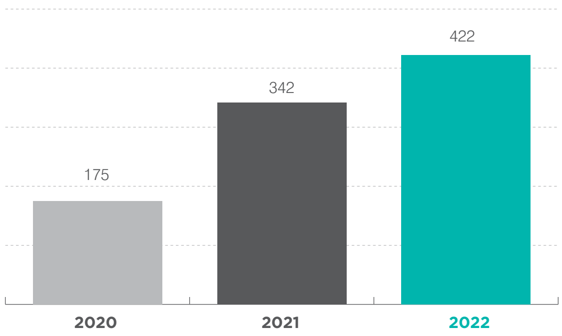
Over the years we also renovated the Government High Secondary School (GHSS) of Dara Pezu and more than 2,000 books were also donated to GHSS Pezu and Yarik village. We also constructed Computer Lab at GHHS Shahbaz Khel village in District Lakki Marwat and installed pressure pumps and constructed toilets 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.

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.

Donations



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 Corporate 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

Striving for Excellence in Corporate Reporting

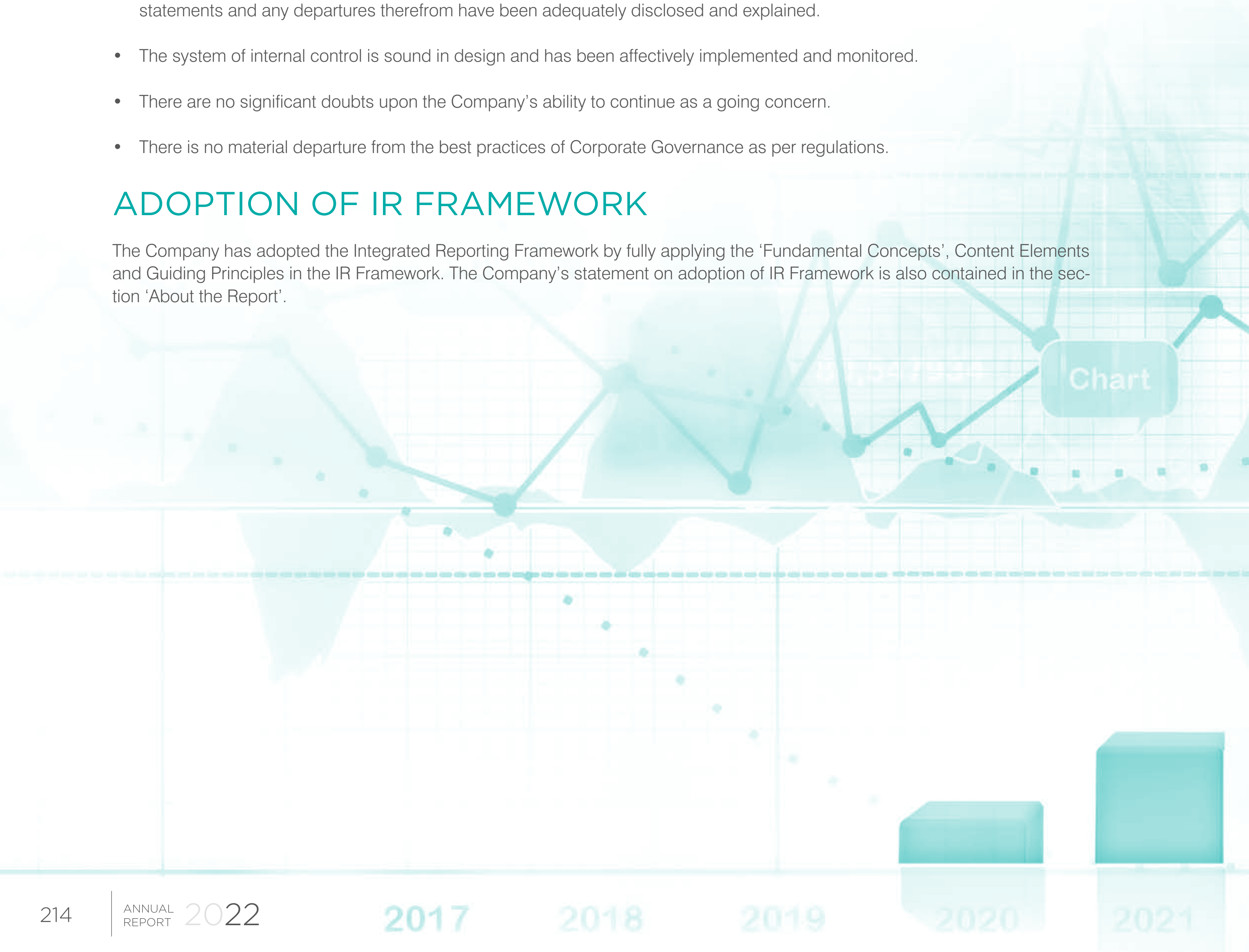
STATEMENT OF MANAGEMENT'S RESPONSIBILITY TOWARDS THE PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS AND DIRECTORS' COMPLIANCE STATEMENT

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.

ADOPTION OF IR FRAMEWORK

The Company has adopted the Integrated Reporting Framework by fully applying the 'Fundamental Concepts', Content Elements and Guiding Principles in the IR Framework. The Company's statement on adoption of IR Framework is also contained in the section 'About the Report'.



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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, 2022 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, and upon recommendation of 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, 2022.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 05, 2022

UDIN: CR2022101139K5vsdSmT

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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 with the Shariah principles (criteria specified in paragraph 2 below) for the year ended June 30, 2022. 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 for the year ended June 30, 2022) 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.

3. Management's Responsibility for Shariah Compliance

The Company's management is responsible to ensure that the financial arrangements, contracts and transactions 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.

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.

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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 with Shariah principles, in all material respects, for the year ended June 30, 2022 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 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 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. Basis of Qualified Conclusion

(i) The Company has obtained loans under conventional mode of financing (which is prohibited) aggregating to Rs 8.03 billion, under the Temporary Economic Refinance Facility, Long Term Financing Facility and Renewable Energy Scheme of the State Bank of Pakistan.

(ii) The shariah compliance status of the Company’s investments in equity securities has not been obtained as also highlight by the Shariah Advisor of the Company in its report dated August 1, 2022.

7. Conclusion

Based on our reasonable assurance engagement, we report that in our opinion, except for the matters described in the Basis for Qualified Conclusion section of our report, the Company’s financial arrangements, contracts and transactions for the year ended June 30, 2022 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 5, 2022

Financial Statements

For the year ended June 30, 2022

Unconsolidated

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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, 2022, 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, 2022 and of the profit and other comprehensive income, 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 28 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 a promised good to a customer.

We considered revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company and revenue for the year increased significantly as compared to the 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:

• 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 unconsolidated 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, the 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 05, 2022

UDIN: AR202210113EmhGKBYPq

Unconsolidated Statement of Financial Position

as at June 30, 2022

	Note	2022	2021
		(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	82,301,050	62,389,947
Intangible assets	6	51,352	670
		82,352,402	62,390,617
Long-term investments	7	57,594,485	53,194,485
Long-term loans and advances	8	191,684	98,655
Long-term deposits	9	8,106	7,937
		140,146,677	115,691,694
CURRENT ASSETS			
Stores and spares	10	11,206,843	10,526,573
Stock-in-trade	11	7,171,364	3,105,037
Trade debts	12	3,522,931	2,710,081
Loans and advances	13	735,337	944,987
Trade deposits and short-term prepayments	14	140,532	85,403
Accrued return		39,316	22,309
Other receivables	15	4,838,323	3,690,639
Tax refunds due from the Government	16	538,812	538,812
Short-term investments	17	12,751,155	16,227,103
Cash and bank balances	18	3,871,078	2,825,424
		44,815,691	40,676,368
TOTAL ASSETS		184,962,368	156,368,062
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up share capital	19	3,233,750	3,233,750
Reserves	20	125,306,574	109,966,508
		128,540,324	113,200,258
NON-CURRENT LIABILITIES			
Long-term deposits	21	250,332	243,633
Long-term loans	22	14,108,446	2,934,044
Deferred Government grant	23	2,164,455	1,107,940
Deferred liabilities			
- Staff gratuity - unfunded		2,596,281	2,337,897
- Deferred tax liability		6,941,172	6,157,224
	24	9,537,453	8,495,121
		26,060,686	12,780,738
CURRENT LIABILITIES			
Trade and other payables	25	23,191,483	20,789,760
Current maturity of long-term loans	22	487,202	506,908
Short-term borrowings	26	1,000,000	7,050,000
Unclaimed dividend		51,030	53,458
Accrued markup		135,452	70,868
Taxation - net		5,496,191	1,916,072
		30,361,358	30,387,066
		56,422,044	43,167,804
TOTAL EQUITY AND LIABILITIES		184,962,368	156,368,062
CONTINGENCIES AND COMMITMENTS	27		

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Khawaja Iqbal Hassan	**Muhammad Ali Tabba**	**Atif Kaludi**
Director	**Chief Executive**	**Chief Financial Officer**

Unconsolidated Statement of Profit or Loss

For the year ended June 30, 2022

	Note	2022	2021
		(PKR in '000')	
Gross sales	28	108,600,945	88,357,695
Less: Sales tax and federal excise duty		26,133,535	23,861,689
Rebates, incentives and commission		1,373,885	1,555,201
		27,507,420	25,416,890
Net sales		81,093,525	62,940,805
Cost of sales	29	(58,541,684)	(43,984,873)
Gross profit		22,551,841	18,955,932
Distribution cost	30	(4,764,574)	(4,859,096)
Administrative expenses	31	(1,512,279)	(1,257,074)
Finance costs	32	(394,517)	(332,905)
Other expenses	33	(1,847,039)	(1,507,673)
Other income	34	7,387,800	5,993,029
Profit before taxation		21,421,232	16,992,213
Taxation	35	(6,122,614)	(2,922,024)
Profit after taxation		15,298,618	14,070,189
		(PKR)	
Earnings per share - basic and diluted	36	47.31	43.51

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Khawaja Iqbal Hassan	**Muhammad Ali Tabba**	**Atif Kaludi**
Director	Chief Executive	Chief Financial Officer

Unconsolidated Statement of Comprehensive Income

For the year ended June 30, 2022

	Note	**2022**	2021
		(PKR in '000')	
Profit after taxation		15,298,618	14,070,189
Other comprehensive income / (loss):			
Other comprehensive income / (loss) which will not be reclassified to the profit or loss in subsequent periods			
Gain / (loss) on remeasurement of post retirement benefit obligation	24.1.2	84,727	(101,705)
Deferred tax thereon		(24,571)	29,494
		60,156	(72,211)
Unrealized (loss) / gain on remeasurement of equity instrument at fair value through other comprehensive income		(21,381)	21,965
Deferred tax thereon		2,673	(3,546)
		(18,708)	18,419
		41,448	(53,792)
Total comprehensive income for the year		15,340,066	14,016,397

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Khawaja Iqbal Hassan
Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Unconsolidated Statement of Cash Flows

For the year ended June 30, 2022

	Note	2022	2021
		(PKR in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	37	18,126,508	13,285,674
Income tax paid		(2,394,437)	(832,798)
Gratuity paid		(136,242)	(100,969)
Finance costs paid		(329,933)	(308,210)
Increase in long-term deposits (liabilities)		6,699	10,571
Income from deposits with Islamic banks		290,052	454,772
Increase in long-term deposits (assets)		(169)	(4,762)
Increase in long-term loans and advances		(93,029)	(11,647)
Net cash generated from operating activities		15,469,449	12,492,631
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(24,591,059)	(6,470,913)
Long-term investments made		(4,400,000)	(6,050,000)
Sale proceeds on disposal of property, plant and equipment		233,881	109,962
Dividend received from subsidiary companies		3,365,414	4,345,673
Dividend & other income received from associated company		187,572	61,137
Dividend received on short term investments		1,167,048	613,816
(Placement) / release of balances held as lien	37.2	(789,111)	1,628,000
Net cash used in investing activities		(24,826,255)	(5,762,325)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loans obtained		12,718,119	4,041,984
Long-term loans repaid		(506,908)	–
Dividends paid		(2,428)	(19,889)
Net cash generated from financing activities		12,208,783	4,022,095
Net increase in cash and cash equivalents		2,851,977	10,752,401
Cash and cash equivalents at the beginning of the year		11,641,039	888,638
Cash and cash equivalents at the end of the year	37.2	14,493,016	11,641,039

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Khawaja Iqbal Hassan
Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2022

	Issued, subscribed and paid-up share capital	Capital reserve	Revenue reserves		Total reserves	Total equity
		Share premium	General reserve	Unappropriated profit		
	(PKR in '000')					
Balance as at July 1, 2020	3,233,750	7,343,422	81,639,307	6,967,382	95,950,111	99,183,861
Transfer to general reserve	–	–	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
Transfer to general reserve	–	–	14,016,397	(14,016,397)	–	–
Profit after taxation for the year	–	–	–	15,298,618	15,298,618	15,298,618
Other comprehensive income for the year	–	–	–	41,448	41,448	41,448
Total comprehensive income for the year	–	–	–	15,340,066	15,340,066	15,340,066
Balance as at June 30, 2022	3,233,750	7,343,422	99,164,187	18,798,965	125,306,574	128,540,324

The annexed notes from 1 to 46 form an integral part of these unconsolidated financial statements.

Khawaja Iqbal Hassan
Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

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; one at Pezu, District Lakki Marwat in Khyber Pakhtunkhwa and the other at Main Super Highway in Karachi, Sindh. Further, the Company's liaison offices are situated in Islamabad, Quetta, Multan, 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 applicable 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, rates 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, certain inventory items of the Company [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 weighing of these inventory items is not practicable, the management assesses 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 existence of inventory.

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 / other 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, 2021.

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, 2022. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these unconsolidated 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 (CWIP), 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 from CWIP, 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 amortisation and impairment losses, if any.

Amortisation 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 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 of completion and cost necessary to make the sale.

4.9 Trade debts and other receivables

Trade debts are recognised when the performance obligation is satisfied and the right to receive consideration becomes unconditional. 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 they 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 amortised 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. 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 applicable rate.

(d) Dividend is recognized when the right to receive is established.

(e) Other income is recognized when the right to receive is established, and the amount and timing of related receipt is virtually certain.

4.17 Foreign currency transactions

Foreign currency transactions are recorded using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupee using the exchange rate prevailing 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) Amortised cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised 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 amortised 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 amortised 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.

All purchases and sales of financial assets are recognised on the trade date which is the date on which the Company commits to purchase or sell the financial asset.

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 amortised 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 amortised 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 on 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, other receivables 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. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(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 amortisation, 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.

	Note	2022	2021
		(PKR in '000')	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	5.1	59,972,785	58,033,791
Capital work-in-progress	5.5	21,911,214	4,015,044
Capital spares		417,051	341,112
		82,301,050	62,389,947

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2022

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, 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
Year ended June 30, 2021															
Transfers from CWIP		–	–	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															
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
Year ended June 30, 2022															
Transfers from CWIP	5.5	–	7,700	384,371	191,964	989,194	4,017,442	39,519	830,662	–	18,394	20,916	28,274	38,947	6,567,383
Disposals	5.3														
Cost		–	–	–	–	–	–	(61,357)	(216,613)	–	(182)	(418)	(5,509)	(1,430)	(285,509)
Accumulated depreciation		–	–	–	–	–	–	48,952	128,206	–	171	418	5,016	1,233	183,996
		–	–	–	–	–	–	(12,405)	(88,407)	–	(11)	–	(493)	(197)	(101,513)
Depreciation charge for the year	5.2	(21,339)	–	(316,163)	(436,606)	(2,146,166)	(982,732)	(152,016)	(299,843)	(70,959)	(17,603)	(28,656)	(17,056)	(37,737)	(4,526,876)
Net book value as at June 30, 2022		1,171,425	367,299	3,032,877	5,601,076	35,242,384	12,083,941	493,842	1,684,253	70,962	13,130	24,118	33,167	154,311	59,972,785
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
At June 30, 2022															
Cost		1,394,929	367,299	6,419,121	8,972,876	53,110,674	21,495,432	1,993,793	3,229,307	744,664	133,058	295,509	172,992	518,168	98,847,822
Accumulated depreciation		(223,504)	–	(3,386,244)	(3,371,800)	(17,868,290)	(9,411,491)	(1,499,951)	(1,545,054)	(673,702)	(119,928)	(271,391)	(139,825)	(363,857)	(38,875,037)
Net book value		1,171,425	367,299	3,032,877	5,601,076	35,242,384	12,083,941	493,842	1,684,253	70,962	13,130	24,118	33,167	154,311	59,972,785
Annual rates of depreciation		1.01% to 2.63%	–	5% to 33%	5% to 33%	3.33% to 20%	5% to 33%	10% to 33%	10% to 33%	10%	20%	33%	33%	10% to 33%	

5.2 Depreciation charge for the year has been allocated as follows:

	Note	2022	2021
		(PKR in '000')	
Cost of sales	29	4,011,656	3,802,281
Distribution cost	30	210,020	214,821
Administrative expenses	31	190,545	169,189
Cost of sale of electricity		114,655	112,469
		4,526,876	4,298,760

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')					
Quarry Equipments	32,401	19,996	12,405	14,580	2,175	Insurance claim	EFU General Insurance Limited	N/A
Vehicle	5,548	654	4,894	5,329	435	Auction	VAVA cars	----do----
----do----	5,134	1,968	3,166	4,721	1,555	----do----	----do----	----do----
----do----	5,147	2,032	3,115	4,450	1,335	----do----	Mr Sumair (R.R. Motors)	----do----
----do----	2,595	–	2,595	2,595	–	----do----	Mr. Muhammad Mustafa	----do----
----do----	2,595	–	2,595	2,595	–	----do----	Mr. Salman Virani	Employee
----do----	2,595	–	2,595	2,595	–	----do----	Mr. Saad Saleem	N/A
----do----	2,595	–	2,595	2,626	31	----do----	Mr. Rizwan Saeed	----do----
----do----	5,170	2,764	2,406	5,100	2,694	----do----	Mr. Waqas Abrar khan	Employee
----do----	5,134	2,744	2,390	5,191	2,801	----do----	Mr Furqan Ali	N/A
----do----	5,544	808	4,736	4,800	64	----do----	Mr. Syed Tahir Shah (Car Specialist Network)	----do----
----do----	9,997	5,253	4,744	5,500	756	Tender	IFI Logistics	----do----
----do----	7,557	3,971	3,586	5,500	1,914	----do----	----do----	----do----
----do----	7,095	3,728	3,367	5,500	2,133	----do----	----do----	----do----
----do----	5,522	2,171	3,351	5,500	2,149	----do----	----do----	----do----
----do----	5,522	2,171	3,351	5,500	2,149	----do----	----do----	----do----
----do----	5,522	2,171	3,351	5,500	2,149	----do----	----do----	----do----
----do----	5,522	2,171	3,351	5,500	2,149	----do----	----do----	----do----
----do----	5,522	2,171	3,351	5,500	2,149	----do----	----do----	----do----
----do----	6,768	3,549	3,219	5,500	2,281	----do----	----do----	----do----
----do----	6,688	3,507	3,181	5,500	2,319	----do----	----do----	----do----
----do----	6,631	3,477	3,154	5,500	2,346	----do----	----do----	----do----
----do----	6,587	3,454	3,133	5,500	2,367	----do----	----do----	----do----
----do----	6,423	3,368	3,055	5,500	2,445	----do----	----do----	----do----
----do----	4,821	2,533	2,288	5,500	3,212	----do----	----do----	----do----
----do----	4,808	2,526	2,282	5,500	3,218	----do----	----do----	----do----
----do----	4,794	2,519	2,275	5,500	3,225	----do----	----do----	----do----
----do----	4,791	2,518	2,273	5,500	3,227	----do----	----do----	----do----
----do----	2,533	557	1,976	2,450	474	Transfer	LEPCL	Associated company
----do----	1,928	1,251	677	709	32	Company policy	Mr. Zohaib Mushtaq	Employee
----do----	1,998	1,402	596	2,250	1,654	----do----	Mr. Irfan Hussain	Employee
Items having book value less than Rs 500,000 each	100,022	98,562	1,460	80,390	78,930			
Total	285,509	183,996	101,513	233,881	132,368			
2021	208,620	178,844	29,776	109,962	80,186			

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	992.52
2	Pezu Plant	Main Indus Highway, Pezu, District Lakki Marwat, KPK	892.99

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	106,236	230,654	336,890	–
- Power plant	18,329	22,030	40,359	–
- Other	3,183	11,479	7,122	7,540
Building on freehold land				
- Cement plant	420,558	3,807,042	65,804	4,161,796
- Power plant	108,942	217,733	126,160	200,515
Land - Freehold	1,000	6,700	7,700	–
Plant and machinery	1,466,168	15,216,395	989,194	15,693,369
Generators and other power generation equipment	1,787,874	3,884,919	4,017,442	1,655,351
Quarry equipment	7,365	36,243	39,519	4,089
Vehicles including cement bulkers	82,001	750,493	830,662	1,832
Furniture and fixtures	1,273	18,257	18,394	1,136
Office equipment	4,822	30,920	20,916	14,826
Computer and accessories	5,707	178,324	28,274	155,757
Other assets (Laboratory equipment etc.)	1,586	50,702	38,947	13,341
Intangible assets	–	53,229	51,567	1,662
	4,015,044	24,515,120	6,618,950	21,911,214

6. INTANGIBLE ASSETS

Represent various computer softwares amortised on straight line basis over a period of 3 years. Movement during the year is as follows:

	Note	**2022**	2021
		(PKR in '000')	
Balance as at July 1, 2021 / 2020		670	11,323
Transfer from capital work-in-progress		51,567	–
		52,237	11,323
Less: Amortisation charge for the year	6.2	(885)	(10,653)
As at June 30		51,352	670

6.1 As at June 30

	2022	2021
Cost	270,677	219,110
Accumulated amortisation	(219,325)	(218,440)
Net book value	51,352	670

		Note	2022	2021
			(PKR in '000')	
6.2	Amortisation charge for the year has been allocated as follows:			
	Cost of sales	29	141	5,552
	Distribution cost	30	51	1,093
	Administrative expenses	31	693	4,008
			885	10,653
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	29,900,000	25,500,000
	Lucky Motor Corporation Limited	7.4	12,876,384	12,876,384
	ICI Pakistan Limited	7.5	9,594,091	9,594,091
			56,983,120	52,583,120
	Associate			
	Yunus Energy Limited	7.6	611,365	611,365
			57,594,485	53,194,485

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

7.2 Represents 100 percent equity investment in LCL Investment Holdings Limited (LCLIHL) comprising of 45,000,002 issued, subscribed and paid up shares of USD 1 each, a wholly owned subsidiary of the Company, incorporated in Mauritius and re-domiciled from Mauritius to Dubai. LCLIHL has entered into joint venture agreements with Al Shumookh group to form Lucky Al Shumookh Holdings Limited (LASHL) for operating a cement grinding unit in Basra, Iraq and Al Shumookh Lucky Investment Limited (ASLIL) for operating a fully integrated cement manufacturing unit in Samawah, Iraq. LASHL and ASLIL are companies with limited liability registered in Jebel Ali Free Zone, United Arab Emirates. LCLIHL holds 50 percent ownership in the aforesaid joint ventures.

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

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

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 2,990,000,000 (2021: 2,430,000,000 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 Nil (2021: PKR 1,200 million). The aforementioned shares held by the Company are pledged under a Shares Pledge Agreement in connection with the lending facilities provided by the lenders.

The commercial operations of LEPCL have started in March 2022. LEPCL has set 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), a public unlisted company incorporated in Pakistan. LMC is engaged in assembly, marketing, distribution and sale of various types of Kia and Stellantis N.V. branded vehicles, parts, accessories and related services. LMC also produces Samsung branded mobile devices in Pakistan under an agreement with Samsung Gulf Electronic Co. FZE. The Company holds 71.14% (2021: 71.14%) 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% (2021: 55%) shares 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 reporting date, the Company owns 20% (2021: 20%) shares of YEL comprising of 61,136,500 issued, subscribed and paid up shares of PKR 10 each.

	Note	2022	2021
		(PKR in '000')	
8. LONG-TERM LOANS AND ADVANCES			
(secured & considered good)			
Long term loans			
Due from employees	8.1	193,205	127,133
Less: Recoverable within one year	13	110,065	90,462
		83,140	36,671
Other advances	8.3	108,544	61,984
		191,684	98,655

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. Waqas Abrar, Mr. Zaher Shah and Mr. Ahmed Waseem Khan (2021: Mr. Amin Ganny, Mr. Zaher Shah and Mr. Ahmed Waseem Khan) as at June 30, 2022.

8.2 The maximum amount outstanding at the end of any month during the year ended June 30, 2022 from key management personnel aggregated to PKR 31.870 million (2021: PKR 17.608 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.

	2022	2021
	(PKR in '000')	
10. STORES AND SPARES		
Stores	5,218,792	5,473,493
Spares	6,466,467	5,531,496
	11,685,259	11,004,989
Less: Provision for slow moving spares	478,416	478,416
	11,206,843	10,526,573
11. STOCK-IN-TRADE		
Raw and packing materials	740,580	880,710
Work-in-process	5,801,452	1,887,232
Finished goods	659,332	367,095
	7,201,364	3,135,037
Less: Provision for slow moving packing material	30,000	30,000
	7,171,364	3,105,037

	Note	2022	2021
		(PKR in '000')	
12. TRADE DEBTS			
Bills receivable - secured	12.2	418,600	494,956
Others - unsecured		3,114,912	2,237,754
		3,533,512	2,732,710
Less: Provision for doubtful debts	12.3	10,581	22,629
		3,522,931	2,710,081
12.1 The status of trade debts as at June 30 is as follows:			
Not impaired		3,522,931	2,710,081

12.2 Represents receivables in respect of export sales.

		2022	2021
12.3 Movement of provision for doubtful debts is as follows:			
Balance as of July 1, 2021 / 2020		22,629	22,134
Provision during the year		1,952	33,215
Less: Doubtful debts recovered		14,000	13,636
Net (reversal) / provision for doubtful debts during the year		(12,048)	19,579
Less: Doubtful debts written-off		–	19,084
Balance as at June 30		10,581	22,629

	Note	2022	2021
13. LOANS AND ADVANCES			
(secured & considered good)			
Current portion of long term loans and advances to employees	8	110,065	90,462
Other advances given to employees - return free	13.1	35,476	26,520
		145,541	116,982
Advances to suppliers and others - return free	13.2	589,796	828,005
		735,337	944,987

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 81.728 million (2021: PKR 293.797 million).

	2022	2021
	(PKR in '000')	
14. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
Trade deposits - return free		
Utilities	489	17
Rented premises	8,288	8,288
Others	3,826	5,307
	12,603	13,612
Prepayments		
Insurance	79,791	38,814
Rent	22,255	12,038
Others	25,883	20,939
	127,929	71,791
	140,532	85,403

	Note	2022	2021
		(PKR in '000')	
15. OTHER RECEIVABLES			
(unsecured & considered good)			
Rebate on export sales		18,850	43,575
Due from Collector of Customs	15.1	19,444	19,444
Hyderabad Electricity Supply Company (HESCO)	15.2	3,447,797	3,604,017
Receivable on account of Fee for technical services	15.3	1,337,865	–
Others	15.4	14,367	23,603
		4,838,323	3,690,639

15.1 The Company had imported cement bulkers during October 19, 2006 to December 5, 2006 for export of loose cement under SRO 575(1) of 2006 dated June 5, 2006 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 in 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 said judgement has been challenged by the FBR before the Honorable Supreme Court of Pakistan which remains pending.

The management is confident that the decision shall be in the Company's favour and full amount will be recovered in due course.

15.2 NEPRA in 2005 issued the Interim Power Procurement Regulations and through a notice published in a leading newspaper on June 15, 2007 allowed Captive Power Plants (CPPs) having surplus power of up to 50 MW to sell electricity to power purchasers at mutually agreed rates. Relying on such policy, the Company and HESCO entered into a Power Purchase Agreement (PPA) dated March 22, 2011 for the sale and purchase of electrical power at mutually agreed rates.

However, subsequent to the signing of the PPA and contrary to the earlier policy, NEPRA purported to re-determine the tariff through determination dated January 9, 2013 and granted a substantially lower tariff than what was mutually agreed. This determination was challenged by all the CPPs before the Honorable High Court of Sindh. The Honorable Court decided the case in favor of NEPRA vide judgement dated August 19, 2015.

The Company along with all other CPPs filed an appeal in the Honorable Supreme Court of Pakistan against the decision of the High Court of Sindh. Detailed hearings were held and judgement was reserved in November 2016. However, the said judgment could not be announced and since then the case has been relisted for hearing. The matter is currently being heard in the Honorable Supreme Court of Pakistan.

The supply of electricity and invoicing between the Company and HESCO is continuing on the basis of an interim agreement signed on March 6, 2017, which is subject to the outcome of the above appeals pending before the Honorable 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 the Sindh New Captive Power Plants Subsidy Act, 2017 (as amended) for provision of tariff differential support to CPPs in the province of Sindh. Under the aforementioned Act, the Company claimed and received subsidy for the period March 2015 to February 2021 (excluding September 2020) amounting to PKR 1,999 million. The Company's subsidy claims pertaining to the month of September 2020 and the period from March 2021 to April 2022 have not yet been settled. The Company is actively following up with relevant departments for settlement of its dues and is expecting the settlement in due course.

15.3 During the year, the Company entered into Technical Support Agreement with a related party Nyumba Ya Akiba S.A. (NYA), a fully integrated cement manufacturing unit established under a joint venture agreement between LCLIHL and Rawsons Investment Limited (note 7.2), whereby the Company undertook to provide technical services to NYA in respect of its cement manufacturing and administrative operations.

Subsequently, the Company also entered into a Release Agreement with LCLIHL, NYA, LRHL and Rawsons Investments Limited; and a Side Letter with LCLIHL whereby LCLIHL agreed to pay US Dollar equivalent of PKR 807.95 million to the Company upon the Company releasing receivable balance equivalent to the aforementioned amount due from NYA on account of fee for technical services.

The maximum aggregate outstanding at the end of any month during the year from NYA and LCLIHL on account of fee for technical services is PKR 1,337.865 million.

15.4 Include amounts of PKR 3.042 million, PKR 0.869 million, PKR 0.592 million, PKR 0.013 million, PKR 0.215 million and PKR 2.320 million receivable from the related parties LEPCL, YB Holdings Limited, Lucky Foods (Private) Limited, Lucky Commodities (Private) Limited, Energas Terminal (Private) Limited and LMC respectively on account of certain expenses incurred by the Company on behalf of these related parties.

The maximum aggregate outstanding at the end of any month during the year from these related parties is PKR 7.051 million (2021: PKR 12.907 million).

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 seeking a 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 claim of PKR 538.812 million on May 8, 2007 with the Collector of Central Excise and Sales Tax, Peshawar, for refund of central excise duty collected due to incorrect interpretation of law. The Company on the basis of legal opinions obtained, recognized 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.

While verifying the refund claim, the Collector of Excise and Sales Tax Peshawar issued a 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 before the Peshawar High Court (the PHC) by filing a petition which was decided on April 27, 2011 with the direction to conduct an audit through reputed audit firms to determine whether incidence of the duty was passed on or not.

Pursuant to the order of the PHC, numerous correspondence took place between the Company and FBR to conduct the audit. However, the FBR defaulted on its commitment made before the PHC and hence on July 06, 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 along with 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 a departmental audit rather than an independent audit submitted a report to the FTO on October 11, 2013. The said report was rejected by the FTO and the FBR was directed vide order dated November 22, 2013 to get the audit conducted through an independent audit firm as agreed to by both the parties previously for fair and unbiased resolution of the issue within one month.

The FBR filed a 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 then filed a writ petition before the Peshawar High Court 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 June 18, 2015.

On January 30, 2018, the FBR's writ petition was dismissed by the Peshawar High Court after which the FBR filed an appeal before the Supreme Court of Pakistan. The FBR simultaneously also filed a review petition before the Peshawar High Court for review of judgment dated January 30, 2018. The review petition was dismissed by the Peshawar High Court since the matter was pending before the Supreme Court. The Company 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 was issued to the Chief Commissioner RTO, Peshawar. The Supreme Court has heard the matter and reserved its judgment which is expected to be announced shortly.

The management is confident on the advice 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	2022	2021
			(PKR in '000')	
17.	**SHORT TERM INVESTMENTS**			
	Investments - Fair value through profit or loss	17.1 & 17.2	12,733,049	16,187,615
	Investments - Fair value through other comprehensive income	17.3	18,106	39,488
			12,751,155	16,227,103

17.1 These represent investment in units of Shariah Compliant mutual funds, the details of which are as follows:

Name of fund	2022 Number of units	2022 Value of investment 'PKR in '000'	2021 Number of units	2021 Value of investment 'PKR in '000'
Faysal Islamic Cash Fund	5,761,403	576,140	5,088,096	508,810
ABL Islamic Cash Fund	95,657,065	956,571	102,196,207	1,021,962
UBL - Al Ameen Islamic Cash Fund	11,583,956	1,158,396	31,825,758	3,182,576
Meezan Rozana Amdani Fund	152,229,568	7,611,478	167,957,693	8,397,885
MCB - Alhamra Islamic Money Market Fund	10,151,082	1,010,134	30,915,305	3,076,382
HBL Income Fund	10,028,963	1,014,674	–	–
AL Habib Islamic Cash Fund	4,056,564	405,656	–	–
		12,733,049		16,187,615

17.2 Investments with mutual funds include an amount of PKR 1,111 million (2021: 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 (2021: 1,769,940 shares) of Pakistan Stock Exchange.

	Note	2022 (PKR in '000')	2021 (PKR in '000')
18. CASH AND BANK BALANCES			
Sales collection in transit		1,013,642	600,509
Cash at bank			
- in current accounts		160,241	163,643
- in Islamic saving accounts	18.1	2,677,660	2,042,410
		2,837,901	2,206,053
		3,851,543	2,806,562
Cash in hand		19,535	18,862
		3,871,078	2,825,424

18.1 These are shariah compliant bank balances and carry profit at rates ranging from 2.80% to 13.50% (2021: 2.51% to 7.25%) per annum.

	2022 (PKR in '000')	2021 (PKR in '000')
19. SHARE CAPITAL		
Authorized capital		
500,000,000 (2021: 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 (2021: 305,000,000) Ordinary		
shares of PKR 10/- each issued for cash	3,050,000	3,050,000
18,375,000 (2021: 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	**2022**	2021
			(PKR in '000')	
20.	**RESERVES**			
	Capital reserve			
	Share premium	20.1	7,343,422	7,343,422
	Revenue reserves			
	General reserve	20.2	99,164,187	85,147,790
	Unappropriated profit		18,798,965	17,475,296
			117,963,152	102,623,086
			125,306,574	109,966,508

20.1 This reserve can be utilised by the Company only for the purpose specified in section 81 of the Companies Act, 2017.

20.2 The balance in general reserve has been accumulated by way of transfers from unappropriated profit.

		Note	**2022**	2021
			(PKR in '000')	
21.	**LONG-TERM DEPOSITS**			
	Cement stockists	21.1	191,052	179,253
	Transporters	21.2	56,100	61,200
	Others		3,180	3,180
			250,332	243,633

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	2022	2021
		(PKR in '000')	

22. LONG-TERM LOANS

	Note	2022	2021
Salary Refinance Loan	22.1	380,181	839,180
Temporary Economic Refinance	22.2	4,882,521	2,601,772
Financing for Renewable Energy	22.3	1,460,324	–
Long Term Financing Facility	22.4	7,872,622	–
		14,595,648	3,440,952
Less: Current maturity of long-term loans		487,202	506,908
		14,108,446	2,934,044

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 instalments, which started from April 2021. This long term financing facility is secured by way of hypothecation charge over specific plant and machinery of the Company. The facility carries mark-up at the rate of 0.50% per annum starting from the date of disbursement and is payable in arrears on quarterly basis.

22.2 The Company entered into long-term loan agreements with Habib Bank Limited - Islamic, MCB Islamic Bank Limited, Bank Alfalah - Islamic, Faysal Bank Limited - Islamic, Habib Metropolitan Bank - Islamic, United Bank Limited - Islamic and National Bank of Pakistan under the Temporary Economic Refinance Facility (TERF) 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 and are secured by way of hypothecation charge over specific plant and machinery of the Company. These facilities carry mark-up ranging from 1.50% to 2.50% which is payable in arrears. The gross amount of loan outstanding as at the reporting date includes PKR 5,572 million obtained under Islamic mode of financing.

22.3 During the year, the Company entered into long-term loan agreements with Allied Bank Limited and Dubai Islamic Bank under the Renewable Energy Scheme of the State Bank of Pakistan. The loans are repayable in semi-annual installments over a period of twelve years which include a grace period of two years and are secured by way of hypothecation charge over specific plant & machinery of the Company. These facilities carries mark-up ranging from 3.95% to 4.75% which is payable in arrears on quarterly basis. The amount of loan outstanding as at the reporting date includes PKR 460.324 million obtained under Islamic mode of financing.

22.4 During the year, the Company entered into long-term loan agreements with Bank Al Habib, Pak Kuwait Investment Company, Habib Bank Limited - Islamic, Allied Bank Limited, Meezan Bank Limited - Islamic and Saudi Pak Industrial and Agricultural Investment Company under the Long-Term Financing Facility (LTFF) of 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 and are secured by way of hypothecation charge over specific plant and machinery of the Company. The facility carries mark-up ranging from 2.50% to 5.00%. The amount of loan outstanding as at the reporting date includes PKR 2,315 million obtained under Islamic mode of financing.

22.5 Following is the movement of long term loans:

	2022	2021
	(PKR in '000')	
Balance as at July 1, 2021 / 2020	4,548,892	506,908
Loans obtained during the year	12,718,119	4,168,711
Loan repaid during the year	(506,908)	(126,727)
Balance as at June 30	16,760,103	4,548,892
Less: Deferred Government grant	2,164,455	1,107,940
	14,595,648	3,440,952

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	2022	2021
		(PKR in '000')	
Salary Refinance Loan		–	47,909
Temporary Economic Refinance		2,164,455	1,060,031
		2,164,455	1,107,940

24. DEFERRED LIABILITIES

	Note	2022	2021
Staff gratuity	24.1	2,596,281	2,337,897
Deferred tax liability	24.2	6,941,172	6,157,224
		9,537,453	8,495,121

24.1 The amounts recognized in the statement of financial position and other details, based on the recent actuarial valuation carried on June 30, 2022, are as follows:

		2022	2021
		(PKR in '000')	
24.1.1	Present value of defined benefit obligation	2,596,281	2,337,897
24.1.2	Changes in the present value of defined benefit obligation are as follows:		
	Balance as at July 1, 2021 / 2020	2,337,897	1,948,457
	Charge for the year	479,353	388,704
	Remeasurement (gain) / loss recognised in other comprehensive income	(84,727)	101,705
		2,732,523	2,438,866
	Payments made during the year	(136,242)	(100,969)
		2,596,281	2,337,897
24.1.3	Charge for the year recognised in the profit or loss is as follows:		
	Current service cost	234,375	203,872
	Finance cost	244,978	184,832
		479,353	388,704
24.1.4	The charge for the year has been allocated as follows:		
	Cost of sales	340,049	292,180
	Distribution cost	40,151	7,613
	Administrative expenses	91,998	88,592
	Cost of sale of electricity	7,155	319
		479,353	388,704
24.1.5	Principal actuarial assumptions used are as follows:		
	Expected rate of increase in salary level		
	Next year	12.00%	12.00%
	Second year onwards	13.25%	10.25%
	Valuation discount rate	13.25%	10.25%

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:

	2022 (PKR in '000')
Discount rate +1%	(224,411)
Discount rate -1%	259,465
Long-term salary +1%	244,509
Long-term salary -1%	(215,737)

24.1.7 The weighted average duration of the defined benefit obligation is 9.27 years.

24.1.8 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.

24.1.9 Expected charge to unfunded gratuity scheme for the year ending June 30, 2023 is PKR 603.332 million.

	2022	2021
	(PKR in '000')	
24.2 Deferred tax liability		
This comprises the following:		
- Taxable temporary differences arising due to accelerated tax depreciation allowance	7,737,372	7,090,871
- Deductible temporary differences arising in respect of provisions and minimum tax	(796,200)	(933,647)
	6,941,172	6,157,224

24.2.1 In accordance with the Finance Act, 2022, super tax at the rate of 4% for tax year 2022 and onwards has been levied on certain categories of tax payers in addition to the corporate tax rate of 29%. Accordingly, the Company has recorded deferred tax at 33% in accordance with applicable accounting and reporting standards.

		Note	2022	2021
			(PKR in '000')	
25.	**TRADE AND OTHER PAYABLES**			
	Creditors		3,352,998	2,882,434
	Accrued liabilities		5,333,024	4,235,009
	Payable to a subsidiary company against claim of tax losses	25.1	–	613,992
	Advances from customers / contract liabilities	25.5	2,114,280	1,622,376
	Retention money		1,141,232	195,502
	Sales tax, excise duty and other government levies	25.2	9,672,058	9,365,588
	Workers' Profit Participation Fund (WPPF)	25.3	54,998	650,560
	Workers' Welfare Fund (WWF)	25.4	1,326,416	1,089,363
	Others		196,477	134,936
			23,191,483	20,789,760

25.1 The Company has claimed tax loss amounting to Nil (2021: PKR 2,117.212 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 Nil (2021: PKR 613.992 million).

25.2 The Honorable 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 Honorable High Court of Sindh (SHC) on September 30, 2020 and 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.

		Note	2022	2021
			(PKR in '000')	
25.3	The movement of WPPF payable is as follows:			
	Balance as at July 1, 2021 / 2020		650,560	201,135
	Allocation for the year and return thereon	33	1,139,910	900,607
			1,790,470	1,101,742
	Payments during the year		(1,735,472)	(451,182)
			54,998	650,560

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 before the SHC 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 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.

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 Honorable 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 1,000 million (2021: PKR 7,050 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 the rate of 2.65% per annum.

27. CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

27.1 The Federal Government issued SROs 580(1)/91 and 561(1)/94 dated June 27, 1991 and June 9, 1994 respectively and incentivized industries by providing sales tax exemptions on goods produced for a period of 5 years from the date of commissioning of such industries if the industrial plants were set up between July 01, 1991 and June 30, 1996 within the jurisdiction of NWFP (now KPK) and Baluchistan. The Company relying on such incentive set up its manufacturing plant in Dera Pezu, District Lakki Marwat and was thus entitled to sales tax exemption on cement produced by it till June 30, 2001. Through the Finance Act, 1997, the Federal Government provided sales tax exemption to all cement manufacturers of Pakistan regardless of their geographical location and thus withdrew the incentive given earlier of sales tax exemption to industries being set up in NWFP (now KPK) and Baluchistan. Being aggrieved, the Company filed a writ petition with the Peshawar High Court in 2000. The writ petition was subsequently withdrawn on legal advice and a suit for compensation was filed before the Learned Civil Judge, Peshawar. The Learned Civil Judge decreed the suit ex-parte on November 20, 2009 in favor of the Company for an amount of PKR 1,693.61 million along with 14% return per annum till the date of payment.

On August 3, 2011, the Company filed an execution petition for realisation of the decretal amount as per the decree granted by the Learned Civil Court. Due to objections filed by the Federal Government and the FBR, the ex-parte decree was set aside on January 17, 2012 and the matter was listed for re-hearing. The defendants contested the matter and the Learned Civil Judge, Peshawar, dismissed the suit of the Company on December 18, 2012. The Company filed an appeal before the Honorable Peshawar High Court against dismissal of the suit on March 9, 2013 in which relief is sought that the judgment of the Learned Civil Court may be set aside. The case is currently pending before the Honorable Peshawar High Court.

27.2 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 Honorable 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 Honorable 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 Honorable Lahore High Court.

The Company has also filed a petition before the Honorable High Court of Sindh in relation to the constitution of CAT, wherein the Honorable Court has restrained CAT from passing a final order in the matter.

Based on advice of the Company's legal advisor, the management is confident of a positive outcome in this regard.

27.3 Details of other matters are stated in notes 15.1, 15.2 and 16 to these unconsolidated financial statements.

		2022	2021
		(PKR in '000')	
	COMMITMENTS		
27.4	**Capital commitments**		
	Plant, machinery and equipment under letters of credit	8,788,299	14,952,741

		2022	2021
		(PKR in '000')	
27.5	**Other commitments**		
	Stores, spares, packing material and other supplies / services under letters of credit	4,530,101	1,649,345
	Bank guarantees issued by the Company on behalf of subsidiary company	4,550,000	19,114,000
	Bank guarantees issued on behalf of the Company	1,404,716	2,231,982
	Post-dated cheques	1,642,422	825,010
	Commitment on behalf of a subsidiary company in respect of cost over-run and PSRA support	28,201,245	21,689,041
28.	**GROSS SALES**		
	Local	95,897,832	74,503,468
	Export	12,703,113	13,854,227
		108,600,945	88,357,695

28.1 All revenue earned by the Company is shariah compliant.

		Note	2022	2021
			(PKR in '000')	
29.	**COST OF SALES**			
	Salaries, wages and benefits		2,701,913	2,496,697
	Raw material consumed		3,717,639	2,643,590
	Packing material consumed	29.1	4,789,033	4,759,397
	Fuel and power		44,020,800	26,641,768
	Stores and spares consumed		2,166,461	2,366,054
	Repairs and maintenance		582,813	585,356
	Depreciation	5.2	4,011,656	3,802,281
	Amortisation	6.2	141	5,552
	Insurance		109,376	92,571
	Earth moving machinery		334,071	305,549
	Vehicle running and maintenance		77,822	51,686
	Communication		12,319	13,069
	Mess subsidy		8,446	7,266
	Transportation		25,764	13,021
	Travelling and conveyance		3,447	2,761
	Rent, rates and taxes		28,204	25,794
	Printing and stationery		2,733	2,548
	Other manufacturing expenses		155,503	134,024
			62,748,141	43,948,984
	Work-in-process:			
	Opening		1,887,232	1,882,802
	Closing		(5,801,452)	(1,887,232)
			(3,914,220)	(4,430)
	Cost of goods manufactured		58,833,921	43,944,554
	Finished goods:			
	Opening		367,095	407,414
	Closing		(659,332)	(367,095)
			(292,237)	40,319
			58,541,684	43,984,873

29.1 These are net of duty draw back on export sales amounting to PKR 18.189 million (2021: PKR 33.516 million).

		Note	2022	2021
			(PKR in '000')	
30.	**DISTRIBUTION COST**			
	Salaries and benefits		359,886	324,676
	Logistics and other distribution related charges		1,825,094	2,539,419
	Loading and others		2,157,441	1,535,505
	Communication		6,034	6,523
	Travelling and conveyance		8,042	4,595
	Printing and stationery		1,465	1,337
	Insurance		49,228	41,509
	Rent, rates and taxes		41,433	41,979
	Utilities		7,055	5,238
	Vehicle running and maintenance		35,416	20,344
	Repairs and maintenance		33,000	32,446
	Fees, subscription and periodicals		3,484	2,697
	Advertisement and sales promotion		14,250	45,911
	Entertainment		10,753	9,311
	Security services		4,860	5,285
	Depreciation	5.2	210,020	214,821
	Amortisation	6.2	51	1,093
	Net (reversal) / provision for doubtful debt	12.3	(12,048)	19,579
	Others		9,110	6,828
			4,764,574	4,859,096
31.	**ADMINISTRATIVE EXPENSES**			
	Salaries and benefits		715,470	613,592
	Communication		10,637	9,246
	Travelling and conveyance		31,083	25,730
	Insurance		33,770	26,912
	Rent, rates and taxes		25,546	23,794
	Vehicle running and maintenance		50,175	28,431
	Aircraft running and maintenance		57,369	40,991
	Printing and stationery		11,789	9,252
	Fee and subscription		51,227	35,464
	Security services		9,086	9,098
	Legal and professional fee		63,878	57,017
	Utilities		13,033	17,124
	Repairs and maintenance		177,909	136,186
	Advertisement		3,269	882
	Auditor's remuneration	31.1	4,186	4,378
	Depreciation	5.2	190,545	169,189
	Amortisation	6.2	693	4,008
	Training cost		22,168	9,454
	Bank charges		13,090	18,072
	Others		27,356	18,254
			1,512,279	1,257,074

		Note	2022	2021
			(PKR in '000')	
31.1	**Auditor's remuneration**			
	Statutory audit fee - standalone		2,183	1,985
	Statutory audit fee - consolidation		516	469
	Half yearly review fee		516	469
	Fee for the review of compliance with the			
	Code of Corporate Governance		121	110
	Others	31.1.1	–	570
			3,336	3,603
	Out of pocket expenses and government levies		850	775
			4,186	4,378

31.1.1 This pertains to fee for services rendered in relation to taxation and compliance related matters.

		2022	2021
		(PKR in '000')	
32.	**FINANCE COSTS**		
	Mark-up / interest on:		
	Short-term finances	179,552	299,636
	Long-term finances	214,965	33,269
		394,517	332,905

32.1 Finance costs include PKR 310.505 million (2021: PKR 332.905 million) incurred under Islamic mode of financing.

		Note	2022	2021
			(PKR in '000')	
33.	**OTHER EXPENSES**			
	Workers' Profit Participation Fund	25.3	1,139,910	900,607
	Workers' Welfare Fund		237,053	118,380
	Donations and scholarships	33.1 & 33.2	421,720	342,018
	Exchange loss - net	33.3	48,356	146,668
			1,847,039	1,507,673

33.1 These include donations amounting to PKR 210 million (2021: PKR 200 million) to Aziz Tabba Foundation (ATF), a not-for-profit organization registered under section 42 of the Companies Ordinance, 1984 (now the Companies Act, 2017). Mr. Muhammad Younus Tabba, Chairman of the Board of Directors of the Company, is the Chief Executive of ATF and Mr. Muhammad Ali Tabba, the Chief Executive of the Company, is the Director of ATF. Further, Mr. Muhammad Sohail Tabba, Mr. Muhammad Jawed Tabba and Mrs. Mariam Tabba Khan, the Directors of the Company, are also Directors of ATF.

ATF is the only donee where donation amount exceeds 10% of total donations.

33.2 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.

The movement of the charity account is as follows:

	2022	2021
	(PKR in '000')	
Balance as of July 1, 2021 / 2020	–	–
Charity due	20,656	14,347
Less: Charity paid	20,656	14,347
Balance as at June 30	–	–

33.3 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 5.78 million (2021: PKR 139.835 million).

	Note	2022	2021
		(PKR in '000')	
34. OTHER INCOME			
Income from non-financial assets			
Gain on disposal of property, plant and equipment		132,368	80,186
Gain from sale of electricity		271,430	212,556
Sale of scrap and others		181,203	250,152
		585,001	542,894
Income from financial assets			
Dividend from subsidiaries	34.1	3,365,414	4,345,673
Dividend / other income from associate	34.1	187,572	61,137
Dividend from mutual funds and other investments	34.1	1,167,048	613,816
Fee for Technical Services	15.3	1,775,706	–
Income from deposits with Islamic banks	34.2	307,059	429,509
		6,802,799	5,450,135
		7,387,800	5,993,029

34.1 Dividend income has been purified by making charitable donations as more fully explained in note 33.2 to these unconsolidated financial statements.

34.2 Represents profit earned from shariah compliant bank deposits and bank balances.

35. TAXATION

35.1 Taxation expense comprises of:

	2022	2021
	(PKR in '000')	
- current tax	5,360,564	1,906,413
- deferred tax	762,050	1,015,611
	6,122,614	2,922,024

35.2 Relationship between income tax expense and accounting profit:

	2022	2021
	(PKR in '000')	
Profit before taxation	21,421,232	16,992,213
Tax at the applicable tax rate of 29%	6,212,157	4,927,742
Tax effect under lower rate of tax	(1,867,956)	(664,526)
Provision for super tax	1,681,510	–
Tax effect of exempt income	–	(1,260,245)
Others	96,902	(80,947)
	6,122,614	2,922,024
Effective tax rate	29%	17%

	2022	2021
36. BASIC AND DILUTED EARNINGS PER SHARE		
Profit after taxation (PKR in thousands)	15,298,618	14,070,189
Weighted average number of ordinary shares (in thousands)	323,375	323,375
Basic and diluted earnings per share (PKR)	47.31	43.51

	Note	2022	2021
		(PKR in '000')	
37. CASH GENERATED FROM OPERATIONS			
Profit before taxation		21,421,232	16,992,213
Adjustments for non-cash charges and other items			
Depreciation	5.2	4,526,876	4,298,760
Amortisation of intangible assets	6.2	885	10,653
Provision for slow moving spares		–	248,343
Net (reversal) / creation of provision for doubtful debts	12.3	(12,048)	19,579
Gain on disposal of property, plant and equipment	34	(132,368)	(80,186)
Income from deposits with Islamic banks	34	(307,059)	(429,509)
Dividend income from subsidiaries	34	(3,365,414)	(4,345,673)
Dividend / other income from associate	34	(187,572)	(61,137)
Dividend income from mutual fund	34	(1,167,048)	(613,816)
Provision for staff gratuity	24	479,353	388,704
Finance cost	32	394,517	332,905
Profit before working capital changes		21,651,354	16,760,836
(Increase) / decrease in current assets			
Stores and spares		(680,270)	(4,254,746)
Stock-in-trade		(4,066,327)	(189,485)
Trade debts		(800,802)	693,107
Loans and advances		209,650	(554,021)
Trade deposits and short-term prepayments		(55,129)	(4,234)
Other receivables		(1,147,684)	(20,339)
		(6,540,562)	(4,329,718)
Increase in current liabilities			
Trade and other payables		3,015,716	854,556
		18,126,508	13,285,674

	Note	2022	2021
		(PKR in '000')	
37.1 CASH FLOWS FROM OPERATING ACTIVITIES			
(Direct method)			
Collections from customers		108,292,047	88,916,274
Receipts of other income		1,370,707	750,473
Payments to suppliers and service providers		(59,633,740)	(48,183,696)
Payments to employees		(3,836,908)	(3,590,228)
Payments relating to income taxes		(2,394,437)	(832,798)
Payments relating to post retirement benefits - net		(136,242)	(100,969)
Payment of mark-up		(329,933)	(308,210)
Payments relating to indirect taxes		(27,862,045)	(24,158,215)
Net cash generated from operating activities		15,469,449	12,492,631
37.2 CASH AND CASH EQUIVALENTS			
Cash and bank balances	18	3,871,078	2,825,424
Short-term investments	17	12,733,049	16,187,615
Placements / balances held as lien		(1,111,111)	(322,000)
Short-term borrowings	26	(1,000,000)	(7,050,000)
		14,493,016	11,641,039

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Executives		Total	
	2022	2021	2022	2021	2022	2021
	(PKR in '000')					
Managerial remuneration	60,000	60,000	1,351,852	1,241,418	1,411,852	1,301,418
Charge for defined benefit obligation	5,000	5,000	229,943	218,904	234,943	223,904
	65,000	65,000	1,581,795	1,460,322	1,646,795	1,525,322
Number of persons	1	1	426	380	427	381

38.1 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.

38.2 No remuneration has been paid to directors during the year except as disclosed in note 38.3 below.

38.3 An amount of PKR 4.219 million was paid to 7 non executive directors and PKR 0.438 million was paid to 1 executive director during the current year as the fee for attending board meetings (2021: PKR 1.688 million was paid to 7 non executive directors and PKR 0.219 million was paid to 1 executive director).

Notes to the Unconsolidated Financial Statements
For the year ended June 30, 2022

39. RELATED PARTIES

39.1 Following are the related parties with whom the Company had entered into transactions during the year:

39.1.1

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	Subsidiary	Nil
5	LCL Investment Holdings Limited	Subsidiary	Nil
6	Lucky Energy (Private) Limited	Associated Company	3.5509%
7	Yunus Textile Mills Limited	Associated Company	7.0614%
8	Lucky Textile Mills Limited	Associated Company	Nil
9	Gadoon Textile Mills Limited	Associated Company	Nil
10	Lucky Paragon ReadyMix Limited	Associated Company	Nil
11	Lucky One (Private) Limited	Associated Company	Nil
12	Lucky Knits (Private) Limited	Associated Company	Nil
13	Lucky Foods (Private) Limited	Associated Company	Nil
14	Lucky Commodities (Private) Limited	Associated Company	Nil
15	Aziz Tabba Foundation	Associated Company	Nil
16	Lucky Air (Private) Limited	Associated Company	Nil
17	Energas Terminal (Private) Limited	Associated Company	Nil
18	Nyumba Ya Akiba S.A.	Associated Company	Nil
19	YB Holdings (Private) Limited	Associated Company	Nil
20	Lucky Landmark (Private) Limited	Associated Company	Nil
21	Yunus Energy Limited	Associated Company	Nil
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%
30	Mr. Ikram Hussain Khan	Spouse of director	0.0053%
31	Mrs. Zulekha Tabba Maskatiya	Relative of director	1.4430%
32	Mr. Khawaja Iqbal Hassan	Director	0.0023%
33	Mr. Masood Karim Shaikh	Director	Nil
34	Mr. Manzoor Ahmed	Director	Nil
35	Mr. Syed Noman Hasan	Key management personnel	0.0003%
36	Mr. Muhammad Atif Kaludi	Key management personnel	0.0077%
37	Mr. Amin Ganny	Key management personnel	0.0014%
38	Mr. Faisal Mahmood	Key management personnel	Nil
39	Mr. Ahmed Waseem Khan	Key management personnel	Nil
40	Mr. Muhammad Shabbir	Key management personnel	Nil
41	Mr. Mashkoor Ahmed	Key management personnel	Nil
42	Mr. Kalim Ahmed Mobin	Key management personnel	0.0006%
43	Mr. Murtaza Abbas	Key management personnel	0.0003%
44	Mr. Adnan Ahmed	Key management personnel	Nil
45	Mr. Zahir Shah	Key management personnel	Nil
46	Mr. Waqas Abrar Khan	Key management personnel	Nil
47	Mr. Muhammad Safdar Ashraf Malik	Key management personnel	Nil

39.2 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:

	2022	2021
	(PKR in '000')	
Transactions with subsidiary companies		
Reimbursement of expenses to the Company	2,892	89
Investments made during the year	4,400,000	6,050,000
Purchase of vehicles	386,113	71,153
Other purchases	11,574	13,137
Payment against claim of tax loss on account of group tax adjustment	613,992	33,582
Sales	127,885	50,153
Services	111	983
Dividend received	3,365,414	4,345,673
Transactions with Directors and their close family members		
Meeting fee	4,656	1,906
Sales	690	366
Transactions with associated undertakings		
Sales	820,774	372,387
Purchases	191	–
Reimbursement of expenses to the Company	21,136	32,025
Reimbursement of expenses from the Company	37,673	115
Donation and charity	210,000	200,000
Fee for Technical Services	1,775,706	–
Services	–	31,335
Dividends paid	–	10,341
Dividend and other income received	187,506	61,137
Transactions with other key management personnel		
Salaries and benefits	302,957	280,321
Post employment benefits	46,139	44,749

	2022	2021
	Metric Tons	
40. PRODUCTION CAPACITY		
Production Capacity - (Cement)	12,150,000	12,150,000
Production Capacity - (Clinker)	11,542,500	11,542,500
Actual Production Cement	8,283,904	9,119,486
Actual Production Clinker	8,793,820	9,044,055

40.1 Cement and clinker production capacities utilization is 68.18% and 76.19% respectively of the total installed capacities due to planned and unplanned maintenance shutdowns, fuel shortages and seasonality including monsoons, Eid holidays and Ramadan.

41. 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, 2022. The policies for managing each of these risk are summarized below:

41.1 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.

41.1.1 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.

41.1.2 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 11.7% (2021: 15.68%) of the Company's sales are denominated in currencies other than Pakistan Rupee.

As at June 30, 2022, 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 4.579 million (2021: PKR 4.732 million) higher / lower as a result of exchange gain / loss on translation of foreign currency denominated financial instruments.

41.1.3 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.

41.2 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 customers, 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	2022	2021
		(PKR in '000')	
At amortised cost			
Long-term deposits	9	8,106	7,937
Trade debts	12	3,522,931	2,710,081
Loans	8 & 13	193,205	127,133
Trade deposits	14	12,603	13,612
Accrued return		39,316	22,309
Other receivables	15	4,800,029	3,627,620
Bank balances	18	3,851,543	2,806,562
		12,427,733	9,315,254

Particulars	Note	2022	2021
		(PKR in '000')	
At fair value through profit or loss			
Short term investments - units of mutual funds	17	12,733,049	16,187,615
At fair value through other comprehensive income			
Short term investments - 1,769,940 shares of PSX (2021: 1,769,940 shares of PSX)	17	18,106	39,488

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 rating agencies or the historical information about counter party default rates as shown below:

	2022	2021
	(PKR in '000')	
Trade debts		
Neither past due nor impaired	3,382,090	2,420,077
Past due but not impaired	140,841	290,004
Total	3,522,931	2,710,081

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due. Trade debts are generally due within 15 to 90 days.

	2022	2021
	(PKR in '000')	
Bank balances		
A1+	3,844,198	2,806,443
A1	7,315	119
P1	30	–
	3,851,543	2,806,562

Other receivables include PKR 3,447.797 million (2021: PKR 3,604.017 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.

41.3 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 36,078 million (2021: PKR 26,047 million) out of the total facilities of PKR 73,859 million (2021: PKR 75,080 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. Further, due to the financial strength of the Group, the related obligations shall be settled as they mature and therefore the guarantees issued by the Company on behalf of subsidiary company (note 27.5) are not expected to be called.

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 (PKR in '000')	Total
June 30, 2022			
Long-term deposits	–	250,332	250,332
Trade and other payables	10,023,731	–	10,023,731
Long-term loans	487,202	19,511,670	19,998,872
Short-term borrowings	1,000,000	–	1,000,000
Accrued markup	135,452	–	135,452
Unclaimed dividend	51,030	–	51,030
	11,697,415	19,762,002	31,459,417
June 30, 2021			
Long-term deposits	–	243,633	243,633
Trade and other payables	8,061,873	–	8,061,873
Long-term loan	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
	15,743,107	4,622,394	20,365,501

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 (PKR in '000')	Level 3	Total
Assets				
Financial assets - fair value through				
Profit or loss -				
Short-term investments - units of mutual funds	–	12,733,049	–	12,733,049
Financial assets - fair value through				
other comprehensive income -				
Short-term investments - shares of PSX	18,106	–	–	18,106

There were no transfers amongst levels during the year.

42. 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, 2022.

43. 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:

	2022	2021
Number of employees as at June 30	2,543	2,541
Average number of employees during the year	2,542	2,535

44 SUBSEQUENT EVENT

44.1 The Board of Directors in its meeting held on 5 August 2022 approved the transfer of PKR 15,340.066 million (2021: PKR 14,016.397 million) from un-appropriated profit to general reserve. These unconsolidated financial statements do not reflect this appropriation.

45. GENERAL

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

45.2 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.

46. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorized for issue on 5 August 2022 by the Board of Directors of the Company.

Khawaja Iqbal Hassan	Muhammad Ali Tabba	Atif Kaludi
Director	Chief Executive	Chief Financial Officer

Financial Statements

For the year ended June 30, 2022

Consolidated

A·F·FERGUSON&Co.

Independent Auditor's Report to the Members of Lucky Cement Limited

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, 2022, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and 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, 2022, 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 the 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.

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KARACHI LAHORE ISLAMABAD

Following are the Key audit matters:

S. No.	Key audit matters	How the matter was addressed in our audit
(i)	**Stock in trade and stores, spares and consumables** (refer notes 3.5, 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, coal is included as stores and spares inventory of the cement segment and as stock in trade of the power generation segment. 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 in 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 external surveyors in the inventory count process. Due to the significance of the related stock-in-trade and stores, spares and consumables balances and the significant estimates involved, this is considered as a key audit matter.	The Group performs annual inventory count 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 count 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; and • obtained and reviewed the inventory count report of the management's external surveyors.
(ii)	**Acquisition of controlling interest in Nutrico Pakistan (Private) Limited** (refer notes 4.3 and 7 to the annexed consolidated financial statements) ICI Pakistan Limited (a subsidiary company) has purchased additional 11% percent shareholding in Nutrico Pakistan (Private) Limited [NPPL]. Resultantly, ICI's shareholding in NPPL increased from 40% to 51% at the acquisition date i.e., July 1, 2021. The said acquisition has been accounted for using the acquisition method under International Financial Reporting Standard (IFRS) 3 'Business Combinations' as disclosed in note 4.3 to the consolidated financial statements. Due to the fact that this is a significant event during the year and the accounting treatment involves significant management judgments, we considered this a key audit matter.	The procedures performed, amongst others, included the following: • read the share purchase agreement, relevant minutes of the meetings of those charged with governance and notice issued to the shareholders of the subsidiary company in relation to the acquisition to obtain an understanding of the transaction and assessed whether appropriate accounting treatment has been applied; • reviewed the application of "acquisition method" accounting based on the requirements of IFRS 3. In this respect, checked the purchase price allocation and assessed reasonableness of the methodologies and assumptions used for the valuation of acquired assets and liabilities including the intangibles recognised as part of the transaction; • assessed the valuation methodology and assumptions used by the management's expert; • assessed the competence and relevant experience of the expert engaged by the management; and

S. No.	Key audit matters	How the matter was addressed in our audit
		• considered the adequacy of the disclosures in accordance with the applicable financial reporting standards. Further, we issued instructions to the component auditor in which implications of significant transaction outside the normal course of business was specifically identified as an area for their consideration. We, as group auditors, evaluated the procedures performed by the component auditor in respect of this purchase transaction and evaluated the results thereof.
(iii)	**Revenue recognition** (refer notes 3.11, 5.19, 30 and 31 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. Further, Capacity and Energy revenues of power generation segment are recognised based on the rates determined under the mechanism laid down in the Power Purchase Agreement and are subject to determination by the National Electric Power Regulatory Authority. We considered revenue recognition 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 increased significantly as compared to the last year. In addition, revenue was also considered as an area of significant risk as part of the audit process.	Our audit procedures, amongst others, included the following: • 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 analyse variation in the price and quantity sold during the year; • for revenue related to power generation segment, assessed the assumptions used to calculate the unbilled Capacity and Energy revenues in respect of Commercial Operations Date (COD) tariff adjustment; • issued instructions to the component auditor in which revenue recognition, being significant risk, was specifically identified as an area for their consideration. Evaluated the work performed by the component auditor and the results thereof; and • assessed the adequacy of disclosures made in the financial statements related to revenue.

Information Other than the Consolidated and Unconsolidated 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 consolidated and unconsolidated 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 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 is 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 05, 2022
UDIN: AR2022101130Q7D9F4H6

Consolidated Statement of Financial Position

As at June 30, 2022

	Note	2022	2021
		(PKR in '000')	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	276,029,950	215,582,486
Intangible assets	7	14,602,075	7,024,057
Right-of-use-assets	8	163,074	234,202
		290,795,099	222,840,745
Long-term investments	9	36,544,627	26,958,382
Long-term loans and advances	10	551,695	737,417
Long-term deposits	11	70,340	53,297
		327,961,761	250,589,841
CURRENT ASSETS			
Stores, spares and consumables	12	13,656,865	12,406,105
Stock-in-trade	13	72,021,896	36,258,277
Trade debts	14	36,355,113	5,645,184
Loans and advances	15	3,486,666	2,189,186
Trade deposits and short-term prepayments	16	1,035,845	921,196
Other receivables	17	18,590,025	12,424,856
Tax refunds due from the Government	18	538,812	538,812
Taxation receivable		123,926	736,597
Accrued return		39,791	23,440
Short-term investments	19	12,976,155	26,286,983
Cash and bank balances	20	16,900,459	13,377,143
		175,725,553	110,807,779
TOTAL ASSETS		503,687,314	361,397,620
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital	21	3,233,750	3,233,750
Reserves	22	167,630,764	132,389,387
Attributable to the owners of the Holding Company		170,864,514	135,623,137
Non-controlling interest		28,893,975	21,403,155
Total equity		199,758,489	157,026,292
NON-CURRENT LIABILITIES			
Long-term loans	23	127,874,326	93,558,287
Long-term deposits and other liabilities	24	7,170,303	5,422,053
Leases liabilities	8	88,182	171,533
Deferred income - Government grant	25	4,361,931	1,948,977
Deferred liabilities			
- Staff Gratuity - unfunded		2,804,294	2,520,556
- Deferred tax liability		12,307,123	9,902,174
	26	15,111,417	12,422,730
		154,606,159	113,523,580
CURRENT LIABILITIES			
Current portion of long-term finance	23	5,081,071	5,309,741
Trade and other payables	27	78,407,163	70,917,677
Provision for taxation		6,957,350	2,275,047
Accrued return		576,471	248,689
Short-term borrowings and running finance	28	58,153,464	11,949,034
Current portion of lease liabilities	8	96,117	94,102
Unclaimed dividend		51,030	53,458
		149,322,666	90,847,748
		303,928,825	204,371,328
TOTAL EQUITY AND LIABILITIES		503,687,314	361,397,620
CONTINGENCIES AND COMMITMENTS	29		

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Khawaja Iqbal Hassan	**Muhammad Ali Tabba**	**Atif Kaludi**
Director	Chief Executive	Chief Financial Officer

Consolidated Statement of Profit or Loss

For the year ended June 30, 2022

	Note	2022	2021
		(PKR in '000')	
Revenue	31.1	402,158,149	267,725,109
Less: Sales tax and excise duty		58,345,772	50,261,392
Rebates and commission		12,350,263	10,304,844
		70,696,035	60,566,236
		331,462,114	207,158,873
Cost of sales	31.2	(268,290,618)	(159,613,718)
Gross profit		63,171,496	47,545,155
Distribution cost	33	(11,824,700)	(10,021,626)
Administrative expenses	34	(5,760,738)	(5,509,068)
Finance cost	35	(7,095,208)	(1,463,781)
Other expenses	36	(4,465,504)	(4,915,446)
Other income	37	7,336,630	2,927,644
		41,361,976	28,562,878
Share of profit - joint ventures and associates	9.8	5,674,108	4,438,860
Profit before taxation		47,036,084	33,001,738
Taxation	38	(10,613,414)	(4,772,814)
Profit after taxation		36,422,670	28,228,924
Attributable to:			
Owners of the Holding Company		29,497,340	22,857,948
Non-controlling interest		6,925,330	5,370,976
		36,422,670	28,228,924
		(PKR)	
Earnings per share - basic and diluted	39	91.22	70.69

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Khawaja Iqbal Hassan
Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2022

	2022	2021
	(PKR in '000')	
Profit after taxation	36,422,670	28,228,924
Other comprehensive income / (loss):		
Other comprehensive income / (loss) which will not be reclassified to profit or loss in subsequent periods:		
Foreign exchange differences on translation of foreign operations	5,740,907	(932,869)
Loss on remeasurements of post retirement benefit obligations	(5,140)	(128,064)
Deferred tax thereon	7,939	38,027
	2,799	(90,037)
Unrealised (loss) / gain on remeasurement of equity instrument at fair value through other comprehensive income	(21,381)	21,965
Deferred tax thereon	2,673	(3,546)
	(18,708)	18,419
	5,724,998	(1,004,487)
Total comprehensive income for the year	42,147,668	27,224,437
Attributable to:		
Owners of the Holding Company	35,241,377	21,858,828
Non-controlling interest	6,906,291	5,365,609
	42,147,668	27,224,437

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Khawaja Iqbal Hassan	Muhammad Ali Tabba	Atif Kaludi
Director	Chief Executive	Chief Financial Officer

Consolidated Statement of Cash Flows

For the year ended June 30, 2022

	Note	2022	2021
		(PKR in '000')	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (utilised in) / generated from operations	40	(13,311,835)	42,905,846
Finance cost paid		(13,757,471)	(7,101,547)
Income tax paid		(4,187,946)	(1,784,823)
Income from deposits and others		1,639,977	1,600,976
Staff retirement benefits paid		(282,603)	(228,380)
Long term deposits - net		247,459	65,777
Decrease / (increase) in long-term loans and advances		185,722	(120,287)
Increase in long-term deposits and prepayments		(17,043)	(6,625)
Net cash (utilised in) / generated from operating activities		(29,483,740)	35,330,937
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(55,670,746)	(28,345,961)
Impact of acquisition of NutriCo Pakistan		(481,023)	(18,319)
Dividends and other income from equity accounted investments		3,269,677	741,137
Dividends received on short term investments		1,186,496	613,815
(Placement) / release of balance as lien		(789,111)	1,628,000
Sale proceeds on disposal of property, plant and equipment		490,108	187,209
Net cash used in investing activities		(51,994,599)	(25,194,119)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term finance obtained		32,489,383	19,153,566
Long-term finance repaid		(5,334,846)	(3,831,505)
Dividend paid to owners of the Holding Company		(2,428)	(19,889)
Dividend paid to Non-controlling interest		(2,184,160)	(2,261,877)
Payment against lease liability		(116,880)	(100,913)
Issuance of shares to Non-controlling interest		–	595,000
Net cash generated from financing activities		24,851,069	13,534,382
Net (decrease) / increase in cash and cash equivalents		(56,627,270)	23,671,200
Cash and cash equivalents at the beginning of the year		27,353,604	3,905,170
Effect of foreign currency translation on cash and cash equivalents		(132,401)	(222,766)
Cash and cash equivalents at the end of the year	40.1	(29,406,067)	27,353,604

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Khawaja Iqbal Hassan
Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended June 30, 2022

	Attributable to the owners of the Holding Company							
	Issued,	Capital reserves		Revenue reserves		Total reserves	Non –	Total
	subscribed and paid up capital	Share premium	Foreign currency translation reserve	General reserves	Unappropriated profit		controlling interest	equity
	(PKR in '000')							
Balance as at 1st July 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	–	–	–	–	(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
Transfer to general reserves	–	–	–	14,016,397	(14,016,397)	–	–	–
Transactions with owners								
Dividends paid to non-controlling interests of ICI	–	–	–	–	–	–	(1,662,442)	(1,662,442)
Dividends paid to non-controlling interests of LHL	–	–	–	–	–	–	(88,803)	(88,803)
Dividends paid to non-controlling interests of LMC	–	–	–	–	–	–	(432,915)	(432,915)
Non-controlling interest arising on step acquisition								
including issuance of shares	–	–	–	–	–	–	2,768,689	2,768,689
Total comprehensive income								
Profit after taxation	–	–	–	–	29,497,340	29,497,340	6,925,330	36,422,670
Other comprehensive income	–	–	5,740,907	–	3,130	5,744,037	(19,039)	5,724,998
Total comprehensive income for the year	–	–	5,740,907	–	29,500,470	35,241,377	6,906,291	42,147,668
Balance as at June 30, 2022	3,233,750	7,343,422	9,433,058	99,164,187	51,690,097	167,630,764	28,893,975	199,758,489

The annexed notes from 1 to 50 form an integral part of these consolidated financial statements.

Khawaja Iqbal Hassan	**Muhammad Ali Tabba**	**Atif Kaludi**
Director	**Chief Executive**	**Chief Financial Officer**

Notes to the Consolidated Financial Statements
For the year ended June 30, 2022

1. THE GROUP AND ITS OPERATIONS

The Group consists of Lucky Cement Limited (the Holding Company / LCL) and its subsidiary companies namely LCL Investment Holdings Limited, Lucky Holdings Limited, Lucky Electric Power Company Limited, 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 in Mauritius and redomiciled in Dubai - United Arab Emirates where LCLIHL has been continued as an offshore Company in Jabel Ali Free Zone Authority with effect from March 30, 2022. The principal activity of LCLIHL is that of investment holding.

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

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

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

The Holding Company held 100% shares of LCLIHL as at June 30, 2022 (2021: 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, 2022 (2021: 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). The registered office of LEPCL is situated at 6-A, Muhammad Ali Housing Society, A. Aziz Hashim Tabba Street, Karachi and its plant site is situated at Deh Ghangiaro, Taluka Ibrahim Hyderi, District Malir, Karachi.
The principal business of the Company is to own and operate a 660 megawatt (gross) power project at Port Qasim, Karachi. LEPCL has achieved its Commercial Operations Date (COD) on March 21, 2022.

The Holding Company held 100% shares of LEPCL as at June 30, 2022 (2021: 100% holding).

1.5 ICI Pakistan Limited

ICI Pakistan Limited (ICI) was incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. ICI is engaged in the manufacture of polyester staple fibre, POY chips, soda ash, specialty chemicals, sodium bicarbonate and polyurethanes; marketing of seeds, toll manufactured and imported pharmaceuticals and animal health products; and 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 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, 2022 (2021: 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

On 6th March 2017, ICI entered into a joint venture with Morinaga Milk Industry Company Limited (“”Morinaga””) of Japan and Unibrands (Private) Limited (“”Unibrands””) to set up a plant for manufacturing infant/growing up formula. To initiate this project, a new Company NutriCo Morinaga was incorporated which is a subsidiary of ICI. Morinaga is incorporated in Pakistan as a private limited company. ICI has 51% ownership in Morinaga. Morinaga is engaged in manufacturing of infant and grown up formula.

The shareholders of ICI in the extraordinary general meeting held on June 30, 2021 had authorised the company to purchase further 55,013 (representing 11%) ordinary shares of its associate, NutriCo Pakistan (Private) Limited (NPPL), having face value of PKR 1,000/- each from the sellers at an aggregate price of PKR 770.182 million. Resultantly, a Share Purchase Agreement (SPA) was signed between the ICI and the sellers on July 01, 2021, thereby, increasing the shareholding of ICI to 51% making NPPL a subsidiary. Subsequently, a Scheme of Arrangement (the Scheme) for amalgamation of NPPL with and into another subsidiary of ICI, NutriCo Morinaga (Private) Limited (NutriCo) with effect from July 01, 2021 was sanctioned by the Honorable High Court of Sindh on February 15, 2022. By virtue of the approval of the Scheme, the entire undertaking, comprising all the assets, liabilities and obligations, of NPPL stood merged with, transferred to, vested in, and assumed by NMPL as at July 01, 2021. NMPL allotted and issued an aggregate of 38.325 million ordinary shares, having face value of Rs. 100/- each to the shareholders of NPPL (including ICI), credited as fully paid up, at par, in the manner detailed in the Scheme, on the basis of a swap ratio of approximately 76.65 ordinary shares of ICI for every 1 ordinary share of NPPL held by each shareholder of NPPL (including the ICI).

(c) NutriCo International (Private) Limited

NutriCo International (Private) Limited (NIPL) was incorporated in Pakistan on January 7, 2016 under the repealed Companies Ordinance, 1984 and is a wholly owned subsidiary of ICI. It acts as a foreign indenting commission agent to facilitate trading of infant and related products.

Geographical location and addresses of major business units of ICI including mills / plants 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
34-E/1, block 6, P.E.C.H.S	Trading office
S-56/A, S.I.T.E	Warehouse
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

(d) During the year, ICI executed a new Joint Venture and Shareholders Agreement with Tariq Glass Industries Limited ('TGIL') on February 18, 2022 for a joint venture between the two parties, to set up a green field state-of-the-art float glass manufacturing facility, via incorporation of a joint venture company ('JVCO'). ICI will invest in JVCO by subscribing to 51% of its issued and paid up share capital. In this regard, the members/shareholders of the ICI in the Extraordinary General Meeting held on March 21, 2022 approved an equity investment of upto PKR 4.6 billion by way of subscription to ordinary shares in JVCO at the time of incorporation and through subsequent subscription to right shares as may be offered by JVCO.

1.6 Lucky Motor Corporation Limited

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

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

The Holding Company held 71.14% shares of LMC as at June 30, 2022 (2021: 71.14% holding).

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

Particulars	Address
Kia Motors Lucky One	Lucky One Mall, Federal B. Industrial Area, Block 21, Gulberg Town, Karachi.
Kia Motors 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 26 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 rates 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 Determining the lease term of contracts with renewal and termination options - Group as a lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

3.5 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 relating to cement and power generation segments [i.e. raw materials (limestone, clay, gypsum and coal for 660 MW project), work-in-process (clinker) and stores and spares (coal for combustion)] are stored in purpose-built sheds, stockpiles and silos. As the weighting of these inventory items is not practicable, the management assesses 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 surveyors for determining the inventory existence.

3.6 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.

3.7 Future estimation of export sales

Deferred tax calculation has been based on estimate of future ratio of export and local sales.

3.8 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.

3.9 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.

3.10 Impairment of goodwill and intangible assets with indefinite useful 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.

3.11 Un-billed revenue in respect of COD tariff adjustment

As per the applicable tariff regime, LEPCL has applied to National Electric Power Regulatory Authority (NEPRA) for approval of COD tariff adjustment. LEPCL is currently billing the Central Power Purchasing Agency (Guarantee) Limited (CPPA-G), based on the provisional tariff, previously notified by NEPRA, and is recognising the revenue based on management's best estimate of final COD tariff to be approved by NEPRA. The differential unbilled revenue is being recognised as contract asset, which will be invoiced upon NEPRA's approval.

3.12 Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of equipment with volume rebates, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract.

The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

3.13 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.

3.14 Warranty obligations

The Group exercises professional judgment, based on its internal risk assessment while making assessment in respect of the warranty obligations.

4. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

4.1 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.

4.2 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

4.3 As more fully explained in note 1.5 (b) to these consolidated financial statements, ICI acquired 11% of the voting shares of NutriCo Pakistan Limited on 1 July 2021, a non-listed company based in Pakistan and specialising in the trading of infant and growing up formula, in exchange for cash. ICI acquired NutriCo Pakistan Limited because it enlarges the range of its products in the infant and grown up formula segment that can be offered to its clients. This has been accounted for using the acquisition method.

ICI has elected to measure the non-controlling interests in the acquiree at fair value as detailed below:

Assets acquired and liabilities assumed	Fair values recognised on acquisition (PKR in '000')
Assets	
Property and equipment	199,928
Intangible assets (carrying value PKR 2,400.813 million)	7,060,356
Stock-in-trade	1,272,874
Trade debts	537,486
Advances	10,379
Deposits, prepayments and other receivables	203,816
Taxation - net	116,992
Cash and cash equivalents	289,159
Total Assets	9,690,990

Assets acquired and liabilities assumed	Fair values recognised on acquisition (PKR in '000')
Liabilities	
Deferred tax liability - net	1,402,141
Trade and other payables	2,638,461
	4,040,602
Total identifiable net assets at fair value	5,650,388
Purchase consideration transferred at acquisition date	770,182
Fair value of previously held equity interest at the acquisition date	2,800,663
Proportionate share of non-controlling interest of fair value of total identifiable net assets	2,768,689
	6,339,534
Goodwill arising on step acquisition	689,146
Net cash outflow on acquisition is as follows:	
Cash paid on acquisition	(770,182)
Cash acquired in subsidiary	289,159
Net cash acquired with the subsidiary	(481,023)

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, 2021, unless otherwise stated.

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, 2022. However, these amendments will not have any significant impact on the financial reporting of the Group and, therefore, have not been disclosed in these consolidated financial statements except for the matter stated in the following paraghraph.

As stated in note 5.3, the requirements of IFRS 9 - 'Financial Instruments' with respect to the applicability of Expected Credit Loss (ECL) on financial assets due from the Government of Pakistan (GoP) shall become applicable effective July 1, 2022 which would result in application of ECL method on trade debt and other receivables from GoP. At present the impacts of application of ECL method on such dues are being assessed by LEPCL's management.

5.3 Wavier from application of standards and interpretations

The Securities and Exchange Commission of Pakistan (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 (PPA) 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.

The SECP vide SRO 985(I)/2019 dated September 2, 2019 and clarification letter dated January 23, 2020 exempted the applicability of ECL model under IFRS 9 till June 30, 2021 on financial assets directly due from GoP or that are ultimately due from GoP provided that LEPCL follows relevant requirements of IAS 39 ‘Financial Instruments: Recognition and Measurement’. On September 13, 2021, the SECP further extended aforementioned exemption till June 30, 2022.

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 amortisation 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.

Amortisation 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 amortisation is charged in the month of addition, whereas, amortisation 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.

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 venture

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. Coal held by power generation segment is valued at the lower of cost and net realisable value (NRV), cost being determined using first in first out (FIFO) method.
(ii) Work-in-process and 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 amortised 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. Staff retirement benefits are payable to staff on completion of prescribed qualifying period of service under the scheme.

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 i.e., 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) Capacity and Energy revenues of power generation segment are recognised based on the rates determined under the mechanism laid down in the Power Purchase Agreement (PPA) and are subject to determination by NEPRA. The Company has assessed that performance obligations under the PPA are discharged over time.

(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) Other income is recognized when the right to receive is established, and the amount and timing of related receipt is virtually certain.

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. For power generation segment, borrowing costs include exchange differences arising on foreign currency borrowings, obtained for acquisition, construction or production of qualifying assets, in accordance with SECP SRO 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) Amortised 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 amortised 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 amortised 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, amortised 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 amortised 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 amortised 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, 2022, 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 amortisation, 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. Changes made in reporting of operating segments during the year are explained in note 30 to these consolidated financial statements.

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.

	Note	2022	2021
		(PKR in '000')	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	6.1	246,416,524	102,227,387
Capital work-in-progress	6.6	29,196,375	113,013,987
Capital spares		417,051	341,112
		276,029,950	215,582,486

6.1 Operating fixed assets - tangible

	Leasehold land (note 6.3)	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, 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
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	61,434,123	9,049,231	618,744	1,539,713	141,921	482,136	283,377	84,528	460,053	102,227,387
Year ended June 30, 2022															
Addition / Transfers from CWIP (note 6.1.1)	175,370	218,202	3,107,014	379,502	96,294	138,811,001	4,017,442	39,519	1,297,246	–	401,962	28,503	243,563	1,864,430	150,680,048
Capitalization of exchange differences (note 6.1.2)	–	–	–	–	–	5,106,353	–	–	–	–	–	–	–	–	5,106,353
Disposals (note 6.4)															
Cost	–	–	(40,297)	(11,425)	–	(290,128)	–	(61,357)	(435,431)	–	(8,034)	(491)	(7,319)	(1,430)	(855,911)
Accumulated depreciation	–	–	12,895	11,425	–	247,564	–	48,952	236,958	–	7,658	469	6,262	1,233	573,416
	–	–	(27,402)	–	–	(42,564)	–	(12,405)	(198,473)	–	(376)	(22)	(1,057)	(197)	(282,495)
Depreciation charge for the year (note 6.2)	(62,070)	–	(926,416)	(600,433)	(30,425)	(7,339,208)	(982,753)	(152,016)	(417,072)	(70,959)	(184,494)	(32,057)	(69,097)	(447,769)	(11,314,769)
Net book value as at June 30, 2022	5,972,273	2,054,024	13,619,849	8,407,441	409,613	197,969,705	12,083,920	493,842	2,221,414	70,962	699,228	279,801	257,937	1,876,517	246,416,524
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	61,434,123	9,049,231	618,744	1,539,713	141,921	482,136	283,377	84,528	460,053	102,227,387
At June 30, 2022															
Cost	6,316,338	2,054,024	19,535,267	12,597,098	581,452	236,179,930	21,477,484	1,993,793	3,979,267	744,664	1,540,260	686,759	472,203	2,736,460	310,894,999
Accumulated depreciation and impairment	(344,065)	–	(5,915,418)	(4,189,657)	(171,839)	(38,210,225)	(9,393,564)	(1,499,951)	(1,757,853)	(673,702)	(841,032)	(406,958)	(214,266)	(859,943)	(64,478,475)
Net book value	5,972,273	2,054,024	13,619,849	8,407,441	409,613	197,969,705	12,083,920	493,842	2,221,414	70,962	699,228	279,801	257,937	1,876,517	246,416,524
Annual rates of depreciation	1.01% to 4%	–	2.5% to 33%	5% to 50%	3.33% to 25%	3.33% to 50%	5%	10%	10% to 33%	10%	10% to 50%	10% to 50%	33%	10% to 33%	

6.1.1 Additions to plant and machinery include transfer from capital work-in-progress which includes borrowing cost for projects determined using an average capitalization rate of 6.48% (2021: 7.43%) amounting to PKR 161.150 million (2021: PKR 13.288 million).

6.1.2 LEPCL has capitalised exchange loss amounting to PKR 5,106.353 million to the cost of plant and machinery.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

6.2 Depreciation charge for the year has been allocated as follows:

	Note	2022	2021
		(PKR in '000')	
Cost of sales	32	10,503,380	7,733,481
Distribution cost	33	288,770	293,996
Administrative expenses	34	401,048	336,437
Capital work in progress		6,916	9,705
Cost of sale of electricity		114,655	112,469
		11,314,769	8,486,088

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 favor. 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 ended June 30, 2021, LEPCL had entered into settlement arrangement with PQA whereby LEPCL acquired 35 acres land at the rate mentioned in PQA's schedule of charges for land allotment aggregating to Rs 1.4 billion without foregoing its right to claim from BoR the land area disputed by the PQA. The said parcel of land was necessarily required for the Project completion. The arrangement was finalised by way of a decree issued by the High Court of Sindh.

6.4 The details of property, plant and equipment disposed of 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')							
Quarry Equipments	32,401	19,996	12,405	14,580	2,175	Insurance claim	EFU General Insurance Limited	N/A
Vehicle	5,548	654	4,894	5,329	435	Auction	VAVA cars	----do----
----do----	5,134	1,968	3,166	4,721	1,555	----do----	----do----	----do----
----do----	5,147	2,032	3,115	4,450	1,335	----do----	Mr Sumair (R.R. Motors)	----do----
----do----	2,595	–	2,595	2,595	–	----do----	Mr. Muhammad Mustafa	----do----
----do----	2,595	–	2,595	2,595	–	----do----	Mr. Salman Virani	Employee
----do----	2,595	–	2,595	2,595	–	----do----	Mr. Saad Saleem	N/A
----do----	2,595	–	2,595	2,626	31	----do----	Mr. Rizwan Saeed	----do----
----do----	5,170	2,764	2,406	5,100	2,694	----do----	Mr. Waqas Abrar khan	Employee
----do----	5,134	2,744	2,390	5,191	2,801	----do----	Mr Furqan Ali	N/A
----do----	5,544	808	4,736	4,800	64	----do----	Mr. Syed Tahir Shah (Car Specialist Network)	----do----
----do----	4,499	2,803	1,696	5,653	3,957	Tender	Vava Cars	----do----
----do----	4,499	2,814	1,685	5,950	4,265	----do----	Abdul Ghaffar	----do----
----do----	2,775	1,804	971	2,650	1,679	----do----	Augmentech Solutions	----do----
----do----	2,959	1,923	1,036	2,625	1,589	----do----	----do----	----do----
----do----	3,295	1,866	1,429	2,850	1,421	----do----	----do----	----do----
----do----	3,295	1,866	1,429	2,650	1,221	----do----	----do----	----do----
----do----	6,228	3,337	2,891	4,701	1,810	----do----	Umair Shuja	----do----
----do----	2,204	1,043	1,161	2,201	1,040	----do----	Augmentech Solutions	----do----
----do----	2,204	1,043	1,161	2,200	1,039	----do----	----do----	----do----
----do----	2,204	1,041	1,163	2,200	1,037	----do----	----do----	----do----
----do----	2,006	685	1,321	2,305	984	----do----	----do----	----do----
----do----	3,228	1,506	1,722	2,550	828	----do----	----do----	----do----
----do----	2,093	943	1,150	2,150	1,000	----do----	----do----	----do----

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')				
----do----	1,990	849	1,141	2,250	1,109	----do----	----do----	----do----
----do----	2,090	873	1,217	2,300	1,083	----do----	----do----	----do----
----do----	1,980	835	1,145	2,255	1,110	----do----	----do----	----do----
----do----	2,001	601	1,400	2,300	900	----do----	----do----	----do----
----do----	8,507	2,270	6,237	4,500	(1,737)	----do----	----do----	----do----
----do----	1,582	791	791	2,175	1,384	----do----	Amin Razzak	----do----
----do----	1,688	724	964	2,351	1,387	----do----	Ahmed	Employee
----do----	5,719	1,244	4,475	5,500	1,025	----do----	Augmentech Solutions	N/A
----do----	1,937	421	1,516	2,400	884	----do----	----do----	----do----
----do----	4,769	3,651	1,118	4,755	3,637	----do----	Umair Shuja	----do----
----do----	4,769	3,606	1,163	4,755	3,592	----do----	----do----	----do----
----do----	6,850	6,162	688	3,900	3,212	----do----	----do----	----do----
----do----	2,775	1,804	971	2,450	1,479	----do----	Yousuf Bhaila	Employee
----do----	4,481	2,838	1,643	3,100	1,457	----do----	Augmentech Solutions	N/A
----do----	2,080	901	1,179	2,261	1,082	----do----	----do----	----do----
----do----	1,984	849	1,135	2,250	1,115	----do----	----do----	----do----
----do----	1,980	835	1,145	2,300	1,155	----do----	Waqas Ahmed Baig	Employee
----do----	2,080	868	1,212	2,300	1,088	----do----	Augmentech Solutions	N/A
----do----	1,912	764	1,148	2,285	1,137	----do----	----do----	----do----
----do----	3,534	1,413	2,121	2,750	629	----do----	----do----	----do----
----do----	1,902	571	1,331	2,300	969	----do----	----do----	----do----
----do----	6,699	2,012	4,687	5,253	566	----do----	Ittehad Motors	----do----
----do----	8,143	1,771	6,372	8,400	2,028	----do----	Augmentech Solutions	----do----
----do----	7,297	1,307	5,990	5,551	(439)	----do----	Waqas Abrar	----do----
----do----	2,959	1,923	1,036	2,450	1,414	----do----	Augmentech Solutions	----do----
----do----	4,481	2,838	1,643	2,950	1,307	----do----	Ebad	Employee
----do----	4,481	2,838	1,643	2,925	1,282	----do----	----do----	----do----
----do----	2,005	854	1,151	2,000	849	----do----	Augmentech Solutions	N/A
----do----	2,080	935	1,145	2,245	1,100	----do----	----do----	----do----
----do----	2,080	886	1,194	2,301	1,107	----do----	----do----	----do----
----do----	2,080	935	1,145	2,310	1,165	----do----	----do----	----do----
----do----	2,090	901	1,189	2,301	1,112	----do----	----do----	----do----
----do----	1,980	847	1,133	2,300	1,167	----do----	----do----	----do----
----do----	2,090	836	1,254	2,152	898	----do----	----do----	----do----
----do----	1,961	490	1,471	2,400	929	----do----	----do----	----do----
----do----	2,090	936	1,154	2,075	921	----do----	----do----	----do----
----do----	9,997	5,253	4,744	5,500	756	Tender	IFI Logistics	----do----
----do----	7,557	3,971	3,586	5,500	1,914	----do----	----do----	----do----
----do----	7,095	3,728	3,367	5,500	2,133	----do----	----do----	----do----
----do----	5,522	2,171	3,351	5,500	2,149	----do----	----do----	----do----
----do----	5,522	2,171	3,351	5,500	2,149	----do----	----do----	----do----
----do----	5,522	2,171	3,351	5,500	2,149	----do----	----do----	----do----
----do----	5,522	2,171	3,351	5,500	2,149	----do----	----do----	----do----
----do----	5,522	2,171	3,351	5,500	2,149	----do----	----do----	----do----
----do----	6,768	3,549	3,219	5,500	2,281	----do----	----do----	----do----
----do----	6,688	3,507	3,181	5,500	2,319	----do----	----do----	----do----
----do----	6,631	3,477	3,154	5,500	2,346	----do----	----do----	----do----
----do----	6,587	3,454	3,133	5,500	2,367	----do----	----do----	----do----
----do----	6,423	3,368	3,055	5,500	2,445	----do----	----do----	----do----
----do----	4,821	2,533	2,288	5,500	3,212	----do----	----do----	----do----
----do----	4,808	2,526	2,282	5,500	3,218	----do----	----do----	----do----
----do----	4,794	2,519	2,275	5,500	3,225	----do----	----do----	----do----
----do----	4,791	2,518	2,273	5,500	3,227	----do----	----do----	----do----
----do----	2,533	557	1,976	2,450	474	Transfer	LEPCL	Associated company

Notes to the Consolidated Financial Statements
For the year ended June 30, 2022

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')					
----do----	1,928	1,251	677	709	32	Buyback	Mr. Zohaib Mushtaq	Employee
----do----	1,996	1,402	594	2,250	1,656	----do----	Mr. Irfan Hussain	----do----
Plant and machinery	25,488	3,313	22,175	931	(21,244)	Tender	Pak Trader	N/A
----do----	15,321	1,992	13,329	560	(12,769)	----do----	----do----	N/A
----do----	1,212	582	630	44	(586)	----do----	----do----	N/A
Bulker	12,529	3,028	9,501	12,600	3,099	Scrap	Tianjin Simba Truck And Trailer	N/A
LT System	2,981	1,153	1,828	2,512	684	Scrap	Sher Ali Rawalpindi	N/A
Boiler	3,251	2,140	1,111	252	(859)	Scrap	Tariq Mehmood	N/A
Building	10,084	1,510	8,574	8,600	26	Tender	Orient water technologies	N/A
Items having book value less than Rs 500,000 each	438,945	398,411	40,534	161,383	120,849	-	Various	N/A
	855,911	573,416	282,495	490,108	207,613			
2021	1,136,243	1,063,591	72,652	187,209	114,557			

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	992.52
1.2	Pezu Plant	Main Indus Highway, Pezu, District Lakki Marwat, KPK	892.99
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 Warehouse - Morinaga	S.I.T.E Area - Karachi	1.27
3.4	ICI Regional Office	ICI House, 63 Mozang Road, Lahore - 54000	0.65
3.5	ICI Production Plant-Polyester	30-Km, Sheikhupura Road, Lahore	44.28
3.6	ICI Production plant - Powergen	30-Km, Sheikhupura Road, Lahore	0.47
3.7	ICI Production Plant-Morinaga	30-Km, Sheikhupura road, Lahore	4.86
3.8	ICI Production Plant-land Morinaga	30-Km, Sheikhupura road, Lahore	25.18
3.9	ICI Production Plant	45-Km, Off Multan Road, Lahore	0.34
3.10	ICI Regional Office and Production Plant	ICI Soda Ash, Tehsil Pind, Dadan Khan, District Jhelum	63.00
3.11	ICI Production Plant	Plot No.32/2A Phase III, Industrial Estate Hattar, District Haripur"	0.92
3.12	ICI Regional Office	2nd floor, Islamabad Corporate Center, Golra Road, Islamabad	0.16
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 Raod, 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	3,885	–	183,895
Building on leasehold land	544,080	1,904,398	2,103,269	345,209
Building on freehold land	758,393	5,084,230	766,910	5,075,713
Freehold land	1,000	6,700	7,700	–
Plant and machinery (note 6.6.1 & 6.6.2)	108,583,703	51,896,835	138,834,699	21,645,839
Generators	1,787,874	3,884,919	4,017,442	1,655,351
Quarry equipment	7,365	36,243	39,519	4,089
Vehicles including cement bulkers and rolling stock	82,001	750,493	830,662	1,832
Furniture and fixtures	5,627	113,579	111,741	7,465
Office equipment	91,445	131,713	165,352	57,806
Computer and accessories	5,707	363,586	213,536	155,757
Other assets	966,782	997,952	1,902,977	61,757
Intangible assets	–	53,229	51,567	1,662
	113,013,987	65,227,762	149,045,374	29,196,375

6.6.1 This includes interest charged in respect of long-term loans obtained by ICI, for projects, determined using an average capitalisation rate of 6.48% (2021: 7.43%) amounting to PKR 322.620 million (2021: PKR 38.291 million).

6.6.2 LEPCL has capitalised exchange loss amounting to PKR 4,239.433 million (2021: gain amounting to PKR 1,916.985 million) and borrowing cost amounting to PKR 6,693.442 million (2021: PKR 6,988.21 million) during the year to the capital work-in-progress.

7. INTANGIBLE ASSETS

	2022				
	At July 1, 2021	Additions	Amortisation / impairment	At June 30, 2022	Amortisation rate %
	(PKR in '000')				
Goodwill	2,340,329	689,146	–	3,029,475	–
Brands					
- Definite useful life - trademark and roundel	344,869	–	(229,913)	114,956	10
- Indefinite useful life	1,437,679	–	–	1,437,679	Indefinite
	1,782,548	–	(229,913)	1,552,635	
Customer relationships	130,919	–	(63,527)	67,392	9 - 25
Distribution relationship	77,792	7,059,543	–	7,137,335	Indefinite
Principal relationships	1,766,423	–	–	1,766,423	Indefinite
Product rights	826,855	–	–	826,855	Indefinite
Software and license	99,191	169,745	(46,976)	221,960	20 - 50
	7,024,057	7,918,434	(340,416)	14,602,075	

	2021				
	At July 1, 2020	Additions	Amortisation / impairment (PKR in '000')	At June 30, 2021	Amortisation rate %
Goodwill	2,340,329	–	–	2,340,329	–
Brand					
- 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	

7.1 The amortisation charge for the year has been allocated as follows:

	Note	2022 (PKR in '000')	2021
Cost of sales	32	122,996	115,361
Distribution cost	33	26,828	28,888
Administrative expenses	34	190,592	198,342
		340,416	342,591

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. During the year ended June 30, 2022, goodwill amounting to PKR 689.146 million was recognised on acqusition of Nutrico Pakistan (Private) Limited as further explained in note 4.3 of these consolidated financial statements.

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, Polyurethanes Specialty Chemicals and Nutrition businesses (part of Life Sciences and Chemical Segment). The Group has recognised a distribution relationship amounting to PKR 7,059.543 million on acquisition of Nutrico Pakistan (Private) Limited during the year ended June 30, 2022.

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 and Life Sciences and Chemicals 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; and
(iii) Life Sciences and Chemicals

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%	14.44%
Life sciences and chemicals	6% - 7%	13.04% - 13.42%
Pharma	6%	14.17%

(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. Intangible assets with indefinite useful lives include Brands. The Group has performed its annual impairment test in respect of these intangible assets as at June 30, 2022.

The recoverable amount 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 21.7 percent for goodwill and intangibles with indefinite useful lives for impairment testing of goodwill and intangibles. The growth rate used to extrapolate the cash flows beyond the five-year period is 4 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."

7.3.3 Impairment testing of other intangible assets acquired on acquisition of NutriCo Pakistan

Goodwill and intangible assets acquired through business combination (as detailed in note 4.3) have been allocated and monitored at the Group level. The Group performed its impairment test annually at year end (i.e. June 30, 2022). The Group calculated the recoverable amount of its cash generating unit (CGU) to which goodwill and intangible relates based on the fair value less costs to sell using inputs other than quoted prices that are observable for the asset, using the Level 2 input of the fair value hierarchy, as prescribed under "Impairment of Assets" (IAS-36), which was higher than the carrying value. As a result of this analysis, the management did not identify any impairment for the cash generating unit to which goodwill of PKR 696 million and intangible of PKR 7 billion is allocated.

7.4 Impairment testing of other intangible assets acquired on acquisition of ICI

The recoverable amounts of these intangible assets 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%	13.04% - 14.22%
Product rights	6%	13.42% - 14.22%

7.4.2 At June 30, 2022, 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 of their respective carrying amounts as at June 30, 2022. 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 to 9 years, while motor vehicles generally have lease terms between 4 to 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, 2022	As at June 30, 2021
	'PKR in '000'			
Opening	4,080	230,122	234,202	318,279
Additions	–	9,527	9,527	–
Depreciation charged	(2,988)	(77,667)	(80,655)	(84,077)
Closing	1,092	161,982	163,074	234,202
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, 2022	For the year ended June 30, 2021
		(PKR in '000')	
As at July 1, 2021		265,635	332,847
Additions		9,527	–
Accretion of interest		26,017	33,701
Payments		(116,880)	(100,913)
As at June 30, 2022		184,299	265,635
Current portion of lease liabilities		96,117	94,102
Non - current portion of lease liabilities		88,182	171,533
		184,299	265,635
8.1 Allocation of depreciation expense			
Cost of sales	32	56,009	45,871
Distribution cost	33	10,974	6,052
Administrative expenses	34	13,672	32,154
		80,655	84,077

	Note	For the year ended June 30, 2022	For the year ended June 30, 2021
		(PKR in '000')	
9. LONG-TERM INVESTMENTS			
Equity accounted investments			
Joint ventures			
Lucky Al Shumookh Holdings Limited	9.1	9,625,612	8,133,565
LuckyRawji Holdings Limited	9.2	17,168,498	12,099,843
Al Shumookh Lucky Investments Limited	9.3	8,079,964	4,394,448
LR International General Trading FZCO (LRIGT)	9.4	–	1,071
		34,874,074	24,628,927
Associates			
NutriCo Pakistan Private Limited	9.5	–	953,341
Yunus Energy Limited	9.6	1,668,053	1,373,614
		1,668,053	2,326,955
		36,542,127	26,955,882
Equity securities			
Arabian Sea Country Club Limited			
(250,000 ordinary shares of PKR 10 each)		2,500	2,500
		36,544,627	26,958,382

	Note	2022	2021
		(PKR in '000')	
9.1 Lucky Al Shumookh Holdings Limited (LASHL)			
Investment at cost		1,912,283	1,912,283
Share of cumulative profit at			
the beginning of the year		4,538,114	2,870,544
Share of profit during the year	9.1.2	1,666,543	1,667,570
Dividend received during the year		(2,810,762)	–
		3,393,895	4,538,114
Foreign currency translation reserve		4,319,434	1,683,168
		9,625,612	8,133,565
9.1.1 The Group's interest in LASHL's assets and liabilities is as follows:			
Non-current assets		10,717,326	12,763,638
Current assets excluding cash and cash equivalents		8,366,480	3,063,784
Cash and cash equivalents		831,954	1,036,252
Liabilities		(664,536)	(596,545)
Net assets (100%)		19,251,224	16,267,129
The Group's share of net assets (50%)		9,625,612	8,133,565
9.1.2 The Group's share in LASHL's profit or loss is as follows:			
Revenue		14,583,776	13,822,326
Cost of sales		(11,665,323)	(10,157,969)
Operating expenses		(137,676)	(120,809)
Finance cost		552,282	(211,374)
Gain on disposal of fixed assets		27	2,966
Net profit (100%)		3,333,086	3,335,140
The Group's share of net profit (50%)		1,666,543	1,667,570

		Note	2022	2021
			(PKR in '000')	
9.2	**LuckyRawji Holdings Limited (LRHL)**			
	Investment at cost		6,870,050	6,870,050
	Share of cumulative profit at			
	the beginning of the year		1,606,586	237,439
	Share of profit during the year	9.2.2	1,492,336	1,369,147
	Dividend received during the year		(290,790)	–
			2,808,132	1,606,586
	Foreign currency translation reserve		7,490,316	3,623,207
			17,168,498	12,099,843
9.2.1	**The Group's interest in LRHL's assets and liabilities is as follows:**			
	Non-current assets		37,972,400	31,031,872
	Current assets excluding cash and cash equivalents		9,330,113	6,516,812
	Cash and cash equivalents		152,881	287,793
	Liabilities		(13,118,398)	(13,636,791)
	Net assets (100%)		34,336,996	24,199,686
	The Group's share of net assets (50%)		17,168,498	12,099,843
9.2.2	**The Group's share in LRHL's profit or loss is as follows:**			
	Revenue		18,990,201	14,503,055
	Cost of sales		(12,304,360)	(8,828,252)
	Operating expenses		(2,757,193)	(1,644,697)
	Finance cost		(989,459)	(1,110,723)
	Other income		43,899	63,345
	Taxation		1,583	(244,434)
	Net profit (100%)		2,984,671	2,738,294
	The Group's share of net profit (50%)		1,492,336	1,369,147
9.3	**Al Shumookh Lucky Investment Limited (ASIL)**			
	Investment at cost		3,399,022	2,661,856
	Investments made during the year		–	737,166
			3,399,022	3,399,022
	Share of cumulative profit at			
	the beginning of the year		958,736	374,794
	Share of profit during the year	9.3.2	2,056,111	583,942
			3,014,847	958,736
	Foreign currency translation reserve		1,666,095	36,690
			8,079,964	4,394,448
9.3.1	**The Group's interest in ASIL's assets and liabilities is as follows:**			
	Non-current assets		26,471,994	20,657,594
	Current assets excluding cash and cash equivalents		4,952,580	1,391,927
	Cash and cash equivalents		533,690	2,112,575
	Liabilities		(15,798,336)	(15,373,199)
	Net assets (100%)		16,159,928	8,788,897
	The Group's share of net assets (50%)		8,079,964	4,394,448

		Note	2022	2021
			(PKR in '000')	
9.3.2	**The Group's share in ASIL's profit or loss is as follows:**			
	Revenue		14,480,159	3,170,733
	Cost of sales		(9,485,765)	(1,938,103)
	Other income		5,852	135,746
	Operating expenses		(199,673)	(54,288)
	Finance cost		(688,351)	(146,203)
	Net profit (100%)		4,112,222	1,167,885
	The Group's share of net profit (50%)		2,056,111	583,942
9.4	**LR International General Trading FZCO**			
	Investment at cost		1,115	1,115
	Share of loss during the year	9.4.2	(3,446)	–
	Foreign currency translation reserve		2,331	(44)
			(1,115)	(44)
			–	1,071

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

		Note	2022	2021
			(PKR in '000')	
9.4.1	**The Group's interest in LRIGT's assets and liabilities is as follows:**			
	Current assets excluding cash and cash equivalents		3,744	–
	Cash and cash equivalents		2,634	–
	Liabilities		(11,522)	–
	Net liabilities (100%)		(5,144)	–
	The Group's share of net liabilities (50%)		(2,572)	–
9.4.2	**The Group's share in LRIGT's profit or loss is as follows:**			
	Operating expenses		(6,892)	–
	Net loss (100%)		(6,892)	–
	The Group's share of net loss (50%)		(3,446)	–
9.5	**NutriCo Pakistan (Private) Limited (NutriCo)**			
	Investment at cost		–	960,000
	Share of cumulative profit at the beginning of the year		–	146,787
	Share of profit during the year	9.5.2	–	526,554
	Dividend received during the year		–	(680,000)
			–	(6,659)
			–	953,341
9.5.1	**The Group's interest in NutriCo's assets and liabilities is as follows:**			
	Total assets		–	5,041,447
	Total liabilities		–	(2,689,335)
	Net assets (100%)		–	2,352,112
	The Group's share of net assets (40%)		–	953,341

		2022	2021
		(PKR in '000')	
9.5.2	**The Group's share in NutriCo's profit or loss is as follows:**		
	Revenue	–	10,420,213
	Net profit (100%)	–	1,316,383
	The Group's share of net profit (40%)	–	526,554

9.5.3 The Group's previously held equity interest of 40 percent in NutriCo was increased to 51 percent during the year. The increase has been accounted for under IFRS-3 'Business Combination', as more fully explained in note 4.3 to these consolidated financial statements. Consequently, the carrying amount of the Group's previously held equity interest in NutriCo accounted for under equity method has been de-recognised.

		Note	2022	2021
			(PKR in '000')	
9.6	**Yunus Energy Limited (YEL)**			
	Investment at cost		611,365	611,365
	Share of cumulative profit at the beginning of the year		762,249	531,739
	Share of profit for the year	9.6.2	462,564	291,647
	Dividend received during the year		(168,125)	(61,137)
			1,056,688	762,249
			1,668,053	1,373,614
9.6.1	**The Group's interest in net assets of Yunus Energy Limited is as follows:**			
	Non-current assets		8,701,679	9,087,731
	Current assets excluding cash and cash equivalents		4,940,331	4,100,893
	Cash and cash equivalents		396,649	103,193
	Liabilities		(5,795,603)	(6,521,341)
	Net assets (100%)		8,243,056	6,770,476
	The Group's share of net assets		1,668,053	1,373,614

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

		2022	2021
		(PKR in '000')	
9.6.2	**The Group's share in profit or loss of Yunus Energy Limited is as follows:**		
	Revenue	3,976,754	2,755,459
	Cost of sales	(846,583)	(761,158)
	Operating expenses	(111,466)	(163,162)
	Finance cost	(734,843)	(702,953)
	Other income	36,603	334,221
	Taxation	(7,928)	(3,791)
	Net profit (100%)	2,312,537	1,458,616
	Group's share of net profit	462,564	291,647

9.7 Investments made in joint ventures and associated companies as above have been made in accordance with the requirements of the Companies Act, 2017.

	Note	2022	2021
		(PKR in '000')	
9.8 Share of profit from joint ventures and associates is as follows:			
Joint ventures			
Lucky Al Shumookh Holdings Limited		1,666,543	1,667,570
LuckyRawji Holdings Limited		1,492,336	1,369,147
Al Shumookh Lucky Investments Limited		2,056,111	583,942
LR International Trading FZCO		(3,446)	–
		5,211,544	3,620,659
Associates			
NutriCo Pakistan (Private) Limited		–	526,554
Yunus Energy Limited		462,564	291,647
		462,564	818,201
		5,674,108	4,438,860
10. LONG-TERM LOANS AND ADVANCES			
Long-term loans - considered good			
due from employees	10.1 & 10.2	1,090,454	962,386
Less: Recoverable within one year	15	(647,303)	(286,953)
		443,151	675,433
Others	10.4	108,544	61,984
		551,695	737,417

10.1 Loans given to employees are in accordance with the Group's 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. Waqas Abrar, Mr. Zaher Shah and Mr. Ahmed Waseem Khan (2021: Mr. Amin Ganny, Mr. Zaher Shah and Mr. Ahmed Waseem Khan) as at June 30, 2022.

10.2 Loans for purchase of motor cars and house building are repayable between 2 to 10 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, 2022 from key management personnel aggregated to PKR 86.047 million (2021: PKR 79.7 million).

10.4 These include return 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	2022	2021
		(PKR in '000')	
11. LONG-TERM DEPOSITS			
Deposits	11.1	70,340	53,297

11.1 This includes return free long-term deposits paid to various parties in ordinary course of business with them.

	Note	2022	2021
		(PKR in '000')	
12. STORES, SPARES AND CONSUMABLES			
Stores	12.1 & 12.2	5,463,654	5,598,854
Spares	12.1	8,652,686	7,276,004
Consumables		177,637	154,765
		14,293,977	13,029,623
Less: Provision for slow moving spares		637,112	623,518
		13,656,865	12,406,105

12.1 These include stores and spares in transit of PKR 4,105.105 million as at June 30, 2022 (2021: PKR 76.623 million).

12.2 This includes coal in hand amounting to PKR 3,034.544 million (2021: PKR 4,495.662 million).

	Note	2022	2021
		(PKR in '000')	
13. STOCK-IN-TRADE			
Raw and packing material	13.1 & 13.2	41,016,273	16,089,441
Work-in-process		7,029,431	4,216,719
Finished goods - net		14,863,010	9,300,036
		62,908,714	29,606,196
Less: Provision for slow moving			
and obsolete stock-in-trade			
- Raw and packing material		102,859	105,359
- Finished goods		53,317	89,271
	13.3	156,176	194,630
In transit	13.4	9,269,358	6,846,711
		72,021,896	36,258,277

13.1 Raw and packing materials held with various toll manufacturers as at June 30, 2022 amounted to PKR 266.211 million (2021: PKR 453.438 million).

13.2 This includes coal in hand amounting to PKR 10,166.929 million (2021: Nil).

13.3 Movement of provision for slow moving and obsolete stock-in-trade is as follows:

	Note	2022	2021
		(PKR in '000')	
Balance at the beginning of the year		194,630	281,218
Charge for the year	34	17,018	94,007
Write-off for the year against provision		(55,472)	(180,595)
		156,176	194,630

13.4 This includes coal in transit amounting to PKR 4,023.594 million (2021: Nil).

13.5 Stock-in-trade amounting to PKR 12.653 million (2021: PKR 4,203.313 million) is measured at net realisable value and expense amounting to PKR 4.685 million (2021: PKR 43.565 million) has been recognised in cost of sales.

		Note	2022	2021
			(PKR in '000')	
14.	**TRADE DEBTS**			
	Considered good			
	Bills receivable - secured		2,767,763	1,402,462
	Contract assets	14.1	10,273,937	–
	Receivable for CPP & EPP	14.2	16,372,392	–
	Others - unsecured	14.3	7,265,171	4,537,291
			36,679,263	5,939,753
	Considered doubtful	14.5	171,438	206,735
			36,850,701	6,146,488
	Provision for doubtful trade debts		171,438	206,735
	Provision for price adjustments and discounts		324,150	294,569
			495,588	501,304
			36,355,113	5,645,184

14.1 This includes unbilled revenue pertaining to LEPCL, in respect of Capacity Purchase Price (CPP) (for the period March 21, 2022 to June 30, 2022) and Energy Purchase Price (EPP) (for the months of April, May and June 2022) components of tariff representing the difference between Reference Tariff as notified by NEPRA (via its Tariff Order No. NEPRA/TRF-369/LEPCL-2015/14430-14432 dated October 20, 2016) and the adjusted tariff to be determined in accordance with the mechanism as set out in the notified tariff. LEPCL expects to raise the invoice for billing and recovery of the amount once the decision of NEPRA in the matter is received.

14.2 Represents receivable from CPPA-G in respect of CPP and EPP. Trade debts, including delayed payment charges are secured by guarantee under Implementation Agreement and as such are not considered impaired. The ageing analysis of receivables is as follows:

	2022	2021
	(PKR in '000')	
Not yet due	8,925,732	–
Upto 30 days	1,007,542	–
Overdue		
Upto 30-60 days	897,309	–
60 - 90 days	–	–
More than 90 days	5,541,809	–
	6,439,118	
	16,372,392	–

These amounts are overdue but not impaired. The overdue receivables carry mark-up at the rate of KIBOR plus 2% per annum.

During the pre-COD period from November 27, 2021 to March 1, 2022 (i.e. from synchronisation date till the commencement of testing under clause 8.3 of PPA), LEPCL has delivered net electrical output of 493.756 kwh to the national grid and has recognised revenue aggregating to PKR 6,304.43 million (representing fuel cost component only) which is set-off against the cost booked in Capital work in progress. LEPCL invoices in respect of pre-COD energy payment were not accepted by CPPA-G on the grounds that payment of pre-COD has not been referred in the clause 9.5 of the PPA, although the right to receive payment against pre-COD energy payment is clearly set out in sections 3.1 (c) and 8.8 of the PPA. Further, NEPRA has also provided a clarification vide its letter No. 369/LEPCL-2015/17116 dated December 29, 2016 and letter No. NEPRA/ADG(Trf)/TRF-369/2791-92 dated February 18, 2022 that Pre-COD energy payment of one unit complex shall be allowed to the extent of applicable fuel cost component. However, in a subsequent correspondence upon having the CPPA-G letter that it is a commercial arrangement among the parties, NEPRA declined to accept LEPCL's contention relating to the Pre-COD Energy Price. LEPCL has initiated dispute resolution process under 18.2(a) and 18.2(b) of PPA which commences from the appointment of an expert for which nominations have been sent to CPPA-G. CPPA-G vide its letter dated June 14, 2022 has requested LEPCL to propose names of three experts for CPPA-G to consider.

In view of above and based on the opinion of LEPCL's legal counsel, LEPCL has recognised an aggregate amount of PKR 6,304.43 million as trade debts which would eventually be realised from CPPA-G after completion of due process under the PPA.

		2022	2021
		(PKR in '000')	
14.3	**These include amounts due from the following associates:**		
	Yunus Textile Mills Limited	10,082	7,373
	Lucky Textile Mills Limited	3,428	1,285
	Lucky Foods (Private) Limited	5,625	6,367
	Tabba Kidney Institute	1,608	613
	Tabba Heart Institute, Karachi	557	393
	Child Life foundation	343	–
		21,643	16,031

14.4 The maximum amount outstanding at any time during the year from associates calculated by reference to month end balances are as follows.

		Note	2022	2021
			(PKR in '000')	
	Unsecured			
	Yunus Textile Mills Limited		36,946	10,307
	Lucky Textile Mills Limited		16,654	6,275
	Lucky Foods (Private) Limited		8,027	6,367
	Tabba Kidney Institute		1,608	613
	Tabba Heart Institute		954	1,694
	Child Life foundation		1,354	–
			65,543	25,256
14.5	**Movement in provision for doubtful trade debts is as follows:**			
	Balance at the beginning of the year		206,735	257,655
	Provisions reversed during the year		(4,767)	(11,099)
	Write-off against provision during the year		(30,530)	(39,821)
			171,438	206,735
15.	**LOANS AND ADVANCES**			
	Considered good			
	Current portion of loans and advances given to employees	10	647,303	286,953
	Advance to suppliers	15.1 & 15.2	2,579,037	1,774,460
	Other advances given to employees - return free - unsecured	15.3	82,597	60,046
	Margin held with banks against imports		177,729	67,727
			3,486,666	2,189,186
	Considered doubtful		26,265	17,472
			3,512,931	2,206,658
	Less: Provision for doubtful loans and advances		26,265	17,472
			3,486,666	2,189,186

15.1 Includes advances made to various oil marketing companies by the Holding Company in respect of procurement of fuel amounting to PKR 81.728 million (2021: PKR 293.797 million).

15.2 Includes advances given to Morinaga Milk Industry Co Ltd amounting to PKR 23.73 million (2021: PKR 1.57 million). The maximum aggregate amount by reference to month end balances amounting to PKR 23.73 million (2021: PKR 127.90 million) was outstanding during the year.

15.3 Advances to employees are given to meet business expenses and are settled as and when the expenses are incurred.

	Note	2022	2021
		(PKR in '000')	
16. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Trade deposits - return free			
Utilities		489	17
Others		665,969	280,118
		666,458	280,135
Prepayments			
Insurance		80,684	39,692
Rent		24,977	18,742
Processing fees for financing arrangement	16.1	–	290,955
Others		263,726	291,672
		369,387	641,061
		1,035,845	921,196

16.1 The total cost incurred in connection with securing finance facilities for LEPCL aggregate to PKR 2,559.935 million (2021: PKR 2,535.529 million) out of which an amount of PKR 306.540 million (2021: PKR 292.634 million) has been charged to capital work-in-progress, while the amount of PKR 2,207.27 million (2021: PKR 1951.94 million) which is linked directly to the utilised portion of the facilities has been netted off against loan proceeds. The amount of PKR 290.955 million shown as prepayment as at June 30, 2021 related to unutilised facilities has been adjusted against the draw downs made during the year.

	Note	2022	2021
		(PKR in '000')	
17. OTHER RECEIVABLES			
Unsecured			
Considered good			
Duties, sales tax and octroi refunds due	17.1	10,390,427	7,550,808
Commission and discounts receivable		134,760	142,549
Receivable from principal		507,473	380,000
Rebate on export sales		18,850	43,575
Due from Collector of Customs	17.2	19,444	19,444
Due from Hyderabad Electricity Supply Company (HESCO)	17.3	3,447,797	3,604,017
Receivable on account of fee for technical services	17.4	529,915	–
Suppliers		998,240	142,634
Others		2,543,119	541,829
		18,590,025	12,424,856
Considered doubtful		57,261	9,007
		18,647,286	12,433,863
Less: Provision for doubtful receivables	17.5	57,261	9,007
		18,590,025	12,424,856

17.1 This includes sales tax amounting to PKR 6,727.993 million (2021: PKR 3,341.745 million) charged on certain payments made to the contractors / vendors in relation to the development of the 660 MW coal fired power plant at LEPCL. Due to the absence of output tax at this stage, 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 for export of loose cement under SRO 575(1) of 2006 dated June 5, 2006 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 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 in 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 said judgement has been challenged by the FBR before the Honorable Supreme Court of Pakistan which remains pending.

The management is confident that the decision shall be in the Holding Company's favour and full amount will be recovered in due course.

17.3 NEPRA in 2005 issued the Interim Power Procurement Regulations and through a notice published in a leading newspaper on June 15, 2007 allowed Captive Power Plants (CPPs) having surplus power of up to 50 MW to sell electricity to power purchasers at mutually agreed rates. Relying on such policy, the Holding Company and HESCO entered into a Power Purchase Agreement (PPA) dated March 22, 2011 for the sale and purchase of electrical power at mutually agreed rates.

However, subsequent to the signing of the PPA and contrary to the earlier policy, NEPRA purported to re-determine the tariff through determination dated January 9, 2013 and granted a substantially lower tariff than what was mutually agreed. This determination was challenged by all the CPPs before the Honorable High Court of Sindh. The Honorable Court decided the case in favor of NEPRA vide judgement dated August 19, 2015.

The Holding Company along with all other CPPs filed an appeal in the Honorable Supreme Court of Pakistan against the decision of the High Court of Sindh. Detailed hearings were held and judgement was reserved in November 2016. However, the said judgment could not be announced and since then the case has been relisted for hearing. The matter is currently being heard in the Honorable Supreme Court of Pakistan.

The supply of electricity and invoicing between the Holding Company and HESCO is continuing on the basis of an interim agreement signed on March 6, 2017, which is subject to the outcome of the above appeals pending before the Honorable 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 the Sindh New Captive Power Plants Subsidy Act, 2017 (as amended) for provision of tariff differential support to CPPs in the province of Sindh. Under the aforementioned

Act, the Holding Company claimed and received subsidy for the period March 2015 to February 2021 (excluding September 2020) amounting to PKR 1,999 million. The Holding Company's subsidy claims pertaining to the month of September 2020 and the period from March 2021 to April 2022 have not yet been settled. The Holding Company is actively following up with relevant departments for settlement of its dues and is expecting the settlement in due course.

17.4 During the year, the Holding Company entered into Technical Support Agreement with a related party Nyumba Ya Akiba S.A. (NYA), a fully integrated cement manufacturing unit established under a joint venture agreement between LCLIHL and Rawsons Investment Limited, whereby the Holding Company undertook to provide technical services to NYA in respect of its cement manufacturing and administrative operations.

		2022	2021
		(PKR in '000')	
17.5	**Movement in provision for doubtful receivables is as follows:**		
	Balance at beginning of the year	9,007	9,007
	Charge for the year	48,254	–
		57,261	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 seeking a 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 claim of PKR 538.812 million on May 8, 2007 with the Collector of Central Excise and Sales Tax, Peshawar, for refund of central excise duty collected due to incorrect interpretation of law. The Holding Company on the basis of legal opinions obtained, recognized 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.

While verifying the refund claim, the Collector of Excise and Sales Tax Peshawar issued a 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 before the Peshawar High Court (the PHC) by filing a petition which was decided on April 27, 2011 with the direction to conduct an audit through reputed audit firms to determine whether incidence of the duty was passed on or not. Pursuant to the order of the PHC, numerous correspondence took place between the Holding Company and FBR to conduct the audit. However, the FBR defaulted on its commitment made before the PHC and hence on July 06, 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 on the basis of a departmental audit rather than an independent audit submitted a report to the FTO on October 11, 2013. The said report was rejected by the FTO and the FBR was directed vide order dated November 22, 2013 to get the audit conducted through an independent audit firm as agreed to by both the parties previously for fair and unbiased resolution of the issue within one month.

The FBR filed a 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 then filed a writ petition before the Peshawar High Court 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 June 18, 2015.

On January 30, 2018, the FBR's writ petition was dismissed by the Peshawar High Court after which the FBR filed an appeal before the Supreme Court of Pakistan. The FBR simultaneously also filed a review petition before the Peshawar High Court for review of judgment dated January 30, 2018. The review petition was dismissed by the Peshawar High Court since the matter was pending before the Supreme Court. The Holding Company 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 was issued to the Chief Commissioner RTO, Peshawar. The Supreme Court has heard the matter and reserved its judgment which is expected to be announced shortly.

The management is confident on the advice 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 consolidated financial statements.

		Note	2022	2021
			(PKR in '000')	
19.	**SHORT TERM INVESTMENTS**			
	At fair value through profit or loss	19.1	12,733,049	16,187,615
	At fair value through other comprehensive income	19.3	18,106	39,488
	At amortised cost	19.4 & 19.5	225,000	10,059,880
			12,976,155	26,286,983

19.1 These represent investment in units of Shariah Compliant mutual funds, the details of which are as follows:

Name of fund	2022		2021	
	Number of units	Value of investment	Number of units	Value of investment
		'PKR in '000'		'PKR in '000'
Faysal Islamic Cash Fund	5,761,403	576,140	5,088,096	508,810
ABL Islamic Cash Fund	95,657,065	956,571	102,196,207	1,021,962
UBL - Al Ameen Islamic Cash Fund	11,583,956	1,158,396	31,825,758	3,182,576
Meezan Rozana Amdani Fund	152,229,568	7,611,478	167,957,693	8,397,885
MCB - Alhamra Islamic Money Market Fund	10,151,082	1,010,134	30,915,305	3,076,382
HBL Income Fund	10,028,963	1,014,674	–	–
AL Habib Islamic Cash Fund	4,056,564	405,656	–	–
		12,733,049		16,187,615

19.2 Investments with mutual funds include an amount of PKR 1,111 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 (2021: 1,769,940 shares) of Pakistan Stock Exchange.

19.4 This is held with a scheduled bank having original maturity period of 1 month and carries profit at the rate of 14%.

19.5 The term deposit receipt is held with a Shariah Compliant bank.

		Note	2022	2021
			(PKR in '000')	
20.	**CASH AND BANK BALANCES**			
	Sales collection in transit		1,013,642	600,509
	Cash at bank			
	- in current accounts		2,136,622	360,517
	- in Islamic savings and deposit accounts	20.1	13,710,927	12,387,720
			15,847,549	12,748,237
	Cash in hand		39,268	28,397
			16,900,459	13,377,143

20.1 This includes security deposits held by ICI from certain distributors amounting to PKR 127 million (2021: PKR 124 million) that are placed in various separate bank accounts at pre-agreed rate maturing at various dates. These are interest based arrangements. The mark-up percentage on these deposits during the year ranged from 10% to 11.1% (2021: 6% to 10%) and these term deposits are readily encashable without any penalty.

20.2 These carry profit at the rate ranging from 2.80% to 15.50% (2021: from 2.51% to 10.00%) per annum.

		Note	2022	2021
			(PKR in '000')	
21.	**SHARE CAPITAL**			
	Authorised capital			
	500,000,000 (2021: 500,000,000)			
	Ordinary shares of PKR 10 each		5,000,000	5,000,000
	Issued, subscribed and paid-up capital			
	305,000,000 (2021: 305,000,000) Ordinary shares			
	of PKR 10 each issued for cash	21.1	3,050,000	3,050,000
	18,375,000 (2021: 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.

		Note	2022	2021
			(PKR in '000')	
22.	**RESERVES**			
	Capital reserve			
	Share premium	22.1	7,343,422	7,343,422
	Foreign currency translation reserve		9,433,058	3,692,151
			16,776,480	11,035,573
	Revenue reserves			
	General reserve		99,164,187	85,147,790
	Unappropriated profit		51,690,097	36,206,024
			150,854,284	121,353,814
			167,630,764	132,389,387

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	2022	2021
			(PKR in '000')	
23.	**LONG-TERM FINANCE**			
	Secured			
	LCL			
	Salary Refinance Loan	23.1	380,181	839,180
	Temporary Economic Refinance	23.2	4,882,521	2,601,772
	Financing for Renewable Energy	23.3	1,460,324	–
	Long Term Financing Facility	23.4	7,872,622	–
			14,595,648	3,440,952
	LEPCL			
	Foreign currency borrowings	23.5 & 23.6	43,189,507	29,439,845
	Local currency borrowings	23.7 to 23.10	65,513,215	55,655,000
			108,702,722	85,094,845
	Less: unamortised transaction cost		(1,237,818)	(1,428,848)
			107,464,904	83,665,997
	ICI			
	Banking companies / Financial Institutions	23.11	4,489,299	3,301,003
	Islamic Term Finance	23.12	3,335,023	4,257,417
			7,824,322	7,558,420
	LMC			
	Diminishing Musharaka Facility	23.13 & 23.16	134,737	314,386
	Financing for Renewable Energy Project	23.14	100,223	200,439
	Islamic Temporary Economic Refinance Facility	23.15 & 23.16	2,835,563	1,482,222
			3,070,523	1,997,047
	LCLIHL			
	Bank loans	23.17	–	2,205,612
			–	2,205,612
	Total long term loans		132,955,397	98,868,028
	Less: Current portion of long term finance		(5,081,071)	(5,309,741)
			127,874,326	93,558,287

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 (SBP). 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 and machinery of the Holding Company. The facility carries mark-up at the rate of 0.50% per annum starting from the date of disbursement and is payable in arrears on quarterly basis.

23.2 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, Habib Metropolitan Bank - Islamic, United Bank Limited - Islamic and National Bank of Pakistan under the Temporary Economic Refinance Facility (TERF) by the SBP. The loans are repayable in semi-annual installments over a period of ten years which include a grace period of two years and are secured by way of hypothecation charge over specific plant and machinery of the Holding Company. These facilities carries mark-up ranging from 1.50% to 2.50% which is payable in arrears. The gross amount of loan outstanding as at the reporting date includes PKR 4,086 million obtained under Islamic mode of financing.

23.3 During the year, the Holding Company entered into long-term loan agreements with Allied Bank Limited and Dubai Islamic Bank Limited under the Renewable Energy Scheme of the SBP. The loans are repayable in semi-annual installments over a period of twelve years which include a grace period of two years and are secured by way of hypothecation charge over specific plant and machinery of the Holding Company. These facilities carries mark-up ranging from 3.95% to 4.75% which is payable in arrears on quarterly basis. The amount of loan outstanding as at the reporting date includes PKR 460.324 million obtained under Islamic mode of financing.

23.4 During the year, the Holding Company entered into long-term loan agreements with Bank Al Habib Limited, Pak Kuwait Investment (Private) Company, Habib Bank Limited - Islamic, Allied Bank Limited, Meezan Bank Limited - Islamic and Saudi Pak Industrial and Agricultural Investment Company under the Long-Term Financing Facility (LTFF) of the SBP. The loans are repayable in semi-annual installments over a period of ten years which include a grace period of two years and are secured by way of hypothecation charge over specific plant and machinery of the Holding Company. The facility carries mark-up ranging from 2.50% to 5.00%. The amount of loan outstanding as at the reporting date includes PKR 2,315 million obtained under Islamic mode of financing.

23.5 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 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 LEPCL's rights and benefits under the Project documents and insurances and any permitted subordinated loans from a shareholder in LEPCL. Further, the shareholder of LEPCL has pledged shares in favor of the security trustee to the facilities. Upto June 30, 2022, LEPCL has fully availed the facility aggregating to USD 190 million (2021: USD 165.975 million).

23.6 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 Operation Date (COD). The first principal repayment date is defined as a quarter end 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 plus 4.50%. LEPCL had fully availed the facility aggregating to USD 20 million.

23.7 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 17,259.918 million. Up to June 30, 2022, LEPCL has fully availed the facility aggregating to PKR 17,259.918 million (2021: PKR 16,433.688 million).

- 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 38,717.56 million. Up to June 30, 2022, LEPCL has fully availed the facility aggregating to PKR 38,717.56 million (2021: PKR 35,771.032 million).

These loans are repayable in 40 quarterly installments commencing from the earlier of (i) 39 months from the facility effective date; and (ii) COD. 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 23.10.

23.8 LEPCL has entered into following loan agreements on June 2, 2021, for additional financing facility of PKR 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, 2022, LEPCL has fully utilised the facility (2021: PKR 1,314.119 million).

- Second Musharaka facility agreement with four financial institutions namely Meezan Bank Limited, Pak Kuwait Investment Company (Private) Limited, Dubai Islamic Bank Limited and Pak Libya Holding Company Limited for an aggregate amount of PKR 4,876 million. Up to June 30, 2022, LEPCL has fully availed the facility aggregating to PKR 4,876 million (2021: PKR 1,314.119 million) prior to COD.

These loans are repayable in 40 quarterly installments commencing from the earlier of (i) 39 months from the facility effective date; and (ii) COD. 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 23.10.

23.9 LEPCL on February 2, 2022 has entered into Third PKR facility agreement with a UBL-led consortium [comprising Pak Kuwait Investment Company (Private) Limited, Pak China Investment Company Limited and Pak Brunei Investment Company Limited] for an aggregate amount of PKR 2,100 million, which has been fully utilised.

These loans are repayable in 40 quarterly installments commencing from the earlier of (i) 39 months from the facility effective date; and (ii) COD. The first principal repayment date is defined as a quarter end 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 23.10.

23.10 The facilities are secured primarily through first ranking hypothecation charge over future cash flows of the Project, assignment of LEPCL's 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's right in immovable property on which the Project will be established with a 20% margin. Further, the shareholder of LEPCL has pledged shares in favor of the security trustee to the facilities.

23.11 This includes following facilities availed by ICI:

- TERF amounting to PKR 2,312.024 million (2021: PKR 546.674 million) for the purpose of plant expansion having limit of PKR 4,000 million. ICI has obtained SBP Temporary Economic Refinance Facility - TERF amounting to PKR 500 million and PKR 3,500 million respectively, from National Bank of Pakistan and MCB Bank Limited in various tranches, for the purpose of plant expansion in Soda Ash and Polyester Division. The repayment is to be made in 16 equal consecutive semi-annual installments in 10 years with grace period of 2 years. The loan is secured against charge of PKR 5,042 million on fixed assets of ICI. The markup rate on TERF is as per SBP Regulations.

Deferred Government grant has been recorded in respect of this facility. There are no unfulfilled conditions or contingencies attached to this grant.

– Long Term Finance Facility – LTFF, extended by SBP, for CAPEX requirements of its Soda Ash Division on different dates from various banks amounting to PKR 1,592.207 million (2021: PKR 1,621.081 million). Repayment of loans is to be made in quarterly / semi annual installments in 10 years, including 2 years grace period and is secured against charge of PKR 5,542 million (2021: PKR 5,542 million) over fixed assets of ICI. Markup is charged at concessionary SBP LTFF Rate plus 0.3% to 1.5% per annum (2021: SBP LTFF Rate plus 0.3% to 1.5% per annum). Facility Limit at year end stands at PKR 2,087.85 million (2021: PKR 2,665.82 million).

– Refinance Scheme for Payment of Wages and Salaries amounting to PKR 493.412 million (2021: PKR 1,133.248 million) with MCB Bank Limited under the SBP's "Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concern". ICI obtained the said loan at subsidized rate in six tranches from May 2020 to September 2020. The term of the loan is 2.5 years from the date of disbursement with a grace period of 6 months, repayable in 8 equal quarterly installments starting from April 2021. Mark-up is payable at the concessional rate ranging from 0.5% to 1% per annum. This loan is secured against the current assets of ICI. This facility is interchangeable with Short Term Running Finance provided by the Bank. Deferred government grant has been recorded in respect of this facility and there are no unfulfilled conditions or contingencies attached to this grant.

– SBP Islamic Financing Facility for Renewable Energy (IFRE) of PKR 91.66 million against the total limit of PKR 96.75 million from Allied Bank Limited (Islamic Banking). Repayment of loan is to be made in semi annual installments in 10 years and is secured against charge over fixed assets of ICI. Mark-up is charged at concessionary SBP Rate plus 0.5% per annum.

23.12 This represents Shariah compliant long term loans obtained from various banks by ICI. Profit rate on Islamic Term Finance ranges from Relevant KIBOR plus 0.05% to Relevant KIBOR plus 1.15%. Tenure of these loans ranges upto 7 years and are repayable in quarterly / semi annual installments. These loans are secured against charge on fixed assets of ICI.

23.13 LMC has obtained a Diminishing Musharakah Facility from a scheduled bank amounting to PKR 359 million (PKR 134.7 million outstanding), 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 December 31, 2022. 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 (2021: PKR 467 million).

23.14 LMC has obtained a long-term financing facility from a scheduled bank amounting to PKR 100.223 million, in order to finance the 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 carries a markup of SBP Rate plus 1% and is secured against first pari passu hypothecation charge over all present and future plant and machinery amounting to PKR 400 million.

23.15 LMC has obtained ITERF from scheduled banks amounting to PKR 3,998.545 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%). At the time of initial recognition, the loan has been recognised at PKR 935.821 million while the remaining amount of PKR 652.89 million was recorded as deferred grant.

23.16 These represent Shariah compliant loans obtained by LMC. The profit rate on these loans ranges from 0.7% to 1.50%. The maturity of Islamic loans ranges from 2.5 to 10 years.The facility is secured against first pari passu hypothecation charge over all present and future plant and machinery. The amount is repayable in quartely / half yearly installments.

23.17 This represented unsecured long-term offshore facilities from Credit Suisse Bank, AG Singapore amounting to USD 14 million outstanding as at June 30, 2021. The loan was fully repaid during the year ended June 30, 2022.

	Note	2022	2021
		(PKR in '000')	

24. LONG-TERM DEPOSITS AND OTHER LIABILITIES

	Note	2022	2021
Long-term deposits			
Cement stockists	24.1	191,052	179,252
Transporters	24.2	56,100	61,200
Others		225,680	183,180
		472,832	423,632
Other liabilities			
Other non-current payables	24.3	6,697,471	4,998,421
		7,170,303	5,422,053

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 This includes unsecured non-interest bearing liabilities amounting to PKR 6,499.212 million relating to LCLIHL payable after one year from the reporting date.

	Note	2022	2021
		(PKR in '000')	

25. DEFERRED GOVERNMENT GRANT

	Note	2022	2021
Represents deferred government grant recognized on account of:			
Salary Refinance Loan		–	46,707
Temporary Economic Refinance		4,361,931	1,902,270
		4,361,931	1,948,977

26. DEFERRED LIABILITIES

	Note	2022	2021
Staff gratuity - unfunded	26.1	2,804,294	2,520,556
Deferred tax liability	26.2	12,307,123	9,902,174
		15,111,417	12,422,730

26.1 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, 2022, are as follows:

26.1.1 The amounts recognised in the profit or loss are as follows:

Staff Gratuity and Pension	2022				2021			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Current service cost	5,917	110,299	116,216	265,996	9,585	115,087	124,672	229,023
Interest cost	64,042	74,437	138,479	255,784	61,900	50,862	112,762	193,499
Expected return on plan assets	(71,128)	(69,892)	(141,020)	–	(68,042)	(41,657)	(109,699)	–
Net (reversal) / charge for the year	(1,169)	114,844	113,675	521,780	3,443	124,292	127,735	422,522
Other comprehensive income:								
Loss / (gain) on obligation	15,396	35,949	51,345	(87,702)	57,361	52,841	110,202	113,756
Loss / (gain) on assets	15,894	25,603	41,497	–	(60,943)	(34,951)	(95,894)	–
Net loss / (gain)	31,290	61,552	92,842	(87,702)	(3,582)	17,890	14,308	113,756

Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

26.1.2 Movement in the net assets / (liability) recognised in the consolidated statement of financial position are as follows:

Staff Gratuity and Pension	2022				2021			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Opening balance	74,589	(75,745)	(1,156)	(2,520,556)	74,450	(41,670)	32,780	(2,104,551)
Net reversal / (charge) - note 26.1.1	1,169	(114,844)	(113,675)	(521,780)	(3,443)	(124,292)	(127,735)	(422,522)
Other comprehensive (loss) / income	(31,290)	(61,552)	(92,842)	87,702	3,582	(17,890)	(14,308)	(113,756)
Contributions / payments during the year	–	132,263	132,263	150,340	–	108,107	108,107	120,273
Closing balance	44,468	(119,878)	(75,410)	(2,804,294)	74,589	(75,745)	(1,156)	(2,520,556)

26.1.3 The amounts recognised in the consolidated statement of financial position are as follows:

Staff Gratuity and Pension	2022				2021			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Fair value of plan assets - note 26.1.5	691,405	757,656	1,449,061	–	861,259	711,280	1,572,539	–
Present value of defined benefit obligation - note 26.1.4	(646,937)	(877,534)	(1,524,471)	(2,804,294)	(786,670)	(787,025)	(1,573,695)	(2,520,556)
Net asset / (liability)	44,468	(119,878)	(75,410)	(2,804,294)	74,589	(75,745)	(1,156)	(2,520,556)

The recognized asset / liability of funded gratuity is netted off against recognized asset / liability of funded pension and recorded accordingly.

26.1.4 Movement in the present value of defined benefit obligation:

Staff Gratuity and Pension	2022				2021			
	Funded			Unfunded	Funded			Unfunded
	Pension	Gratuity	Total		Pension	Gratuity	Total	
	(PKR in '000')							
Opening balance	786,670	787,025	1,573,695	2,520,556	842,783	598,123	1,440,906	2,104,551
Current service cost	5,917	110,299	116,216	265,996	9,585	115,087	124,672	413,855
Interest cost	64,042	74,437	138,479	255,784	61,900	50,862	112,762	8,667
Benefits paid	(225,088)	(128,128)	(353,216)	(150,340)	(184,959)	(29,707)	(214,666)	(120,273)
Benefits payable	–	(2,048)	(2,048)	–	–	(181)	(181)	–
Actuarial loss / (gain)	15,396	35,949	51,345	(87,702)	57,361	52,841	110,202	113,756
Closing balance	646,937	877,534	1,524,471	2,804,294	786,670	787,025	1,573,695	2,520,556

26.1.5 Movement in the fair value of plan assets:

Staff Gratuity and Pension	2022 Pension	2022 Funded Gratuity	2022 Total	2022 Unfunded	2021 Pension	2021 Funded Gratuity	2021 Total	2021 Unfunded
	(PKR in '000')							
Opening balance	861,259	711,280	1,572,539	–	917,233	556,453	1,473,686	–
Expected return	71,128	69,892	141,020	–	68,042	41,657	109,699	–
Contributions	–	132,263	132,263	–	–	108,107	108,107	–
Benefits paid	(225,088)	(128,128)	(353,216)	–	(184,959)	(29,707)	(214,666)	–
Benefits payable	–	(2,048)	(2,048)	–	–	(181)	(181)	–
Actuarial (loss) / gain	(15,894)	(25,603)	(41,497)	–	60,943	34,951	95,894	–
Closing balance - note 26.1.7	691,405	757,656	1,449,061	–	861,259	711,280	1,572,539	–

26.1.6 Historical information - funded plans

	June 30 2022	2021	2020	2019
	(PKR in '000')			
Present value of defined benefit obligation	1,524,471	1,573,695	1,440,906	1,358,254
Fair value of plan assets	(1,449,061)	(1,572,539)	(1,473,686)	(1,404,191)
Net liability / (asset)	75,410	1,156	(32,780)	(45,937)

26.1.7 Major categories / composition of plan assets are as follows:

	2022	2021
Debt instruments	69.49%	71.73%
Equity at market value	28.53%	29.51%
Cash / Others	1.99%	-1.24%

Fair value of plan asset

Investment

	Pension (As at June 2022)	Gratuity (As at June 2022)	Pension (As at June 2021)	Gratuity (As at June 2021)
	(PKR in '000')			
National savings deposits	394,800	–	348,447	–
Government bonds	60,080	421,246	266,157	485,961
Mutual funds - equity	–	–	–	–
Mutual funds - fixed income	–	–	–	–
Corporate bonds	–	54,771	–	47,380
Shares	221,105	161,066	264,839	178,340
Cash and term deposits	14,450	120,709	3,482	7,320
Income receivable / (Benefit due)	970	(136)	(21,666)	(7,721)
Total	691,405	757,656	861,259	711,280

	2022	2021
	(PKR in '000')	
Actual return on plan assets during the year:	99,523	205,593

26.1.8 The principal actuarial assumptions at the reporting date were as follows:

	2022	2021
	(PKR in '000')	
Discount rate	9.5% to 13.25%	9.5% to 10.25%
Future salary increases - Management	7.5% to 13.25%	4.25% to 12%
Future salary increases - Non - Management	8.50%	5.25%
Future pension increases	7.50%	4.25%

26.1.9 Impact of changes in assumptions on defined benefit scheme is as follows:

Assumption	1% Increase	1% Decrease
	(PKR in '000')	
Discount rate	(676,717)	748,832
Salary increase	702,244	(647,396)
Pension increase	31,089	(28,352)

The weighted average duration of the defined benefit obligation is 9.27 years (2021: 9.74 years) for the Holding Company, 7.39 years (2021: 10.10 years) for LMC and 6 years (2021: 5.7 years) for ICI.

26.1.10 During the year, the Group contributed in the fund as follows:

	2022	2021
	(PKR in '000')	
Provident fund	167,149	157,040
Defined contribution superannuation fund	144,511	134,125

26.1.11 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.

26.1.12 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.

26.1.13 Expected charge to unfunded gratuity scheme for the year ending June 30, 2023 is approximately PKR 768.682 million.

	2022	2021
	(PKR in '000')	
26.2 Deferred tax liability		
This comprises of the following:		
- Taxable temporary differences	14,637,775	12,050,503
- Deductible temporary differences	(2,330,652)	(2,148,329)
	12,307,123	9,902,174

26.2.1 In accordance with the Finance Act, 2022, super tax at the rate of 4% for tax year 2022 and onwards has been levied on certain categories of tax payers in addition to the corporate tax rate of 29%. Accordingly, the Group has recorded deferred tax at 33% in accordance with applicable accounting and reporting standards.

	Note	2022	2021
		(PKR in '000')	
27. TRADE AND OTHER PAYABLES			
Creditors		16,857,618	14,975,843
Accrued liabilities		18,527,372	16,717,386
Advance from customers / contract liabilities	27.1	18,031,670	20,788,578
Retention money		1,263,735	492,847
Sales tax payable, excise and other government levies	27.2	15,385,536	10,852,325
Workers' Profit Participation Fund (WPPF) payable	27.3	113,367	1,397,225
Workers' Welfare Fund (WWF) payable	27.4	1,563,330	1,520,028
Distributors' security deposits - payable			
on termination of distributorship	27.5	707,828	633,878
Others		5,956,707	3,539,567
		78,407,163	70,917,677

27.1 Contract liabilities at the beginning of each year are recognised as revenue in the ordinary course of business.

27.2 The Honorable 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.

Moreover, ICI has filed suit before High Court of Sindh (HSC) on September 16, 2020 on the grounds that factual determination of the GIDC passed-on is to be carried out, which is pending adjudication. The HSC granted ICI an interim stay on the matter.

	Note	2022	2021
		(PKR in '000')	
27.3 The movement of WPPF is as follows:			
Opening balance		1,397,225	253,861
Allocation for the year	36	1,972,075	2,025,870
		3,369,300	2,279,731
Payments during the year		(3,255,933)	(882,506)
		113,367	1,397,225

27.4 This includes PKR 1,326.416 million (2021: PKR 1,089.363 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 before the SHC 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 SHC 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.

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 Honorable Peshawar High Court challenging the said notice and maintaining the aforementioned stance.

27.5 This includes security deposits amounting to PKR 125.311 million (2021: PKR 127.320 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 10% to 11% (2021: 6% to 10%) 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.

		Note	2022	2021
			(PKR in '000')	
28.	**SHORT-TERM BORROWINGS AND RUNNING FINANCE**			
	LEPCL			
	Working Capital Facilities	28.1	10,998,615	–
	Islamic Commercial Paper - II	28.2	4,697,849	–
	Sukuks - I & II	28.3	14,000,000	–
	Commercial Paper - III	28.4	5,555,866	–
			35,252,330	–
	ICI			
	Short-term running finance - secured	28.5 & 28.6	12,964,104	3,287,149
	Export Refinance Facility	28.7	741,000	450,000
			13,705,104	3,737,149
	LMC			
	Import Murabaha Facilities	28.8	7,166,259	–
	LCLIHL			
	Loan from joint venture	28.9	1,024,234	1,161,885
	Running Finance - Habib Bank Limited	28.10	5,537	–
			1,029,771	1,161,885
	LCL			
	Islamic Export Refinance Facility	28.11	1,000,000	7,050,000
			58,153,464	11,949,034

28.1 LEPCL has entered into working capital facilities agreements with commercial banks for an aggregate amount of PKR 16,598.751 million. The facilities are for a period upto one year carrying a mark-up at the rate of 3 months KIBOR plus 1.50%. As at June 30, 2022, the outstanding funded exposure against the said facilities was PKR 10,998.615 million while the outstanding unfunded exposure was PKR 5,600.136 million.

The working capital facilities are secured primarily through first ranking pari-passu assignment over present and future EPP from CPPA-G / National Transmission & Despatch Company (NTDC) and / or any of its successors, assigns and transferees due under the PPA, second ranking charge (hypothecation / mortgage) over all immovable and moveable properties (excluding land) of LEPCL to cover for 20% margin, hypothecation charge over imported coal in transit for the Project and the shipment documentation of such coal and hypothecation charge over sixty days fuel inventory for the Project.

28.2 LEPCL has raised funds through private placement of Islamic Commercial Paper - II (ICP-II) having a face value of PKR 5,000 million and issued at discount of PKR 302.151 million resulting in mark-up in six months time from the date of issue at the rate of 6 months KIBOR plus 1.50%. The ICP-II shall mature on July 12, 2022.

28.3 LEPCL has raised funds through private placement of two Sukuk instruments having a face value of PKR 7,000 million each, repayable in six months time from the respective dates of issue and carrying a mark-up at the rate of 6 months KIBOR plus 1.20%.

28.4 LEPCL has raised funds through private placement of Commercial Paper-III (CP-III) having a face value of PKR 6,000 million and issued at discount of PKR 444.135 million resulting in mark-up in six months time from the date of issue at the rate of 6 months KIBOR plus 1.40%. CP-III shall mature on November 22, 2022.

28.5 These represent short-term financing facilities wherein, Islamic facilities have a limit of PKR 13,211 million (2021: PKR 10,346 million). These facilities carry mark-up ranging from Plain KIBOR to KIBOR plus 1.25% per annum (2021: KIBOR plus 0.02% to KIBOR plus 1.25% per annum). The conventional short-term facilities, have a limit amounting to PKR 7,250 million (2021: PKR 5,950 million). These facilities carry mark-up ranging from KIBOR plus 0.05% to KIBOR plus 0.30% per annum (2021: KIBOR plus 0.05% to KIBOR plus 0.30% per annum). The aforesaid limits are interchangeable with ERF, Payroll Financing and Bank Guarantees as per arrangements with various banks. The facility is secured against charge on current assets of ICI.

28.6 Includes facility availed by ICI from National Bank of Pakistan of PKR 97.32 million, against a total limit of PKR 1,000 million, carrying mark-up at the rate of 3 month KIBOR plus 0.15%.

28.7 ICI has availed Export Refinance Facility (ERF) of SBP both part 1 and part 2, amounting to PKR 741 million (2021: PKR 450 million) as at June 30, 2022 from various banks out of which PKR 300 million was availed from National Bank of Pakistan. It is secured against charge on current assets of ICI and carries mark-up at SBP Rate plus 0.15% to 1.00% per annum (2021: SBP Rate plus 0.15% to 0.50% per annum). This facility is interchangeable with Short Term Running Finance provided by the Banks.

28.8 LMC has obtained Import Murabaha Facilities aggregating to PKR 7,166 million (2021: PKR Nil) from commercial banks. The facilities are secured by way of first pari passu charge over stocks and receivables aggregating to PKR 10,000 million. These facilities carry mark-up at KIBOR plus 0.25% to 0.3% per annum. These facilities will mature by November 30, 2022.

28.9 This represents loan obtained by LCLIHL from its joint venture LuckyRawji Holdings Limited aggregating to USD 5 million. The loan is repayable within one year and is non-interest bearing.

28.10 This represents overdraft facility obtained by LCLIHL from Habib Bank Limited which carries interest at 3 months LIBOR plus 2.9% per annum.

28.11 The Holding Company has obtained Islamic Export Refinance Facility of PKR 1,000 million (2021: PKR 7,050 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 of the Holding Company. The export refinance facility carries mark-up at the rate of 2.65% per annum.

29 CONTINGENCIES AND COMMITMENTS

29.1 CONTINGENCIES

THE HOLDING COMPANY

29.1.1 The Federal Government issued SROs 580(1)/91 and 561(1)/94 dated June 27, 1991 and June 9, 1994 respectively and incentivized industries by providing sales tax exemptions on goods produced for a period of 5 years from the date of commissioning of such industries if the industrial plants were set up between July 01, 1991 and June 30, 1996 within the jurisdiction of NWFP (now KPK) and Baluchistan. The Holding Company relying on such incentive set up its manufacturing plant in Dera Pezu, District Lakki Marwat and was thus entitled to sales tax exemption on cement produced by it till June 30, 2001. Through the Finance Act, 1997, the Federal Government provided sales tax exemption to all cement manufacturers of Pakistan regardless of their geographical location and thus withdrew the incentive given earlier of sales tax exemption to industries being set up in NWFP (now KPK) and Baluchistan. Being aggrieved, the Holding Company filed a writ petition with the Peshawar High Court in 2000. The writ petition was subsequently withdrawn on legal advice and a suit for compensation was filed before the Learned Civil Judge, Peshawar. The Learned Civil Judge decreed the suit ex-parte on November 20, 2009 in favor of the Holding Company for an amount of PKR 1,693.61 million along with 14% return per annum till the date of payment.

On August 3, 2011, the Holding Company filed an execution petition for realisation of the decretal amount as per the decree granted by the Learned Civil Court. Due to objections filed by the Federal Government and the FBR, the ex-parte decree was set aside on January 17, 2012 and the matter was listed for re-hearing. The defendants contested the matter and the Learned Civil Judge, Peshawar, dismissed the suit of the Holding Company on December 18,

2012. The Holding Company filed an appeal before the Honorable Peshawar High Court against dismissal of the suit on March 9, 2013 in which relief is sought that the judgment of the Learned Civil Court may be set aside. The case is currently pending before the Honorable 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 Honorable High Court of Sindh in relation to the constitution of CAT, wherein the Honorable Court has restrained CAT from passing a final order in the matter.

Based on advice of the Holding Company's legal advisor, the management of the Holding Company 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:

	2022	2021
	(PKR in '000')	
Local bodies	84,500	76,500
Others	6,192	7,238
	90,692	83,738

29.1.5 Classification issue in PCT Heading:

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 (SHC) 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.

The consignment of 8MW Power Generation Project was subject to dispute of HS Code Classification as ICI claimed that a single PCT of entire 8MW Power Generation Project, including all of its components and necessary machineries. However, the Collectorate of Customs held that each and every component of the Power Generation Project were to be classified independently and withheld the shipments.

A petition was filed by ICI before the High Court of Sindh against the wrong assessment of the consignment along with the submission of bank guarantees for the differential amount of PKR 601,950.967 million with the Nazir of High Court in order to release import shipments. ICI is confident that it has strong grounds to defend the case.

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 67.0 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 issued by 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 24.0 million with the Deputy Registrar Judicial, which was deposited through Pay Order No.05138957 on February 14, 2019.

ICI is based on the opinion of advisors is confident that the above cases would be decided in ICI's favor. Accordingly, no provision in this respect has been made in these consolidated financial statements.

29.1.7 The Government of Sindh through Sindh Finance Act, 1994 imposed infrastructure fee for development and maintenance of infrastructure on goods entering or leaving the Province through air or sea at prescribed rates. The NutriCo Morinaga has contested the levy along with other companies in the High Court of Sindh which was instituted on May 26, 2011. Through the interim order passed on May 31, 2011, the High Court has ordered that for every consignment cleared after December 28, 2006, 50% of the value of infrastructure fee should be paid in cash and a bank guarantee for the remaining amount should be submitted until the final order is passed. On the directive of the Directorate of Excise and Taxation (Taxes-II), up to June 30, 2022, the management has provided bank guarantees amounting to PKR 175 million with the Excise and Taxation Department. Subsequently, there were two cases on the issue of SIDC, decided by Honourable High Court of Sindh in two trenches; one on June 04, 2021 and another on June 10, 2021 but in terms of same judgment dated June 04, 2021 and Constitutional Petition was disposed of with the later part on October 04, 2021. The Honorable Supreme Court of Pakistan, in first round of cases, was pleased to grant interim relief vide Orders dated September 01, 2021 and November 11, 2021, while suspending the operation of impugned Judgment dated June 04, 2021.

The NutriCo Morinaga has filed CPLA on November 17, 2021, which is under process for fixation as the petitions filed in second round have been clubbed with first round cases. The management of ICI believes that the matter will ultimately be decided in NutriCo Morinaga's favor. Accordingly, no provision has been made against infrastructure fee in these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2022

29.1.8 For Tax Year 2015, on the receipt of order under section 161/205 of the Income Tax Ordinance, 2001 dated January 30, 2018, NutriCo Morinaga filed an appeal before the Commissioner Inland Revenue (CIR A-IV) Karachi who disposed of the appeal vide his appellate order under section 129 of the Income Tax Ordinance, 2001 dated June 08, 2018. The issues were remanded back for reverification of facts and NutriCo Morinaga was requested to furnish the details of the listed expenses to Commissioner Inland Revenue. The Authorized representative of NutriCo Morinaga has made the compliance and reassessment u/s 161/124 of the Income Tax Ordinance, 2001 was completed. Subsequently, a notice under section 138 of Income Tax Ordinance, 2001 demanding PKR 39.75 million was issued against which NutriCo Morinaga has filed a second appeal before the Commissioner Inland Revenue (CIR A-IV) which was heard on February 10, 2021. Appellate order of CIR(A) dated December 24, 2021, deleted PKR 6.64 million, set aside PKR 8.69 million related to default surcharge and penalty while remanded back an amount of PKR 24.41 million. No provision has been made in the consolidated financial statements as NutriCo Morinaga expects a favorable outcome on this matter.

The Commissioner Inland Revenue, Large Taxpayer Unit-II, Karachi selected the case of NutriCo Morinaga for Tax Year 2015 for audit under Section 214D of the Ordinance which NutriCo Morinaga contested on various legal grounds. However, the Assessing Officer passed impugned order creating a demand of PKR 201.22 million on the grounds that the audit was not initiated under Section 214D instead it was selected by Commissioner under Section 177 of the Ordinance. The impugned Order did not commensurate with the original audit selection / intimation letter which was issued under Section 214D. The Office of the Commissioner Inland Revenue carried on the proceedings and passed an order on June 25, 2021, raising demand on NutriCo Morinaga for amount PKR 201.22 million. NutriCo Morinaga has filed an appeal before the Commissioner Inland Revenue Appeals -IV Karachi which is pending fixation. No provision has been made in the consolidated financial statements as NutriCo Morinaga expects a favourable outcome on this matter.

29.1.9 For Tax Year 2017, NutriCo Morinaga has filed an appeal before the Commissioner Inland Revenue - Appeals IV versus Assistant / Deputy Commissioner Inland Revenue against the demand of PKR 32.93 million (including surcharge of PKR 3.53 million for the short payment of Super tax created in the impugned order dated March 5, 2018. CIR(A) vide appellate order dated June 09, 2018 has maintained the levy on the basis of decision of superior courts. NutriCo Morinaga feels that the order is unjust and based on gross misapplication of law. NutriCo Morinaga approached Appellate Tribunal Inland Revenue which is pending fixation. Interim stay obtained vide Suit No. 678 of 2018 has been withdrawn on August 27, 2018 in the light of Supreme Court order dated June 27, 2018. Subsequently, another stay in Constitution Petition (CP No. D-1270 of 2019) dated February 25, 2019 has been obtained from the Honorable High Court of Sindh in respect of demand raised through the said order till the disposal of appeal by ATIR.

29.1.10 For Tax Year 2018, the Assessing Officer created a demand of PKR 68.44 million vide Order u/s 161(1A)/205/182 of the Ordinance dated September 30, 2019. NutriCo Morinaga being aggrieved preferred any appeal before the Commissioner Inland Revenue Appeals-IV, Karachi, which the Commissioner Inland Revenue Appeals-IV, Karachi remanded back to the Assessing Officer for re-adjudication. NutriCo Morinaga made compliance and resubmitted the explanations and evidences before the Assessing Officer. On May 27, 2021, the office of Commissioner of the Inland Revenue passed an order creating a demand of PKR 88.78 million (including PKR 32.57 million of additional tax and penalty). Feeling aggrieved, NutriCo Morinaga proceeded to file an appeal, however, due to technical issues on IRIS portal of FBR, online appeal was not filed. The issue was notified to Chief Commissioner and the respective office of Commissioner Inland Revenue. A fresh order was then issued on July 2, 2021 to facilitate NutriCo Morinaga for submission of Appeal against the said order before the Inland Commissioner Inland Revenue (Appeal-IV) Karachi. NutriCo Morinaga has filed an appeal before the Commissioner Inland Revenue Appeals -IV Karachi which is pending fixation. No provision has been made in the consolidated financial statements as NutriCo Morinaga expects a favorable outcome on this matter.

29.1.11 The assessment finalized of ICI 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 majorly 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.

29.1.12 ICI's petition relating to PTA Plant and related matters for AY 2001-2002 were disposed of by the Honourable 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 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 as well as that in the subsequent years were maintained in first appeal. Some relief on other matters in the AY 2002-2003 was given. Subsequently, the Tribunal vide order dated June 7, 2021 has decided all the issues involved in AY 2002-03 in ICI's favor. However, the appeal effect order for AY 2002-03 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 Honourable Sindh High Court which is valid till the decision of Tribunal.

29.1.13 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.

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 the hearings of appeals are pending.

29.1.14 Following proceedings were finalized by FBR for TY 2016:

(i) Income tax audit was finalized vide order dated December 30, 2019 raising demand amounting to PKR 36 million on various issues such as disallowance of provisions, exchange loss, BMR credit etc. ICI had paid the amount under protest and filed an appeal with CIR(A). During the year, the CIR(A) has decided certain issues including BMR credit, exchange loss etc against ICI which has been challenged before the Tribunal. Hearing of appeal before the Tribunal 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.

29.1.15 For Tax Year 2017, FBR has finalized assessment proceedings vide order dated February 7, 2022, raising tax demand of PKR 240 million on certain issues including disallowance of finance cost, write-offs, and BMR credit etc. ICI has filed an appeal before CIR(A) against the order. Hearing of appeal before the CIR (A) is pending.

Similar issues have also been decided against ICI in income tax audit finalized for Tax Year 2018 vide order dated June 3, 2022 and a demand of PKR 32 million was raised which was paid by ICI under protest. An appeal against the order has been filed before the CIR(A). Hearing of appeal before the CIR (A) is pending.

29.1.16 For the period July 2012 to June 2013, sales tax audit was finalized by FBR vide order dated September 12, 2014 in which demand of 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. The case has been heard by Tribunal which is reserved for order.

29.1.17 Sales tax audit for tax period July 2014 to June 2015 was finalized by the DCIR vide order dated September 25, 2018 through which sales tax demand of PKR 26 million on various issues was raised, including inadmissible sales tax claimed on blacklisted / inactive suppliers and goods used for non-business activity which was paid by ICI under protest. After all these issues were remanded back by the CIR(A), FBR has filed an appeal before Tribunal. Hearing of FBR appeal is pending before Tribunal.

Similar issues for tax period July 2016 to June 2017 have been decided against ICI vide order dated June 29, 2021 and a demand of PKR 29 million was raised which was paid by ICI under protest. ICI has already filed an appeal before CIR(A) and the hearing of the appeal is pending.

29.1.18 Sales tax audit for the period July 2017 to June 2018 has been finalized by the FBR vide order June 30, 2022, raising a demand of PKR 29 million on various issues including inadmissible sales tax claimed on blacklisted / inactive suppliers, non-levy of further tax on non-active customers and goods used for non-business activity. ICI is in process of filing an appeal before CIR(A).

In addition to above, there are certain other tax and legal cases which are pending before various authorities. The management based on the opinion of advisors is confident that all these cases (including listed above) will be decided in favour of the Company.

LUCKY ELECTRIC POWER COMPANY LIMITED

29.1.19 Last 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, 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.

The contractors submitted their final claim in February 2022 in which they revised the amount relating to COVID-19 pandemic and changes in law from USD 30.06 million to USD 36.95 million along with other revisions. Management of LEPCL maintains its position that other revisions do not have any legal merit and the amount relating to COVID-19 pandemic and changes in law shall only be payable if the same is determined to be receivable in 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 (i.e. Rs 1,978.75 million) was recognised as liability representing estimated cost incurred due to changes in location of SWI and was charged to the profit or loss account during the previous year as it did not have any incremental economic benefit to the Project. This amount was settled during the year.

Further, during the year in order to achieve the commercial operation smoothly and to ensure reliable plant operation subsequent to the COD, the Company and the contractor entered into an agreement whereby LEPCL will provide an amount of USD 5 million as interim compensation payable on October 31, 2022 subject to running the plant on Thar Coal (if available) and resolution of the punch list items, which has been recognised in these financial statements as part of project cost.

The ultimate resolution of the matter is dependent on the outcome of the dispute resolution mechanism which has not commenced to date.

29.1.20 LEPCL has received liquidated damage (LD) claims aggregating USD 31.811 million from CPPAG as per section 9.4 (d) of the PPA citing failure in achieving COD by RCOD i.e. originally March 21, 2021 and extended to March 21, 2022 on account of delay in interconnection and force majeure event and underutilisation of the HVDC Transmission Line. The LEPCL has disputed these claims on the contention that CPPAG has failed to provide Power Purchase Interconnection Facilities prior to 120 days of the RCOD as required under section 6.5(a) of the PPA and consequently the delay in revised COD is attributable to the delay in the availability of interconnection facility. The LEPCL has submitted counter claim with CPPA-G of Rs 3.8 billion under section 6.5(b) of PPA on account of delayed provision of interconnection facilities by the CPPA-G. The LEPCL, based on the advice of its legal counsel, is confident that no outflow is expected to arise on this account.

		2022	2021
		(PKR in '000')	
	COMMITMENTS		
29.2	**Capital commitments**		
	Plant and machinery under letters of credit and others	13,638,851	23,342,394
	Other commitments		
	Stores, spares and packing material under letters of credit	4,530,101	1,649,345
	Bank guarantees issued	20,586,982	30,844,597
	Standby letter of credit	24,776,933	34,996,248
	Post-dated cheques	2,194,504	1,245,770
	Commitment in connection with LEPCL's project's cost over-run and payment service reserve account (PSRA) support	28,201,245	21,689,041

29.2.1 As of June 30, 2022, LEPCL has issued the following through commercial banks:

- Letters of credit amounting to USD 9.645 million (i.e. Rs 1,986.802 million) {2021: USD 23.982 million (i.e. Rs 3,796.29 million)} in favor of Tie Jun International (HK) Limited in accordance with the terms of Procurement and Supply of Equipment contract and USD 6.732 million (i.e. Rs 1,386.692 million) {2021: USD 16.681 million (i.e Rs 2,640.65 million) in favor of CPPA in accordance with the terms of PPA. Letter of credit amounting to USD 25.115 million (i.e. Rs 5,173.806 million) against imported coal shipment in favor of AVRA International and Youtai Energy.

- Bank guarantees amounting to Rs 567.55 million (2021: Rs 580.657 million) issued in favor of collector of customs in connection with advance tax and Sindh Infrastructure Cess.

- These represent payments to be made to the contractors for the import and installation of the 660 MW coal fired power plant.

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

	2022	2021
	(PKR in '000')	
Year		
2021-22	2,123	2,013
2022-23	8,491	6,436
2023-24	9,043	6,608
2024-25	9,630	7,038
2025-26	10,256	5,621
	39,543	27,716
Payable not later than one year	2,123	2,013
Payable later than one year but not later than five years	37,420	25,703
	39,543	27,716

30 OPERATING SEGMENT RESULTS

Untill last year Animal Health, Chemicals & Agri Sciences and NutriCo Morinaga businesses were being reported as separate segments. During the current year, these individual segments have been aggregated and reported as Life Sciences and Chemical segment. The change has been made as these businesses are reviewed on an aggregate basis at Group level by the Chief Operating Decision Maker to make decision about resources to be allocated and for assessment of the performance. The comparative information has been accordingly restated. Mobile phone assembly, which commenced during the year, has been reported as part of Automobiles and mobile phones assembling segment in line with the internal review procedure followed by the Chief Operating Decision Maker for allocation of resources and for assessment of performance.

			Cement		Polyester		Soda Ash		Pharma		Life Sciences & Chemicals		Automobiles & mobile phones assembling		Power Generation		Others		Group	
		Note	2022	2021	2022	2021	2022	2021	2022	2021	2022 (PKR in '000')	2021	2022	2021	2022	2021	2022	2021	2022	2021
	Gross revenue																			
	Exports		12,703,113	13,854,227	734,575	257,768	3,380,000	1,119,467	23,462	109,836	-	4,170	-	-	-	-	-	-	16,841,150	15,345,468
	Inter-segment		127,885	50,153	-	-	-	-	-	-	1,775,773	28,115	956,495	410,231	-	-	423,750	1,655,467	3,283,903	2,143,966
	Local		95,769,947	74,453,315	42,331,779	28,580,555	26,588,761	19,327,709	13,032,544	10,838,050	32,945,985	19,251,956	143,871,080	99,592,214	28,626,362	-	1,973,025	209,391	385,139,483	252,253,190
			108,600,945	88,357,695	43,066,354	28,838,323	29,968,761	20,447,176	13,056,006	10,947,886	34,721,758	19,284,241	144,827,575	100,002,445	28,626,362	-	2,396,775	1,864,858	405,264,536	269,742,624
	Commission / toll income		-	-	-	-	-	-	-	-	177,516	126,451	-	-	-	-	-	-	177,516	126,451
	Revenue	31.1	108,600,945	88,357,695	43,066,354	28,838,323	29,968,761	20,447,176	13,056,006	10,947,886	34,899,274	19,410,692	144,827,575	100,002,445	28,626,362	-	2,396,775	1,864,858	405,442,052	269,869,075
	Sales tax and excise duty		26,100,667	23,847,318	6,113,640	4,105,654	3,756,158	2,706,463	43,290	43,506	1,420,004	1,063,581	17,952,387	18,285,478	2,672,947	-	286,679	209,392	58,345,772	50,261,392
	Rebates and commission		1,373,885	1,555,201	275,091	433,665	1,148,133	1,032,183	4,127,136	3,090,145	3,160,580	2,385,932	2,265,438	1,807,718	-	-	-	-	12,350,263	10,304,844
			27,474,552	25,402,519	6,388,731	4,539,319	4,904,291	3,738,646	4,170,426	3,133,651	4,580,584	3,449,513	20,217,825	20,093,196	2,672,947	-	286,679	209,392	70,696,035	60,566,236
			81,126,393	62,955,176	36,677,623	24,299,004	25,064,470	16,708,530	8,885,580	7,814,235	30,318,690	15,961,179	124,609,750	79,909,249	25,953,415	-	2,110,096	1,655,466	334,746,017	209,302,839
	Cost of sales	32	58,532,861	43,976,029	32,138,958	21,032,017	18,958,963	11,619,750	5,891,067	5,266,224	22,692,010	12,616,288	111,516,504	65,537,087	19,647,061	-	1,483,457	1,126,663	270,860,882	161,174,058
	Gross profit		22,593,532	18,979,147	4,538,665	3,266,987	6,105,507	5,088,780	2,994,513	2,548,011	7,626,680	3,344,891	13,093,246	14,372,162	6,306,354	-	626,639	528,803	63,885,135	48,128,781
	Distribution cost	33	4,764,203	4,857,984	397,776	245,066	900,003	537,027	1,445,404	1,309,793	2,815,229	2,144,132	1,502,085	927,623	-	-	-	-	11,824,700	10,021,626
	Administrative expenses	34	1,512,080	1,256,361	206,990	188,945	1,115,946	1,020,978	301,673	402,430	705,434	499,927	1,640,650	1,981,943	155,916	138,083	122,049	20,401	5,760,738	5,509,068
	Operating results		16,317,249	12,864,802	3,933,899	2,832,976	4,089,558	3,530,775	1,247,436	835,788	4,106,017	700,832	9,950,511	11,462,596	6,150,438	(138,083)	504,590	508,402	46,299,697	32,598,087
30.1	**Segment assets**	31.3	123,496,805	100,348,153	15,971,757	9,823,522	36,580,893	25,406,934	7,480,296	5,810,736	30,249,797	21,761,340	63,882,863	56,330,229	184,128,911	109,826,249	1,299,668	1,303,682	463,090,990	330,610,845
30.2	**Unallocated assets**																		57,461,977	45,194,999
																			520,552,967	375,805,844
30.3	**Segment liabilities**	31.4	38,475,459	31,444,586	17,907,421	14,723,344	7,675,381	3,341,690	5,343,936	5,563,382	6,094,105	5,043,864	29,388,055	36,534,948	14,449,212	5,227,947	7,824,072	5,078,336	127,157,641	106,958,097
30.4	**Unallocated liabilities**																		196,209,122	113,179,015
																			323,366,763	220,137,112
30.5	**Depreciation and amortisation**		4,518,368	4,186,275	720,534	725,357	2,090,352	1,762,404	151,880	143,799	577,059	558,416	2,399,381	1,381,435	1,262,398	16,557	15,868	16,339	11,735,840	8,790,582
30.6	**Capital expenditure**		24,506,067	6,470,911	1,319,521	308,653	7,735,983	2,372,994	338,277	115,929	273,319	62,798	7,248,633	5,090,744	14,206,496	10,872,617	42,450	20,718	55,670,746	25,315,364

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 Cash Generating Unit (CGU) of the Group which has been aggregated under the segment of 'Life Sciences & Chemicals' in these consolidated financial statements. The assets of the CGU 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, 2022.

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	2022	2021
			(PKR in '000')	
31.1	**Gross revenue**			
	Gross revenue for reportable segments	30	405,442,052	269,869,075
	Elimination of inter-segment revenue		(3,283,903)	(2,143,966)
			402,158,149	267,725,109
31.2	**Cost of sales**			
	Total cost of sales for reportable segments	30	270,860,882	161,174,058
	Elimination of inter-segment purchases		(2,570,264)	(1,560,340)
			268,290,618	159,613,718
31.3	**Assets**			
	Total assets reported by the segments	30.1	463,090,990	330,610,845
	Less: Adjustments and elimination of inter-segment balances		16,865,653	14,408,224
	Total assets for reportable segments of the Group		446,225,337	316,202,621
	Unallocated assets included in:			
	- taxation receivable		123,926	736,597
	- cash and bank balances	20	16,900,459	13,377,143
	- intangibles - goodwill and brands		3,892,965	4,122,877
	- long term investments	9	36,544,627	26,958,382
			503,687,314	361,397,620
31.4	**Liabilities**			
	Total liabilities reported by the segments	30.3	127,157,641	106,958,097
	Less: Adjustments and elimination of inter-segment balances		19,437,938	15,765,784
	Total liabilities for reportable segments of the Group		107,719,703	91,192,313
	Unallocated liabilities included in:			
	- short-term borrowings and running finance	28	58,153,464	11,949,034
	- long-term finance	23	132,955,397	98,868,028
	- unclaimed and unpaid dividend		51,030	53,458
	- accrued return		576,471	248,689
	- deferred government grant		4,361,931	1,948,977
	- others		110,829	110,829
			303,928,825	204,371,328

32 COST OF SALES

	Note	Cement		Polyester		Soda Ash		Pharma		Life Sciences & Chemicals		Automobiles & mobile phones assembling		Power Generation		Others		Group	
		2022	2021	2022	2021	2022	2021	2022	2021	2022 (PKR in '000)	2021	2022	2021	2022	2021	2022	2021	2022	2021
Salaries, wages and benefits		2,701,913	2,496,697	696,715	675,215	1,276,141	1,217,333	425,111	497,613	296,779	293,424	1,179,155	-	-	-	14,722	16,144	6,590,536	5,196,426
Raw material consumed		3,717,639	2,643,590	27,195,051	17,360,168	5,837,353	3,943,478	4,279,581	3,941,037	8,576,269	7,198,402	101,465,444	60,565,808	16,898,365	-	1,398,148	923,194	169,367,850	96,575,677
Packing material	32.1	4,789,033	4,759,397	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,789,033	4,759,397
Fuel and power		44,020,800	26,641,768	3,008,440	2,233,904	8,560,050	4,247,998	177,815	151,024	203,319	136,555	868,336	-	-	-	744	738	56,839,504	33,411,987
Stores and spares consumed		2,166,461	2,366,054	230,511	245,130	343,422	275,268	129,726	149,949	50,370	58,017	-	-	-	-	33,171	29,718	2,953,661	3,124,136
Conversion fee paid to contract manufacturers		-	-	-	-	-	-	335,770	354,185	59,667	39,586	-	-	-	-	-	-	395,437	393,771
Repairs and maintenance		582,813	585,356	25,288	22,936	16,809	12,311	4,854	3,947	39,237	20,225	264,438	-	988,764	-	120	120	1,922,323	644,895
Depreciation and amortisation	6.2, 7.1 & 8.1	4,002,974	3,798,989	642,081	646,775	1,956,663	1,630,591	123,259	114,760	503,458	489,297	2,198,034	1,197,962	1,240,048	-	15,868	16,339	10,682,385	7,894,713
Insurance		109,376	92,571	19,678	22,300	31,578	31,961	4,644	5,046	10,065	9,524	111,019	-	283,109	-	1,485	726	570,954	162,128
Earth moving machinery charge		334,071	305,549	-	-	-	-	-	-	-	-	-	-	-	-	-	-	334,071	305,549
Vehicle running and maintenance		77,822	51,686	-	-	-	-	-	-	-	-	16,906	-	-	-	-	-	94,728	51,686
Communication		12,319	13,069	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,319	13,069
Mess subsidy		8,446	7,266	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,446	7,266
Transportation		25,764	13,021	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,764	13,021
Travelling and conveyance		3,447	2,761	-	-	-	-	-	-	-	-	8,753	-	-	-	-	-	12,200	2,761
Rent, rates and taxes		28,204	25,794	1,965	1,714	7,720	1,887	1,393	1,164	713	97	427,688	-	-	-	420	420	468,103	31,076
Printing and stationery		2,733	2,548	-	-	-	-	-	-	-	-	13,442	-	-	-	-	-	16,175	2,548
Excise duty		-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,696	12,195	16,696	12,195
Technical fees		-	-	-	-	-	-	-	-	28,420	39,543	-	-	-	-	-	-	28,420	39,543
Other manufacturing expenses		155,503	134,024	377,523	339,982	409,955	348,116	32,283	39,169	114,908	106,300	485,043	1,717,689	236,775	-	2,083	127,069	1,814,073	2,812,349
		62,739,318	43,940,140	32,197,252	21,548,124	18,439,691	11,708,943	5,514,436	5,257,894	9,883,205	8,390,970	107,038,258	63,481,459	19,647,061	-	1,483,457	1,126,663	256,942,678	155,454,193
Work-in-process:																			
Opening		1,887,232	1,882,802	130,765	223,575	-	-	39,187	21,681	31,792	5,015	-	-	-	-	-	-	2,088,976	2,133,073
Closing		(5,801,452)	(1,887,232)	(179,217)	(130,765)	-	-	(61,197)	(39,187)	(89,198)	(31,792)	-	-	-	-	-	-	(6,131,064)	(2,088,976)
		(3,914,220)	(4,430)	(48,452)	92,810	(22,010)	(17,506)	(57,406)	(26,777)	-	-	-	-	-	-	-	-	(4,042,088)	44,097
Cost of goods manufactured		58,825,098	43,935,710	32,148,800	21,640,934	18,439,691	11,708,943	5,492,426	5,240,388	9,825,799	8,364,193	107,038,258	63,481,459	19,647,061	-	1,483,457	1,126,663	252,900,590	155,498,290
Finished goods:																			
Opening		367,095	407,414	1,313,045	706,589	560,390	471,197	478,103	447,444	5,326,103	2,356,842	1,110,891	446,707	-	-	-	-	9,155,628	4,836,193
Purchases		-	-	(151,940)	(2,461)	-	-	411,397	110,097	12,795,132	4,713,334	4,497,554	2,719,812	-	-	-	-	17,552,143	7,540,782
Closing		(659,332)	(367,095)	(1,170,947)	(1,313,045)	(41,118)	(560,390)	(476,282)	(478,103)	(5,252,583)	(2,777,676)	(1,130,199)	(1,110,891)	-	-	-	-	(8,730,461)	(6,607,200)
Provision		-	-	-	-	-	-	(14,577)	(53,602)	(2,441)	(40,405)	-	-	-	-	-	-	(17,018)	(94,007)
		(292,237)	40,319	(9,842)	(608,917)	519,272	(89,193)	398,641	25,836	12,866,211	4,252,095	4,478,246	2,055,628	-	-	-	-	17,960,292	5,675,768
		58,532,861	43,976,029	32,138,958	21,032,017	18,958,963	11,619,750	5,891,067	5,266,224	22,692,010	12,616,288	111,516,504	65,537,087	19,647,061	-	1,483,457	1,126,663	270,860,882	161,174,058

32.1 These are net of duty draw back on export sales amounting to PKR 18.189 million (2021: PKR 33.516 million).

32.2 The opening stock as at July 1, 2021 includes stock amounting to PKR 2,548 million relating to NutriCo Pakistan (Private) Limited.

33. DISTRIBUTION COST

	Note	Cement		Polyester		Soda Ash		Pharma		Life Sciences & Chemicals		Automobiles & mobile phones assembling		Power Generation		Others		Group	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
										(PKR in '000)									
Salaries and benefits		359,886	324,676	79,596	67,484	58,985	59,178	693,719	637,834	1,001,813	850,342	137,666	108,266	-	-	-	-	2,331,665	2,047,780
Logistics and related charges		1,825,094	2,539,419	237,017	67,577	806,733	424,689	152,044	109,313	542,796	294,007	12,898	-	-	-	-	-	3,576,582	3,435,005
Loading and others		2,157,441	1,535,505	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,157,441	1,535,505
Communication		6,034	6,523	2,212	1,422	2,523	2,365	17,274	18,287	29,437	19,213	643	1,720	-	-	-	-	58,123	49,530
Travelling and conveyance		8,042	4,595	16,215	5,687	4,144	1,002	226,379	180,636	243,943	156,429	10,943	1,628	-	-	-	-	509,666	349,977
Printing and stationery		1,465	1,337	-	-	-	-	-	-	-	-	9,681	-	-	-	-	-	11,146	1,337
Insurance		49,228	41,509	-	-	407	481	12,036	11,341	20,560	18,491	5,160	2,945	-	-	-	-	87,391	74,767
Rent, rates and taxes		41,433	41,979	4	46	472	343	3,789	6,562	21,897	14,285	9,772	11,976	-	-	-	-	77,367	75,191
Utilities		7,055	5,238	-	61	-	1,855	-	4,176	-	15,378	1,643	1,342	-	-	-	-	8,698	28,050
Vehicle running and maintenance		35,416	20,344	-	-	-	-	-	-	-	-	8,195	2,945	-	-	-	-	43,611	23,289
Repairs and maintenance		33,000	32,446	-	213	702	868	5,553	4,402	16,483	11,155	4,617	2,625	-	-	-	-	60,355	51,709
Fees, subscription and periodicals		3,484	2,697	-	-	-	-	-	-	-	-	14,108	5,148	-	-	-	-	17,592	7,845
Advertisement and sales promotion		14,250	45,911	19,555	58,937	12,078	10,592	255,429	188,116	668,968	426,196	353,735	198,833	-	-	-	-	1,324,015	928,585
Entertainment		10,753	9,311	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,753	9,311
Security services		4,860	5,285	-	-	-	-	-	-	-	-	5,625	6,005	-	-	-	-	10,485	11,290
Royalty		-	-	-	-	-	-	-	-	102,296	79,480	-	-	-	-	-	-	102,296	79,480
Depreciation and amortisation	6.2, 7.1 & 8.1	209,700	214,802	8,831	8,830	10,319	10,975	14,573	15,688	42,482	41,946	40,667	36,695	-	-	-	-	326,572	328,936
Provision for doubtful debt	14.5	(12,048)	19,579	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(12,048)	19,579
Warranty provision		-	-	-	-	-	-	-	-	-	-	584,054	-	-	-	-	-	584,054	-
Other general expenses		9,110	6,828	34,346	34,809	3,640	24,679	64,608	133,438	124,554	217,210	302,678	547,496	-	-	-	-	538,936	964,460
		4,764,203	4,857,984	397,776	245,066	900,003	537,027	1,445,404	1,309,793	2,815,229	2,144,132	1,502,085	927,623	-	-	-	-	11,824,700	10,021,626

34. ADMINISTRATIVE EXPENSES

	Note	Cement 2022	Cement 2021	Polyester 2022	Polyester 2021	Soda Ash 2022	Soda Ash 2021	Pharma 2022	Pharma 2021	Life Sciences & Chemicals 2022	Life Sciences & Chemicals 2021	Automobiles & mobile phones assembling 2022	Automobiles & mobile phones assembling 2021	Power Generation 2022	Power Generation 2021	Others 2022	Others 2021	Group 2022	Group 2021
Salaries and benefits		715,470	613,592	93,103	80,776	770,085	674,929	152,445	226,703	365,438	298,831	550,662	433,066	38,946	20,598	-	-	2,686,149	2,348,495
Communication		10,637	9,246	-	-	-	-	-	-	-	-	2,571	6,882	827	518	74	-	14,109	16,646
Travelling and conveyance		31,083	25,730	3,120	830	21,496	4,830	12,899	3,411	15,075	5,839	10,943	6,513	1,471	-	44,013	-	140,100	47,153
Insurance		33,770	26,912	52	31	9,750	5,855	2,246	1,254	9,518	3,313	20,640	11,780	3,187	2,937	-	-	79,163	52,082
Rent, rates and taxes		25,546	23,794	16	33	721	596	(148)	1,501	17,880	1,319	39,087	47,902	15,697	12,067	-	-	98,799	87,212
Vehicle running and maintenance		50,175	28,431	-	-	-	-	-	-	-	-	32,778	11,778	3,145	2,163	-	-	86,098	42,372
Aircraft running and maintenance		57,369	40,991	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,369	40,991
Printing and stationery		11,789	9,252	-	-	-	-	-	-	-	-	38,722	-	911	596	-	-	51,422	9,848
Fees and subscription		51,227	35,464	-	-	-	-	-	-	-	-	10,867	20,590	33,357	31,330	-	3	95,451	87,387
Security services		9,086	9,098	-	-	-	-	-	-	-	-	22,501	24,018	26,849	40,006	-	-	58,436	73,122
Legal fee		63,878	57,017	-	-	-	-	-	-	-	-	51,590	-	2,777	908	60	60	118,305	57,985
Professional and advisory services		-	-	-	-	-	-	-	-	-	-	45,564	-	(1)	-	-	375	45,563	375
Utilities		13,033	17,124	-	-	-	-	-	-	-	-	6,570	5,368	1,790	1,497	-	-	21,393	23,989
Repairs and maintenance		177,909	136,186	69	430	12,889	10,935	4,847	4,692	7,886	3,991	18,469	10,498	-	3,850	-	-	222,069	170,582
Advertisement		3,269	882	78	610	14,008	30,090	758	1,620	1,722	3,395	-	-	-	215	-	-	19,835	36,812
Auditors' remuneration	34.1	4,186	4,378	-	-	-	-	-	-	-	-	2,574	1,716	3,091	1,115	14,316	9,191	24,167	16,400
Depreciation and amortisation	6.2, 7.1 & 8.1	191,039	172,484	69,622	69,752	123,370	120,838	14,048	13,351	31,119	27,173	160,680	146,778	15,434	16,557	-	-	605,312	566,933
Provision for doubtful debts		-	-	-	-	-	23,231	4,061	(5,327)	17,719	(48,852)	-	-	-	-	47,233	270	69,013	(30,678)
Provision for slow moving																			
and obsolete stocks		-	-	-	-	-	-	14,577	53,602	2,441	40,405	-	-	-	-	-	-	17,018	94,007
Provision for slow moving spares		-	-	6,477	784	5,110	8,429	-	-	-	-	-	-	-	-	2,007	-	13,594	9,213
Training cost		22,168	9,454	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,168	9,454
Bank charges		13,090	18,072	-	-	-	-	-	-	-	-	-	-	-	828	1,389	-	14,479	18,900
Other general expenses		27,356	18,254	34,453	35,699	158,517	141,245	95,940	101,623	236,636	164,513	626,431	1,255,053	8,435	2,898	12,957	10,502	1,200,725	1,729,787
		1,512,080	1,256,361	206,990	188,945	1,115,946	1,020,978	301,673	402,430	705,434	499,927	1,640,650	1,981,943	155,916	138,083	122,049	20,401	5,760,738	5,509,068

		Note	2022	2021
			(PKR in '000')	
34.1	**Auditors' remuneration**			
	The Holding Company			
	Statutory audit fee			
	- standalone		2,183	1,985
	- consolidated financial statements		516	469
	Half yearly review fee		516	469
	Code of Corporate Governance review fee		121	110
	Others		–	570
			3,336	3,603
	Out of pocket expenses and government levies		850	775
			4,186	4,378
	Subsidiaries (multiple audit firms)			
	Statutory audit fee		12,844	6,066
	Half yearly review and other certifications		1,825	1,617
	Out of pocket expenses and government levies		892	742
	Other certifications		2,154	2,881
	Others		2,266	716
			19,981	12,022
			24,167	16,400
35.	**FINANCE COST**			
	Mark-up on long term and short term borrowings		6,463,265	1,322,872
	Interest on workers' profit participation fund		340	2,157
	Accretion of interest on lease liabilities		26,017	33,701
	Discounting charges on receivables		154,659	78,563
	Bank charges and commission		27,088	6,943
	Guarantee fee and others		423,839	19,545
			7,095,208	1,463,781
36.	**OTHER EXPENSES**			
	Workers' Profit Participation Fund	27.3	1,972,075	2,025,870
	Workers' Welfare Fund		613,133	535,477
	Liability in respect of contractors' claim relating to cost incurred due to change in location of water in-take system	29.1.19	–	1,978,750
	Donations and scholarships	36.1 & 36.2	825,202	372,074
	Exchange loss - net		1,048,809	–
	Others		6,285	3,275
			4,465,504	4,915,446

36.1 These include donations amounting to PKR 210 million (2021: PKR 200 million) to Aziz Tabba Foundation (ATF), a not-for-profit organization registered under section 42 of the Companies Ordinance, 1984 (now the Companies Act, 2017). Mr. Muhammad Younus Tabba, Chairman of the Board of Directors of the Holding Company, is the Chief Executive of ATF and Mr. Muhammad Ali Tabba, the Chief Executive of the Holding Company, is the Director of ATF. Further, Mr. Muhammad Sohail Tabba, Mr. Muhammad Jawed Tabba and Mrs. Mariam Tabba Khan, the Directors of the Holding Company, are also Directors of ATF.

36.2 These include donation amounting to PKR 62.104 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. Laila Bhatia Bawany and Mr. Atif Aboobukar, Executives of ICI are amongst the Trustees of the Foundation.

	Note	2022	2021
		(PKR in '000')	
37 OTHER INCOME			
Income from non-financial assets			
Gain on disposal of property, plant and equipment	6.4	207,613	114,557
Gain from sale of electricity		271,430	212,556
Sale of scrap		317,614	345,144
Others		74,123	111,364
		870,780	783,621
Income from financial assets			
Dividends		1,186,495	613,815
Fee for Technical Services		1,775,706	–
Gain on remeasurement of existing interest in NutriCo		1,847,321	–
Return from deposits with Islamic bank and other financial institutions		1,656,328	1,530,208
		6,465,850	2,144,023
		7,336,630	2,927,644
38. TAXATION			
Current		9,599,912	3,865,870
Deferred		1,013,502	906,944
		10,613,414	4,772,814

38.1 Relationship between income tax expense and accounting profit:

	2022	2021
	(PKR in '000')	
Profit before tax	47,036,084	33,001,738
Tax at the applicable tax rate of 29%	13,640,464	9,570,504
Tax effect of exempt income	(2,988,048)	(3,429,354)
Provision of super tax	2,642,021	–
Tax effect under lower rate of tax	(2,009,075)	(1,570,214)
Others	(671,948)	201,878
	10,613,414	4,772,814

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:

	2022	2021
Profit attributable to owners of the Holding Company (PKR in thousands)	29,497,340	22,857,948
Weighted average number of ordinary shares (in thousands)	323,375	323,375
Basic and diluted earnings per share - PKR	91.22	70.69

	Note	2022	2021
		(PKR in ‘000’)	
40. CASH (UTILISED IN) / GENERATED FROM OPERATIONS			
Profit before taxation		47,036,084	33,001,738
Adjustments for non cash charges and other items			
Depreciation and amortisation	6.2, 7.1 & 8.1	11,735,840	8,903,051
Provision for slow moving spares	12	13,594	9,213
Provision for slow moving and obsolete stocks	13.2	17,018	94,007
Reversal of doubtful trade debts	14.5	(4,767)	(11,099)
Provision for price adjustments and discounts	14	29,581	–
Provision for doubtful advances and other receivables	17.4	57,047	–
Provisions and accruals no longer required written back		(17,695)	–
Gain on disposal of operating fixed assets	37	(207,613)	(114,557)
Provision for staff gratuity	26.1.1	635,455	550,257
Share of profit - joint venture and associates	9.8	(5,674,108)	(4,438,860)
Dividend income	37	(1,186,495)	(613,815)
Return from deposits with Islamic banks and other financial institutions	37	(1,656,328)	(1,530,208)
Gain on acquisition of shares of NutriCo	37	(1,847,321)	–
Finance cost	35	7,095,208	1,463,781
Profit before working capital changes		56,025,500	37,313,508
(Increase) / decrease in current assets			
Stores, spares and consumables		(1,264,354)	(4,342,487)
Stock-in-trade		(34,507,763)	(15,060,099)
Trade debts		(30,197,257)	200,505
Loans and advances		(1,295,894)	(552,599)
Trade deposits and short-term prepayments		(114,649)	79,083
Other receivables		(6,009,607)	(3,079,559)
		(73,389,524)	(22,755,156)
Increase in current liabilities			
Trade and other payables		4,052,189	28,347,494
		(13,311,835)	42,905,846

	Note	2022	2021
40.1 Cash and cash equivalents			
Cash and bank balances	20	16,900,459	13,377,143
Short-term borrowings and running finance	28	(58,153,464)	(11,949,034)
Release of bank balance held as lien		(1,111,111)	(322,000)
Short term investments		12,958,049	26,247,495
		(29,406,067)	27,353,604

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 41.6)		Total	
	2022	2021	**2022**	2021	**2022**	2021
			(PKR in '000')			
Managerial remuneration	60,000	60,000	6,405,636	5,264,909	6,465,636	5,324,909
Charge for defined benefit obligation & contribution plans	5,000	5,000	582,958	452,589	587,958	457,589
	65,000	65,000	6,988,594	5,717,498	7,053,594	5,782,498
Number of persons	1	1	988	858	989	859

41.2 Managerial remuneration includes bonus amounting to PKR 732.109 million (2021: PKR 330.797 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 4.218 million was paid to 7 non executive directors and PKR 0.438 million was paid to 1 executive director during the current year as the fee for attending board meetings (2021: PKR 1.687 million was paid to 7 non executive directors and PKR 0.219 million was paid to 1 executive director).

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	3.5509%
2	Yunus Textile Mills Limited	Associated Company	6.9068%
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	Arabian Sea Country Club Limited	Associated Company	Nil

42.1.1 Continued

S. No.	Name of related parties	Relationship	Direct Shareholding % in the Holding Company
13	ICI Pakistan Management Staff Provident Fund	Associated Company	0.0256%
14	ICI Pakistan Management Staff Gratuity Fund	Associated Company	0.0066%
15	ICI Pakistan Management Staff Defined Contribution Superannuation Fund	Associated Company	0.0124%
16	ICI Pakistan Non-Management Staff Provident Fund	Associated Company	0.0018%
17	ICI Pakistan Management Staff Pension Fund	Associated Company	Nil
18	ICI Pakistan Foundation	Associated Company	Nil
19	Global Commodities Limited	Associated Company	Nil
20	Tabba Kidney Institute	Associated Company	Nil
21	YB Pakistan Limited	Associated Company	2.2746%
22	Yunus Textile Holdings (Private) Limited	Associated Company	6.9068%
23	Energas Terminal (Private) Limited	Associated Company	Nil
24	Nyumba Ya Akiba S.A	Associated Company	Nil
25	YB Holdings (Private) Limited	Associated Company	Nil
26	Lucky Landmark (Private) Limited	Associated Company	Nil
27	Yunus Energy Limited	Associated Company	Nil
28	Mr. Muhammad Yunus Tabba	Director	3.4513%
29	Mr. Muhammad Ali Tabba	Director	2.6865%
30	Mr. Muhammad Sohail Tabba	Director	4.0675%
31	Mr. Jawed Yunus Tabba	Director	5.9446%
32	Mrs. Mariam Tabba Khan	Director	1.4430%
33	Mr. Khawaja Iqbal Hassan	Director	Nil
34	Mr. Masood Karim Shaikh	Director	Nil
35	Mr. Manzoor Ahmed	Director	Nil
36	Mrs. Zulekha Tabba Maskatiya	Relative of director	1.4430%
37	Mrs. Khairunnisa Aziz	Spouse of director	2.4932%
38	Mrs. Feroza Tabba	Spouse of director	0.1995%
39	Mrs. Saima Sohail	Spouse of director	1.8771%
40	Mr. Ikram Hussain Khan	Spouse of director	0.0015%
41	Lucky Rawji Holdings Limited	Joint Venture	Nil
42	Lucky Al Shumookh Holdings Limited	Joint Venture	Nil
43	Al Shumookh Lucky Investment Limited	Joint Venture	Nil
44	Mr. Asif Jooma	Key management personnel	0.0148%
45	Mr. M. Abid Ganatra	Key management personnel	0.0000%
46	Mr. Atif Aboobukar	Key management personnel	0.0000%
47	Mr. Nauman Afzal	Key management personnel	Nil
48	Mr. Arshaduddin Ahmed	Key management personnel	Nil
49	Mr. Aamer Mahmud Malik	Key management personnel	0.00000%
50	Mr. Muhammad Farrukh Rasheed	Key management personnel	Nil
51	Ms. Laila Bhattia Bawany	Key management personnel	Nil
52	Mr. Eqan Ali Khan	Key management personnel	Nil
53	Mr. Imran Tabba	Key management personnel	Nil
54	Mr. Yasser Sattar	Key management personnel	Nil
55	Mr. Mustufa Rawji	Key management personnel	Nil
56	Mr. Tariq Iqbal khan	Key management personnel	Nil
57	Mr. Asif Rizvi	Key Management Personnel	Nil
58	Mr. Muhammad Faisal	Key Management Personnel	Nil
59	Mr. Adamjee Yakoob	Key Management Personnel	Nil

42.1.1 Continued

S. No.	Name of related parties	Relationship	Direct Shareholding % in the Holding Company
60	Mr. Arifullah Qureshi	Key Management Personnel	Nil
61	Mr. Azam Mirza	Key Management Personnel	0.0003%
62	Mr. Ghulam Farooq	Key Management Personnel	Nil
63	Mr. Muhammad Ashaar Saeed	Key Management Personnel	Nil
64	Mr. Hakhee Kim	Key Management Personnel	Nil
65	Mr. Parvaiz Hussain Bhutto	Key Management Personnel	Nil
66	Mr. Quentin Freddie Dsilva	Key Management Personnel	Nil
67	Mr. Babar Salim	Key Management Personnel	Nil
68	Mr. Tariq Iqbal Ansari	Key Management Personnel	Nil
69	Mr. Yamin Yasin	Key Management Personnel	Nil
70	Mr. Syed Noman Hasan	Key management personnel	0.0003%
71	Mr. Muhammad Atif Kaludi	Key management personnel	Nil
72	Mr. Amin Ganny	Key management personnel	0.0014%
73	Mr. Faisal Mahmood	Key management personnel	Nil
74	Mr. Ahmed Waseem Khan	Key management personnel	Nil
75	Mr. Muhammad Shabbir	Key management personnel	Nil
76	Mr. Mashkoor Ahmed	Key management personnel	Nil
77	Mr. Kalim Ahmed Mobin	Key management personnel	Nil
78	Mr. Murtaza Abbas	Key management personnel	0.0003%
79	Mr. Adnan Ahmed	Key management personnel	Nil
80	Mr. Zahir Shah	Key management personnel	Nil
81	Mr. Waqas Abrar Khan	Key management personnel	Nil
82	Mr. Muhammad Safdar Ashraf Malik	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:

	2022	2021
	(PKR in '000')	
Transactions with directors and their close family members		
Meeting fee	4,656	1,906
Sales	690	366
Transactions with associates		
Sales	3,641,803	2,609,179
Purchase of goods, materials and services	9,551	1,821,562
Reimbursement of expenses to the Group	21,752	177,251
Reimbursement of expenses from the Group	37,673	1,712
Donation and Charity	461,550	433,488
Services received	10,975	38,080
Services rendered	1,803,329	17,338
Dividends paid	980,491	589,246
Dividend received	2,924,433	741,137
Shares issued during the year	–	1,188,960
Investment made in Joint Venture	–	737,145
Loan obtained from Joint Venture	2,744,946	1,152,148
Consideration paid for acquisition of Lucky Auto Industries	–	155,000
Transactions with key management personnel		
Salaries and benefits	1,585,274	1,213,520
Dividends	102,868	53,803
Shares issued during the period	–	105,000
Post employment benefits	131,465	85,390
Reimbursement of expenses	14	14
Rent paid	–	1,000
Staff retirement benefits		
Contribution paid	442,578	399,975

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.

Notes to the Consolidated Financial Statements
For the year ended June 30, 2022

43. PRODUCTION CAPACITY

In metric tonnes except Power Generation which is in megawatt hours and Vehicles and Electronics which are in units:

	Note	2022 Annual Name Plate Capacity	2022 Production	2021 Annual Name Plate Capacity	2021 Production
Cement	43.1	12,150,000	8,283,904	12,150,000	9,119,486
Clinker	43.1	11,542,500	8,793,820	11,542,500	9,044,055
Polyester		122,250	139,099	122,250	137,720
Soda Ash	43.2	442,000	443,974	425,000	395,609
Morinaga		12,000	1,542	12,000	1,546
Sodium Bicarbonate		54,000	46,217	54,000	45,522
Power Generation	43.4	5,438,208	1,774,100	122,640	51,434
Vehicles	43.5	50,000	21,984	50,000	22,499
Electronics		3,000	1,174	–	–

43.1 Cement and clinker production capacities utilization is 68.18% (2021: 75.06%) and 76.19% (2021: 78.35%) respectively of the total installed capacities due to planned and unplanned maintenance shutdowns, fuel shortages and seasonality including monsoons, Eid holidays and Ramadan.

43.2 Out of total production of 443,974 metric tonnes soda ash, 41,595 metric tonnes was transferred for production of 46,217 tonnes of Sodium Bicarbonate.

43.3 The capacity of Chemicals, Nutraceuticals, 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.

43.4 This comprises power generation capacity and production of ICI PowerGen and LEPCL. Electricity is produced by ICI PowerGen as per demand of the Group. The maximum annual generation possible of LEPCL was 5,315,568 megawatt hours, however, LEPCL achieved its COD on March 21 , 2022 and therefore, the net electrical output was 1,774,100 megawatt hours in year 2022.

43.5 Reason for shortfall in actual production as compared to production capacity was a result of global supply chain constraints.

44. 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, 2022. The policies for managing each of these risk are summarised below:

44.1 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.

44.1.1 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, 2022, 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 for the year would have been lower / higher by PKR 418.7 million (2021: PKR 148.98 million).

44.1.2 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 would have been lower / higher by PKR 444.142 million (2021: PKR 335.558 million million) as a result of exchange gain / (loss) on translation of foreign currency denominated financial instruments.

44.1.3 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.

44.2 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	2022	2021
		(PKR in '000')	
Financial assets carried at:			
Amortised cost			
Long-term loans	10	443,151	675,433
Long-term deposits	11	70,340	53,297
Trade debts	14	36,355,113	5,645,184
Loans	15	825,032	354,680
Trade deposits	16	666,458	280,135
Other receivables	17	6,633,149	4,668,395
Accrued return		39,791	23,440
Short term investments		225,000	10,059,880
Bank balances	20	16,861,191	13,348,746
		62,119,225	35,109,190
At fair value through other comprehensive income			
Short term investment - 1,769,940 shares of PSX (2021: 1,769,940 shares of PSX)		18,106	39,488
At fair value through profit or loss			
Short term investment - units of mutual funds		12,733,049	16,187,615
		12,751,155	16,227,103
		74,870,380	51,336,293

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, AA3 and P1 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.

44.3 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 Holding Company has unavailed credit facilities aggregating PKR 36,078 million (2021: PKR 26,0473 million) out of the total facilities of PKR 73,859 million (2021: PKR 75,080 million), which are secured by hypothecation on certain assets of the Holding Company. These facilities include financing arranged for expected capital expenditure in respect of the Holding Company'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, 2022			
Long-term finance	5,081,071	132,236,257	137,317,328
Long-term deposits and other liabilities	–	7,170,303	7,170,303
Lease liabilities	96,117	88,182	184,299
Short-term borrowings and running finance	58,153,464	–	58,153,464
Trade and other payables	43,313,259	–	43,313,259
Accrued return	576,471	–	576,471
Unclaimed dividend	51,030	–	51,030
	107,271,412	139,494,742	246,766,154
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
	54,014,544	101,100,850	155,115,394

45. 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, 2022.

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, 2022 and 2021 were as follows:

	Note	**2022**	2021
		(PKR in '000')	
Long-term finance	23 & 25	132,236,257	95,507,264
Accrued return		576,471	248,689
Short-term borrowings and running finance	28	58,153,464	11,949,034
Current portion of long-term finance	23	5,081,071	5,309,741
Total debt		196,047,263	113,014,728
Share capital	21	3,233,750	3,233,750
Reserves	22	167,630,764	132,389,387
Equity		170,864,514	135,623,137
Capital		366,911,777	248,637,865
Gearing ratio		53.43%	45.45%

46. 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				
As at June 30, 2022	18,106	12,733,049	–	12,751,155
As at June 30, 2021	39,488	16,187,615	–	16,227,103

There were no transfers amongst levels during the year.

47. 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:

	2022	2021
Number of employees as at June 30	8,018	6,849
Average number of employees during the year	7,460	6,788

48. SUBSEQUENT EVENT

48.1 The Board of Directors in its meeting held on 5 August 2022 approved the transfer of PKR 15,340.066 million (2021: PKR 14,016.397 million) from un-appropriated profit to general reserve. These consolidated financial statements do not reflect this appropriation.

48.2 Subsequent to the year end, ICI received a conditional offer from Morinaga Milk Industry Co. Ltd, Japan (Morinaga Milk) to acquire an aggregate of approximately 33.3% of the issued and paid-up capital of ICI's subsidiary NutriCo Morinaga (Private) Limited (NMPL) from the existing shareholders of NMPL at an aggregate price of USD 56.6 million (USD 2.07 per share). Following the year end, the Board of Directors of ICI have given an in principle approval to move forward with the proposed sale of 26.5% of its shareholding in NMPL to Morinaga Milk subject to valuation of NMPL, and finalization of definitive agreements between the parties, to be presented to the Board of Directors for formal / final approval, if deemed fit by the Board. If the proposed sale is materialized, the shareholding of ICI in NMPL will be diluted from its existing shareholding to 24.5% resulting in NMPL becoming the associate of ICI.

48.3 Subsequent to the year end, ICI has made a public announcement of intention to acquire approximately 75.01% shareholding of Lotte Chemical Pakistan Limited. However, no significant development in the transaction has been made upto the authorisation of the unconsolidated financial statements of ICI.

49. GENERAL

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

49.2 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.

50. DATE OF AUTHORISATION FOR ISSUE

These consolidated financial statements were authorised for issue on 5 August 2022 by the Board of Directors of the Holding Company.

Khawaja Iqbal Hassan
Director

Muhammad Ali Tabba
Chief Executive

Atif Kaludi
Chief Financial Officer

Pattern of Shareholding

AS AT JUNE 30, 2022

No of Shareholders	Shareholding From	Shareholding To	Total Shares Held
3,540	1	100	153,371
2,403	101	500	702,011
2,971	501	1000	1,861,590
1,416	1001	5000	3,381,160
328	5001	10000	2,442,593
159	10001	15000	1,992,844
96	15001	20000	1,742,791
56	20001	25000	1,282,801
52	25001	30000	1,452,756
23	30001	35000	758,709
29	35001	40000	1,104,635
19	40001	45000	793,796
15	45001	50000	724,891
14	50001	55000	739,489
13	55001	60000	752,741
6	60001	65000	380,243
7	65001	70000	485,442
7	70001	75000	507,287
13	75001	80000	1,004,355
3	80001	85000	250,339
6	85001	90000	534,871
2	90001	95000	185,262
7	95001	100000	693,630
5	100001	105000	518,811
1	105001	110000	110,000
2	110001	115000	222,246
4	115001	120000	475,082
1	120001	125000	122,318
5	125001	130000	649,973
3	130001	135000	395,329
2	135001	140000	275,500
2	140001	145000	288,190
2	145001	150000	294,889
3	150001	155000	462,852
1	155001	160000	160,000
1	160001	165000	160,677
1	165001	170000	168,485
1	170001	175000	171,500
5	175001	180000	895,061
2	180001	185000	368,390
1	185001	190000	188,195
4	195001	200000	792,790
3	205001	210000	620,485
3	210001	215000	641,858
3	220001	225000	669,548
2	225001	230000	455,119
3	230001	235000	699,174
2	240001	245000	486,489
2	245001	250000	499,350
1	250001	255000	251,800
4	255001	260000	1,031,400

No of Shareholders	Shareholding From	To	Total Shares Held
1	260001	265000	261,005
2	265001	270000	537,000
2	275001	280000	554,780
2	280001	285000	563,154
2	285001	290000	578,568
1	290001	295000	290,564
1	295001	300000	296,655
3	300001	305000	909,362
1	310001	315000	313,500
1	315001	320000	320,000
1	330001	335000	334,366
2	345001	350000	695,359
2	365001	370000	737,121
1	370001	375000	373,025
2	380001	385000	762,576
1	385001	390000	385,561
2	395001	400000	796,853
3	410001	415000	1,235,283
1	420001	425000	420,136
1	435001	440000	435,956
1	450001	455000	453,900
1	455001	460000	455,250
1	495001	500000	496,992
1	520001	525000	522,138
3	525001	530000	1,583,246
1	545001	550000	550,000
1	550001	555000	554,700
1	555001	560000	557,137
1	565001	570000	568,325
1	585001	590000	588,000
1	590001	595000	594,940
1	595001	600000	600,000
1	640001	645000	645,000
1	650001	655000	653,985
1	665001	670000	668,556
1	680001	685000	685,000
1	690001	695000	693,792
1	695001	700000	695,351
1	710001	715000	712,065
2	730001	735000	1,466,733
1	755001	760000	760,000
1	760001	765000	760,895
1	765001	770000	767,619
1	780001	785000	782,531
1	805001	810000	808,500
1	815001	820000	819,896
1	825001	830000	825,392
1	875001	880000	876,366
1	890001	895000	892,636
1	915001	920000	917,396

Pattern of Shareholding

AS AT JUNE 30, 2022

No of Shareholders	Shareholding From	To	Total Shares Held
1	930001	935000	935,000
1	940001	945000	944,503
1	995001	1000000	996,955
1	1040001	1045000	1,041,856
1	1100001	1105000	1,101,360
1	1160001	1165000	1,160,139
1	1175001	1180000	1,179,000
1	1245001	1250000	1,246,686
1	1275001	1280000	1,275,195
1	1355001	1360000	1,359,700
1	1395001	1400000	1,400,000
1	1405001	1410000	1,405,765
1	1495001	1500000	1,495,513
1	1680001	1685000	1,682,115
1	1725001	1730000	1,726,500
1	1795001	1800000	1,796,475
1	1875001	1880000	1,879,752
1	2350001	2355000	2,350,144
1	2360001	2365000	2,363,122
1	2550001	2555000	2,550,155
1	2765001	2770000	2,769,687
1	2840001	2845000	2,843,253
3	4665001	4670000	13,998,501
1	5580001	5585000	5,580,772
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
2	22800001	22805000	45,606,058
1	22830001	22835000	22,834,890
11,361			**323,375,000**

Shareholders' Category

AS AT JUNE 30, 2022

Shareholders' Category	Number of Shareholders	Number of Shares Held	Percentage %
Director, Cheif Executive Officer and their			
Spouse and minor childern :			
- Directors & spouses	10	63,005,444	19.48
- Chief Excetive Officer	1	8,687,332	2.69
- Sponsors	6	59,314,758	18.34
- Executives	6	33,605	0.01
Associated Companies, Unadertakings and related parties	6	74,249,842	22.96
NIT and ICP	8	2,594,039	0.8
Banks, Development Financial Institutions, Non			
Banking Financial Institutions	28	11,071,421	3.42
Insurance Companies	24	10,038,608	3.1
Modarbas	7	53,536	0.02
Mutual Funds	70	13,835,284	4.28
Share holders holding 10% or more:			
General Public:			
a.Local	10,911	51,022,929	15.78
b.Foreign	77	24,170,514	7.47
Other (to be specified)	207	5,297,688	1.64
Total	**11,361**	**323,375,000**	**100**

Additional Information		
NIT & ICP		
M/S. NATIONAL BANK OF PAKISTAN TRUSTEE DEPARTMENT	168,485	0.05
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	892,636	0.28
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,101,360	0.34
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	381,748	0.12
CDC-TRUSTEE NITIPF EQUITY SUB-FUND	14,500	0.00
CDC-TRUSTEE NITPF EQUITY SUB-FUND	10,500	0.00
CDC - TRUSTEE NIT ASSET ALLOCATION FUND	19,948	0.01
CDC - TRUSTEE NIT PAKISTAN GATEWAY EXCHANGE TRADED FUND	4,862	0.00
	2,594,039	0.80

Banks, Development Financial Institutions,		
Non Banking Financial Institutions		
M/S. PAKISTAN INDUSTRIAL CREDIT & INVESTMENT		
CORPORATION LIMITED	63,490	0.02
M/S. PAKISTAN VENTURE CAPITAL LIMITED	33,462	0.01
M/S. SECURITY INVESTMENT BANK LIMITED	25,480	0.01
M/S. UNION BANK LIMITED	2,765	0.00
M/S. THE BANK OF KHYBER	967	0.00
M/S. NATIONAL BANK OF PAKISTAN INVESTOR A/C. (FORMER NDFC)	1,000	0.00
PAKISTAN KUWAIT INVESTMENT CO. (PVT) LTD.	760,000	0.24
HABIB BANK LIMITED-TREASURY DIVISION	695,351	0.22
FAYSAL BANK LIMITED	2,171,549	0.68
HABIB METROPOLITAN BANK LIMITED	412,919	0.13
BANK AL HABIB LIMITED	171,500	0.05
MEEZAN BANK LIMITED	712,065	0.22

Shareholders' Category

AS AT JUNE 30, 2022

Shareholders' Category	Number of Shares Held	Percentage %
SECURITY INVESTMENT BANK LIMITED	212,358	0.07
BANK ALFALAH LIMITED	669,835	0.20
NATIONAL BANK OF PAKISTAN	1,683,896	0.52
MCB BANK LIMITED - TREASURY	1,405,765	0.43
ASKARI BANK LIMITED	527,502	0.16
THE BANK OF PUNJAB, TREASURY DIVISION.	528,155	0.16
FIRST CREDIT & INVESTMENT BANK LIMITED	3,680	0.00
PAK BRUNEI INVESTMENT COMPANY LIMITED	215,000	0.07
SAMBA BANK LIMITED - MT	38,920	0.01
UNITED BANK LIMITED - TRADING PORTFOLIO	732,000	0.23
SECURITY STOCK FUND LIMITED	3,762	0.00
	11,071,421	3.42
Insurance Companies		
PREMIER INSURANCE LIMITED	5,500	0.00
STATE LIFE INSURANCE CORP. OF PAKISTAN	782,531	0.24
RELIANCE INSURANCE COMPANY LTD.	50,000	0.02
GHAF LIMITED	6,500	0.00
HABIB INSURANCE CO.LIMITED	25,000	0.01
CENTURY INSURANCE COMPANY LTD.	4,331	0.00
DAWOOD FAMILY TAKAFUL LIMITED	197,562	0.06
IGI LIFE INSURANCE LIMITED	4,400	0.00
ADAMJEE LIFE ASSURANCE COMPANY LTD-IMF	668,556	0.21
ADAMJEE LIFE ASSURANCE COMPANY LIMITED-NUIL Fund	70	0.00
ADAMJEE LIFE ASSURANCE CO.LTD - DGF	12,950	0.00
ALFALAH INSURANCE COMPANY LIMITED	36,000	0.01
ADAMJEE LIFE ASSURANCE COMPANY LIMITED	129,973	0.04
EFU LIFE ASSURANCE LIMITED	1,495,513	0.46
JUBILEE LIFE INSURANCE COMPANY LIMITED	5,580,772	1.73
PAK QATAR FAMILY TAKAFUL LIMITED	760,000	0.23
ATLAS INSURANCE LIMITED	256,450	0.08
ASKARI GENERAL INSURANCE COMPANY	8,500	0.00
IGI GENERAL INSURANCE LIMITED	10,500	0.00
JUBILEE GENERAL WINDOW TAKAFUL FUND-PTF	3,500	0.00
	10,038,608	3.10
Modarbas		
FIRST UDL MODARABA	24,480	0.01
FIRST CONFIDENCE MODARABA	537	0
INDUSTRIAL CAPITAL MODARABA	4,407	0
FIRST ALNOOR MODARABA	3,000	0
B.R.R. GUARDIAN MODARABA	12,912	0
B.F.MODARABA	3,000	0
TRUST MODARABA	5,200	0
	53,536	0.01

Shareholders' Category	Number of Shares Held	Percentage %
Mutual Funds		
CDC - TRUSTEE FAYSAL ISLAMIC STOCK FUND	38,666	0.01
CDC - TRUSTEE MEEZAN PAKISTAN EXCHANGE TRADED FUND	22,477	0.01
CDC - TRUSTEE NBP PAKISTAN GROWTH EXCHANGE TRADED FUND	8,250	0
CDC - TRUSTEE ALFALAH CONSUMER INDEX EXCHANGE TRADED FUND	9,758	0
ABA ALI HABIB SECURITIES (PVT) LIMITED - MF	300	0
CDC - TRUSTEE FAYSAL MTS FUND - MT	11,300	0
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	825,392	0.26
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	40,500	0.01
CDC - TRUSTEE HBL INVESTMENT FUND	20,000	0.01
CDC - TRUSTEE JS LARGE CAP. FUND	28,150	0.01
CDC - TRUSTEE HBL GROWTH FUND	26,424	0.01
CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	350,000	0.11
CDC - TRUSTEE ATLAS STOCK MARKET FUND	808,500	0.25
CDC - TRUSTEE MEEZAN BALANCED FUND	119,947	0.04
CDC - TRUSTEE JS ISLAMIC FUND	33,150	0.01
CDC - TRUSTEE FAYSAL STOCK FUND	6,822	0
CDC - TRUSTEE ALFALAH GHP VALUE FUND	23,054	0.01
CDC - TRUSTEE UNIT TRUST OF PAKISTAN	64,650	0.02
CDC - TRUSTEE AKD INDEX TRACKER FUND	29,264	0.01
CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	179,000	0.06
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	411,130	0.13
CDC - TRUSTEE MEEZAN ISLAMIC FUND	2,350,144	0.73
CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	527,589	0.16
CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	554,700	0.17
CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	1,275,195	0.39
CDC - TRUSTEE NBP STOCK FUND	917,396	0.28
CDC - TRUSTEE NBP BALANCED FUND	45,797	0.01
CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	435,956	0.13
CDC - TRUSTEE APF-EQUITY SUB FUND	43,750	0.01
CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	16,393	0.01
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	188,195	0.06
CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND	334,366	0.1
CDC - TRUSTEE APIF - EQUITY SUB FUND	72,600	0.02
MC FSL - TRUSTEE JS GROWTH FUND	196,090	0.06
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	61,003	0.02
CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY ACCOUNT	11,670	0
CDC - TRUSTEE ALFALAH GHP STOCK FUND	110,700	0.03
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	52,110	0.02
CDC - TRUSTEE ABL STOCK FUND	760,895	0.24
CDC - TRUSTEE LAKSON EQUITY FUND	122,318	0.04
CDC - TRUSTEE NBP SARMAYA IZAFA FUND	49,293	0.02
CDC-TRUSTEE HBL ISLAMIC STOCK FUND	13,488	0
CDC - TRUSTEE HBL IPF EQUITY SUB FUND	5,120	0
CDC - TRUSTEE KSE MEEZAN INDEX FUND	367,846	0.11
MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	3,900	0
MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	4,500	0
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	568,325	0.18

Shareholders' Category

AS AT JUNE 30, 2022

Shareholders' Category	Number of Shares Held	Percentage %
CDC - TRUSTEE UBL ASSET ALLOCATION FUND	13,272	0
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	1,500	0
CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	102,576	0.03
CDC - TRUSTEE AWT ISLAMIC STOCK FUND	10,320	0
CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	261,005	0.08
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	94,962	0.03
CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	11,600	0
CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	6,800	0
CDC - TRUSTEE NBP ISLAMIC STOCK FUND	734,733	0.23
CDC - TRUSTEE AWT STOCK FUND	3,480	0
CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	2,000	0
CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	46,800	0.01
CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	6,755	0
CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	58,031	0.02
CDC - TRUSTEE LAKSON TACTICAL FUND	16,402	0.01
CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	39,281	0.01
MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	101,909	0.03
CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	23,475	0.01
CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	77,900	0.02
CDC - TRUSTEE UBL DEDICATED EQUITY FUND	3,500	0
CDC - TRUSTEE NBP ISLAMIC REGULAR INCOME FUND	11,600	0
CDC - TRUSTEE ATLAS ISLAMIC DEDICATED STOCK FUND	55,850	0.02
CDC - TRUSTEE UBL PAKISTAN ENTERPRISE EXCHANGE TRADED FUND	5,460	0
	13,835,284.00	4.25

Lucky Cement Limited Notice of 29th Annual General Meeting

Notice is hereby given that the 29th Annual General Meeting (AGM) of the members of **Lucky Cement Limited** will be held on **Wednesday, September 28, 2022 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 together with the Board of Directors' and Independent Auditors' reports thereon for the year ended June 30, 2022.

2. To appoint Auditors and fix their remuneration for the year ending June 30, 2023. The present Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS:

3. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2022 by passing the following special resolution with or without modification:

"RESOLVED THAT the transactions conducted with Related Parties as disclosed in the note 39 of the unconsolidated financial statements for the year ended June 30, 2022 and specified in the Statement of Material Information under Section 134 (3) be and are hereby ratified, approved and confirmed."

4. To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2023 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, 2023.

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:

5. 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, 2022

Notes:

1. Closure of Shares Transfer Books

The Share Transfer Books of the Company shall remain closed from Thursday September 22, 2022 to Wednesday, September 28, 2022 (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 Wednesday, September 21, 2022 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. Deposit of Physical Shares in to CDC Account

As per Section 72 of the Companies Act, 2017 every existing listed company is 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.

4. Request for Video Conference Facility

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

In this regard, please fill the following form and submit to registered address of the Company 10 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)

5. E-voting and Postal Ballot

Members can exercise their right to poll subject to meeting of requirement of Section 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.

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

In accordance with the notification of the Securities and Exchange Commission of Pakistan (SECP) vide SRO 779(1)/2011 dated August 18, 2011 and SRO 83(1)/2012 dated July 5, 2012, dividend warrants should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, Shareholders who have not yet submitted copy of their valid CNIC or NTN in case of corporate entities are requested to submit the same to the Company's Shares Registrar. In case of non-compliance, the Company may withhold dispatch of dividend warrants under intimation to Regulator till such time they provide the valid copy of their CNIC as per law.

7. Provision of International Banking Account Number (IBAN Detail)

Under the provisions of Section 242 of the Companies Act, 2017 and SECP's Circular No. 421(I) 2018 dated March 19, 2021, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In this context, in order to receive dividends directly into their bank account, shareholders having shareholding in physical form are requested to provide their IBAN details duly signed along with a copy of CNIC to the Registrar of the Company CDC Share Registrar Services Limited, CDC House 99-B, Block 'B' S.M.C.H.S, Main Shahra-e-Faisal Karachi-74400. Shareholder having shareholding in book entry form in CDS are advised to submit their IBAN details directly to relevant broker/participant/CDC Investor Account Services.

8. Unclaimed shares and dividend

The shareholders who have not yet claimed their cash dividends, IPO and bonus shares, which are either kept with the Shareholders themselves or returned as undelivered to the Share Registrar and Transfer Agent of the Company, are requested to make a claim for such unpaid/unclaimed dividends, IPO and bonus shares with the Company. In this regard, the Company has sent notices to the Shareholders at their registered addresses and also published in the newspapers requesting them to submit their claims.

9. Availability of Financial Statements and Reports on the Website

In accordance with the Provision of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2022 are available on the Company's website.

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

1. Item Number 3 of the notice – Ratification and approval of the related party transactions carried out during the year ended June 30, 2022

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 28th 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, 2022 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 39 to the unconsolidated financial statements for the year ended June 30, 2022. Party-wise details of such related party transactions are given below:

Name of Related Party	Transaction Type	Amount in PKR '000'
ICI Pakistan Limited	Dividend	2,031,920
	Purchase	11,574
	Sale	91,730
Lucky Electric Power Company Limited	Investment made	4,400,000
	Payment against claim of tax loss	613,992
	Reimbursement of expenses to the Company	2,275
Lucky Motor Corporation Limited	Dividend	1,067,085
	Purchase	386,113
	Reimbursement of expenses to the Company	617
	Sale	36,155
	Services received	111
Lucky Holdings Limited	Dividend	266,409
Nyumba Ya Akiba S.A.	Fee for technical services	1,775,706
Yunus Textile Mills Limited	Sale	316,154
	Reimbursement of expenses to the Company	1,842
Energas Terminal (Private) Limited	Reimbursement of expenses to the Company	1,645
Gadoon Textile Mills Limited	Sale	70,266
	Reimbursement of expenses from the Company	1,536
Aziz Tabba Foundation	Donation	210,000
	Sale	331
Lucky Air (Private) Limited	Reimbursement of expenses from the Company	36,138
Lucky Commodities (Private) Limited	Reimbursement of expenses to the Company	82
Lucky Energy (Private) Limited	Sale	11,406
Lucky Foods (Private) Limited	Purchase	191
	Reimbursement of expenses to the Company	14,011
Lucky Knits (Private) Limited	Sale	861
Lucky Landmark (Private) Limited	Sale	113,584
Lucky Paragon ReadyMix Limited	Sale	33,162
Lucky Textile Mills Limited	Sale	218,678
LuckyOne (Private) Limited	Sale	56,332
YB Holdings (Private) Limited	Reimbursement of expenses to the Company	3,555
Yunus Energy Limited	Dividend and other income	187,506
Key Management Personnel	Salaries and benefits	302,957
	Retirement benefits	46,139
Directors and close family members	Meeting fee	4,656
	Sale	690

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 39 to the unconsolidated financial statements for the year ended June 30, 2022. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

2. Item Number 4 of the notice – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2023

The Company shall be conducting transactions with its related parties during the year ending June 30, 2023 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, 2023, 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 Wednesday, September 28, 2022 at 12:00 noon, and / or any adjournment thereof.

Signature this ______________ (day) ______________ (date, month) year 2022.

Signature

Signature of members should match with the specimen signature registered with the company

Witnesses:

1. Signature: ______________

Name ______________

Address ______________

CNIC No. ______________

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 بُدھ 28 ستمبر 2022 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 ____________________ 2022 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 مختار نامہ (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۔ مختار نامہ (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۔

کمپنی مارکیٹ میں رائج قیمت کی بنیاد پر متعلقہ پارٹیوں سے لین دین کے معاملات کرتی ہے اوراس 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 2022 کے نوٹ نمبر 39 میں کمپنی کے ساتھ ان متعلقہ پارٹیوں کے تعلق کی وضاحت بھی کی جا چکی ہے۔ڈائریکٹرز ان کمپنیوں میں اپنی مشترکہ ڈائریکٹرشپ کی حدتک قرارداد میں دلچسپی رکھتے ہیں۔

2۔ نوٹس کا آئٹم نمبر 4 - مالی سال اختتامیہ 30 جون 2023 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 2023 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 جارہا ہے کہ مالی سال اختتامیہ 30 جون 2023 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 جاچکا 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 حدتک دلچسپی رکھتے ہیں۔

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۔ لہٰذا 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 2022 کی غیر یکجا مالیاتی دستاویزات کے نوٹ نمبر 39 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 '000'
ICI Pakistan Limited	Dividend	2,031,920
	Purchase	11,574
	Sale	91,730
Lucky Electric Power Company Limited	Investment made	4,400,000
	Payment against claim of tax loss	613,992
	Reimbursement of expenses to the Company	2,275
Lucky Motor Corporation Limited	Dividend	1,067,085
	Purchase	386,113
	Reimbursement of expenses to the Company	617
	Sale	36,155
	Services received	111
Lucky Holdings Limited	Dividend	266,409
Nyumba Ya Akiba S.A.	Fee for technical services	1,775,706
Yunus Textile Mills Limited	Sale	316,154
	Reimbursement of expenses to the Company	1,842
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	Reimbursement of expenses from the Company	1,536
Aziz Tabba Foundation	Donation	210,000
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Lucky Air (Private) Limited	Reimbursement of expenses from the Company	36,138
Lucky Commodities (Private) Limited	Reimbursement of expenses to the Company	82
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Lucky Foods (Private) Limited	Purchase	191
	Reimbursement of expenses to the Company	14,011
Lucky Knits (Private) Limited	Sale	861
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Lucky Textile Mills Limited	Sale	218,678
LuckyOne (Private) Limited	Sale	56,332
YB Holdings (Private) Limited	Reimbursement of expenses to the Company	3,555
Yunus Energy Limited	Dividend and other income	187,506
Key Management Personnel	Salaries and benefits	302,957
	Retirement benefits	46,139
Directors and close family members	Meeting fee	4,656
	Sale	690

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)

5۔ ای-ووٹنگ اور پوسٹل بیلٹ

ممبران اپنا حق رائے دہی استعمال کر سکتے ہیں بشرطیکہ کمپنیز ایکٹ 2017 کے سیکشنز 145-143 اور کمپنیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی شرائط کو پورا کیا جائے۔

6۔ حوالگی کمپیوٹرائزڈ قومی شناختی کارڈ / این ٹی این (لازمی)

بمطابق نوٹس از سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) بحوالہ SRO779/(1)/2011 مؤرخہ 18 اگست 2011 اور SRO83(1)/2012 مؤرخہ 5 جولائی 2012، ڈیویڈنڈ وارنٹس پر رجسٹرڈ ممبر یا اس کے مجاز شخص کا کمپیوٹرائزڈ قومی شناختی کارڈ کا نمبر درج ہونا ضروری ہے ماسوائے نابالغ یا کارپوریٹ ممبران کے۔ لہذا اگر کسی حصص داران کی جانب سے کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ یا جمع نہیں کروائے گئے یا کارپوریٹ اداروں کی صورت میں بھی گزارش کی جاتی ہے کہ متعلقہ معلومات کمپنی کے شیئر ز رجسٹرار کے پاس جمع کروادیں۔

7۔ انٹرنیشنل بینکنگ اکاؤنٹ نمبر (IBAN) کی فراہمی

کمپنیز ایکٹ 2017 کے سیکشن 242 کے پروویژنز اور ایس ای سی پی کے سرکلر نمبر 2018 (1)421 مؤرخہ 19 مارچ 2021 کی رو سے لسٹڈ کمپنیوں کیلئے لازم ہے کہ اپنے حصص داران کو نقد ڈیویڈنڈ بذریعہ الیکٹرانک ذرائع براہ راست انکے اس بینک اکاؤنٹ میں جمع کروائے جائیں جو کہ حصص داران کی جانب سے مختص کئے گئے ہیں۔ لہذا، ایسے حصص داران جن کے پاس کاغذی / فزیکل حصص موجود ہیں سے درخواست کی جاتی ہے کہ اپنے دستخط کے ساتھ IBAN کی تفصیلات بمعہ قومی شناختی کارڈ کی نقل رجسٹرار کمپنی سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس B-99 بلاک B، ایس ایم سی ایچ ایس، مین شاہراہ فیصل کراچی 74400 کے پاس جمع کروادیں۔ ایسے حصص داران جن کے پاس حصص بک انٹری کی صورت سی ڈی سی کے پاس موجود ہیں ان سے درخواست کی جاتی ہے کہ اپنے IBAN کی تفصیلات براہ راست اپنے متعلقہ بروکر / شراکت دار / سی ڈی سی انویسٹر اکاؤنٹ سروسز کے پاس جمع کروادیں۔

8۔ غیر دعوی شدہ حصص اور ڈیویڈنڈ

ایسے حصص داران جن کی جانب سے ابھی تک نقد ڈیویڈنڈ، آئی پی او اور بونس حصص کا دعوی نہیں کیا گیا جو کہ یا تو بذات خود حصص داران کے پاس ہیں یا انھیں عدم وصولی کی صورت میں شیئر رجسٹرار اینڈ ٹرانسفر ایجنٹ برائے کمپنی کو واپس کیا جا چکا ہے سے درخواست کی جاتی ہے کہ ایسے غیر دعوی شدہ ڈیویڈنڈ، آئی پی او اور بونس حصص کیلئے کمپنی کے پاس اپنا دعوی جمع کروادیں۔ اس سلسلے میں کمپنی کی جانب سے اپنے حصص داران کو ان کے رجسٹرڈ شدہ پتوں پر نوٹس بھجوائے جا چکے ہیں اور اس سلسلے میں اخبارات میں اشتہارات بھی چھپوائے جا چکے ہیں تا کہ ان کی جانب سے دعوے موصول کئے جا سکیں۔

9۔ مالیاتی دستاویزات اور رپورٹس کی ویب سائٹس پر فراہمی

کمپنیز ایکٹ 2017 کے سیکشن (7)223 کے پروویژنز کے مطابق کمپنی کی آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال اختتامیہ 30 جون 2022 کمپنی کی ویب سائٹ پر دستیاب ہیں۔

کمپنیز ایکٹ 2017 کے سیکشن (3)134 کے تحت اہم حقائق سے متعلق بیان

1۔ نوٹس کا آئٹم نمبر 3- مالی سال اختتامیہ 30 جون 2022 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 نہ ہو سکا۔ کمپنی کے اٹھائیسویں (28) 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 2022 کے دوران ہر کیس کو انفرادی طور پر دیکھتے ہوئے بورڈ آف ڈائریکٹر اس بات کا مجاز ہے کہ متعلقہ

نوٹس:

1۔ حصص منتقلی کھاتوں کی بندش

کمپنی کے حصص منتقلی کھاتے بروز جمعرات 22 ستمبر 2022 سے بروز بدھ 28 ستمبر 2022 تک بندر ہیں 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 بدھ 21 ستمبر 2022 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 استعمال 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 کرسکتا۔

3۔ 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 کرلیں۔

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 بھی وہ چاہیں کیونکہ اب پاکستان اسٹاک ایکسچینج کے قواعد کے مطابق فزیکل / کاغذی صورت میں حصص کی فروخت کی اجازت نہیں ہے۔

4۔ 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 (1)134 کے تحت اگر کمپنی کو ایسے حصص داران کی درخواست موصول ہوتی ہے جو کہ کمپنی کے 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 ہو اور 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۔

لکی سیمنٹ لمیٹڈ

اطلاع برائے 29واں سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ لکی سیمنٹ لمیٹڈ کے ممبران کا 29واں سالانہ اجلاس عام بروز بدھ مؤرخہ 28 ستمبر 2022 دوپہر 12:00 بجے بمقام 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 2022 اور ان کے بارے میں بورڈ آف ڈائریکٹرز اور غیر جانبدار آڈیٹرز کی رپورٹس کو زیرغور لانا اور انکی منظوری دینا۔

2۔ آئندہ مالی سال اختتامیہ 30 جون 2023 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۔

خصوصی کاروائی:

3۔ متعلقہ پارٹیوں سے کی جانے والی لین دین بابت 30 جون 2022 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 2022 کے نوٹ نمبر 39 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۔"

4۔ 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 2023 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 2023 کے اس دوران ہونے والے لین دین کے معاملات منظور کر سکیں۔"

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

5۔ ان کے علاوہ ایسے دیگر امور کو زیرغور 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 سیکرٹری

بمقام کراچی: 06 ستمبر 2022

ان کاروں پر لگایا جائے گا جن کے انجن کی پاور 1300CC سے زائد ہوگی، جس کے باعث کاروں کی قیمت میں بھی اضافہ ہوگا۔ ڈالر کے مقابلے میں پاکستانی روپے کی گرتی ہوئی قدر کی وجہ سے پہلے ہی سی کے ڈی کٹس درآمد کرنے پر فریٹ چارجز بڑھ چکے ہیں اور اب دیگر پارٹس مہنگے فریٹ ریٹس کے ساتھ درآمد کرنے کی صورت میں کاروں کی قیمت میں مزید اضافہ ہوگا۔

اسٹیٹ بینک آف پاکستان کی جانب سے ایل سیز کے سلسلے میں سختی کرنے کی وجہ سے ایس کے ڈی موبائل اسمبلنگ کے آپریشنز بھی بری طرح متاثر ہونگے۔

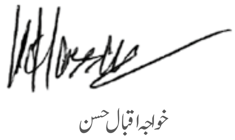
ایل ایم سی اس بات پر غور کر رہی ہے کہ اپنے آپریشنز پر آنے والی لاگت میں از حد کمی لائے اور ان آپریشنز کو مقامی طور پر سرانجام دینے کیلئے اصلاحات کی جائیں تا کہ آٹوموٹیو ڈیولپمنٹ پالیسی 2016-2021 کے تحت پوسٹ ڈیوٹی کنسیشنری رجیم میں مضبوط رہا جائے۔

آپ کی کمپنی کی مضبوط مالیاتی پوزیشن اور واجبات سے پاک نقد رقوم کی ترسیل کی وجہ سے امید کی جاتی ہے کہ کمپنی مستقبل میں اپنے آپریشنز میں بہتری لانے کے ویژن کو عملی جامہ پہنا پائے گی، اس طرح کمپنی کی جانب سے نئی سرمایہ کاری کے ذریعے اپنے سرمایہ کاروں کی سرمایہ کاری کی قدر میں مزید اضافہ بھی کیا جا سکتا ہے۔

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 ساتھ شامل حال رہے۔

منجانب بورڈ



خواجہ اقبال حسن

ڈائریکٹر

محمد علی ٹبہ

چیف ایگزیکٹیو/ڈائریکٹر

کراچی: 5 اگست 2022

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 رول 5.19.11 بابت پاکستان ایکسچینج رول بک کی شرائط کے مطابق کمپنی کی ترتیب حصص داری بتاریخ 30 جون 2022 رپورٹ ہذا کے ساتھ منسلک ہے۔

آڈیٹرز

کمپنی کی مالیاتی دستاویزات برائے مالی سال 22-2021 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

ہمیں اس بات کی توقع ہے کہ مالی سال 2023 پاکستان کی معیشت کیلئے کٹھن سال ہوگا، بالخصوص مالی سال 2022 کے 17.4 ارب ڈالر کے کرنٹ اکاؤنٹ خسارے کے ساتھ جبکہ یہ خسارہ مالی سال 2021 میں 2.8 ارب ڈالر تھا۔ ملک میں جاری سیاسی کشمکش اور آئی ایم ایف کی جانب سے زرمبادلہ کے ذخائر کی منتقلی میں ہونے والی تاخیر کی وجہ سے ملک کی معیشت زبوں حالی کا شکار ہے۔ سرکاری اعلامیے کے مطابق اب تک آئی ایم ایف کے ساتھ اسٹاف لیول ایگریمنٹ پر دستخط کئے جا چکے ہیں اور جیسا کہ آئی ایم ایف کی زیادہ تر شرائط پر عمل درآمد کیا جا چکا ہے تو اس بات کی امید ہے کہ آئی ایم ایف کے بورڈ کی منظوری کے بعد اگست 2022 کے آخر تک یہ پروگرام جاری ہو جائے گا۔ آئی ایم ایف کے ساتھ پروگرام کی بحالی سے نہ صرف غیر یقینی صورتحال میں بہتری پیدا ہوگی بلکہ کئی دیگر ذرائع سے قرض ملنے کی امید بھی پیدا ہو جائے گی جس کی وجہ سے زرمبادلہ کے ذخائر میں اضافہ ہوگا اور مقامی طور پر معیشت کو بھی سہارا ملے گا۔ اس کے علاوہ، پاکستان کے منظرنامے پر سیاسی استحکام کی بھی اشد ضرورت ہے تاکہ پاکستان کی برآمدات کو بڑھانے اور زرمبادلہ کے ذخائر میں اضافہ کرنے کیلئے طویل المیعاد اقدامات اٹھائے جاسکیں۔

مقامی سیمنٹ آپریشنز

اشیاء کی قیمتوں میں اضافے کا سپر سائیکل جو کہ گزشتہ سال عالمی وباء کے ختم ہونے کے بعد شروع ہوا اب تک جاری ہے۔ اس بحران نے روس اور یوکرائن کے مابین جنگ کی وجہ سے مزید شدت اختیار کر لی ہے۔ اس ماحول میں اشیاء کی قیمتوں میں اضافے کا رجحان جوں کا توں ہے اور بالخصوص کوئلے، پیٹرولیم کی مصنوعات اور پیکجنگ میٹیریل کی قیمتوں میں ہوشربا اضافے کے باعث سیمنٹ کی پیداواری لاگت میں بہت اضافہ ہو چکا ہے۔ اسی قسم کا رجحان دیگر اقسام کے تعمیراتی میٹیریل میں بھی دیکھا گیا ہے جیسا کہ اسٹیل وغیرہ جس کی وجہ سے تعمیرات کی لاگت میں مجموعی طور بہت اضافہ ہوا ہے۔ مقامی سطح پر بلند شرح سود اور اس کے ساتھ افراط زر کی بلند شرح نے عوام الناس کی قوت خرید کو بری طرح متاثر کیا ہے جس کے منفی اثرات سیمنٹ کی طلب پر بھی پڑیں گے۔

غیر ملکی سیمنٹ آپریشنز

غیر ملکی سیمنٹ آپریشنز میں استحکام کی توقع ہے کیونکہ طلب مضبوط ہے۔ البتہ اشیاء کی قیمتوں میں اضافے کی وجہ سے منافع کی شرح متاثر ہوسکتی ہے۔

پولیسٹر، سوڈا ایش اور کیمیکلز

دریں اثناء شرح نمو میں مقامی اور عالمی سطح پر سست روی، افراط زر کے دباؤ، قرضوں کی بلند شرح سود، مقامی طور پر کاروباری حالات میں غیر یقینی صورتحال، سخت معاشی اقدامات اور سکڑتی ہوئی طلب کی بناء پر قلیل المیعاد پیرائے میں کاروبار اور منافع دونوں ہی شدید دباؤ کا شکار ہیں۔ ان تمام مصائب کے باوجود آئی سی آئی پاکستان ان تمام مسائل کے منفی اثرات کو کم از کم کرنے کیلئے اپنی تمام صلاحیتیں بروئے کار لا رہی ہے۔ اس طرح ایک جانب تو اپنے شراکت داروں کی سرمایہ کاری کی قدر میں اضافہ ممکن ہوگا، تو دوسری جانب موجودہ صارفین اور ترسیل کاروں کے ساتھ مزید مضبوط رشتے استوار ہونگے اور ان مضبوط رشتوں کی بناء پر کمپنی اپنے متنوع پورٹ فولیو کے امتزاج میں مزید بہتری لا سکے گی۔

توانائی

لکی الیکٹرک پاور کارپوریشن لمیٹڈ پرائیویٹ پاور سیکٹر میں ایک بلند مقام پیدا کرنے کی خواہاں ہے، اور خواہش رکھتی ہے کہ توانائی کے خریداروں کو سستی، صاف اور مستقل توانائی فراہم کی جائے اور سرمایہ کاروں کی سرمایہ کاری کو ثمر آور بنایا جائے۔ اس کمپنی کی جانب سے بن قاسم کراچی کے مقام پر 660 میگاواٹ کا سپر کریٹیکل کول فائرڈ پاور پلانٹ لگایا گیا ہے جسے طویل المیعاد طور پر تھر سے پیدا ہونے والے کوئلے سے ایندھن فراہم کیا جائے گا۔ مقامی کوئلے سے چلنے والا تھر کے باہر یہ پہلا پاکستانی آئی پی پی ہے۔ اس پلانٹ کے ساتھ ہم مقامی توانائی کے ذرائع کو استعمال میں لانے کا ایک نیا دور شروع کرنے جا رہے ہیں جس میں ہمارا یہ قومی مقصد بھی پیش نظر ہے کہ درآمد شدہ کوئلے پر اپنے انحصار کو کم از کم کیا جائے۔ اخراج کے مسائل سے نمٹنے کیلئے جدید ترین ٹیکنالوجیز کو بروئے استعمال لایا جا رہا ہے، جس میں فلو گیس ڈی سلفرائزیشن (FGD)، الیکٹرو اسٹیٹک پریسیپیٹیٹر (ESP) بمعہ منسلکہ ماحول دوست آلات شامل ہیں۔

آٹوموبائل اور موبائل فونز

کرنٹ اکاؤنٹ خسارے کو کنٹرول کرنے اور درآمدی بل میں کمی لانے کیلئے 20 مئی 2022 سے کاروں میں استعمال کیلئے سی کے ڈی کٹس کی درآمد کی غرض سے ایل سیز کی اسٹیٹ بینک آف پاکستان سے منظوری درکار ہے۔ اس تاخیر کی وجہ سے سپلائی چین کو جاری رکھنے میں انتظامی مسائل درپیش ہیں۔ ان تمام مسائل کے باوجود اسٹیٹ بینک کی جانب سے آٹوموبائل اسمبل کرنے والی کمپنیوں کیلئے محدود پیمانے پر زرمبادلہ کا کوٹہ مختص کرنے کا فیصلہ کیا گیا ہے جس کا انحصار سی کے ڈی کٹس کی قیمتوں پر ہوگا جنھیں جنوری 2022 سے اپریل 2022 تک درآمد کیا گیا ہو۔ اس کا لازماً نتیجہ یہی نکلے گا کہ کم سی کے ڈی کٹس درآمد کی جائیں گی، کم گاڑیاں بنائی جائیں گی اور اس طرح کاروں کی مارکیٹ میں سپلائی بھی کم ہوگی۔

اسٹیٹ بینک آف پاکستان کے انتظامی فیصلوں کی وجہ سے مالی سال 23-2022 آٹوموبائل کی مارکیٹ کیلئے ایک سخت سال معلوم ہوتا ہے، اسٹیٹ بینک کے ان فیصلوں میں مذکورہ بالا اقدامات کے علاوہ حال ہی میں کاروں پر عائد کیا جانے والا کیپٹل ویلیو ٹیکس (CVT) بھی شامل ہے۔ یہ ٹیکس ایک فیصد کے حساب سے

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) 2017 اور دیگر قواعد و قانونی شرائط کی پاسداری کرنا۔
- متعلقہ پارٹیوں سے طے کئے معاملات۔

ج۔ رپورٹ شائع کئے جانے سے پہلے ابتدائی اعلانات اور ان 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 اور ان 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۔

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 جا رہا ہے اور خرید و فروخت، لین دین، اثاثوں اور واجبات وغیرہ کی ریکارڈنگ کیلئے جامع اور مؤثر نظام پانی جگہ کام کر رہا 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 بورڈ 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 دائریکٹرز کو سفارشات پیش کرنا جو مالیاتی دستاویزات کے آڈٹ کے سلسلے میں رہنمائی کے علاوہ ہیں۔ بورڈ آف دائریکٹرز 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 زیر غور لانا جس کی نشاندہی بورڈ کے ڈائریکٹرز کی جانب سے کی گئی ہو۔

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 جا چکا 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 جا چکی 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 تا کہ ایک جانب تمام افعال کو مؤثر انداز اور مستعدی کے ساتھ سرانجام دیا جا سکے تو دوسری جانب کمپنی کے اثاثوں کی حفاظت بھی ہو سکے 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 جا چکا 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 جا چکا ہے، دستاویزات کی تیاری میں ایکٹ ہذا کے قواعد اور ہدایات کی بھی پاسداری کی گئی ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس

بورڈ آف ڈائریکٹرز---6اجلاس		
نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری
1	محمد یونس ٹبہ (چیئر مین) غیرانتظامی ڈائریکٹر	4
2	محمد علی ٹبہ انتظامی ڈائریکٹر	6
3	محمد سہیل ٹبہ غیرانتظامی ڈائریکٹر	5
4	جاوید یونس ٹبہ غیرانتظامی ڈائریکٹر	6
5	مریم ٹبہ خان غیرانتظامی ڈائریکٹر	4
6	منظور احمد* آزاد ڈائریکٹر	1
7	مسعود کریم شیخ آزاد ڈائریکٹر	6
*	خواجہ اقبال حسن آزاد ڈائریکٹر	5

وہ ڈائریکٹر جو اپنی مصروفیات کی بنیاد پر ان اجلاسوں میں شرکت نہ کر سکے انہیں غیر حاضری کیلئے رخصت دے دی گئی تھی۔

*جناب منظور احمد دوران سال ڈائریکٹر شپ سے مستعفی ہو گئے تھے اور ان کی جگہ جناب خواجہ اقبال حسن کو خالی اسامی پر کرنے کیلئے ڈائریکٹر کا عہدہ دیا گیا۔

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 ڈائریکٹروں 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 ڈائرکٹروں 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 تجزیئے 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 چیئر مین 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۔ پالیسی کے مطابق ڈائریکٹروں کو ہر ایک اجلاس میں شرکت کرنے کے عوض ٹیکس منہا کرنے کے بعد مبلغ 75,000 روپے ادا کئے جاتے ہیں، یہ شرکت بورڈ یا بورڈ کی کسی کمیٹی میں ہو سکتی ہے۔
- ڈائریکٹروں کی جانب سے بورڈ آف دائریکٹرز 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 بورڈ کے اجلاس یا بورڈ کی کسی کمیٹی کے اجلاس یا اجلاس عام میں شرکت کیلئے آنے کے عوض سفری، رہائشی اور دیگر اخراجات کمپنی کی جانب سے ادا کئے جائینگے خواہ وہ ان اخراجات کو پہلے اپنی جانب سے ادا کر چکا ہو۔

بورڈ کی کمیٹیاں اور ان کے اجلاس

آڈٹ کمیٹی

آڈٹ کمیٹی-- کل اجلاس 6		
نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری
1	مسعود کریم شیخ (چیئر مین) آزاد ڈائریکٹر	6
2	محمد سہیل ٹبہ غیرانتظامی ڈائریکٹر	5
3	جاوید یونس ٹبہ غیرانتظامی ڈائریکٹر	5
4	مریم ٹبہ خان غیرانتظامی ڈائریکٹر	5
5	منظور احمد* آزاد ڈائریکٹر	1
*	خواجہ اقبال حسن آزاد ڈائریکٹر	5

وہ ممبران جو اپنی مصروفیات کی وجہ سے ان اجلاسوں میں شرکت نہیں کر سکے انہیں غیر حاضری کیلئے رخصت دے دی گئی تھی۔

*جناب منظور احمد دوران سال ڈائریکٹر شپ سے مستفی ہو گئے تھے اور ان کی جگہ جناب خواجہ اقبال حسن کو خالی اسامی پر کرنے کیلئے ان کی جگہ تعینات کیا گیا۔

اس کے علاوہ، دی سٹیزن فاؤنڈیشن کے تعاون کے ساتھ آپ کی کمپنی پیزو اور ارد گرد کے علاقوں کے طلباء کیلئے ایک مکمل پرائمری وسیکنڈری اسکول کیلئے کام کر رہی ہے۔ یہ اسکول نئے تعلیمی سال کے آغاز اگست 2022 تک کام شروع کر دے گا۔

وظائف

حقدار اور ذہین طلباء کو وظائف فراہم کرنے کیلئے کمپنی کی جانب سے پاکستان کے بہت سے معروف تعلیمی اداروں سے رابطہ کیا گیا ہے تا کہ ایسے طلباء کی اعلیٰ تعلیم کیلئے فنڈز فراہم کئے جائیں۔ کمپنی کی جانب سے لاہور یونیورسٹی آف مینجمنٹ سائنسز کے ایک مفاہمتی یادداشت کو برقرار رکھا گیا ہے جس کے تحت نیشنل آؤٹ ریچ پروگرام کے ذریعے منتخب شدہ 17 طلباء کو وظائف دیئے جائیں گے۔

پاکستان کے نوجوانوں کو خود مختار بنانے کیلئے، لکی سیمنٹ کی جانب سے اپنے موجودہ نیشنل اسکالرشپ میں توسیع کی جا رہی ہے تا کہ اس میں لکی مروت کے ذہین اور مستحق طلباء کو بھی شامل کیا جا سکے۔ اس اقدام کے تحت کمپنی کی جانب سے طلباء کو انڈر گریجویٹ اور گریجویٹ پروگرامز کیلئے فنڈز فراہم کئے جائیں گے۔ ان تمام گرانٹس اور وظائف کی فراہمی اس بات کی غماز ہے کہ آپ کی کمپنی اس مقصد کیلئے کوشاں ہے کہ سستی تعلیم تک ہر فرد کی رسائی کو ممکن بنایا جا سکے۔

خواتین کی خود مختاری

پاکستان میں خواتین کو با اختیار بنانے کے عمل کی اہمیت اور اثرات کو مدنظر رکھتے ہوئے آپ کمپنی کی جانب سے زندگی ٹرسٹ کے ساتھ مل کر دو معروف سرکاری گرلز اسکولوں کی امداد جاری رکھے ہوئے ہے۔ خواتین کی ترقی کیلئے سماجی مداخلت کے اصول کے تحت ان اسکولوں کو پاکستان میں لڑکیوں کی تعلیم کیلئے مثالی اداروں میں تبدیل کر دیا گیا ہے۔

صحت سے متعلق اقدامات

صحت عامہ کی بہترین سہولیات کو عام کرنا بھی آپکی کمپنی کی ترجیحات میں شامل ہے اور اس سلسلے میں عزیز طبہ فاؤنڈیشن کے ساتھ مالی تعاون کا سلسلہ جاری ہے جو انسانی خدمت کا ایک عظیم الشان ادارہ ہے جس کے تحت طبہ ہارٹ انسٹیٹیوٹ اور طبہ کڈنی انسٹیٹیوٹ چلائے جا رہے ہیں جو کہ ملک میں صحت کی معیاری سہولتوں کے فقدان کو پورا کرنے کیلئے اپنا کردار ادا کر رہے ہیں، اس پلیٹ فارم سے وطن عزیز میں خصوصی اور جدید میڈیکل کیئر کی سہولیات بہم فراہم کرنے کیلئے خدمات پیش کی جا رہی ہیں اور ایک خلاء کو پُر کیا جا رہا ہے۔

اقوام متحدہ کے پائیدار ترقیاتی اہداف 2030 کے لئے تعاون

اقوام متحدہ کی جانب سے پائیدار ترقیاتی پروگرامز کے تحت آپ کی کمپنی کی جانب سے مختلف پائیدار پروجیکٹس کا آغاز کیا گیا ہے اور انھیں فروغ دیا جا رہا ہے تا کہ اقوام متحدہ 2030 کے اس ایجنڈے میں مدد کی جا سکے۔ ایس ڈی جیز کو مربوط کرنے کے ضمن میں ہمیں یہ سبق ملا ہے کہ پائیدار ترقی ہماری وہ کاروباری ذمہ داری ہے جس کے ذریعے ہم معاشرے کو پیش آنے والے مسائل سے نبرد آزما ہو سکتے ہیں تا کہ کاروباری نقطہ نظر سے ہم ان مسائل کو اس انداز سے حل کریں کہ معاشرے کو ترقی دینے اور خود مختار بنانے کی غرض سے طویل المیعاد معاشی ترقی کی راہ ہموار ہو سکے۔

آپکی کمپنی ایک ایسی راہ پر گامزن ہو چکی ہے جہاں سے لکی سیمنٹ اپنی کاروباری ترقی وقوت پائیدار معاشرتی ترقی سے جوڑ کر دیکھنا چاہتی ہے۔ ہم ایس ڈی جیز کو اس نظر سے دیکھتے ہیں کہ اس میں فائدہ ہی فائدہ ہے اور کھونے کیلئے کچھ بھی نہیں ہے، جہاں دنیا کے مستقبل کو تابناک بنایا جا سکتا ہے، جبکہ اپنی کمپنی کو ویلیو بیسڈ پائیدار کمپنی بنانے کا ہمارا نصب العین اپنی جگہ موجود ہے۔

کوڈ آف کارپوریٹ گورننس

پاکستان اسٹاک ایکسچینج کیجانب سے لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) 2019 اور رول بک آف پاکستان اسٹاک 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 ایگزیکیٹو 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 کر دی 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 کمپنی ہمیشگی کی بنیاد پر اپنے کاروبار کو چلا رہی ہے۔
- اسٹیٹمنٹ برائے ترتیب حصص داری کو سالانہ رپورٹ ہذا کا حصہ بنایا گیا ہے۔
- ایسوسی ایٹڈ انڈرٹیکنگز اور ریلیٹڈ پرسنز کی جانب سے ملکیت میں لئے گئے حصص سے متعلق اسٹیٹمنٹ کو بھی علیحدہ سے رپورٹ ہذا میں ظاہر کیا جا چکا 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 ڈائریکٹرز	2
II) دیگر غیر انتظامی ڈائریکٹرز	4
III) انتظامی ڈائریکٹر	1

خام مال کی تیزی سے بڑھتی ہوئی قیمتوں جیسا کہ کوئلہ اور ایندھن کے دیگر ذرائع اور ان ذرائع کی قلت کے باعث پیداواری لاگت میں مسلسل اضافہ ہو رہا ہے، اس اضافے پر بھی گہری نظر رکھی جاتی ہے اور انھیں رسک رجسٹر میں درج کیا جاتا ہے۔

مزید برآں، آپ کی کمپنی معاشی رسک کو کم از کم کرنے کیلئے بھی کوشاں رہتی ہے، ان کلی معاشی اشاریئے، غیر مستقل حکومتی پالیسیاں، غیر متوقع ریگولیٹری رجیم تبدیلیاں اور ٹیکنالوجی میں آنے والی تبدیلیاں بھی شامل ہیں۔

کاروباری افعال کے رسک

آپریشنل کارکردگی کو مؤثر بنانے کیلئے ان کی کڑی نگرانی کرنے کے ساتھ ساتھ انتظامیہ کی جانب سے آپریشنل رسک کی نگرانی بھی کی جاتی ہے اور کاروبار کو مستعدی کے ساتھ چلانے اور بڑے مسائل سے نمٹنے کیلئے رسک کو کم از کم کیا جاتا ہے تاکہ کمپنی کی فروخت اور پیداوار کا عمل بڑے مسائل کی صورت میں بھی بلا تعطل جاری رہ سکے اور کاروبار میں کسی بڑی تباہی سے بچا جا سکے۔ لاجسٹک اور ترسیل کے بڑھتے ہوئے اخراجات انڈسٹری کیلئے باعث تشویش ہیں۔

خام مال کی ترسیل کیلئے ذرائع، فرائض منصبی کی ادائیگی کیلئے درجہ بندی، سائبر سیکیوریٹی کنٹرول 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۔

مالیاتی رسک

کوئلے اور کلنکر کی درآمد اور برآمد کا ڈالر میں ہونے کی وجہ سے آپ کی کمپنی زرمبادلہ میں اتار چڑھاؤ سے محفوظ رہتی ہے اور مالیاتی رسک کم ہو جاتا 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۔

محاسبی، کارپوریٹ گورننس، پبلک معلومات اور لسٹنگ سے متعلق بدلتے قوانین، قواعد، ضوابط اور معیارات پر سختی کے ساتھ عمل کیا جاتا ہے۔

ضوابط کی پاسداری کے رسک

کسی بھی قسم کی ریگولیٹری عدم پاسداری یا بھول چوک کی وجہ سے کمپنی کو ضوابط کی پاسداری کے رسک لاحق ہو سکتے ہیں۔ قوانین وضوابط میں تبدیلی کی وجہ سے پریشانی ہو سکتی 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 معاشرتی ذمہ داری

آپ کی کمپنی جس معاشرے میں اپنے افعال سرانجام دے رہی ہے اس معاشرے کو کمیونٹی کی فلاح و بہبود و ترقی کیلئے ایک قدم آگے بڑھ خدمات بھی سرانجام دے رہی ہے۔

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 جانب سے سول سوسائٹی اداروں اور غیر سرکاری تنظیموں کی امداد کے ذریعے اٹھائے جا رہے ہیں تاکہ ان کے مثبت اثرات معاشرے پر مرتب ہوں۔

عطیات اور چیرٹی کی تفصیلات - روپے ہزاروں میں	مالی سال 22-2021	مالی سال 21-2020
صحت سے متعلق اقدامات	210	203
کمیونٹی ویلفیئر	143	74
تعلیمی اقدامات ودیگر	69	65
کل عطیات	422	342

کمیونٹی انویسٹمنٹ

زندگیوں کی بہتری سے متعلق اپنے مشن کے عین مطابق، لکی سیمنٹ کی جانب سے مستقل بنیادوں پر کوششیں کی جاتی ہیں کہ جن کمیونٹیز میں کمپنی اپنے افعال سرانجام دیتی ہے ان میں مشترکہ اقدار کو ممکن بنایا جا سکے۔ کمپنی کی جانب سے انسانی خدمت کے جذبے کے تحت کی جانے والی سرمایہ کاری کے تحت تسلسل کے ساتھ کوشش کی جاتی ہے کہ ان علاقوں میں صحت، تعلیم، خواتین کا بااختیار بنانے، مہارتیں سکھانے اور کمیونٹی ڈیویلپمنٹ کے مسائل کو مستقل بنیادوں پر حل کیا جا سکے۔

کمپنی کی جانب سے ہنر فاؤنڈیشن کے ساتھ اشتراک کیا گیا ہے کہ ڈسٹرکٹ لکی مروت، پیزو میں نوجوانوں کو ہنرمندی کی تربیت فراہم کی جائے۔ ایسے مقامات پر قابل اور اہلیت کے حامل نوجوانوں کو مواقع فراہم کئے جاتے ہیں کہ ناھیں بااختیار بنایا جائے کہ وہ اپنے ہنر کے مطابق کوئی روزگار تلاش کریں یا نئے کاروبار کا آغاز کر سکیں۔ زیر نظر سال کے دوران، ہماری کمپنی کی جانب سے اپنے پلانٹس پر بڑی تعداد میں گریجویٹس کو روزگار فراہم کیا گیا ہے۔

بقائے ماحولیات

دوران سال کمپنی کی جانب سے اپنے تمام افعال کی بابت ماحولیات میں توازن اور بقا کو انتہائی اہمیت دی گئی ہے اور سرسبز اور صاف ستھرے پاکستان کی جانب ایک اور قدم بڑھانے کی غرض سے کمپنی کی جانب سے اپنے پیداواری یونٹس کے اندر اور ارد گرد شجرکاری کی گئی ہے۔ گرین انرجی اور ماحول دوست انرجی کی پیداوار کی جانب قدم بڑھانے کی غرض سے آپ کی کمپنی کی جانب سے اپنے پلانٹ بمقام پیزو پر ایک 34 میگا واٹ کا کیپٹیو سولر پاور پروجیکٹ کی تنصیب کا کام کیا جا رہا ہے، اس پروجیکٹ کے باعث غیر قابل تجدید ذرائع پر ہمارا انحصار کم ہو جائے گا۔

تعلیم ووظائف

کمپنی پاکستان میں تعلیم کے معیار کو بڑھانے کی زبردست حامی ہے اور بلا امتیاز تمام افراد تک معیاری تعلیم کی فراہمی کیلئے کوشاں ہے۔ دوران سال آپ کی کمپنی کی جانب سے شاہد آفریدی فاؤنڈیشن کے ساتھ اپنی شراکت کو مضبوط کیا گیا ہے اور اس شراکت داری کے تحت کراچی کے ایک پسماندہ علاقے ایک اسکول کو گود لیا گیا ہے۔

مزید برآں، کمپنی کی جانب سے ملینز اسمائلز فاؤنڈیشن کی مدد بھی کی جا رہی ہے، یہ فاؤنڈیشن کنڈل شاہی، وادی نیلم آزاد جموں وکشمیر میں پرائمری اسکول کے تعلیمی ڈھانچے میں اصلاحات لانے کیلئے کوشاں ہے۔

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 فیسلیٹی (ITERF) از اسٹیٹ بینک آف پاکستان اور دیگر مختلف اسلامی بینکوں سے رجوع کیا گیا جس کے تحت 7.05 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 1 ارب روپے کی تمویل کا بندوبست کیا گیا (2021 کے مطابق یہ تمویل 7.05 ارب روپے تھی)۔ یہ تمام اسلامی تمویل پلانٹ، مشینری، اسٹاک، اسٹور اور اسپیئر کی بنیاد پر دی گئی ہے۔

کریڈٹ ریٹنگ

زیرِ نظر 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-1+ کی ریٹنگ کمپنی کو دی گئی ہے۔ درمیانی سے طویل المیعاد قرضوں کے سلسلے میں دی گئی ریٹنگ سے کریڈٹ کے اعلیٰ 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 نقد رقوم کی ترسیل کا اظہار ہے۔ آپ کی کمپنی کو دی جانے والی اعلیٰ 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 نقد رقوم کی ترسیل کے سلسلے میں کمپنی مؤثر حکمت عملی پر عمل پیرا ہے۔

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 اور مختلف النوع صنعتوں میں سرمایہ کاری کرنے کے بعد 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:

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 (ارب روپے میں)	شعبے کے واجبات (ارب روپے میں)
سیمنٹ	28.86	20.80	15.02	123.50	38.48
پولیسٹر	50.94	10.54	9.13	15.97	17.91
سوڈا ایش	50.01	20.37	13.65	36.58	7.68
فارما	13.71	22.94	9.55	7.48	5.34
لائف سائنسز اینڈ کیمیکلز	89.95	21.85	11.77	30.25	6.09
آٹوموبائلز و موبائل فونز اسمبلنگ	55.94	9.04	6.87	63.88	29.39
پاور جنریشن	100.00	22.03	21.49	184.13	14.45
دیگر	27.46	26.15	21.05	1.30	7.82

نوٹ: لکی الیکٹرک پاور کارپوریشن لمیٹڈ نے اپنے آپریشنز کا آغاز 21 مارچ 2022 سے کیا ہے۔

رسک مینجمنٹ

کسی بھی کاروبار کی نشوونما کیلئے مؤثر رسک مینجمنٹ ایک کلیدی کردار ادا کرتا ہے۔ لکی سیمنٹ میں مجموعی طور پر یہ ذمہ داری بورڈ پر عائد ہوتی ہے کہ رسک مینجمنٹ کے پورے عمل کی نگرانی کرے جس میں رسک مینجمنٹ کے ساتھ اندرونی کنٹرول کے ضوابط بھی شامل ہیں۔ یہ طریق کار جنھیں باقاعدہ دستاویزی شکل دی جاتی ہے اور ان پر نظر ثانی بھی کی جاتی ہے کو اثاثوں کی حفاظت اور کمپنی ممکنہ رسک کو کنٹرول کرنے کیلئے مرتب کیا گیا ہے جس میں یہ دیکھنا بھی شامل ہے کہ اس سارے عمل کا کاروبار کو جاری رکھنے میں کیا کردار ہوسکتا ہے۔ ایسا کوئی بھی ممکنہ رسک جس کے اثرات کمپنی حکمت عملی، آپریشنل، مالیاتی اور/یا قواعد کی پاسداری سے متعلق اہداف کے حصول پر پڑ سکتے ہوں کو نشاندہی کے فوراً بعد بورڈ اور سینیئر مینجمنٹ کے علم میں لایا جاتا ہے تاکہ معمول کے کاروباری افعال کو متاثر کئے بغیر ان کے بارے یں فوری ایکشن لیا جاسکے۔

کمپنی کا اپنا ایک واضح تنظیمی ڈھانچہ ہے جو کہ ایک طے شدہ اتھارٹی کے تحت آتا ہے۔ سینئر مینجمنٹ کی ذمہ داری ہے کہ تمام قواعد وضوابط کے نفاذ کو یقینی بنائے، رسک کی نگرانی کرے اور مختلف اقسام کے کنٹرولز کے مؤثر ہونے کی جانچ پڑتال کرے۔

کمپنی کے پاس ایک مؤثر انٹرپرائز رسک مینجمنٹ فریم ورک کام کر رہا ہے جسے کمپنی کی تنظیم کے ساتھ مربوط کیا گیا ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ کسی بھی ممکنہ رسک کے پہنچنے سے پہلے ہی اس کی نشاندہی، اس کی حساسیت اور جانچ کو ممکن بنایا جاسکے۔ تمام نشان زدہ رسک کو ان کے اثرات اور ان کے واقع ہونے کے امکانات کے حساب سے ترجیحاً دیکھا جاتا ہے تاکہ ان کے خلاف ممکنہ تادیبی اقدامات اٹھائے جاسکیں۔

رسک مینجمنٹ ایک ایسا عمل ہے جسے ہمہ وقت جاری رکھنے کی ضرروت رہتی ہے، لہذا سالانہ بنیادوں کے علاوہ مختلف اوقات میں بھی رسک کے سلسلے میں اٹھائے جانے والے اقدامات کا جائزہ لیا جاتا ہے۔

حکمت عملی کے رسک

آپ کی کمپنی ایک ایسے کاروباری ماحول میں کام کر رہی ہے جہاں ہر پل حالات بدلتے رہتے ہیں اور اس طرح کمپنی ہمہ وقت مختلف اقسام کے حکمت عملی سے متعلق رسک سے دوچار رہتی ہے اور ایسے کاروباری مواقع سے فائدہ اٹھانے کی پوزیشن میں بھی رہتی ہے جن کی وجہ سے کمپنی کی حکمت عملی سے متعلق اہداف کے حصول متاثر ہوسکتے ہیں۔

حکمت عملی کے رسک میں، گیس یا متبادل ایندھن کی فراہمی برائے توانائی کی مسلسل نگرانی کی جاتی ہے۔ کمپنی کی انتظامیہ کی جانب سے کارپوریٹ حکمت عملی کو مارکیٹ میں آنے والی تبدیلیوں کے ساتھ مرتب کیا جاتا ہے، کمپنی کی مارکیٹ پوزیشن کو مضبوط کیا جاتا ہے اور تعمیرات کی صنعت کی بڑھتی کو طلب کے تناسب سے پیداواری صلاحیت میں اضافہ کیا جاتا ہے۔ ضرورت اس امر کی ہے کہ وسائل کا بہترین استعمال کیا جائے، قدرتی گیس کی دستیابی یقینی بنائی جائے وگرنہ توانائی کی پیداوار کیلئے قدرتی فوسلز سے ہٹ کر دیگر ذرائع کو بھی استعمال میں لایا جائے۔

کمپنی کے ملازمین قدر کو مدنظر رکھتے ہوئے جہد مسلسل کے تحت مختلف مجالیس میں ملازمین کے ساتھ ملاقاتیں کی گئیں جس سے ملازمین کو یہ موقع ملا کہ کچھ عرصے کیلئے کام سے دور ہو کر بھی ایک دوسرے سے مل سکیں۔

لکی سیمنٹ کی جانب سے اس بات کو اہمیت دی جاتی ہے کہ اس کے محنت کشوں کی جمیعت جنسی لحاظ سے متنوع ہو۔ اس سلسلے میں کمپنی کی جانب سے مختلف اقدامات اور تربیتی نشستوں کے ذریعے ملازمین کو ایسے مواقع فراہم کئے جاتے ہیں کہ وہ اپنی مخفی صلاحیتوں کو پہچانیں اور آگے بڑھ سکیں، دوران سال اس قسم کے اقدامات اٹھائے جاتے رہے ہیں۔

ہمارا ٹیلنٹ

روزمرہ تیزی کے ساتھ ٹیکنالوجی تبدیل ہونے والے اس دور میں سب سے بڑا چیلنج یہ ہے کہ صحیح ٹیلنٹ کو اپنی جانب راغب کیا جائے اور انھیں انکی صلاحیتوں کے مطابق آگے بڑھنے کے موقع فراہم کر کے اپنے پاس رکنے پر آمادہ کیا جائے اور اس عمل کے ذریعے لکی سیمنٹ کو نئی بلندیوں سے ہمکنار کیا جائے۔ لوگوں کیلئے ہمارا یہ جذبہ ہی جو کہ ہمیں ان کی توانائیاں نکھارنے، انھیں پروان چڑھانے اور اور انکی فلاح و بہبود کرنے پر مجبور کرتا ہے، اور سب سے بڑھ کر ایک ایسا ماحول پیدا کرنا جو ہر فرد کی صلاحیتوں کو نکھارنے اور انھیں آگے بڑھانے میں معاون ثابت ہو۔

زیرنظر مالی سال کے دوران کمپنی کی جانب سے اپنی رگوں میں نیا خون شامل کیا گیا اور معروف مقامی و بین الاقوامی جامعات سے کمرشل، ٹیکنکل اور مینجمنٹ کے شعبوں میں نئے گریجویٹس کو اپنی ٹیم میں شامل کیا گیا ہے۔ نتیجتاً 86 انجینئروں اور مینجمنٹ گریجویٹس کو زیرتربیت ملازمت دی گئی ہے، ان کے علاوہ 93 تجربہ کار پروفیشنلز کو بھی اپنی ٹیم کا حصہ بنایا گیا ہے۔

صلاحیت

لکی سیمنٹ میں افراد کی تربیت اور ترقی کے ذریعے انھیں آگے بڑھنے کیلئے موقع فراہم کرنا ایک بنیادی جزو ہے۔ صلاحیت میں فقدان کی نشاندہی کے ذریعے ادارے کے اندر ہی ایک ایسا تربیتی پروگرام تشکیل دیا گیا اور اس پر عمل کیا گیا جس کے تحت کمپنی کے اندر کام کرنے والے ملازمین کو سافٹ اور ہارڈ اسکلز سے متعلق آگہی فراہم کی گئی جس کا مقصد ملازمین میں آگے بڑھنے کی صلاحیت پیدا کرنا، ان میں اعلی معیار کی پیداواری صلاحیتوں کو اجاگر کرنا اور ثمرآور کاروباری نتائج برآمد کرنا ہے۔ ان تربیتی پروگراموں کو مرتب کرنے کیلئے ادارے کے اندرونی اور بیرونی ماہرین کی خدمات لی گئیں اور تربیت کاروں نے بہترین مقامی اور بین الاقوامی مواد کی مدد سے ادارے میں ہر سطح پر کام کرنے والے ملازمین کو تربیت فراہم کی۔

ہماری جانب سے صحت، حفاظت اور ماحولیات (HSE) کے بارے میں بھی تربیت دی گئی ہے جس میں ڈرائیونگ کی دفاعی مہارتیں، آگ بجھانے کی مشقیں، آگ بجھانے کے آلات کو چلانے اور آئی ٹی سیکیوریٹی سے متعلق آگاہی سے متعلق تربیت بھی شامل تھی۔ آئی ٹی کی تربیت پاکستان میں حال ہی میں بڑھتے ہوئے اسپیمنگ اور فشنگ کے مسائل کے پیش نظر فراہم کی گئی۔

انعامات، اعترافات و بہبود

لکی سیمنٹ میں فارمنس مینجمنٹ کا ایک باقاعدہ نظام موجود ہے۔ اس نظام کا بنیادی مقصد اصلاحات کیلئے جہد مسلسل کو ایک عادت بنانا اور مختلف شعبوں کے مابین ایسا تعلق قائم کرنا ہے کہ ان کی کارکردگی پہلے سے زیادہ مؤثر ہو جائے۔ اس کا ایک مقصد یہ ہے کہ تمام ٹیموں اور افراد کو ایسے نیٹ ورک کا حصہ بنا دیا جائے جس کے تحت ان کی تمام کاوشیں ادارے کے اہداف کو حاصل کرنے کیلئے ایک ہی سمت میں ثمرآور ہوتی نظر آئیں۔ اس نظام میں ہر سطح پر شفافیت اور انصاف کو ممکن بنایا گیا ہے۔ اچھی کارکردگی کا مظاہرہ کرنے والے افراد کی کاوشوں کو سراہا جاتا ہے اور انھیں انعامات سے نوازا جاتا ہے، علاوہ ازیں ان کی صلاحیتوں کے مطابق آگے بڑھنے کیلئے انھیں چیلنج دیئے جاتے ہیں۔

کمپنی کی جانب سے ورک پلیس ویلنس پروگرام کو زیرنظر مالی سال کے دوران جاری رکھا گیا اور یہ پروگرام ملازمین کی صحت اور ان کی فلاح و بہبود کو یقینی بنانے میں بہت معاون ثابت ہوا۔

جانشینی کا منصوبہ

کمپنی کے جانشینی منصوبے کی بنیاد اس بات پر ہے کہ شناخت، تربیت اور ترقی کے ذریعے ملازمین کی ان مخفی صلاحیتوں کو اجاگر کیا جائے جن کی وجہ سے وہ مستقبل میں ادارے کے اندر اہم اسامیوں اور بالخصوص اعلی انتظامی عہدوں کو پر کرنے کے قابل ہوں۔ اس مقصد کیلئے ایک جامع میٹرکس مرتب کیا گیا ہے جس کے ذریعے یہ نشاندہی کی جاتی ہے کہ کمپنی میں کہاں کہاں بہترین دماغ موجود ہیں اور پھر انھیں مستقبل میں اہم اسامیوں کیلئے تیار کیا جاسکے۔ یہ میٹرکس ایک جانب تو ملازمین کی کارکردگی کا جانچنے میں مدد دیتا ہے تو دوسری جانب جانشینی کے منصوبے میں شمولیت کیلئے ان میں مخفی توانائیوں کی نشاندہی بھی کرتا ہے۔

مستقل بنیادوں پر لیڈرشپ کی فراہمی کو ممکن بنانے کیلئے ہم جاب روٹیشن، کراس فنکشنل پروجیکٹس اور انٹرنیشنل اسائنمنٹس کے ذریعے ہم اپنی ٹیم کو مواقع دیتے ہیں تاکہ اعلی معیار کی کارکردگی کا کلچر فروغ پائے۔

مالیاتی نظام

کمپنی کی غیر مربوط بیلنس شیٹ کا میزانیہ بتاریخ 30 جون 2022 ٹھوس اثاثوں کی بنیاد پر 184.9 ارب روپے ہے (156.4 ارب روپے بمطابق 2021)، کرنٹ ریشو 1.48 (1.34 بمطابق 2021) اور کوئیک ریشو 0.87 (0.89 بمطابق 2021) ہیں۔

حکمت عملی برائے ترسیل نقدرقوم

آپکی 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 24.59 ارب روپے مستقل سرمایہ کی مد میں، 4.40 ارب روپے طویل المدتی سرمایہ کاری کی مد میں، اور 2.39 ارب روپے انکم ٹیکس کی ادائیگی کی مد میں خرچ کئے گئے۔

سرمائے کی ساخت اور مالیاتی پوزیشن

گوکہ آپ کی کمپنی بنیادی طورا 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 14% اضافہ ہوا ہے جس کے بعد ہمارے ذخائر 125.30 ارب 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۔

- محفوظ اور صحت افزاں ماحول کو پروان چڑھانا۔۔
- آئی ٹی سسٹم کی اصلاح کرنا اور انفرااسٹرکچر 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 تا کہ 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 کردے۔ 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۔

مالیاتی وغیر مالیاتی امور میں کارکردگی کی جانچ

مستقل اور منافع بخش نشو ونما

مارکیٹ میں حصہ:

گزرتے ہوئے مالی سال 22-2021 کے دوران معاشی اور سیاسی عدم استحکام کی صورتحال کے باوجود آپ کی کمپنی مارکیٹ میں اپنا حصہ 17.2% تک برقرار رکھنے میں کامیاب رہی اور اس طرح پاکستان کی سیمنٹ انڈسٹری میں اسکی لیڈرشپ کا مقام اپنی جگہ قائم ودائم رہا۔

کم از کم پیداواری لاگت:

آپ کی کمپنی نے مالی سال 22-2021 کے دوران اپنی کم از لاگت برائے پیداوار کی روایت کو قائم رکھا۔ کمپنی کی لاگت برائے فی ٹن پیداوار صنعت میں کم سے کم لاگت برائے فی ٹن پیداوار میں سے ایک ہے۔

حجم برائے فروختگی:

مالی سال 22-2021 کے دوران حجم برائے فروختگی میں 9% کی کمی واقع ہوئی ہے۔ اس کی بنیادی وجہ کمپنی کی برآمدات میں 26% کمی ہے، اس ضمن فریٹ چارجز اور خام مال کی لاگت میں اضافہ، سری لنکا میں بگڑتے معاشی حالات اور افغانستان میں غیر یقینی سیاسی صورتحال نے بڑا کردار ادا کیا ہے۔ تاہم مقامی سطح پر فروخت میں محض 1% کی کمی واقع ہوئی ہے۔

پیداواری لاگت میں کمی کیلئے اقدامات:

عالمی سطح پر کوئلے کی قیمتوں میں مسلسل اضافے کی وجہ سے کمپنی کو نعم البدل کے طور پر افغانستان کے کوئلے پر اکتفا کرنا پڑا، اس وجہ سے اشیاء کی قیمتوں میں اضافے کے سپر سائیکل کے اثرات سے کمپنی کسی حد تک محفوظ رہ پائی۔ کمپنی کی جانب سے اپنے پلانٹ بمقام پیزو قابل تجدید انرجی پلانٹ کی تنصیب بھی کی جارہی ہے جس کے باعث مستقل بنیادوں پر سستی توانائی فراہم ہوتی رہے گی۔۔

کارپوریٹ اور برانڈ کی ساکھ

زیر نظر مالی سال کے دوران کمپنی کی جانب سے کوششیں کی جاتی رہیں کہ کمپنی ایک اہم پروفیشنل ادارے کے بطور اپنی پہچان اور ساکھ کو برقرار رکھے۔ ذیل میں کچھ ایسے ایوارڈز کا ذکر کیا جارہا ہے جو زیر نظر مالی سال کے دوران کمپنی نے حاصل کئے:

- چھتیسویں ایم اے پی سالانہ کارپوریٹ ایکسیلینس ایوارڈ کی تقریب کے موقع پر مینجمنٹ ایسوسی ایشن آف پاکستان کا کارپوریٹ ایکسیلینس ایوارڈ برائے سیمنٹ سیکٹر کیٹگری حاصل کیا۔
- "بیسٹ کارپوریٹ اینڈ سسٹین ایبلٹی ایوارڈ 2020" کی تقریب کے موقع پر دوسری پوزیشن کے ساتھ بیسٹ کارپوریٹ رپورٹ ایوارڈ برائے سیمنٹ کیٹگری حاصل کیا۔ یہ اعزاز انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) اور انسٹیٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان (ICMAP) کی جانب سے مشترکہ طور پر دیا گیا۔
- اٹھارویں سالانہ انوائرنمنٹ ایکسلینس ایوارڈز 2021 کے موقع پر انوائرنمنٹ ایکسلینس ایوارڈ حاصل کیا، یہ تقریب دی نیشنل فورم آف انوائرنمنٹ اینڈ ہیلتھ (NFEH) کی جانب سے منعقد کی گئی تھی۔
- انٹرنیشنل کارپوریٹ سوشل رسپانسیبلٹی ایوارڈ منعقدہ پروفیشنلز نیٹ ورک گیارھویں سی ایس آر سمٹ اینڈ ایوارڈز کے موقع پر چار ایوارڈز حاصل کئے۔
- لاہور یونیورسٹی آف مینجمنٹ سائنسز کے نیشنل آؤٹ ریچ پروگرام (NOP) کے پلاٹینیم ڈونر ہونے کے ناطے لکی سیمنٹ لمیٹڈ کو پاکستان میں تعلیم کے فروغ کیلئے کی جانے والی کاوشوں اور عزائم کیلئے ایک شیلڈ سے نوازا گیا۔

ترقی برائے انسانی وسائل

جیسے جیسے ہم ترقی کی منازل طے کررہے ہیں ہمارے انسانی وسائل کی ترقی اور ان کا کردار بھی اہمیت اختیار کرتے جارہے ہیں، ہم کام کرنے کیلئے ایسا ماحول فراہم کرنے کیلئے پرعزم ہیں جہاں ہمارے ملازمین آگے بڑھنے کیلئے چیلنج قبول کریں اور اپنے علم اور اپنی صلاحیتوں میں اضافہ کرسکیں۔

لکی سیمنٹ اس بات پر یقین رکھتی ہے کہ کسی بھی کمپنی کو آگے بڑھانے میں اس کے ذہین ملازمین ہی اس کا اثاثہ ہوتے ہیں۔ کیونکہ کسی بھی کمپنی کے منصوبوں کو کامیابی کے ساتھ پایہ تکمیل تک پہنچانے کیلئے اس کے انسانی وسائل براہ راست ذمہ دار ہوتے ہیں۔ زیر نظر مالی سال کے دوران کمپنی کی جانب سے کوششیں جاری رہیں کہ کام کیلئے ایک ایسا ماحول پیدا کیا جائے جہاں ملازمین اپنے آپ کو گرانقدر، مضبوط، بااختیار، پرجوش اور قابل عزت محسوس کریں۔ کووڈ 19 کے بعد گو کہ حالات آسان نہ تھے، کمپنی کے ملازمین کووڈ کے بعد کے حالات میں بھی حالات سے مقابلہ کرنے کی صلاحیت ظاہر کرتے رہے اور اپنے تمام شراکت داروں کے مفادات کی حفاظت کیلئے ایک مرتبہ پھر پہلے سے زیادہ پرعزم نظر آئے۔

گزشتہ کئی سالوں کے دوران لکی سیمنٹ واضح طور ترقی کی سیڑھیاں چڑھتی نظر آرہی ہے۔ بطور لیڈر اپنے اس مقام کو قائم رکھنے کیلئے لکی سیمنٹ کی جانب سے صلاحیتوں کے معیارات کو بڑھایا جاتا رہا ہے جس کے تحت صلاحیتوں کو پروان چڑھانا اور نئی صلاحیتوں کو متعارف کروانا ہمارے پروگرام کا حصہ ہیں تا کہ مستقل بنیادوں پر ترقی کے اس سفر کو جاری رکھا جاسکے۔ کمپنی کی جانب سے ٹیلنٹ کے بہترین استعمال کو بروئے کار لانے کی غرض سے مختلف النوع اقدامات اٹھائے جاتے ہیں۔

ادارے کا ماحول

لکی سیمنٹ کی جانب سے ایک مثبت اور جامع ماحول پیدا کرنے کیلئے مسلسل کوششیں جاری رہتی ہیں اور اس مقصد کے حصول کیلئے کمپنی کی بنیادی اقدار اور خلاقی ضوابط کو بنیاد بنایا جاتا ہے۔ ہماری اقدار میں اختراعات، صارفین پر توجہ دینا، بہترین کارکردگی کا مظاہر کرنا اور دیانتداری کا مظاہرہ کرنا شامل ہیں، جو کہ ہمارے اس کلچر کی بنیاد ہیں جو ہماری مؤثر کارکردگی کا ضامن ہے۔ اعلی اخلاقی اقدار کا حامل یہ کلچر ہمارے ملازمین پر گہرے اثرات مرتب کرتا ہے جس کے باعث لکی سیمنٹ اپنی پیداواریت، اختراعات میں اضافے اور ادارے کے کلچر کو مضبوط بنانے کو ممکن بنا پاتی ہے۔

صحت، حفاظت اور ماحولیات

لکی سیمنٹ کے تمام آپریشنز کی بنیادوں میں ایک مضبوط صحت، حفاظت اور ماحولیات (ایچ ایس ای) پالیسی کارفرما ہے۔ اپنی اس پالیسی پر سختی کے ساتھ عمل پیرا ہوتے ہوئے لکی سیمنٹ اپنے تمام ملازمین اور شراکت داروں کیلئے ان آپریشنز کو محفوظ بنانے کیلئے پرعزم ہے۔ کمپنی کی جانب سے نہ صرف سائٹ پر ان آپریشنز میں مشغول افراد کیلئے اعلی معیار کی صحت اور حفاظت پالیسی پر سختی کے ساتھ عمل کیا جاتا ہے بلکہ جس معاشرے میں ان افعام کو سرانجام دیا جارہا ہے اس معاشرے میں موجود کمیونٹیز کیلئے بھی ان پالیسیوں پر عمل کیا جاتا ہے۔

حفاظت سے متعلق شعور بیدار کرنے کیلئے اور ایک ایسے کلچر کو فروغ دینے کیلئے جہاں ہر فرد اپنے ذاتی فعل میں حفاظت کو یقینی بنانے کیلئے جہد مسلسل کو اپنا شعار بنائے، ایک جامع موصلاتی نظام وضع کیا گیا ہے جس کے تحت یومیہ، ہفتہ وار اور ماہانہ جائزے لئے جاتے ہیں، مباحث منعقد کئے جاتے ہیں۔ کام کی نوعیت کے لحاظ سے ہی لکی سیمنٹ کی جانب سے (رسک کو جانچنے کے بعد) پلانٹ اور کارپوریٹ دفاتر پر صحت وحفاظت کے ضمن میں اقدامات اٹھائے جاتے ہیں۔

زیرولاس ورک انجری

گزرتے مالی سال کے دوران، لاس ورک انجریز میں گزشتہ مالی سال کے مقابلے میں 75% تک کمی لائی گئی اور انھیں قابل قبول حد تک لایا گیا۔ ایسا صرف ایچ ایس ای فالواپس، آڈٹس، حفاظتی مباحث، مسلسل رسک جائزوں اور ممکنہ حادثات کی روک تھام کے ذریعے ہی ممکن ہو پایا ہے۔ ایچ ایس ای پالیسی پر سختی سے عمل پیرا ہونے اور ایس او پیز پر عمل کرنے کی وجہ حفاظتی اقدامات میں بہت مدد ملی ہے۔

این ای کیو معیارات کی پاسداری

ریگولیٹری پاسداری کو یقینی بنانے کیلئے، ماحولیاتی ٹیسٹنگ باقاعدگی کے ساتھ ای پی اے سے منظور شدہ لیبارٹری سے کروائی جاتی ہے۔ کمپنی کی سہولیات کو این ای کیو کے معیارات سے تقریباً 74% کم کی سطح پر رکھا جاتا ہے اور اس ہدف کے حصول ممکن بنانے کیلئے جدید ٹیکنالوجی کو زیر استعمال لایا جاتا ہے، بروقت دیکھ بھال کی جاتی ہے اور پلانٹس پر ڈبلیو ایچ آر کا استعمال کیا جاتا ہے۔

ویسٹ ہیٹ ریکوری (ڈبلیو ایچ آر) پلانٹس

آپ کی کمپنی کی جانب سے بھرپور کوشش کی جاتی ہے کہ خارج ہونے والی حرارت سے ماحول کو محفوظ بنایا جائے اور ڈبلیو ایچ آر عمل کے تحت خارج ہونے والی حرارت سے بجلی بنائی جائے۔ اس ماحول دوست ٹیکنالوجی کے استعمال سے کمپنی اس بات کو یقینی بناتی ہے کہ کاربن کا اخراج کم از کم کیا جائے اور پیداواری سہولتوں سے ضرورت سے زائد خارج ہونے والی حرارت کو بجلی کی پیداوار میں استعمال کیا جاتا ہے۔

انتظامیہ کے اہداف اور حکمت عملی

گزشتہ کئی برسوں کے دوران، آپ کی کمپنی کئی معاشی منجدھاروں اور صنعتی چکروں سے گزر کر آج مضبوط بنیادوں پر قائم ہے۔ آپ کی کمپنی مضبوط بنیادوں پر اپنے مالیاتی نظم وضبط، پیداواری لاگت میں لیڈرشپ اور مؤثر نظام ترسیل کو استوار کرنے میں کامیاب رہی ہے تاکہ کامیابی کے ان راستوں پر آگے بڑھ سکے۔ آپ کی کمپنی کی جغرافیائی حیثیت اس بات کی غماز ہے کہ کمپنی کی جانب سے صارفین کی بڑھتی ہوئی ضروریات کے عین مطابق انھیں اعلی معیار کی مصنوعات بہم فراہم کی جارہی ہیں اور انڈسٹری کے کلی رجحانات کو بھی اس ضمن میں ملحوظ خاطر رکھا جاتا ہے۔ سیمنٹ کی انڈسٹری میں ایک اہم کردار ادا کرنے کے ناطے، لکی سیمنٹ اپنی توجہ اس بات پر مذکور رکھتی ہے کہ اپنے اہداف حاصل کرے اور جدید ٹیکنالوجی کو زیر استعمال لاتے ہوئے ایک ایسا نقشہ مرتب کیا جائے جس میں کاربن کے اخراج کو کنٹرول کرنا، ماحول کو محفوظ بنانا جیسے عوامل کو ترجیح دی جائے اور سپلائی چین کا ایک ایسا نظام وضع کیا جائے جو کم خرچ بالانشین ہو۔

ایک پائیدار مستقبل کے ساتھ کمپنی کی انتظامیہ اس بات کیلئے پرعزم ہے کہ گورننس کے بہترین اصولوں کی پاسداری کی جائے۔ آپ کی کمپنی تمام شراکت داروں کو ساتھ لے کر چلنے پر یقین رکھتی جس کے باعث کمپنی کو اپنے تمام شراکت داروں کا نہ صرف اعتماد حاصل ہے بلکہ وہ اس بات کے معترف بھی ہیں۔ ان اقدامات کی وجہ سے ملازمین کے مابین ایک ایسا ماحول پروان چڑھانے میں مدد ملی ہے جہاں تمام ملازمین دل وجاں سے اپنے فرائض منصبی کی ادائیگی کرتے ہیں اور ملازمین کو گرانقدر اثاثہ گردانا جاتا ہے۔

طے شدہ کارپوریٹ اہداف کے حصول کو ممکن بنانے کیلئے آپکی کمپنی نے کمپنی کے طول وعرض میں تمام اعلی و ادنی 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 کردیئے 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۔

علاوہ ازیں، کمپنی تمام ملازمین کی صحت اور حفاظت سے متعلق قواعد وضوابط پر عمل کو اپنا اخلاقی فرض سمجھتی ہے۔ لکی سیمنٹ کی جانب سے کام کیلئے ایک صحت افزاء ماحول پیدا کرنے کیلئے مسلسل کوششیں جاری رکھی جاتی ہیں اور عالمی وباء کے دنوں میں کمپنی کی جانب سے بالعموم پورے معاشرے کی فلاح و بہبود کیلئے بھی اقدامات اٹھائے گئے۔

آپ کی کمپنی کی مالیاتی شرح نمو اور مارکیٹ لیڈرشپ اس بات کی غماز ہے کہ کمپنی اپنی حکمت عملی کے مطابق آگے بڑھ رہی ہے۔

کارکردگی کے معیارات

طے شدہ مقاصد واہداف 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 وعرض میں ''لکی سیمنٹ لمیٹڈ کے 8 اہداف'' کے نام سے فراہم کیا جاچکا 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 نشو ونما کو ممکن بنانا۔
- مصنوعات کے معیار اور پائیداریت کو یقینی بنانا - صارفین کی سوچ کے مطابق چلنا۔
- 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۔

خام منافع

زیرِنظر مالی سال کے دوران آپ کی کمپنی کا خام منافع 27.8% رہا جوکہ گزشتہ مالی سال کے اسی عرصے کے دوران 30.1% درج کیا گیا تھا۔ اس اضافے کی وجہ لاگت برائے فروخت میں ہونے والا خاطر خواہ اضافہ ہے جس کا ذکر سطور بالا میں کیا جا چکا ہے۔

ڈیویڈنڈ

مالی سال اختتامیہ 30 جون 2022 میں آپ کی کمپنی کو موصول ہونے والی ڈیویڈنڈ آمدن 3.5 ارب روپے رہی (2021: 4.4 بلین روپے)۔ آئی سی آئی کی جانب سے پیش کیا جانے والا زیادہ ڈیویڈنڈ پورے کاروباری شعبے میں بہتر کارکردگی کی وجہ سے ممکن ہوا جبکہ لکی موٹرز کارپوریشن کے ڈیویڈنڈ پر گرتے ہوئے منافع اور ورکنگ کیپٹل کی بڑھتی ہوئی ضروریات بھی تھیں۔

ذیلی/منسلکہ روپے بلین میں	مالی سال 2021-22	مالی سال 2020-21	مالی سال 2019-20
آئی سی آئی	2.0	1.3	0.8
ایل ایچ ایل	0.3	0.2	0.4
ایل ایم سی	1.1	2.9	-
وائے ای ایل	0.2	0.1	0.1
کل	3.5	4.4	1.3

صافی منافع

آپکی کمپنی نے زیرِنظر مالی سال کے دوران 21.4 ارب روپے منافع قبل از ٹیکس کمایا ہے جبکہ گزشتہ سال کے دوران یہ منافع 17.0 ارب روپے تھا۔

مذکورہ بالا منافع میں 1.8 ارب روپے کی وہ رقم بھی شامل ہے جو کمپنی نے جوائنٹ وینچر کے تحت جمہوریہ کونگو میں واقع کمپنی نیومبایا کیا کو ٹیکنیکل سروسز فراہم کرنے کے عوض حاصل کئے ہیں۔

اسی طرح زیرِنظر مالی سال کے دوران منافع بعد از ٹیکس 15.3 ارب روپے ہے جبکہ گزشتہ سال کے دوران منافع بعد از ٹیکس 14.1 ارب روپے درج کیا گیا تھا۔

آمدن فی حصص

آپکی کمپنی کی جانب سے مالی سال 30 جون 2022 کے دوران آمدن فی حصص 47.31 روپے رہی جبکہ گزشتہ سال کے دوران آمدن فی حصص 43.51 روپے تھی۔

توسیع و ترقی

براؤن فیلڈ سیمنٹ پلانٹ توسیعی منصوبہ برائے خیبر پختون خواہ، پاکستان - 3.15 ملین ٹن سالانہ

کمپنی کی ترقی و توسیع پسند حکمت عملی کے پیش نظر بورڈ آف ڈائریکٹرز کی جانب سے 29 جنوری 2021 کو 3.15 ملین ٹن سالانہ کے براؤن فیلڈ توسیعی منصوبے بمقام پیزو پلانٹ کی منظوری دی گئی۔ یہ توسیعی منصوبہ اپنے طے شیڈول کے مطابق آگے بڑھ رہا ہے اور اپنے ہدف کے مطابق دسمبر 2022 تک پایہ تکمیل تک پہنچ جائے گا۔

اس پروجیکٹ کی تکمیل کے بعد آپ کی کمپنی میں سیمنٹ کی پیداواری گنجائش 15.3 ملین ٹن سالانہ تک پہنچ جائے گی۔

قابل تجدید توانائی کیلئے دونوں سائٹس پر اقدامات

آپ کی کمپنی توانائی کی بچت اور صاف ستھری توانائی کیلئے ہمہ وقت کوشاں رہتی ہے جس کا ثبوت حال ہی میں کئے جانے والا اعلان ہے جس کے تحت 34 میگا واٹ کیپٹیو سولر پاور پروجیکٹ بمعہ 5.589 MWh ریفلیکسیو انرجی اسٹوریج بمقام پیزو پلانٹ خیبر پختون خواہ پر نصب کیا جا رہا ہے۔ امید ہے کہ یہ پروجیکٹ مالی سال 2023 کی دوسری سہ ماہی تک کام کرنے کے قابل ہو جائے گا جس سے نہ صرف توانائی کے بڑھتے ہوئے بحران کو قابو کرنے میں مدد ملے گی بلکہ اس سے کمپنی کے آپریشنز میں استقلال بھی پیدا ہوگا۔

کراچی پلانٹ کیلئے بھی ایک قابل تجدید توانائی پروجیکٹ کی فزیبلٹی اسٹڈی زیرِغور ہے جسے حتمی شکل دیتے ہی اس کا اعلان کر دیا جائے گا۔

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 سطح پر غذائی اور توانائی بحرانوں کے سر اٹھانے، شرح مبادلہ اور افراط زر میں مسلسل اضافے اور سیاسی 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 و ساری ہے جن میں کے پی کے صوبے میں 3.15 میٹرک ٹن کا براؤن فیلڈ توسیعی منصوبہ اور پیزو پلانٹ خیبر پختو خواہ پر سولر پاور پروجیکٹ کے منصوبے بھی شامل ہیں۔

مذکورہ بالا اقدامات کو مدنظر رکھتے ہوئے، ڈائریکٹروں کی جانب سے مالی سال اختتامیہ 30 جون 2022 کے لئے 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	15,340,066
تقسیم منافع	
مجوزہ منتقلی برائے عمومی ذخائر	15,340,066
بنیادی و تحلیلی آمدن فی حصص (EPS) روپے میں	47.31

قومی خزانے میں حصہ

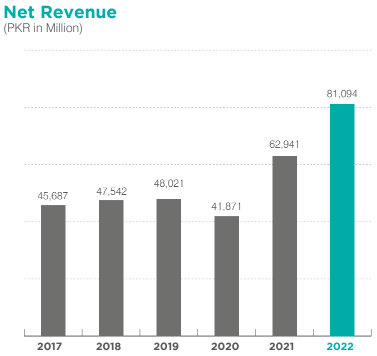
مفروطور پر آپکی کمپنی کی جانب سے سرکاری خزانے میں 31.5 ارب روپے (بمطابق 2021: 27.3 ارب روپے) انکم ٹیکس، ایکسائز ڈیوٹی، سیلز ٹیکس اور دیگر سرکاری لیویز کی مدات میں جمع کروائے گئے۔ مزید برآں، آپکی کمپنی کی جانب سے زیرِنظر مالی سال کے دوران سیمنٹ کی برآمدات کے ذریعے سے وطن عزیز کیلئے تقریباً 71.36 ملین ڈالر کا قیمتی زرمبادلہ بھی حاصل کیا گیا ہے۔

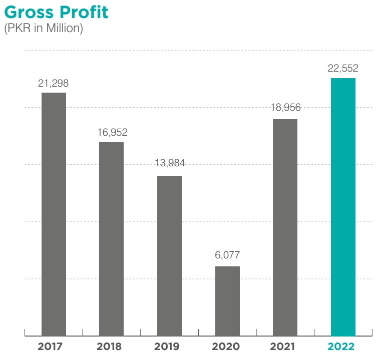
مالیاتی کارکردگی- مفرد

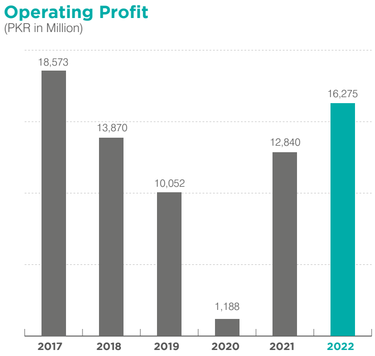
آپکی کمپنی کی مفرد مالیاتی کارکردگی برائے مالی سال اختتام پذیر 30 جون 2022 اور گزشتہ سال کا تقابلی جائزہ ذیل میں پیش کیا جا رہا ہے:

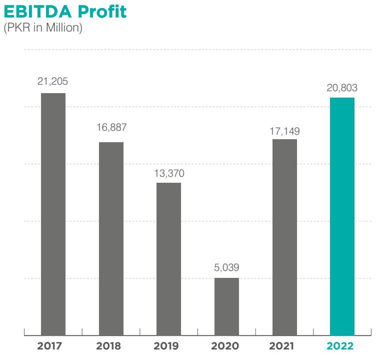
پاکستانی روپے میں ماسوائے آمدن فی حصص	2021-22	2020-21	فرق %
خام آمدن	108,601	88,358	22.9%
صافی آمدن	81,094	62,941	28.8%
خام منافع	22,552	18,956	19.0%
خام منافع بلحاظ فیصد صافی منافع	27.8%	30.1%	(7.7%)
کاروباری منافع	16,275	12,840	26.8%
آمدن قبل از سود، انکم ٹیکس، فرسودگی	20,803	17,149	21.3%
صافی منافع	15,299	14,070	8.7%
فی حصص آمدن	47.31	43.51	8.7%

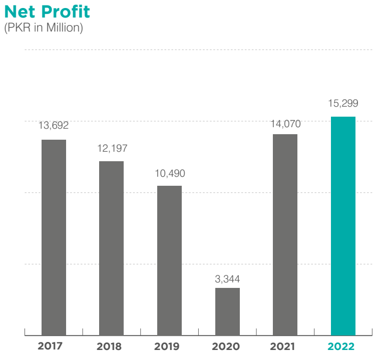
چھ سالہ مالیاتی کارکردگی کا جائزہ

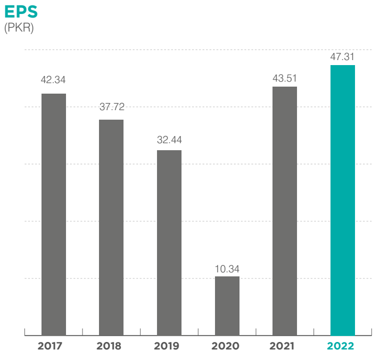












آمدن

زیر نظر مالی سال کے دوران آپکی کمپنی کی مجموعی آمدن از فروخت میں گزشتہ مالی سال کے مقابلے میں 22.9% کا اضافہ ہوا ہے۔ اگرچہ مقامی سطح پر فروخت کے حجم میں 3.6% کی کمی واقع ہوئی ہے، آمدن از فروخت میں 28.7% (95.9 ارب روپے بمقابلہ 74.5 ارب روپے) اضافہ درج کیا گیا ہے، جس کی بنیادی وجہ خام مال کی قیمتوں میں اضافے کے بعد سیمنٹ کی قیمت فروخت میں اضافہ تھا۔

اسی طرح برآمدات کے حجم میں 25.5% کی کمی واقع ہوئی ہے، آمدن از برآمدات میں محض 8.3% کی کمی (12.7 ارب روپے بمقابلہ 13.9 ارب روپے) درج کی گئی ہے۔

لاگت برائے فروختگی

گزشتہ سال کے مقابلے میں مالی سال اختتام پذیر 30 جون 2022 کے دوران آپکی کمپنی کی لاگت برائے فروختگی میں 46.1% کا اضافہ ہوا ہے۔ اس اضافے کی بنیادی وجہ کوئلے اور دیگر خام مال جس میں فرنس آئل، دیگر پیٹرولیم مصنوعات شامل ہیں، انکی قیمتوں میں ہونے والا مسلسل اضافہ ہے، جس کی بڑی وجہ روس اور یوکرائن کے مابین جاری جنگ ہے۔ ڈالر کے مقابلے میں روپے کی تیزی سے گرتی ہوئی قدر بھی اس کی ذمہ دار ہے۔

آٹوموبائل اور موبائل فونز

لکی موٹر کارپوریشن (LMC) کی جانب سے ایک شاندار کارکردگی کا مظاہرہ جاری رکھا گیا اور نئی مصنوعات جیسا کہ Kia Stonic اور Peugeot 2008 کو اپنی پروڈکٹس لائن میں شامل کرنے کے بعد لکی موٹرز کو مارکیٹ میں اپنی پوزیشن مزید بہتر بنانے کا موقع ملا۔ علاوہ ازیں، دسمبر 2021 میں پاکستان کے اندر ہی سامسنگ موبائل فونز کی اسمبلنگ کی جانے لگی۔ گروپ میں شامل لکی موٹرز کارپوریشن کے منافع پر شرح مبادلہ کی غیر یقینی صورتحال، اسٹیٹ بینک آف پاکستان کی جانب سے کنزیومر فنانس میں کی جانے والی تبدیلیوں اور بلند شرح سود اور افراط زر کی بڑھتی ہوئی شرح کی وجہ سے منفی اثرات مرتب ہوئے ہیں۔

سیمنٹ کی صنعت اور کمپنی کی کارکردگی - غیر یکجا

مالی سال اختتامیہ 30 جون 2022 کے دوران پاکستان میں سیمنٹ کی صنعت میں 7.9% کی کمی کے بعد اس کا حجم 52.9 ملین ٹن رہا جبکہ گزشتہ مالی سال اسی عرصے کے دوران یہ حجم 57.5 ملین ٹن درج کیا گیا تھا۔ مقامی سطح پر حجم برائے فروختگی میں 1.0% کی کمی کے ساتھ 47.6 ملین ٹن حجم رہا جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ حجم 48.1 ملین ٹن درج کیا گیا تھا۔ جبکہ برآمدات کے حجم میں 43.6% کی زبردست کمی واقع ہوئی ہے جس کا حجم گزشتہ مالی سال برآمد کئے جانے والے 9.3 ملین ٹن سیمنٹ کے مقابلے میں گھٹ کر 5.3 ملین ٹن رہ گیا۔

برآمدات میں کمی کی بڑی وجہ عالمی مارکیٹ میں کوئلے کی بڑھتی ہوئی قیمتیں اور اسی کے ساتھ ساتھ شپنگ فریٹ ریٹس میں بھی خاطر خواہ اضافہ ہو گیا۔ مقامی سیمنٹ مینوفیکچررز متبادل کے طور پر سستے افغانی، ایرانی اور مقامی سطح پر دستیاب کوئلے کی جانب راغب ہوئے تاہم ان کی قیمتوں میں بھی مسلسل اضافے کا رجحان رہا اور ڈیزل کی قیمتوں میں مسلسل اضافے کی وجہ سے ٹرانسپورٹ کے کرائے میں بھی اضافہ ہونے لگا جس کے باعث سیمنٹ اور کلنکر کی برآمدات پر منفی اثرات مرتب ہوئے۔

مالی سال اختتامیہ 30 جون 2022 کے دوران سیمنٹ کی صنعت کے مقابلے میں اگر دیکھا جائے تو، آپ کی کمپنی کی فروخت کے حجم میں مجموعی طور پر 8.9% کی کمی واقع ہوئی اور اس طرح کمپنی کی فروخت کا حجم 9.1 ملین ٹن رہا جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ حجم 10 ملین ٹن درج کیا گیا تھا۔ زیر نظر مالی سال کے دوران مقامی سطح پر فروخت کا حجم 3.6% کمی کے ساتھ 7.3 ملین ٹن درج کیا گیا جبکہ یہ حجم گزشتہ مالی سال کے دوران 7.6 ملین ٹن درج کیا گیا تھا۔ کمپنی کے حجم برائے فروخت میں آنے والی یہ کمی سیمنٹ انڈسٹری کے مقابلے میں کچھ زیادہ ہے جس کی وجہ کچھ بند سیمنٹ پلانٹس کا دوران سال آپریشنل کیا جانا تھا۔ مزید برآں، کمپنی کی برآمدات کی فروخت میں زیر نظر مالی سال کے دوران کمی کے بعد یہ حجم 1.8 ملین ٹن رہا جبکہ گزشتہ مالی سال کے اسی عرصے کے دوران یہ حجم 2.4 ملین ٹن درج کیا گیا تھا، جس کی وجوہات سطور بالا میں بیان کی جا چکی ہیں۔

کارکردگی برائے پیداوار و حجم برائے فروختگی - مفرد

مالی سال اختتامیہ 30 جون 2022 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 2021-22	مالی سال 2020-21	اضافہ/(کمی)%
	ہزاروں ٹن میں		
کلنکر کی پیداوار	8,794	9,044	(2.8%)
سیمنٹ کی پیداوار	8,284	9,119	(9.2%)
فروخت برائے کلنکر	816	840	(2.9%)
فروخت برائے سیمنٹ	8,264	9,124	(9.4%)

آپ کی کمپنی کے مفرد کاروبار اور پاکستان کی سیمنٹ کی صنعت کا تقابلی جائزہ برائے مالی سال 2021-22 ذیل میں پیش کیا جا رہا ہے۔

تفصیلات (ہزاروں ٹن میں)	مالی سال 2021-22	مالی سال 2020-21	اضافہ/(کمی) فیصد میں	
	ہزاروں ٹن میں			
سیمنٹ کی صنعت				
مقامی فروختگی	47,643	48,132	(489)	(1.0%)
برآمدات				
بوری بند سیمنٹ	2,065	4,244	(2,179)	(51.3%)
کھلا سیمنٹ	415	449	(34)	(7.6%)
کلنکر	2,772	4,621	(1,849)	(40.0%)
کل برآمدات	5,252	9,314	(4,062)	(43.6%)
مجموعی کل	**52,895**	**57,446**	**(4,551)**	**(7.9%)**
لکی سیمنٹ				
مقامی فروختگی - سیمنٹ	7,263	7,558	(295)	(3.9%)
مقامی فروختگی - کلنکر	25	-	25	0.0%
	7,288	7,558	(270)	(3.6%)
برآمدات				
بوری بند سیمنٹ	586	1,117	(531)	(47.5%)
کھلا سیمنٹ	415	449	(34)	(7.6%)
کلنکر	791	840	(49)	(5.8%)
کل برآمدات	1,792	2,406	(614)	(25.5%)
مجموعی کل	**9,080**	**9,964**	**(884)**	**(8.9%)**

مارکیٹ میں حصہ	مالی سال 2021-22	مالی سال 2020-21	اضافہ/(کمی) فیصد میں
مقامی فروختگی	15.3%	15.7%	(2.6%)
برآمدات			
بوری بند سیمنٹ	28.4%	26.3%	7.8%
کھلا سیمنٹ	100.0%	100.0%	0.0%
کلنکر	28.5%	18.2%	57.0%
کل برآمدات	34.1%	25.8%	32.1%
مجموعی کل	**17.2%**	**17.3%**	**(1.0%)**

*صنعت کا ڈیٹا مارکیٹ میں دستیاب قرین قیاس بنیادوں پر پیش کیا جا رہا ہے۔

ڈائریکٹرز رپورٹ

آ پکی 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 2022 آ پکی خدمت میں پیش کئے جا رہے ہیں۔

ڈائریکٹرز رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 227 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تحت تیار کی گئی ہے، رپورٹ ہذا مؤرخہ 28 ستمبر 2022 کمپنی کے انتیسویں سالانہ اجلاس عام کے موقع پر حصص داران کی خدمت میں پیش کی جائے گی۔

جائزہ برائے معیشت و مربوط مالیاتی کارکردگی

کورونا کی عالمی وباء سے مقامی اور عالمی معیشت کی بحالی کے بعد اشیاء کی قیمتوں میں عالمی سطح پر پائے جانے والے عدم استحکام کی وجہ سے زیر نظر مالی سال میں کاروبار کیلئے بڑے مسائل درپیش رہے۔ موجودہ حساس صورتحال روس اور یوکرائن جنگ کے بعد مزید ابتری کی جانب گامزن ہے، جس کی وجہ سے اشیاء کی قیمتیں ایک سپر سائیکل کے گرداب میں ہیں اور اس صورتحال کے اثرات توانائی کی بڑھتی ہوئی قیمتوں کی صورت میں سامنے آرہے ہیں۔

عالمی سطح پر مارکیٹس میں پائی جانے والی غیر یقینی صورتحال کے براہ راست اثرات پاکستان کے کرنٹ اکاؤنٹ خسارے پر پڑھ رہے ہیں جو مالی سال 2021 میں 2.8 ارب ڈالر تھا اور اب مالی سال 2022 میں بڑھ کر 17.4 ارب ڈالر تک جا پہنچا ہے۔ مقامی سطح پر، پاکستان میں پائے جانے والے سیاسی عدم استحکام کی وجہ سے معاشی صورتحال بھی بری طرح متاثر ہوئی ہے۔ دریں اثناء آئی ایم ایف سے ملنے والے زرمبادلہ کی آمد میں ہونے والی تاخیر بھی پریشان کن ہے۔ یوں غیر یقینی سیاسی صورتحال اور عالمی سطح پر ایندھن اور اشیاء کی بڑھتی ہوئی قیمتوں کی وجہ سے پاکستان کے زرمبادلہ کے ذخائر پر بے انتہا دباؤ پڑا جس کے باعث ڈالر کے مقابلے میں پاکستانی روپیہ نے تیزی کے ساتھ اپنی قدر کھوئی جس کے نتیجے میں افراط زر کی شرح میں اضافہ ہوا۔ تصرف کو قابو میں لانے کیلئے اسٹیٹ بینک آف پاکستان کی جانب سے ستمبر 2021 سے پالیسی ریٹس میں 8% تک کا اضافہ کیا گیا، اور اس کے علاوہ درآمدات کو کنٹرول کرنے کیلئے دیگر اقدامات بھی اٹھائے گئے۔ بلند شرح سود اور مہنگائی کی شرح کی وجہ سے عوام کی قوت خرید بری طرح متاثر ہوئی ہے جس کے منفی اثرات کمپنی کی مصنوعات اور ذیلی مصنوعات کی طلب پر پڑتے رہیں گے۔

یکجا بنیادوں پر آپکی کمپنی کا خام کاروباری حجم گزشتہ مالی سال کے مقابلے میں 60% زائد رہا، جو 331.5 ارب روپے ہے جبکہ گزشتہ مالی سال کے دوران خام کاروبای حجم 207.2 ارب روپے ریکارڈ کیا گیا تھا۔ مذکورہ بالا تمام مسائل کے باوجود کمپنی کی آمدن میں اس زبردست اضافے کی وجہ گروپ میں شامل تمام کاروباری شعبوں کی بہترین کارکردگی تھی اور یہ کارکردگی اس بات کی غماز ہے کہ گروپ کی جانب سے مختلف النوع قسم کی سرمایہ کاری کی حکمت عملی بہت کامیاب رہی۔

کمپنی کا یکجا صافی منافع 36.4 ارب روپیہ ہے جس میں سے 29.5 ارب روپے کا تعلق ہولڈنگ کمپنی کے مالکان سے ہے جبکہ یہ رقوم گزشتہ مالی سال میں بالترتیب 28.2 ارب روپے اور 22.9 ارب روپے تھیں۔ اس طرح مالی سال اختتامیہ 30 جون 2022 کی آمدن فی حصص 91.22 روپے بنتی ہے، جبکہ گزشتہ مالی سال کے دوران آمدن فی حصص 70.69 روپے تھی یعنی آمدن فی حصص میں 29% کا اضافہ ہوا ہے۔

آپ کی کمپنی کی یکجا مالیاتی کارکردگی برائے مالی سال اختتامیہ 30 جون 2022 کا جائزہ بمقابلہ گزشتہ مالی سال ذیل میں پیش کیا جارہا ہے:

پاکستانی ملین روپے میں ماسوائے آمدن فی حصص	2021-22	2020-21	تبدیلی (%)
خام آمدن	402,158	267,725	50.2%
صافی آمدن	331,462	207,159	60.0%
خام منافع	63,171	47,545	32.9%
خام منافع بلحاظ فیصد برائے صافی منافع	19.1%	23.0%	-17.0%
کاروباری منافع	45,586	32,014	42.4%
آمدن قبل از ٹیکس، سود و فرسودگی	57,322	40,918	40.1%
صافی منافع	36,423	28,229	29.0%
صافی آمدن (برائے ہولڈنگ کمپنی مالکان)	29,497	22,858	29.0%
آمدن فی حصص	91.22	70.69	29.0%

مقامی سیمنٹ آپریشنز

زیر نظر مالی سال کے دوران گزشتہ مالی سال کے مقابلے میں کمپنی کی مجموعی خام آمدن میں 22.9% کا اضافہ ہوا ہے۔ مقامی سطح پر فروخت میں آنے والی کمی اور برآمدات میں کمی کے باوجود سیمنٹ کے مقامی آپریشنز پر منافع میں قدرے اضافہ ریکارڈ کیا گیا ہے جس کی وجہ آپریشنل کارکردگی میں اضافہ ہے، علاوہ ازیں مال کی ترسیل اور فروخت کے اخراجات کی مینجمنٹ میں بھی بہتری لائی گئی ہے۔ دریں اثناء، غیر ملکی سیمنٹ آپریشنز یعنی این وائی اے کونگو سے حاصل ہونے والی ٹیکنکل فیس 1.8 ارب روپے اور قلیل المدتی سرمایہ کاری پر ملنے والے بہتر منافع کی وجہ سے بھی کمپنی کے منافع میں اضافہ ہوا ہے۔

غیر ملکی سیمنٹ آپریشنز

جوائنٹ وینچر معاہدوں کے تحت عراق اور کونگو میں چلنے والے سیمنٹ پلانٹس نے کمپنی کے منافع پر خاطر خواہ مثبت اثرات مرتب کئے ہیں۔

پولیسٹر، سوڈا ایش اور کیمیکلز

کمپنی کی ذیلی کمپنی آئی سی آئی پاکستان لمیٹڈ کا خام تجارتی حجم گزشتہ مالی سال کے مقابلے میں 39% بڑھا ہے، جس کی وجہ تمام کاروباری شعبوں میں بہترین کارکردگی کا مظاہرہ ہے۔ اگر آپریشنز کے نتائج کو دیکھا جائے تو آئی سی آئی پاکستان کے پولیسٹر، سوڈا ایش، ایگری سائنسز، فارماسیوٹیکل اور کیمیکلز کے شعبوں کی شرح نمو بلند ڈبل ڈیجٹ میں رہی۔ اس شرح نمو کا سہرا پیداوار میں اضافے، بہتر امتزاج اور نئی مصنوعات کو کامیابی کے ساتھ متعارف کروانے کے سر جاتا ہے۔ زیر نظر مالی سال کے دوران، آئی سی آئی پاکستان کی جانب سے نیوٹریکو پاکستان (پرائیویٹ) لمیٹڈ (نیوٹریکو، پاکستان) میں بھی 11% کی ملکیت حاصل کی گئی ہے۔ اس کنٹرولنگ حصص کے حصول پر ایک بار کیلئے غیر محاسب شدہ منافع بقدر 1.8 ارب روپے کی آمدن آئی ہے۔

توانائی

زیر نظر مالی سال کے دوران آپ کی کمپنی کی جانب سے ایک نیا سنگ میل عبور کیا گیا جب مکمل طور پر کمپنی کی ذیلی ملکیت میں موجود لکی الیکٹرک پاور کمپنی لمیٹڈ (LEPCL) کو مؤرخہ 21 مارچ 2022 کو 660 میگا واٹ کول پاور پروجیکٹ پلانٹ واقع پورٹ بن قاسم کراچی کو کمرشل آپریشنز ڈیٹ (COD) حاصل ہوئی۔ اس سنگ میل کو عبور کرنے کے بعد اب پاکستان کی توانائی کی سیکیورٹی کو بہتر بنانے اور پاکستان کی ترقی میں اضافہ کرنے میں بہت مدد ملے گی۔ جب جون 2023 تک SECMC کے تیسرے فیز کی تکمیل ہو جائے گی تو طویل المیعاد فائدہ یہ ہوگا کہ ایک جانب تو بجلی کی لاگت میں کمی آجائے گی اور دوسری جانب درآمد شدہ کوئلے پر بھی انحصار کم ہو جائے گا۔ حکومت پاکستان کی جانب سے معاہدے پر دستخط کے بعد اس پلانٹ سے پیدا ہونے والی بجلی کو نیشنل گرڈ میں شامل کیا جارہا ہے۔

BCR Criteria Index

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1.08	Significant factors effecting the external environment and the associated organization's response. Also describe the effect of seasonality on business in terms of production and sales. (External environment includes commercial, political, economic, social,technological, environmental and legal environment).	Page # 72-73
1.09	The legitimate needs, interests of key stakeholders and industry trends.	Page # 74
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5.10	Disclosure of Board's Policy on the following significant matters: a) Governance of risk and internal controls. b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives. c) Disclosure of director's interest in significant contracts and arrangements. d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings. e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies. f) Security clearance of foreign directors. g) Board meetings held outside Pakistan. h) Human resource management including preparation of succession plan. i) Social and environmental responsibility. j) Communication with stakeholders. k) Investors' relationship and grievances. l) Employee health, safety and protection. m) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner and providing protection to the complainant against victimization and reporting in Audit Committee's report. n) Safety of records of the company. o) Providing reasonable opportunity to the shareholder for participation in the AGM.	Page # 115-120
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5.19	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	Page # 126
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5.21	Where an external search consultancy has been used in the appointment of the Chairman or a non-executive director, it should be disclosed if it has any other connection with the company.	Page # 127
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6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years.	Page # 153-154 & 161
6.04	Graphical presentation of 6.02 and 6.03 above.	Page # 159
6.05	Explanation of negative change in the performance against prior year including analysis of variation in results reported in interim reports with the final accounts, including comments on the results disclosed in 6.02 and 6.03 above.	Page # 157
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4	Key quantitative information (Number of persons employed as on the date of financial statements and average number of employees during the year, separately disclosing factory employees).	Page # 263; Note # 43 Page # 347; Note # 47
5	Disclosure of product wise data mentioning, product revenue, profit etc.	Not applicable
6	Capacity of an industrial unit, actual production and the reasons for shortfall.	Page # 259-260; Note 40 Page # 342; Note # 43
7	Disclosure of discounts on revenue.	Not applicable
8	Sector wise analysis of deposits and advances.	Not Applicable
9	Complete set of financial statements (Balance sheet, Income statement & Cash flow) for Islamic banking operations.	Not Applicable
10	Status for adoption of Islamic Financial Accounting Standards (IFAS) issued by the ICAP.	Not Applicable
11	Summary of significant transactions and events that have affected the company's financial position and performance during the year.	Page # 81
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13	Distribution of shareholders (Number of shares as well as category, e.g. Promoter,Directors/Executives or close family member of Directors/Executives etc.).	Page # 351
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15	Particulars where company has given loans or advances or has made investments in foreign companies or undertakings.	Page # 239; Note # 7.2
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17	Treasury shares in respect of issued share capital of a company.	Not Applicable
18	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 # 242-244; Note # 15.1-16 Page # 309-311; Note # 17.1-18
19	Management assessment of sufficiency of tax provision made in the company's financial statements shall be stated along with comparisons of tax provision as per accounts vis a vis tax assessment for last three years.	Not applicable
20	Income tax reconciliation as required by IFRS and applicable tax regime for the year.	Page # 255-256; Note # 35.2 Page # 336; Note # 38.1
21	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 # 247; Note # 22 Page # 313; Note # 23
22	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire,train, develop, allocate, conserve, reward and utilize human assets).	Not applicable
23	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
24	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

25	Standards, amendments and interpretations adopted during the current year along with their impact on the company's financial statements.	Page # 230; Note # 4.2(a) Page # 283; Note # 5.2(a)
26	Standards, amendments and interpretations, not yet effective and not adopted along with their impact on the company's financial statements.	Page # 230; Note # 4.2(b) Page # 283; Note # 5.2(b)
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2	Shariah compliant bank deposits/bank balances.	Page # 245, Note # 18 Page # 312, Note # 20
3	Profit earned from shariah compliant bank deposits/bank balances.	Page # 255, Note # 34.2 Page # 336, Note # 37
4	Revenue earned from a shariah compliant business segment.	Page # 252, Note # 28.1
5	Gain/loss or dividend earned from shariah compliant investments.	Page # 255, Note # 34.1
6	Exchange gain earned from actual currency.	Not applicable
7	Mark up paid on Islamic mode of financing.	Page # 254, Note # 32.1
8	Relationship with shariah compliant banks.	Not applicable
9	Profits earned or interest paid on any conventional loan or advance.	Page # 254, Note # 32

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 Amortisation

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**

Corporate Office & Mailing Address

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UAN: (+92-21) 111-786-555 Fax: (+92-21) 34534302
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Registered Office

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PLANTS

Pezu Plant

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Karachi Plant

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Notes

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